

SB1: Road Repair & Accountability Act of 2017 "Local Perspective"

Presentation To:

ITE Southern California Section & OCTEC

Presentation By:

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Fred Minagar's Political Platform:

- ★ Mayor, City of Laguna Niguel
- ★ Vice Chairman, The Transportation Corridor Agency (SJHTCA), "The Toll Roads"
- ★ Director, Orange County Council of Governments
- ★ Board Member, SCAG Transportation Committee
- ★ Regional Councilman, SCAG (Cities of LB, SJC, SC, AV, LN & DP)
- ★ Board Member, SCAG Resolution Sub-Committee (191 Cities)

SB1 Background:

- ★ Senator Jim Beall, D-15th District
California Senate Chairman, Transportation & Housing
- ★ Assemblyman, Jim Frazier, D-11th District,
California Assembly Chairman, Transportation Committee



SB1 Background

- ✿ On April 28, 2017, Governor Brown signed SB1
- ✿ Addresses basic road maintenance, rehab. & critical safety needs on both the State & Local Streets
- ✿ SB 1 will increase per gallon fuel excise taxes, diesel fuel sales taxes, and vehicle registration fees; and provides for inflationary adjustments to tax rates in future years
- ✿ Beginning, next Wed., Nov. 1, 2017, the State Controller will deposit various portions of these funds into the newly created RMRA, a percentage of RMRA funds will be apportioned by formula to eligible cities and counties for basic road maintenance, rehabilitation, and critical safety projects on local street & road systems

What is in SB1 for a Local Agency?

- ✦ Senate Bill SB1 (Beall) known as the Road Repair & Accountability Act of 2017
- ✦ Addresses Basic Road Maintenance, Rehabilitation & Critical Safety Needs on Both State Highway & Local Street & Road Systems
- ✦ SB1 funds will be deposited into the newly created Road Maintenance & Rehab. Account, & a Percentage of this new funding will be appropriated to eligible Cities & Counties

What is in SB1 for a Local Agency?

- ✦ In order for a city to be eligible to receive Road Maintenance & Rehab. Account (RMRA) funding, the City is required each year to submit a list of proposed projects to be funded.
- ✦ These projects must be included in the City's Operating Budget & Capital Improvement Program

SB1 Funding

- ★ Over \$54 Billion Dollars will be Invested in California's Transportation System over the Next 10 Years
- ★ Approximately Half of these Funds will go to Local Cities & Counties for Improvements to Local Transportation Infrastructure





ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017 (SENATE BILL 1) IMPLEMENTATION PLAN OVERVIEW

Senate Bill 1 (Beall, Chapter 5, Statutes of 2017), The Road Repair and Accountability Act of 2017, provides the first significant, stable, and ongoing increase in state transportation funding in more than two decades. In providing this funding, the Legislature has provided additional funding for transportation infrastructure, increased the role of the California Transportation Commission (Commission) in a number of existing programs, and created new transportation funding programs for the Commission to oversee. The development of guidelines will include workshops open to all interested parties. The timelines below for guideline development and program adoption are intended to be a guide. Staff will update these timelines during the guidelines development and programming process. Key changes from the previous version of the plan are indicated in strikethrough and underline.

EXISTING PROGRAMS UNDER COMMISSION OVERSIGHT	
<p>Active Transportation Program Augmentation (\$100M per year)</p> <p>The Commission will make this funding available to already programmed projects that can be delivered earlier than currently programmed or for projects that applied for funding in the 2017 Active Transportation Program but that were not selected for funding.</p> <ul style="list-style-type: none"> • June 9, 2017 – Workshop to develop guidelines • June 28, 2017 – Adoption of guidelines • August 1, 2017 – Applications due • October 18-19, 2017 – Program adoption: statewide & small urban and rural components • December 6-7, 2017 – Program adoption: MPO component 	<p>State Highway Operation And Protection Program (SHOPP) (Approximately \$1.9B per year for the SHOPP and Caltrans maintenance efforts)</p> <p>Along with a significant expansion of the Commission's oversight responsibilities, SB 1 requires additional Commission oversight of the development and management of the SHOPP, including allocating support staff, project review and approval, and convening public hearings prior to adopting the SHOPP. The Commission is also responsible for monitoring Caltrans' performance and progress toward accomplishing the specific goals set out in SB 1 and other targets or performance measures adopted by the Commission.</p> <ul style="list-style-type: none"> • May 17, 2017 - Presentation of draft interim guidelines • June 28-29, 2017 - Adoption of interim SHOPP guidelines and Transportation Asset Management Plan Guidelines • February 1 & March 22, 2018 – SHOPP Hearings • March 21-22, 2018 – Program adoption
<p>State Transportation Improvement Program (STIP)</p> <p>SB 1 stabilizes funding for the STIP. The impact of the stabilization of STIP funding will be included in the 2018 STIP Fund Estimate and incorporated in the 2018 STIP.</p> <ul style="list-style-type: none"> • August 16-17, 2017 – Adoption of guidelines and fund estimate • October 13, 2017 - Submittal of draft Interregional Transportation Improvement Program • October 19 & 24, 2017 - Interregional Transportation Improvement Program Hearings • December 15, 2017 - Submittal of Regional Transportation Improvement Programs and the final Interregional Transportation Improvement Programs • January 25 & February 1, 2018 - STIP Hearings • March 21-22, 2018 - Program adoption 	<p>Traffic Congestion Relief Program (TCRP)</p> <p>SB 1 states "as of June 30, 2017, projects in...the Traffic Congestion Relief Program shall be deemed complete and final..." SB 1 directs the repayments due of all outstanding TCRP loans to other programs. Therefore, the only funding available to fund TCRP projects was approximately \$90 million of savings attributable to specific projects. The Commission approved final programming amendments and allocations at the Commission's June 28-29, 2017 meeting.</p>

NEW SB 1 PROGRAMS

<p>Local Partnership Program (\$200M per year)</p>	<p>Trade Corridor Enhancement Account (Approximately \$300M per year)</p>
<p>To recognize the benefits of a competitive program while still providing incentives to counties to enact taxes and fees to fund transportation needs, staff recommends implementing the Local Partnership Program as a 50% competitive program, 50% formulaic program.</p> <ul style="list-style-type: none"> • June through September 2017 – Workshops to develop guidelines • August 16, 2017 – Presentation of draft guidelines • October 18-19, 2017 – Adoption of guidelines • March 2018 – Application due • June 2018 – Program adoption <p><u>Formulaic Program:</u></p> <ul style="list-style-type: none"> • <u>October 27, 2017 – Voter approval information due</u> • <u>December 6-7, 2017 – Adoption of formula shares</u> • <u>December 15, 2017 – Applications due</u> • <u>January 31, 2018 – Program adoption</u> <p><u>Competitive Program:</u></p> <ul style="list-style-type: none"> • <u>January 30, 2018 – Applications due</u> • <u>May 16-17, 2018 – Program adoption</u> 	<p><u>SB 1 established the Trade Corridor Enhancement Account to fund corridor-based freight projects nominated by local agencies and the state. Implementing legislation was enacted with the approval of SB 103 on July 21, 2017 which directed the Commission to allocate the Trade Corridor Enhancement Account funds and the federal National Highway Freight Program funds to infrastructure improvements along corridors that have a high volume of freight movement.</u></p> <ul style="list-style-type: none"> • June through November <u>October</u> - Workshops to develop guidelines • December 6-7, 2017 – Presentation of draft guidelines • January 2018 <u>October 18-19, 2017</u> – Adoption of guidelines • <u>March January 30, 2018</u> – Applications due • May 16-17, 2018 – Program adoption
<p>Solutions for Congested Corridors Program (\$250M per year)</p> <p>The primary objective of the Congested Corridors Program is to fund projects that make specific improvements and are part of a comprehensive corridor plan designed to reduce congestion in highly traveled corridors by providing more transportation choices while preserving the character of the local community and creating opportunities for neighborhood enhancement projects.</p> <ul style="list-style-type: none"> • June through October 2017 – Workshops to develop guidelines • October 18, 2017 – North hearing on guidelines • November 6, 2017 – Draft guidelines to legislature • December 6-7, 2017 – South hearing and adoption of guidelines • February 16, 2018 – Applications due • May 16-17, 2018 – Program adoption 	<p>Local Streets & Roads (Approximately \$1.5B per year)</p> <p>SB 1 creates new responsibilities for the Commission relative to this funding, including development of guidelines, review of project lists submitted by cities and counties, reporting to the State Controller, and receiving reports on completed projects.</p> <ul style="list-style-type: none"> • June and July 2017 – Workshops to develop guidelines • August 16-17, 2017 – Adoption of guidelines • October 16, 2017 – Project lists due • December 6-7, 2017 – Adoption of list of eligible cities and counties
<p>Inspector General (Effective July 1, 2017) No Action Required.</p>	

Contact Us:

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SB1 Requirements of Local Agency

- ✿ Prior to receiving an apportionment of RMRA funds from the Controller in a fiscal year, the City must submit a list of proposed projects to be funded with RMRA funds
- ✿ All projects proposed to receive RMRA funding must be included in the City's Operating Budget and Capital Improvement Program approved & adopted by the City Council
- ✿ Revisit your City's 5-Year CIP Program's Annual Street Resurfacing, Repair & Slurry Seal Program
- ✿ Revisit your City's Master Plan of Arterial Highways
- ✿ In order for a city to receive RMRA funding for FY 2017-2018, the City must develop and submit a list of projects to be funded with RMRA funds to the California Transportation Commission (CTC) that is consistent with the CTC guidelines.

SB1 Requirements of Local Agency

- ✿ Project Description
- ✿ Location
- ✿ Schedule of Completion
- ✿ Estimate Useful Life of the Improvements
- ✿ Estimated Cost
- ✿ Established Maintenance of Effort
- ✿ Develop & Submit a Project Expenditure Report to the CTC each fiscal year
- ✿ Sustain a Maintenance OF Effort (MOE) by spending at least the annual average of the General Fund expenditure during each FY for street, road and highway purposes from the City's General Fund
- ✿ The League of Calif. Cities has developed estimates of RMRA funds that will be available to cities
- ✿ For the City of LN, during the FY2017-2018, the estimated RMRA fund available is \$1,317,446
- ✿ Adopt a Resolution by Amending Opr. Budget & CIP

Political Climate Over SB1

- ✱ Recall effort against Sen. Josh Newman (D-Fullerton) still on track after too few voters request to remove their names from petition
- ✱ Assemblyman Travis Allen for California Governor 2018's #1 slogan
- ✱ Gas Tax Repeal of 2018
- ✱ Majority of GOPs are against the Gas Tax (SB1)



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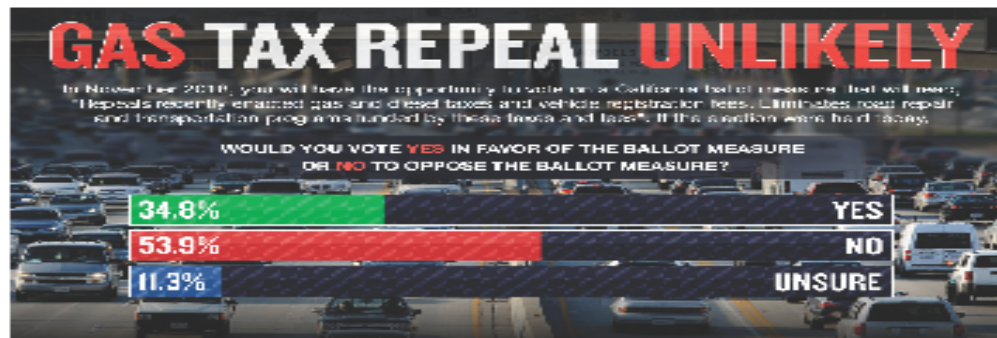
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Poll: Majority Oppose the Repeal of California's SB-1

October 16, 2017



A new poll indicates that the majority of California voters oppose repealing the state's newly approved gas tax, signed into law by Governor Brown in April of this year.

The poll asked 1,000 California voters whether they would vote for a ballot initiative proposed by Assemblyman Travis Allen (R-Huntington Beach) that seeks to repeal SB-1. The recently enacted SB-1 generates \$5.2 billion annually for transportation, road repairs, and mass transit improvements by increasing vehicle registration fees and raising the gas tax 12 cents per gallon. Repealing SB1 would therefore eliminate the road repairs and transportation programs funded by these new taxes and fees.

Voters were asked: "If the election were held today, would you vote YES in favor of the (proposed) ballot measure or NO to oppose the ballot measure?" 53.9% of those polled responded that they would vote to oppose the repeal of the gas tax.

The results indicate that SB-1 has a good chance of surviving any challenge, said Adam Probolsky, president of Probolsky Research, the agency that conducted the poll. "The gas tax repeal is unlikely to be successful," he noted.

Probolsky Research conducts opinion research on public policy for state and local government agencies, corporations and political strategists. Probolsky said the gas tax poll was not paid for by any client.

[View the report here](#)

Source: Los Angeles Times

Do you agree with 54% of Californians that SB-1 should not be repealed?

- Yes
- No

[View Results](#)

