



HUMBOLDT COUNTY ASSOCIATION OF GOVERNMENTS
Regional Transportation Planning Agency
Humboldt County Local Transportation Authority
Service Authority for Freeway Emergencies
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AGENDA ITEM 7d
TAC Meeting
February 2, 2017

DATE: January 25, 2017
TO: Technical Advisory Committee (TAC)
FROM: Marcella Clem, Executive Director
SUBJECT: **Transportation Funding Recap**

STAFF REPORT

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- Staff Summary
- Humboldt County November 8, 2016 Election Results by Precinct
- AB 1, SB 1 and the Governor's Transportation Proposal Comparison Chart

Staff's Recommended Action:

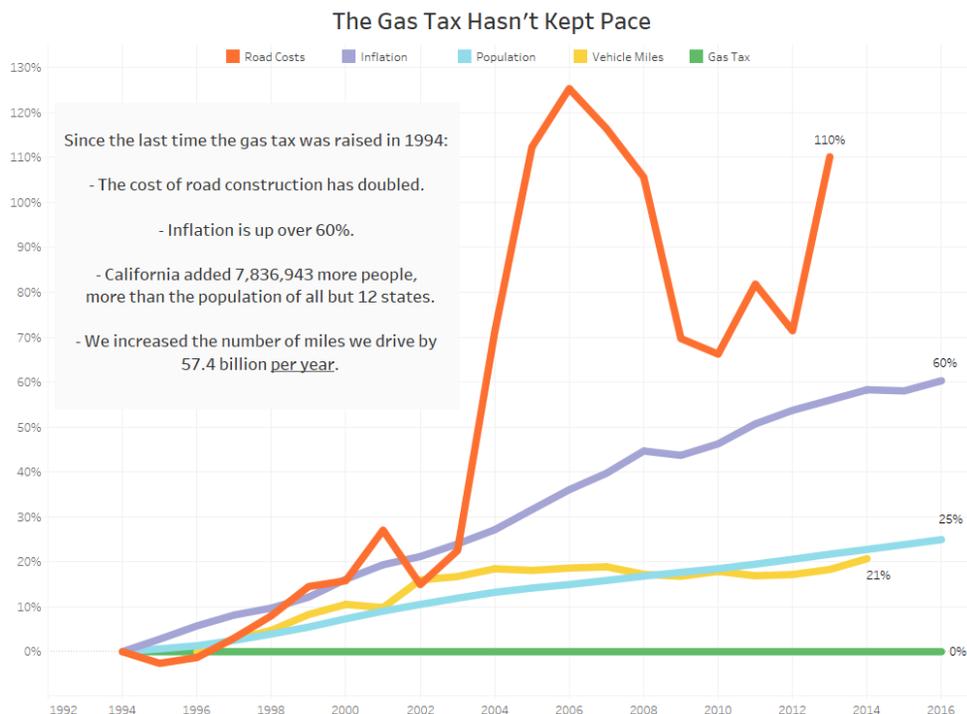
1. Introduce the item as an action item;
2. Allow staff to present the item;
3. Receive public comment;
4. Discuss item and consider making the motion:
"I move that the TAC direct staff on transportation funding next steps."

Staff Summary:

In 2016, fourteen transportation planning agencies placed local transportation sales tax measures on county ballots. Thirteen of them received a 55% approval rate from voters, ten exceeded 60% of the vote, but only six met the 66.7% requirement for a "special" tax. The following table lists the election results in order of approval rate.

2016 Special Transportation Tax Election Results		
County Measure		Approval
1	Stanislaus County Measure L	71.95%
2	Santa Clara County Measure B	71.74%
3	Merced County Measure V	71.25%
4	Los Angeles County Measure M	71.15%
5	Santa Cruz County Measure D	67.78%
6	Monterey County Measure X	67.71%
		66.67%
7	San Luis Obispo County Measure J	66.31%
8	Sacramento County Measure BB	65.71%
9	Placer County Measure M	63.80%
10	Contra Costa County Measure X	63.45%
11	San Benito County Measure P (June)	59.75%
12	San Diego County Measure A	58.37%
13	Ventura County Measure AA	57.91%
		55%
14	Humboldt County Measure U	48.83%

The Self Help Coalition now has 24 members, representing 88% of California’s population. This leaves the remaining 34 counties with minimal bargaining power, no competitive edge and little say in transportation funding decision making. The California State Association of Counties developed the following chart that demonstrates why our streets and roads are in such bad shape. Since the last time the gas tax was raised in 1994, the cost of road construction has doubled, inflation is up over 60%, California’s population has increased by 7,836,943 people, and the number of miles driven has increased to 57.4 billion miles per year. One statistic left out of the chart is the increase in vehicle fuel efficiency.



Humboldt’s election results by precinct, although dismal, does show a few of areas in the county with results higher than the 60% acceptance rate. The majority of supportive voters appear to be in or surrounding the City of Arcata (precincts 3A in the Election Results attachment). The Westhaven and Trinidad area had three precincts (ST and STU) in the above 60% range and one precinct west of Redway in Southern California hit 61.4%. With little support region-wide, California’s legislature may be the only immediate hope.

2017 marks the third consecutive year the Legislature has been struggling to address how to increase transportation funding. In 2015 Governor Brown established an extraordinary legislative session to focus on transportation revenues. No legislative bills cleared policy committees and the bills and proposals died for lack of action. In November 2016, Governor Brown and Assembly and Senate leaders released a joint letter announcing a commitment to address the subject in the upcoming legislative session. Assembly Member Frazier and Senator Beall have continued efforts in the legislature by being first in each house to reintroduce their transportation legislation this session. Senate Bill 1 is a \$5.8 billion/year proposal and Assembly Bill 1 is proposed at \$5.7 billion/year. On January 10, Governor Brown submitted an Administrative proposal for \$4.5 billion/year in his budget proposal.

A two-thirds majority vote is needed for passage of this legislative solution. The required margin was enough to derail efforts during the past year because Democrats were unable to secure enough Republican votes. As a result of the November election, Democrats have achieved supermajority necessary at the statehouse to push through the legislation. However, success is not a given, as many moderate Democrats have not indicated their support for a tax or fee increase. Republicans have similarly not indicated their support for any fee or tax increase and have submitted prior proposals advocating for regulatory and streamlining reforms, and a shift in priority of existing funding to transportation. Many of these reforms are included in all three current proposals. AB 1 and SB 1 revenue proposals are approximately \$1.7 billion less than the previous year while the Governor’s proposal is a \$1.4 billion dollar increase. A comparison of the proposals, provided as an attachment was developed by CALCOG.

Estimates of local streets and roads funding, developed by the League of California Cities (LCC) and the California State Association of Counties (CSAC) from AB 1 and SB 1 for each county and city are provided below.

HUMBOLDT COUNTY	8,961,385
ARCATA	615,704
BLUE LAKE	43,345
EUREKA	935,390
FERNDALE	47,163
FORTUNA	413,909
RIO DELL	115,999
TRINIDAD	12,625

As with the prior bills authored by Assembly Member Frazier and Senator Beall, AB 1 and SB 1 would eliminate the annual adjustment in the excise tax, a policy that has resulted in huge volatility in transportation revenue and reduced the STIP over the last two years. The bills restore the variable rate to 17.3-cents/gallon (a 7.5-cent/gallon increase from the current rate), where it was originally set when the gas tax swap was enacted in 2011, and requires the Board of Equalization to adjust it based on the Consumer Price Index on July 1, 2019 and every three years thereafter. The Governor’s proposal increases this to today’s value at 21.5 cents. All three proposals include periodic indexing to the gasoline and diesel fuel excise taxes as well as the diesel sales tax rate.