

San Francisco County Transportation Authority
April 2017

State Legislation – Updated and Proposed New Positions

To view documents associated with the bill, click the bill number link.

Staff is not recommending new positions this month, but is flagging a few new bills for reference and may recommend positions next month (see Table 1). Table 2 provides updates on several bills we have been tracking this session and Table 3 indicates the status of bills on which the Board has already taken a position this session.

Negotiations over the state transportation revenue package have been the focus of the last month. The latest update to the current vehicle, Senate Bill 1 (Beall) is described in Table 2 and Attachment 1 contains summaries of the draft proposal released publicly on March 31, including the anticipated formula allocations for San Francisco and the Bay Area. We will provide an update on the final legislation and next steps at the Board meeting.

Table 1. Select New Bills to Watch

Recommended Positions	Bill # Author	Bill Title and Description
Watch	AB 378 Garcia, Cristina D	California Global Warming Solutions Act of 2006: regulations. The bill would authorize the State Air Resources Board to extend the Cap and Trade program until 2030. Extending Cap and Trade would extend a valuable greenhouse gas reduction program, provide additional revenue for transportation, and hopefully stabilize auction outcomes, which have been lower than anticipated over the past year.
	SB 768 Allen D	Transportation projects: comprehensive development lease agreements. Current law authorizes the Department of Transportation and regional transportation agencies to enter into public-private partnerships (P3s) for certain transportation projects that may raise revenues from tolls and user fees. Prior authorization for these agreements ended on January 1, 2017. This bill would extend this authorization indefinitely. P3 authorization could be used to more quickly and cost effectively deliver future revenue-generating projects in San Francisco and the region.
	SB 496 Cannella R	Indemnity: design professionals. Amended language has just been released for this bill but on first read it appears it would effectively require public agencies and other project owners to defend design professionals' interests and then, after a legal determination, attempt to secure reimbursement for those legal costs and fault.
	SB 498 Skinner D	Vehicle fleets: zero-emission vehicles (EVs). The State Air Resources Board sets zero-emission vehicle adoption targets for the purposes of public and private sector vehicle fleets. This bill directs the state to meet higher targets for EVs in both public and private fleets, specifically a 50% EV requirement by FY 2024/25.

San Francisco County Transportation Authority
April 2017

Table 2. Select Updates on Tracked Bills

Active Positions	Bill # Author	Bill Title and Description	Update
Support	AB 28 Frazier D	<p>Department of Transportation: environmental review process: federal pilot program. This bill would re-enact State authorization for Caltrans to accept delegated federal authority to administer NEPA. Significant project delays are expected if this is not reinstated.</p>	<p>The bill was approved by the Legislature and the Governor and was chaptered on March 29. Caltrans immediately sent notification to the Federal Highway Administration which then confirmed to Caltrans and transportation jurisdictions throughout the state that it concurred with its delegation request, meeting the April 1 federal deadline and allowing projects to continue with streamlined delegation for NEPA authorization.</p>
	AB 342 Chiu D	<p>Vehicles: automated speed enforcement (ASE): five-year pilot program. This bill would authorize, no later than January 1, 2019, the City of San Jose (San Jose) and the City and County of San Francisco (San Francisco) to implement a 5-year pilot program utilizing an ASE system for speed limit enforcement. ASE has been an adopted legislative priority of the SFCTA and SFMTA for years, consistent with the City’s adopted Vision Zero policies.</p>	<p>After referral to the Assembly Privacy and Consumer Protection Committee for hearing in early April, the hearing was delayed until the April 18 Committee meeting to allow further discussion with Legislators and advocacy organizations. We continue to support SFMTA’s work in Sacramento. Supporters continue to sign on to the bill; the Metropolitan Transportation Commission adopted a support position in late March. If it is approved on April 18, the hearing at the Assembly Transportation Committee could occur as early as April 24.</p>
	SB 1 Beall D	<p>Transportation Funding. This bill would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and local roads. Estimated \$6 billion annually. Similar to AB 1 (Frazier).</p>	<p>The latest update to the current vehicle, Senate Bill 1 (Beall) is described in Attachment 1.</p>

San Francisco County Transportation Authority
April 2017

Watch	AB 1121 Chiu D	San Francisco Bay Area ferries. Current law establishes the San Francisco Bay Area Water Emergency Transportation Authority, composed of 3 members appointed by the Governor, one member appointed by the Senate Committee on Rules, and one member appointed by the Speaker of the Assembly. This bill would increase the membership of the authority to 9 members, with 5 members to be appointed by the Governor, 2 members appointed by the Senate Committee on Rules, and 2 members appointed by the Speaker of the Assembly.	This was a spot bill related to developing a new source of local funds for the SF Bay Ferry System. It has been amended instead to increase the membership of the Bay Area Water Emergency Transportation Authority (WETA) as described in the bill description.
	SCA 6 Wiener D	Local transportation measures: special taxes: voter approval. This measure seeks to reduce vote threshold from 2/3 to 55% for local transportation sales tax revenues. If approved, the measure would go to the state ballot for voter approval, which requires a majority statewide vote.	On April 5, 2017 this bill passed out of the Senate Government and Finance Committee on a partisan 5-2 vote. It will next be heard at the Senate Transportation and Housing Committee.

Table 3. Bill Status for Active Positions Taken This Session

Adopted Positions	Bill # Author	Bill Title	Bill Status (as of 4/4/17)
Support	AB 1 Frazier D	Transportation Funding.	Assembly Transportation
	AB 28 Frazier D	Department of Transportation: environmental review process: federal pilot program.	Chapters
	AB 87 Ting D	Autonomous vehicles.	Assembly Transportation
	AB 342 Chiu D	Vehicles: automated speed enforcement: five-year pilot program.	Assembly Privacy and Consumer Protection
	SB 1 Beall D	Transportation Funding.	Senate Appropriations
Oppose	AB 65 Patterson R	Transportation bond debt service.	Assembly Transportation
	SB 423 Cannella R	Indemnity: design professionals.	Senate Rules
	SB 493 Hill D	Vehicles: right-turn violations.	Senate Transportation and Housing

Attachment 1: Senate Bill 1 (Beall) Summary



Road Repair and Accountability Act of 2017

- California's highway and bridge repair and rehabilitation backlog is more than \$6 billion annually
- California ranks 45th nationally in overall highway condition
- As recently as 2016, 41% of the highways and pavement in California require rehabilitation, replacement or preventative maintenance
- More than 500 bridges in California currently require major repair and nearly 400 of them are considered "structurally deficient" according to the Federal Highway Administration (FHWA)
- There's a price to be paid for neglect. California's crumbling roads cost drivers \$762 each year in vehicle repairs
- California has not increased funding for transportation in 23 years. As a result, road repairs now receive only 50% of the funding they did back in 1994
- Other states have acted, since just 2013, nineteen other states – governed by Republicans and Democrats – have acted to increase funding for transportation
- This proposal is the largest investment in the state's history to fix roads and invest in transportation improvements, including public transit
- The revenue will be constitutionally protected so that funds raised must go toward transportation; revenue will come from a mixture of funding sources

STATEWIDE INVESTMENT PROGRAMS (50%)	
Fix-it-First Highways	\$15 billion
Bridge and Culvert Repair	\$4 billion
Trade Corridor Investments	\$3 billion
Solutions for Congested Commute Corridors	\$2.5 billion
Parks Funding for Ag, Off-Highway Vehicle & Boating	\$800 million
STIP (State Share)	\$275 million
Freeway Service Patrol	\$250 million
California Public Universities Transportation Research	\$70 million
Local or Regional Investment Programs (50%)	
Fix-it-First Local Roads	\$15 billion
Transit Capital and Operations	\$7.5 billion
Local Partnership Funds	\$2 billion
Active Transportation Program Bicycle and Pedestrian Investments	\$1 billion
STIP (Local Share)	\$825 million
Local Planning Grants	\$250 million
TOTAL	\$52.4 billion

This Proposal will Strengthen the Economy, Expand Trade and Create Good-Paying Jobs in California

Transportation Funding and Reform Package

Summary: The transportation funding and reform proposal is a balanced package of needed revenues and smart reforms to more efficiently invest in California’s roads, bridges, neighborhood streets, public transit systems and bicyclist and pedestrian facilities.

Investments: The revenue package delivers benefits equally split between state and local transportation systems:

10-Year Investments by Area

Statewide Investment Programs (50%)	
Fix-it-First Highways	\$15 billion
Bridge and Culvert Repair	\$4 billion
Trade Corridor Investments	\$3 billion
Solutions for Congested Commute Corridors	\$2.5 billion
Parks Funding for Ag, Off-Highway Vehicle & Boating	\$800 million
STIP (State Share)	\$275 million
Freeway Service Patrol	\$250 million
California Public Universities Transportation Research	\$70 million
Local Investment Programs (50%)	
Fix-it-First Local Roads	\$15 billion
Transit Capital and Operations	\$7.5 billion
Local Partnership Funds	\$2 billion
Active Transportation Program Bicycle and Pedestrian Investments	\$1 billion
STIP (Local Share)	\$825 million
Local Planning Grants	\$250 million
TOTAL	\$52.4 billion

Fix-it-First - \$34 billion: Two-thirds of the new funding is dedicated to fixing roads and bridges at the state and local level as follows:

\$15 billion to improve state highways by repairing crumbling roadways, smoothing pavement, rehabilitating highways assets.

\$15 billion to fix potholes and improve neighborhood streets and roads through a distribution formula supported by cities and counties.

\$4 billion to repair state highway bridges and culverts.

Public Transit, Active Transportation and Planning - \$8.65 billion:

Funds are available for the expansion of public transit systems and their operations. The package would split funding 50-50 between high-priority transit capital expansion and for transit operations, as follows:

\$3.5 billion would flow directly to transit operators through the well-established State Transit Assistance (STA) program to fund expanded operations of local transit services.

\$3.9 billion would flow 70% for high-priority transit capital grants through the Transit and Intercity Rail Capital Program (TIRCP) and 30% directly to transit operators for rehabilitating or replacing transit vehicles and facilities.

\$1 billion for the Active Transportation Program (ATP). This funding would nearly double the state's program to expand and improve bicycle and pedestrian facilities (i.e., bike paths, pedestrian walkways, etc).

\$250 million will fund planning grants to assist regions with developing and updating their Regional Transportation Plans and Sustainable Community Strategies.

Multi-Modal Transportation Improvement Projects - \$8.85 billion:

The proposal recognizes that in a growing state, transportation investment must provide greater capacity to accommodate growth. Several programs in this proposal support new investments that more comprehensively address congestion, enhance trade, and provide more travel options for Californians while protecting the environment. These programs include:

\$2.5 billion for the Solutions for Congested Corridors Program. The state will provide matching funds to regional or local agencies that are taking comprehensive approaches to managing and reducing congestion in busy corridors. The funding is for multi-modal projects in a corridor plan designed to achieve a balanced set of transportation, environmental, and community access improvements within highly congested travel corridors throughout the state.

\$250 million will fund the Freeway Service Patrol Program that provides incident response to clear accidents and stalled vehicles from travel corridors.

\$3 billion to the Trade Corridor Enhancement Account. These funds will focus on improving California’s trade corridors to more efficiently move freight through the state.

\$2 billion for the State and Local Partnership Program. This program rewards “self-help” counties that have adopted local taxes or fees dedicated to improving transportation infrastructure or programs.

\$1.1 billion for the State Transportation Improvement Program (STIP) that funds transportation projects nominated by local agencies (75%) and the state (25%).

Revenues:

The revenue in this package is user-based, relying on fuel taxes and a progressive transportation improvement fee based on vehicle value. For the majority of car owners (about 60 percent of cars) the combination of new fuel and vehicle taxes will be less than \$10 per month. For owners of expensive cars – such as those valued over \$60,000 the taxes will increase by about \$21 per month.

10-Year Revenue by Type

Fuel Taxes	
Gas Excise Tax	\$24.4 billion
Diesel Excise Tax	\$7.3 billion
Diesel Sales Tax	\$3.5 billion
Vehicle-Based Taxes	
Value-based Transportation Improvement Fee	\$16.3 billion
ZEV Fee Commencing in 2020	\$.2 billion
One-Time Repayment of Transportation Loans	
Repaying Outstanding Loans from General Fund	\$706 million
TOTAL	\$52.4 billion

Fuel Taxes: About two-thirds of the new funding is from fuel taxes as follows:

Gasoline Excise Tax – The gas tax in California has not been raised in 23 years. There are three steps to adjusting the gas tax: 1) end the annual Board of Equalization “Tax Swap” adjustment and stabilize available funding going forward; 2) increase the base gasoline excise tax from 18 cents to 30 cents to restore its lost purchasing power; and 3) adjust the rate prospectively for the Consumer Price Index.

Diesel Excise Tax - end the annual Board of Equalization “Tax Swap” adjustment that has varied the tax from 10 cents to 16 cents in recent years. Increases the tax to 36 cents (20 cents above the current level). The rate will be adjusted prospectively by the Consumer Price Index. Large trucks are excluded from the new Value-based Transportation Improvement Fee.

Diesel Sales Tax – Increase the special Transit add-on tax from 1.75 percent to 5.75 percent. This revenue will support transit operations through the State Transit Assistance distribution formula to transit operators.

Vehicle-based Fees: About one-thirds of the new funding is from vehicle-based fees as follows:

Value-based Vehicle Fee (Transportation Improvement Fee) – based on the value of the vehicle, the annual fee will vary from \$25 for the 46 percent of the vehicle fleet valued under \$5,000, to \$175 for vehicles valued at \$60,000 or more. The rate will be adjusted prospectively by the Consumer Price Index.

Zero Emission Vehicle Fees (ZEV fee) – a fee of \$100 will apply to ZEV vehicle starting in July, 1, 2020, so the expanding fleet of ZEVs will pay a “fair share” for their use of roads, with this fee being in lieu of the gasoline taxes they do not pay for use of roads. Gasoline-Electric hybrid vehicles (Partial ZEVs) are excluded from this fee, because they are partially gasoline powered.

Transportation Reforms

Transportation Funds for Transportation Purposes: The reform package includes a constitutional amendment to dedicate for transportation purposes all vehicle fee and gasoline or diesel tax revenues raised by the Act.

Performance Measures with Public Reporting and Accountability: This reform enhances reporting and accountability provisions to ensure Caltrans and cities and counties are investing funds to repair or improve state highways, bridges, culverts and neighborhood streets to standards that meet performance measures adopted by the California Transportation Commission (CTC).

Enhanced Caltrans Efficiencies and Oversight: The proposal includes expanded authority for Caltrans to efficiently deliver transportation projects and it enhances oversight of the department:

CTC Oversight of Caltrans Staffing: To ensure Caltrans's staffing levels are reasonable, this reform would require the California Transportation Commission (CTC), beginning on July 1, 2017, to review and allocate funding for Caltrans's staffing needs, by project phase, to support the delivery of projects in the State Highway Operation and Protection Program (SHOPP). The reform is the product of a year-long process the CTC undertook with legislative staff, the Department of Finance and the LAO.

Inspector General at Caltrans: To enhance oversight of the department, this reform creates an Inspector General at Caltrans to strengthen the independence and effectiveness of the department's Office of Audits and Investigations. This proposal would have the Governor appoint the Director of the office and articulate the duties of the office—including its auditing and investigations functions—in statute. The reform would require the office to report its activities to the CTC and Legislature annually.

Innovative Procurement at Caltrans: Achieved with AB 2126 (Mullin) at the end of 2016 and part of the transportation reform package, this proposal authorized Caltrans to procure construction contracts using a process called Construction Manager/General Contractor, in which bidders participate earlier in the design process to prepare bids for construction. This method saves time, gains project efficiencies and expedited project delivery.

Environmental Streamlining: By streamlining environmental processes and identifying necessary environmental mitigation measures early in the project development process, agencies can deliver projects more quickly while fully addressing environmental issues.

NEPA Delegation: By re-enacting the NEPA delegation that sunset on December 31, 2016, Caltrans can continue to review projects for conformity with the National Environmental Protection Act. Continued use of this delegation will shave months off the approval time for the delivery of transportation projects. This reform is accomplished with the enactment of AB 28 (Frazier).

Advance Mitigation: This efficiency has proven effective at the county level, and will help Caltrans save time and money by accelerating project environmental mitigation work. Doing environmental work early protects natural resources and can reduce costs and delays later when the infrastructure project goes to construction.

###

ESTIMATE OF BAY AREA LOCAL ROAD FUNDING FROM JOINT MARCH 29 PROPOSAL

COUNTY	
ALAMEDA	\$ 58,926,465
CONTRA COSTA	\$ 43,207,439
MARIN	\$ 9,782,854
NAPA	\$ 6,190,503
SAN FRANCISCO	\$ 21,324,147
SAN MATEO	\$ 30,344,159
SANTA CLARA	\$ 73,190,807
SOLANO	\$ 21,542,031
SONOMA	\$ 20,205,344
BAY AREA TOTAL	\$ 284,713,748
STATE TOTAL	\$ 1,500,000,000

Estimates prepared by MTC Staff
Contact Info: Rebecca Long, rlong@mtc.ca.gov

Estimate of STA Revenue-Based Distribution of March 29, 2017 Transportation Deal

Bay Area Transit Operators Estimates	Annual Amount
Statewide STA Funding	\$ 250,000,000
Alameda CTC - Corresponding to ACE	\$ 174,413
Caltrain	\$ 3,628,873
County Connection	\$ 410,147
City of Dixon	\$ 3,182
ECCTA (Tri Delta Transit)	\$ 189,952
City of Fairfield	\$ 80,151
Golden Gate Transit	\$ 3,212,280
City of Healdsburg	\$ 336
Livermore Amador Transit Authority	\$ 165,786
Marin Transit	\$ 598,293
Napa Valley Transit Authority	\$ 41,430
City of Petaluma	\$ 9,306
City of Rio Vista	\$ 732
SamTrans	\$ 2,231,729
City of Santa Rosa	\$ 91,090
Solano County Transit	\$ 187,131
Sonoma County Transit	\$ 98,628
City of Union City	\$ 28,048
Valley Transportation Authority	\$ 8,586,427
VTA - Corresponding to ACE	\$ 186,710
WCCTA (Western Contra Costa Transit Authority)	\$ 214,945
WETA	\$ 882,945
SUBTOTAL	\$ 21,022,533
AC Transit	\$ 6,494,389
BART	\$ 14,920,667
SFMTA	\$ 27,174,911
SUBTOTAL	\$ 48,589,967
Total Revenue Based Funds	\$ 69,612,500
Population Based Funds	\$ 24,375,000
Bay Area Grand Total	\$ 93,987,500

Note: Shares are based on FY 2014-15 revenue-based factors. Actual funding levels will vary based on revenue received and individual operator shares. Assumes a \$250 M STA Program

Estimate of Transit State of Good Repair Funding Distributed via STA Formula

Bay Area Transit Operators Estimates	
Statewide Funding for State of Good Repair	\$ 105,000,000
Alameda CTC - Corresponding to ACE	\$ 73,254
Caltrain	\$ 1,524,127
County Connection	\$ 172,262
City of Dixon	\$ 1,336
ECCTA (Tri Delta Transit)	\$ 79,780
City of Fairfield	\$ 33,664
Golden Gate Transit	\$ 1,349,158
City of Healdsburg	\$ 141
Livermore Amador Transit Authority	\$ 69,630
Marin Transit	\$ 251,283
Napa Valley Transit Authority	\$ 17,401
City of Petaluma	\$ 3,908
City of Rio Vista	\$ 307
SamTrans	\$ 937,326
City of Santa Rosa	\$ 38,258
Solano County Transit	\$ 78,595
Sonoma County Transit	\$ 41,424
City of Union City	\$ 11,780
Valley Transportation Authority	\$ 3,606,299
VTA - Corresponding to ACE	\$ 78,418
WCCTA (Western Contra Costa Transit Authority)	\$ 90,277
WETA	\$ 370,837
SUBTOTAL	\$ 8,829,464
AC Transit	\$ 2,727,643
BART	\$ 6,266,680
SFMTA	\$ 11,413,463
SUBTOTAL	\$ 20,407,786
Total Revenue Based Funds	\$ 29,237,250
Population Based Funds	\$ 10,237,500
Bay Area Grand Total	\$ 39,474,750

Estimate of Bay Area STIP Funding Increases from March 29, 2017 Deal

(Dollars in millions)

County	One \$825 M Time Backfill	Annual Increase
Alameda	\$ 28.56	\$ 7.37
Contra Costa	\$ 19.54	\$ 5.04
Marin	\$ 5.34	\$ 1.38
Napa	\$ 3.51	\$ 0.91
San Francisco	\$ 14.49	\$ 3.74
San Mateo	\$ 14.76	\$ 3.81
Santa Clara	\$ 33.93	\$ 8.75
Solano	\$ 8.85	\$ 2.28
Sonoma	\$ 10.88	\$ 2.81
Region	\$ 139.86	\$ 36.08

Assumptions:

One-time funding estimate assumes all \$825 M distributed through the RTIP

Annual estimate assumes adjustment in variable rate gas tax generates \$284 M for STIP per year