

March 29, 2017

Governor Brown and Legislative Leaders Unveil Newly-Negotiated Funding Proposal; Voice Your Support Today

This afternoon, Governor Jerry Brown, Senate President pro Tem Kevin de León and Assembly Speaker Anthony Rendon unveiled a newly-negotiated transportation funding and reform proposal. The **\$5.24 billion/year proposal**, which will be amended into SB 1 (Beall) later this week, generates new revenue from various taxes and fees, institutes new reform and accountability measures for Caltrans, and provides for early environmental mitigation. Consistent with previous proposals, the measure is designed to repair and maintain our state highways and local roads, improve our trade corridors, and support public transit & active transportation.

The proposal is a big step forward for public transit, and to ensure it receives the 2/3-vote necessary to land on the Governor's desk, your legislative delegation needs to hear from you, your board members and your local coalition partners TODAY!

For transit systems across California, specifically, the proposal would:

- Increase the incremental sales tax on diesel fuel dedicated to the State Transit Assistance program another 3.50% – generating approximately \$250 million/year at first, then increased by a CPI factor over time – to be used for transit capital and operations purposes;
- Increase the incremental sales tax on diesel fuel another 0.50% – generating approximately \$40 million/year at first, then increased by a CPI factor over time – and dedicates these revenues to intercity passenger rail systems and commuter rail systems; and,
- Establish a new “Transportation Improvement Fee” under the Vehicle License Fee law (removing Article XIX restrictions) and dedicates these revenues as follows:
 - Approximately \$105 million/year to the STA program, for “state of good repair” types of expenditures;
 - An estimated \$245 million/year to the Transit and Intercity Rail Capital Program, the competitive transit capital program overseen by the California State Transportation Agency; and,
 - Close to \$250 million/year to a new “Solutions for Congested Corridors Program” which would be available to the California Transportation Commission, for allocation to project applicants for a balanced set of transportation, environmental and community access improvements within highly congested travel corridors in California – including public transit projects.

The proposal would also provide for accelerated loan repayment from the General Fund to public transit, which would be deposited into the Transit and Intercity Rail Capital Program.

Additionally, the proposal would provide funding for various other multimodal programs with the potential to boost public transit. More specifically, the proposal would provide:

- \$200 million/year for the “State and Local Partnership Program” to reward self-help counties;
- \$110 million/year for the State Transportation Improvement Program;
- \$100 million/year for the Active Transportation Program to expand and improve bicycle and pedestrian facilities; and,
- \$2.5 million/year to fund planning grants to assist regions with developing and updating their Regional Transportation Plans and Sustainable Community Strategies.

The Administration projects that the increase in the diesel sales tax would generate \$4.3 billion for the State Transit Assistance program over ten years. Furthermore, the Administration estimates that the increase in the diesel sales tax would generate \$440 million for intercity passenger rail and commuter rail systems over ten years. Estimates of the new funding that would be available to regional entities, transit agencies, and intercity passenger rail & commuter rail systems can be found in the [spreadsheets located here](#).

We project that, in all, these components of the proposal would direct or make available approximately \$640 million to \$1.1 billion annually in new funding to public transit.

Finally, the proposal would advance a constitutional amendment to dedicate for transportation purposes all vehicle fee and gasoline or diesel tax revenues raised by the bill; and, institute environmental streamlining by re-enacting the NEPA delegation that expired on December 31, 2016 and implementing advance mitigation.

For more details, see [this press release](#) issued by the Governor's office.

Importantly, the leaders are working under an April 6 timeline, after which the Legislature will break for Spring Recess and return on April 17 to focus on budgetary and other policy matters. **Don't delay! Contact your legislative delegation right now and urge them to support this funding proposal!**

**If you have any questions or comments about this Funding Update
please contact Legislative Advocate Matt Robinson at 916-446-4656 ext. 1022 or matt@caltransit.org.**