



## SB 1 OVERVIEW

SB 1 is a landmark transportation investment to rebuild California by fixing neighborhood streets, freeways and bridges in communities across California and targeting funds toward transit and congested trade and commute corridor improvements. SB 1 is a job creator, the White House Council of Economic Advisors found that every \$1 billion invested in transportation infrastructure supports [13,000 jobs a year](#). SB 1 is putting people to work rebuilding California.

- SB1 invests \$5.4 billion annually over the next decade to fix California's transportation system. It will address a backlog of repairs and upgrades, while ensuring a cleaner and more sustainable travel network for the future.
- SB1 funds will be protected under a [constitutional amendment \(ACA 5\)](#) which safeguards new dollars for transportation use only. ACA 5 will be on the ballot for voter approval in June 2018.

## WHERE DOES THE MONEY GO?

California's [state-maintained transportation infrastructure](#) will receive roughly half of SB 1 revenue: **\$26 billion**. The other half will go to [local roads, transit agencies](#) and an expansion of the state's growing network of [pedestrian and cycle routes](#). Each year, this new funding will be used to tackle deferred maintenance needs both on the state highway system and the local road system, including:

- Maintenance and Rehabilitation of the State Highway System: **\$1.5 billion**
- New Funding to Transit Agencies: **over \$750 million**

These funds will help transit agencies increase access and service and build capital projects.

- Maintaining and Repairing the State's Bridges and Culverts: **\$400 million**
- Trade Corridor Enhancement Program: **\$300 million**

Money from this new program will fund freight projects along important trade corridor routes.

- Repairs to Local Streets and Roads: **\$1.5 billion**
- Solutions for Congested Corridors Program: **\$250 million**

Money from this new program will go to projects from regional agencies and the state that will improve traffic flow and mobility along the state's most congested routes while also seeking to improve air quality and health.

- Matching Funds for Local Agencies: **\$200 million**

This money will go to local entities who are already making their own extra investment in transportation. These matching funds will support the efforts of cities and counties with voter-approved transportation tax measures.

- **Local Planning Grants: \$25 million**

Addresses community needs by providing support for planning that may have previously lacked funding, good planning will increase the value of transportation investments.

- **Bike and Pedestrian Projects: \$100 million**

This will go to cities, counties and regional transportation agencies to build or convert more bike paths, crosswalks and sidewalks. It is a significant increase in funding for these projects through the Active Transportation Program (ATP).

- **Transportation-Related Research at state universities: \$7 million**

Research will help identify cost-effective materials and methods to improve the benefits of transportation investments.

- **Freeway Service Patrol: \$25 million**

Assists stranded motorists on the most congested freeways to keep drivers moving during peak hours.

- **Workforce Training Programs: \$5 million**

Every \$1 billion spent on infrastructure projects creates more than 13,000 jobs, according to federal government estimates. California needs to ensure there is a ready workforce to carry out these transportation projects coming down the way.



## ACCOUNTABILITY

SB 1 emphasizes accountability and transparency for the new funding and programs created by the legislation. SB 1 holds Caltrans and local governments accountable for the efficient investment of public funds to maintain the public highways, streets, and roads:



## ACA 5 - PROTECTING SB 1 \$ FOR TRANSPORTATION USE ONLY

SB1 funds will be protected under a constitutional amendment (ACA 5) which safeguards new dollars for transportation use only. ACA 5 was approved by the Legislature and will be on the ballot as Proposition 69 for voter approval in June 2018.



## INSPECTOR GENERAL

SB 1 created the Independent Office of Audits and Investigations, including an Inspector General, appointed by the Governor, who will serve as the director of the Audits and Investigations Office. The individual will serve a six-year term, and must be confirmed by the Senate. The Inspector General may not be removed from office during that term, except for good cause. The Inspector General is vested with the full authority to exercise all responsibility for maintaining a full scope, independent, and objective audit and investigation program. The Inspector General shall report all audit and confidential investigation findings and recommendations made under his or her jurisdiction to the Secretary of Transportation and Caltrans director and chief deputy director on an ongoing and current basis. Additionally, SB 1 created an annual report by the Inspector General to the Governor, the Legislature, and the California Transportation Commission with a summary of investigation and audit findings, recommendations, and implementation status of previous recommendations.

In October 2017, the Governor appointed an Inspector General to direct the office's work. The office is currently developing its procedures for selecting audits and investigations to perform.



## CALIFORNIA TRANSPORTATION COMMISSION OVERSIGHT

SB1 empowers the California Transportation Commission (CTC) to hold state and local government accountable for making the transportation improvements they commit to delivering. It also provides authorization for the California Transportation Commission to review and allocate Caltrans funding and staffing for highway maintenance to ensure those levels are reasonable and responsible. [Get more information on CTC's oversight role.](#)

# SB 1: Frequently Asked Questions

The Road Repair and Accountability Act of 2017 (SB 1) is a long-term transportation solution that will provide new revenues for road safety improvements, fill potholes and repair local streets, highways, and bridges. SB 1 will provide transportation investments in every community, improving the quality of life for all Californians. SB 1 includes strict accountability provisions to reduce waste and bureaucracy and dedicates all funds to transportation improvements. Opponents of SB 1 are spreading false information and flat-out untruths full of potholes.

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## 1. How much of SB 1 funds will be used to fix our roads?

SB 1 invests more than \$5 billion annually directly for maintenance, repair, and safety improvements on state highways, local streets and roads, and bridges. SB 1 also provides investments in mass transit to help relieve congestion. In total, SB 1 will provide:

- \$1.5 billion for the State Highway Operations and Protection Program
- \$1.5 billion for local streets and roads
- \$400 million for bridge maintenance and repairs
- \$300 million for goods movement and freight projects
- \$275 million for congested corridors and relief management
- \$200 million for the Local Partnership Program to match locally generated transportation funds
- \$100 million for the Active Transportation Program to improve safety and expand access on streets, roads and highways for bicyclists and pedestrians.
- \$750 million for mass transit

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## 2. What is the average cost of SB 1 to California motorists?

The California Department of Finance calculated that the average cost to motorists is roughly \$10/month. Here's how this is estimated:

- **Registration:** Nearly 50% of all registered vehicles in California are valued at less than \$5,000. Forty percent are valued at less than \$25,000. Thus, the average annual amount for vehicle registration is approximately \$48.

- **Fuel:** California’s 26 million licensed drivers consume 15.5 billion gallons per year. That is 577 gallons per driver, multiplied by 12 cents per gallon is \$69.24 each.

The annual average cost per driver is:

Vehicle Registration	\$47.85
Fuel	\$69.24
<b>Total</b>	<b>\$117.09 per year OR \$9.76 per month</b>

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### 3. Which SB 1 funds go directly into the state's General Fund?

None. Revenues go directly into transportation accounts and are constitutionally protected.

Article XIX of the California Constitution already protects the gasoline excise tax and vehicle registration fees, and a portion of the sales tax on diesel, and dedicates them to transportation purposes. This accounts for about 70% of the revenues generated by SB 1. ACA 5, a constitutional ballot measure which will go before the voters in June 2018, extends these same constitutional protections to the remaining 30% of new revenues generated by SB 1.

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### 4. What is the oversight for SB 1?

SB 1 creates a new Office of the Inspector General (IG) charged with overseeing projects and programs to ensure all SB 1 funds are spent as promised. The IG is required to report annually to the state Legislature.

Furthermore, SB 1 has significant accountability and transparency provisions designed to ensure the public has full access to information on how their tax dollars are being invested. Cities and counties must publicly adopt and submit to the state a planned list of projects and year-end reporting that accounts for every single dollar of SB 1 revenue they receive.

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## **5. How will the new funds be used to build new roads?**

SB1 funds can and will be used to build new roads and increase capacity on our roads and highways.

- SB 1 funds will be used to restore the State Transportation Improvement Program (STIP). The CTC previously cut and delayed \$1.5 billion in projects from STIP, including new capacity projects, which are now eligible to move forward.
  - There is \$200 million annually in SB 1 for self-help counties that can be used on new roads and capacity increasing projects.
  - SB 1 includes \$250 million annually for congested road and highway corridors and \$300 million for the trade corridor programs, which can both fund increased capacity.
  - Lastly, while cities and counties will primarily (initially) be using local funds on “fix it first” projects to repair roads in bad shape, local governments can use these funds for new roads and capacity enhancements, especially once their road conditions are brought up into a state of good repair.
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## **6. Can California dedicate existing General Fund revenues to fix transportation?**

California has a combined need of over \$130 billion over the next 10 years just to bring the state highway and local street and road systems into a good and safe condition. If we were to use funds from the General Fund, we would need to pull \$130 billion from important areas like education, healthcare, public safety, and other programs that Californians rely upon.

SB 1 follows the user-pay model where everyone pays their fair share and all drivers pay a little more to fix the roads they drive on.

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## **7. Which state has the highest gas tax in the nation?**

Figures from the Tax Foundation and the American Petroleum Institute show Pennsylvania tops out as the highest in the nation. California’s gas taxes haven’t been raised in more than 20 years and, as a result, transportation improvement funding simply hasn’t kept pace with inflation, leading to the backlogs of unfunded infrastructure. SB 1 changes that.

Since 2013, 26 states have increased gas taxes and other transportation revenues to fix their roads and bridges. In fact, of those 26 states, 17 are governed by Republicans.

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## **8. What are the impacts of SB 1 on our economy?**

SB 1 is a job creator. The White House Council of Economic Advisors found that every \$1 billion invested in transportation infrastructure supports 13,000 jobs a year. With the \$5 billion annually planned from SB 1, this measure will put 650,000 people to work rebuilding California over the next decade.

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## **9. How will this tax increase save money for California's working families and businesses?**

California motorists currently pay \$763 per year, on average, in extra vehicle repair costs due to wear and tear because of the poor condition of our roads. With SB 1, CA drivers will save money by driving on improved roads and will need fewer vehicle repairs.

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## **10. Why are a very small amount of SB 1 funds being provided to CSU and UC for research?**

SB 1 directs \$7 million (one-tenth of one percent of total SB 1 revenues) to CSU and UC transportation research institutions for research directly related to improving transportation technology, practices, materials, and impacts to the environment.

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## **11. What percentage of the funding from the state's gas tax increase will be used for "non-road-related projects like building parks and lifeguards?"**

A percentage of the existing gas tax revenue related to fuel sales from boats, agricultural equipment, and other off-highway vehicles (quads, dirt bikes) has always gone toward supporting infrastructure related to these economic and recreational activities. The percent of gas tax revenues collected from these sources is two-percent (2%).

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**12. Which funds raised by SB 1 will be used to repay outstanding loans from certain transportation funds?**

All outstanding transportation loans are being repaid by the General Fund. The FY 2016-17 state budget already started to repay those loans, and SB 1 requires all loans to be repaid by 2020.

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**13. How will SB 1 contribute to Caltrans and state highway system efficiencies?**

Caltrans staffing levels are currently at the lowest they've been in a decade. Additionally, SB 1 mandates that the California Department of Transportation "shall implement efficiency measures with the goal to generate at least one hundred million dollars (\$100,000,000) per year in savings to invest in maintenance and rehabilitation of the state highway system."

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**14. What amount of SB 1 dollars will be diverted to fund high-speed rail?**

No funds raised from SB 1 will be used to fund high-speed rail.

California's state-maintained transportation infrastructure will receive roughly half of SB 1 revenue:\$26 billion. The other half will go to local roads, transit agencies and an expansion of the state's growing network of pedestrian and cycle routes. There is no remaining balance that could be used for the high-speed rail project.

**SB1 - FY 2018-19 Estimates**

**Local Streets and Roads (LSR)**

Jurisdiction in Alameda County	State HUTA <sup>1</sup>	State Proposed SB-1	Total
Alameda	\$1,854,242	\$1,343,689	\$3,197,931
Albany	\$447,765	\$320,223	\$767,988
Berkeley	\$2,800,936	\$2,032,474	\$4,833,410
Dublin	\$1,344,761	\$972,025	\$2,316,786
Emeryville	\$280,129	\$198,663	\$478,792
Fremont	\$5,342,973	\$3,886,879	\$9,229,852
Hayward	\$3,708,698	\$2,694,683	\$6,403,381
Livermore	\$2,060,121	\$1,493,876	\$3,553,997
Newark	\$1,050,138	\$758,193	\$1,808,331
Oakland	\$9,839,545	\$7,167,109	\$17,006,654
Piedmont	\$268,465	\$190,154	\$458,619
Pleasanton	\$1,754,451	\$1,270,892	\$3,025,343
San Leandro	\$2,049,944	\$1,486,453	\$3,536,397
Union City	\$1,707,285	\$1,236,485	\$2,943,770
County of Alameda	\$25,838,702	\$17,231,773	\$43,070,475
<b>TOTAL</b>	<b>\$60,348,155</b>	<b>\$42,283,571</b>	<b>\$102,631,726</b>

**TRANSIT - STA & STATE OF GOOD REPAIR (SGR)**

Alameda County Transit Operators	Base STA Distribution (A)	STA SB 1 Augmentation (B)	State of Good Repair (SGR) Program (C)	Total SB 1 Augmentation (STA + SGR) (D) = (B+C)	Total (E) = (A+D)
AC Transit	\$8,309,164	\$8,309,164	\$3,149,541	\$11,458,705	\$19,767,869
BART	\$16,098,558	\$16,098,558	\$6,102,066	\$22,200,624	\$38,299,182
LAVTA	\$146,790	\$146,790	\$55,640	\$202,430	\$349,220
Union City	\$45,153	\$45,153	\$17,115	\$62,268	\$107,421
ACE (Ala. Co.)	\$98,681	\$98,681	\$37,404	\$136,085	\$234,766
<b>Total</b>	<b>\$24,698,346</b>	<b>\$24,698,346</b>	<b>\$9,361,766</b>	<b>\$34,060,112</b>	<b>\$58,758,458</b>

**Notes:**

1. Highway User Tax Account (HUTA); Cities and County receive Allocations directly from State
2. Data Source: <http://california-cityfinance.com/>