



SUMMARY



WHAT IS SB 1?

SB 1 is a transportation funding package signed by Governor Jerry Brown on April 28, 2017, with investments primarily targeted towards fix-it-first projects. Among its provisions, SB 1 provides an increase in local streets and roads funding for each city and the county; funding for multi-modal improvements and transit operations; and competitive grant programs to provide new transportation improvements. Guidelines for the use and distribution of the funds are under development by the California Transportation Commission (CTC), California State Transportation Agency, California Department of Transportation (Caltrans), the State Controller's Office, and the California Workforce Development Board.



WHAT DOES SB 1 MEAN TO ORANGE COUNTY?

It is expected that SB 1 will provide increased formula funding as follows, over a 10-year period:



A doubling of local street and roads funding for each city and the county, that is to be focused on projects such as rehabilitation and maintenance, grade separations, safety projects, complete street components, and traffic control devices.

Local jurisdictions that meet or exceed a pavement condition index over 80 will have additional flexibility to use their funds for expanded purposes. Based on estimates provided by Caltrans, over the next 10 years, this translates into about \$560 million for local streets and roads in cities in Orange County, or about \$56 million per year, and about \$360 million for local streets and roads maintained by the County of Orange, or about \$36 million per year.



Based on estimates provided by Caltrans, about \$741 million for the State Highway Operation and Protection Program (SHOPP) will be provided for Orange County.



Based on funding estimates provided by the Department of Finance, over \$18 million in new transit funding per year for Orange County, with about \$13 million eligible for transit capital or operations purposes, and over \$5 million annually for capital purposes will be provided. This doubles the amount of transit funding provided to Orange County when compared to existing State Transit Assistance funding. For OCTA, this means averting a significant service cut that would have reduced operation hours.



The stabilizing of the State Transportation Improvement Program (STIP), which could allow OCTA to program projects previously delayed. Overall, it is expected that over the next 10 years, SB 1 will add about \$53 million over previous estimates to the STIP, based on estimates provided by Caltrans.

In addition, OCTA plans to compete for the new programs including trade corridors, local partnership, transit and intercity rail capital, congested corridors, and Caltrans planning. As guidelines are developed for each program, more detail will be available as to which local projects will be most competitive for each program.

WHAT ARE THE SOURCES OF REVENUE FOR SB 1?

BEGINNING NOVEMBER 1, 2017

- 12 cent gas tax increase
- 20 cent diesel tax increase
- 4 percent increase in the sales tax on diesel

BEGINNING JANUARY 1, 2018

New transportation improvement fee ranging from \$25-\$175.

BEGINNING JULY 1, 2019

Re-setting of the price-based excise tax to 17.3 cents.

NO LATER THAN JUNE 30, 2020

Complete repayment of \$706 million in transportation loans made to the General Fund;

BEGINNING JULY 1, 2020

\$100 road improvement fee for zero-emission vehicles starting for 2020 model cars and later.

WHAT ARE THE ESTIMATED REVENUES GENERATED FROM SB 1?

Overall the revenues are allocated 65 percent to maintain existing transportation infrastructure, 15 percent for public transit, 12 percent for congestion relief, 4 percent in incentives for local transportation funding initiatives, and 4 percent for sustainability measures. The statewide breakdown is as follows:

FUNDING PROGRAM AND PURPOSE	Projected 10-year Funding
Local Street and Roads (fix-it-first)	\$15 billion
State Highway Maintenance and Rehabilitation (fix-it-first)	\$15 billion
State Highway Bridges and Culverts	\$4 billion
Public Transit Capital and Operations	\$7.5 billion
Trade Corridor Enhancement Program	\$3 billion
Solutions for Congested Corridor Program	\$2.5 billion
State Transportation Improvement Program (STIP) (regional)	\$825 million
STIP (State)	\$275 million
Local Partnership Program	\$2 billion
Active Transportation Program	\$1 billion
Local Planning Grants	\$250 million
Freeway Service Patrol	\$250 million
Parks Funding for Agriculture, Off-Highway Vehicles & Boating	\$800 million
Public University Research	\$70 million
Workforce Development	\$20 million
TOTAL	\$52.49 billion

ARE THERE ANY OTHER STIPULATIONS OUTLINED IN SB 1? YES...

- 1 The creation of a Senate-confirmed position of Inspector General within Caltrans, appointed by the Governor, to audit and investigate state and local projects to ensure expenditures are done in conformance with existing law.
- 2 Increased CTC oversight over Caltrans projects within the SHOPP, with additional performance measures.
- 3 The development of an advanced mitigation program for projects receiving state funding.
- 4 A constitutional measure contained in a companion bill protecting new fees from future diversion contained in ACA 5 Chapter 30, Statutes of 2017 (Frazier, D-Oakley).
- 5 Caltrans must implement efficiency measures estimated to generate cost savings of \$100 million.