



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Agenda Item 3b - Handout  
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## Memorandum

TO: Legislation Committee

DATE: January 7, 2016

FR: Deputy Executive Director, Policy

W. I. 1131

RE: Update on FY 2016-17 Proposed Budget and Transportation Special Session

As expected, the first week of January 2016 has been an active one with respect to transportation funding. Assembly Transportation Committee Chair Jim Frazier introduced AB 1591, a bold revenue package that raises over \$7 billion annually, followed by the Administration reiterating their August proposal, which would provide approximately \$3.6 billion per year over 10 years. (A fact sheet and press release on AB 1591, along with the transportation and environmental protection agency portions of the FY 2016-17 State Budget summary are attached.) Below is a side-by-side comparison of the funding sources and revenue in each of the three major transportation funding proposals now under consideration.

### Comparison of Revenue Increases in Transportation Funding Proposals

(Dollars in millions)

	Governor's Proposal	AB 1591 (Frazier)	SB x1-1 (Beall)
Gas tax increase	\$ 500	\$ 3,300	\$ 1,752
Diesel tax increase	\$ 500	\$ 840	\$ 572
New Cap and trade funding*	\$ 500	\$ 600	\$ -
Weight fee restoration	\$ -	\$ 1,000	\$ -
Vehicle registration fee	\$ 2,000	\$ 1,254	\$ 2,000
Electric Vehicle fee	\$ -	\$ 16	\$ 10
Loan repayment*	\$ 879	\$ 879	\$ 879
Efficiency savings	\$ 100	\$ -	\$ -
<b>Total</b>	<b>\$ 4,479</b>	<b>\$ 7,889</b>	<b>\$ 5,213</b>

\*Loan repayment and \$500 million in Cap and Trade funding in Governor's proposal are one-time funds.

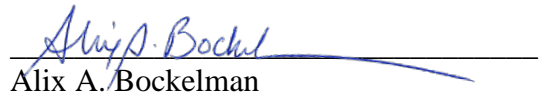
### Funding Plans Focus on State and Local Road Repairs, Trade Corridors and Transit

The three proposals focus on the same categories of funding though amounts provided vary considerably, as shown below. To aid in comparison, this table excludes the Governor's proposal for \$400 million for public transit and \$100 million for a Low Carbon Road Program in FY 2016-17 as these are one-time only.

	Governor's Proposal*	AB 1591 (Frazier)	SB x1-1 (Beall)
Local Streets & Roads	\$ 1,010	\$ 2,170	\$ 1,917
State Highways	\$ 1,610	\$ 3,170	\$ 1,917
Transit	\$ -	\$ 200	\$ -
Trade Corridors	\$ 200	\$ 1,240	\$ 300
State-Local Partnership Program	\$ 250	\$ 228	\$ 200
<b>Totals</b>	<b>\$ 3,070</b>	<b>\$ 7,008</b>	<b>\$ 4,334</b>

\*Table excludes one-time Cap and Trade expenditures.

While each proposal requires a two-thirds vote due to tax increases—a particularly heavy lift during an election year—it's an encouraging sign that the Administration and key members of the Legislature remain engaged and prepared to lead on the subject of securing new revenue for transportation. MTC staff and our Sacramento representatives will be in regular contact with the Bay Area delegation, the Administration and legislative leadership over the next few months to keep up the pressure for them to reach agreement on a transportation funding package early this year.



Alix A. Bockelman

AB: rl

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