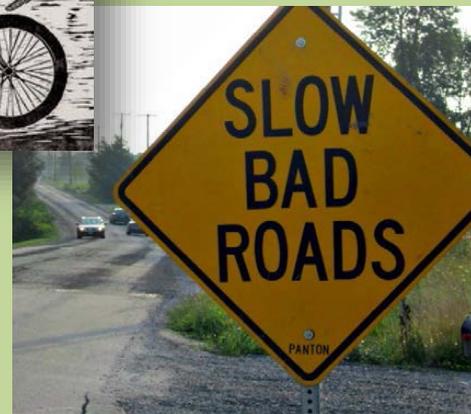


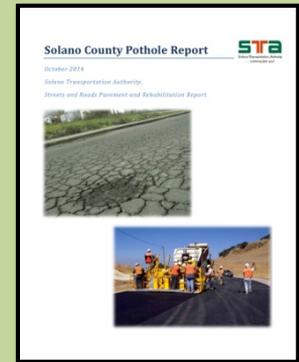
# Impact of Transportation Funding on Local Roads

lions + tigers + bears  
OH MY!



# Status of Solano County Roads (Solano Pothole Report)

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- Based on FY 2013/14 funding levels, Local Streets and Roads (LS&R) in Solano County have a \$24M annual shortfall to maintain Pavement Condition Index of 60 (Barely Fair) through 2028
  - In FY 2013/14, \$20.5M was collectively spent in Solano Countywide on roadway maintenance, less than half of \$44.5M per year needed to keep PCI at 60 (Barely Fair) through 2028.
  - \$50M more per year needed to achieve PCI at Countywide Transportation Plan Goal of 75 (Good) through 2028.

# Status of Solano County Roads (Solano Pothole Report)

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- With FY 2013/14 levels of funding, roadways in Solano County will continue to degrade from its current average PCI of 65 (Fair) to an average PCI of 49 (Poor) by 2028.

**“A hundred years after we are gone and forgotten, those who never heard of us will be living with the results of our actions.”**

***Oliver Wendell Holmes, US Supreme Court Justice***



# What does PCI Look Like?

**PCI 75: Good Condition**



**PCI 65 - 60: Fair Condition**



# Projected PCI Comparison

**Current 2014:**  
**PCI = 65 - 60**

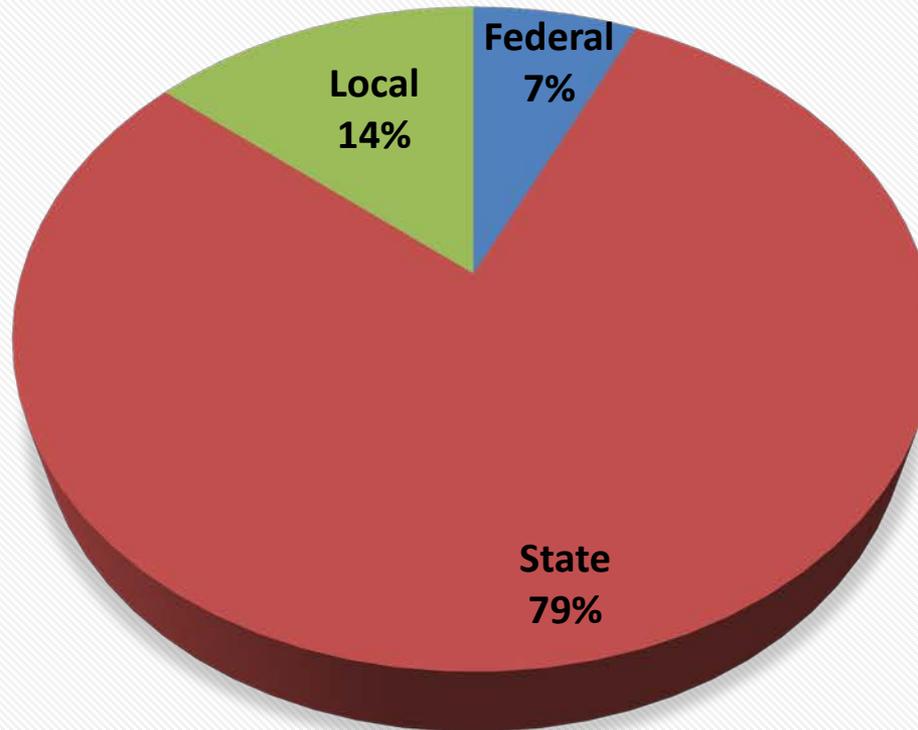


**Projected 2028**  
**PCI = 49**



# Funding Sources for FY 14/15 Local Streets and Roads Maintenance

FY 14/15 Local Streets & Roads Funding Breakdown



Approx.  
\$20.5M  
LS&R Budget

**Federal:** Surface Transportation Funds  
**State:** Gas Tax Revenue  
**Local:** Sales Tax Revenue (Only some cities supply funding)

Federal State Local

# Sources of Local Streets & Roads Revenue

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- Federal Gas Tax
  - Surface Transportation Program (STP)
- State Gas Tax
  - State Base Gas Tax
  - State Price Based Gas Tax
- Local Sources
  - General Fund
  - Local Sales Tax
  - Regional Transportation Impact Fee



# Federal Gas Tax

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- 18.4 cents per gallon (has not increased since 1994)
  - Purchasing power is nearly 30% less than in 1994.
- Distributed through Surface Transportation Program (STP), administered through MPO's (MTC) and CMA's (STA) through One Bay Area Grant (OBAG) Program
  - \$5.1M went to local streets and roads as part of OBAG 4 Year cycle; recently extended to 5 years
    - No new funding for 5<sup>th</sup> year

# OBAG Cycle 1 – Solano Share: \$5.1M

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- Federal STP formula funding results
  - Benicia: \$390K
  - Dixon: \$460K
  - Fairfield: \$1.12M
  - Rio Vista: \$0\* (Swapped for TDA)
  - County of Solano: \$1.094M
  - Suisun City: \$280K
  - Vacaville: \$970K
  - Vallejo: \$784K



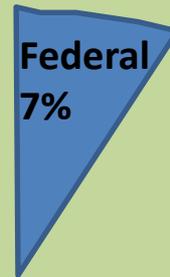
\*Rio Vista Recommended for \$47k

# Federal Funding Status

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## Federal Funding

- New Highway Funding Bill set to expire May 2015
  - President's Budget proposes taxing foreign earnings to fund \$248 billion over 5 years
  - Some discussion in Congress for funding federal transportation bill.



# State Gas Tax Revenue Changes

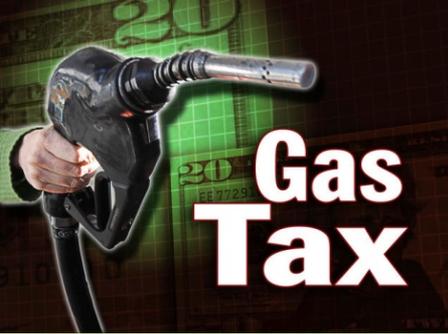
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## Projected Decrease in Local Streets & Roads Funding from the State



Life is really simple, but we  
insist on making it complicated.

- Confucius



# State Gas Tax

## (Excise Tax vs. Price-Based Tax)

### State Base Excise Gas Tax

- Based on a fixed amount per gallon
- 18 cents per gallon (Same since 1994)
- Distribution:
  - State Highway Account– 64%
  - Cities and Counties - 36%
    - Limited Discretionary authority based on the following funding codes:
      - 2104, 2105, 2106, 2107

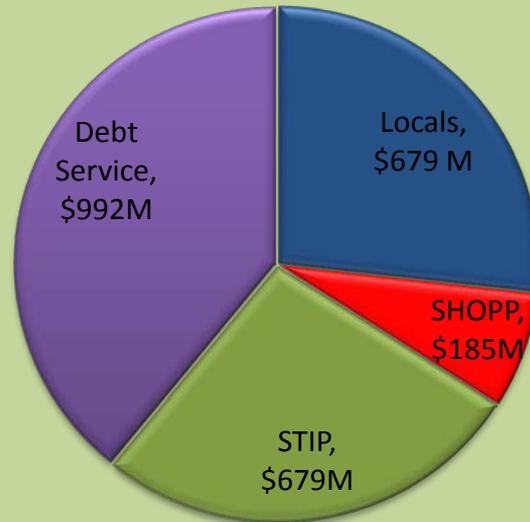
### State Price-Base Gas Tax

- Adjusted annually based on price of a gallon of gasoline.
- 18 cents per gallon in FY 2014-15 (~\$4/gallon)
  - Est. 12.5 cents per gallon in FY 2015-16 (~2.50/gallon)
- Distribution:
  - State transportation debt service (Approximately \$1B annually)
  - Remainder to:
    - Local Streets & Roads – 44%
      - Half to Cities/Half to Counties
    - Surface Transportation Improvement Program (STIP) – 44%
    - State Highway Operation and Protection Program (SHOPP) – 12%

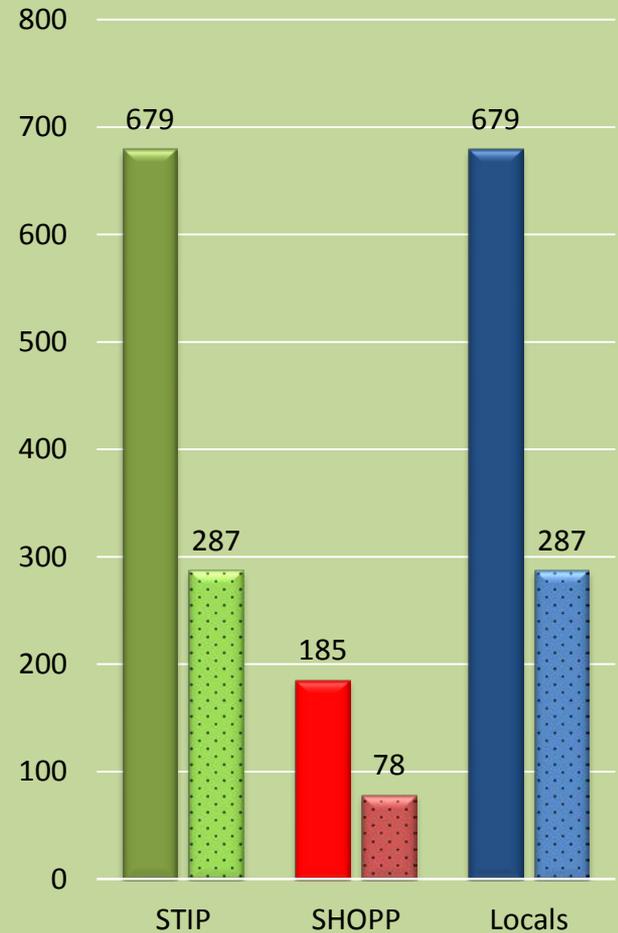
# State Price-Based Gas Tax Comparison

## FY 2014-15 Distribution (Based on \$.18/gal)

Total: \$2.5 Billion

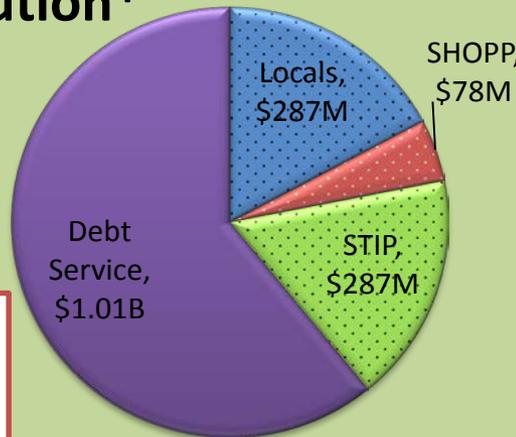


## Comparison by Fiscal Year on STIP, SHOPP, and Local Funding



## Proposed FY 2015-16 Distribution\* (Based on \$.12/gal\*\*)

Total: \$1.66 Billion



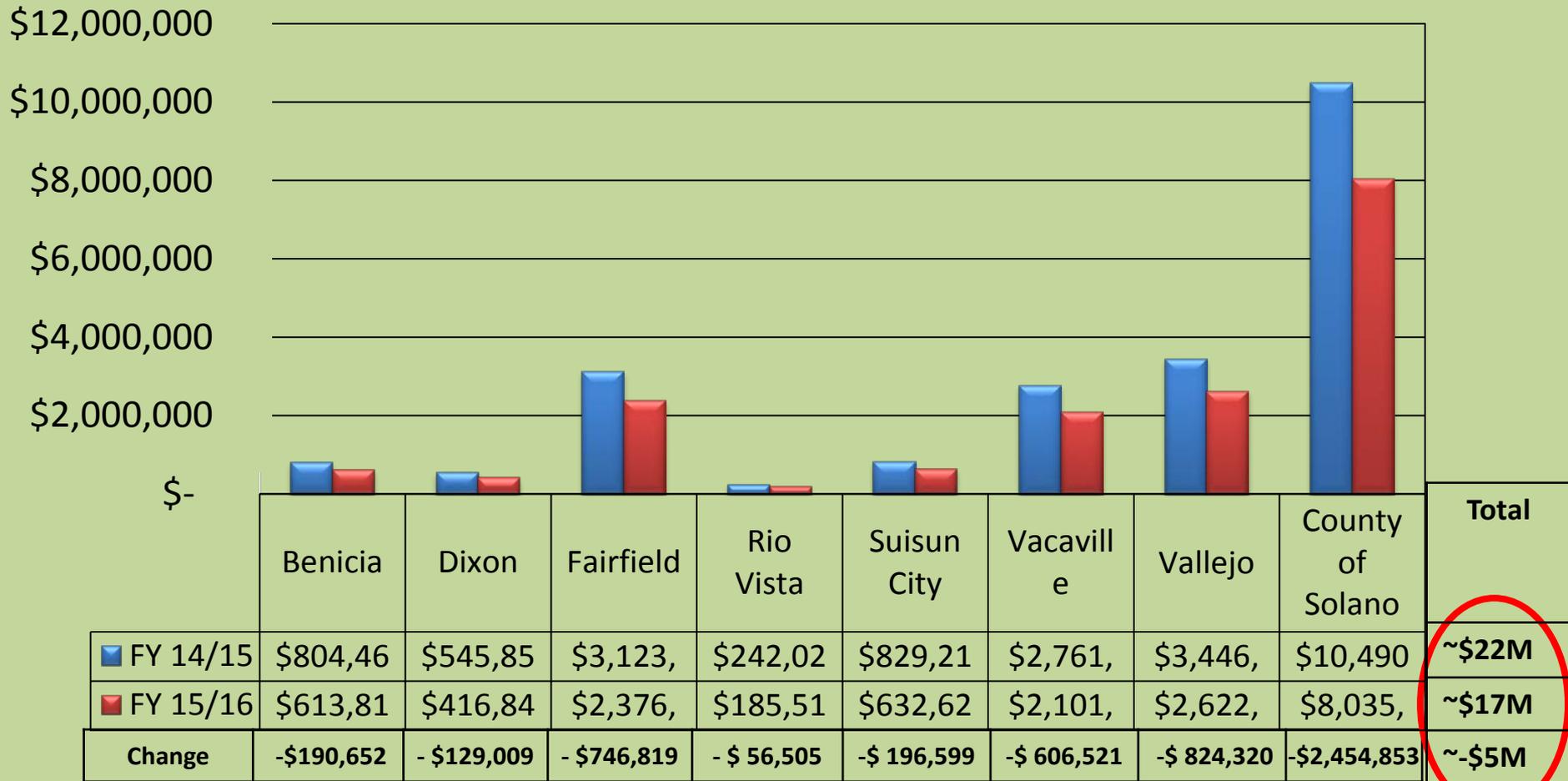
***A projected total decrease of \$840M  
(State Bond Debt Service held  
Harmless with Loss of State Funding  
to be absorbed by Local Streets &  
Roads, STIP, and SHOPP)***

\* Set by Board of Equalization every March

\*\*Decrease due to lower gas price

# Estimated Impact of Reduction of State Excise & Price-Based Gas Tax Revenue

**FY 2014-15 (\$22.2M\*) vs. Estimated FY 15/16 Projections (\$17M\*)**

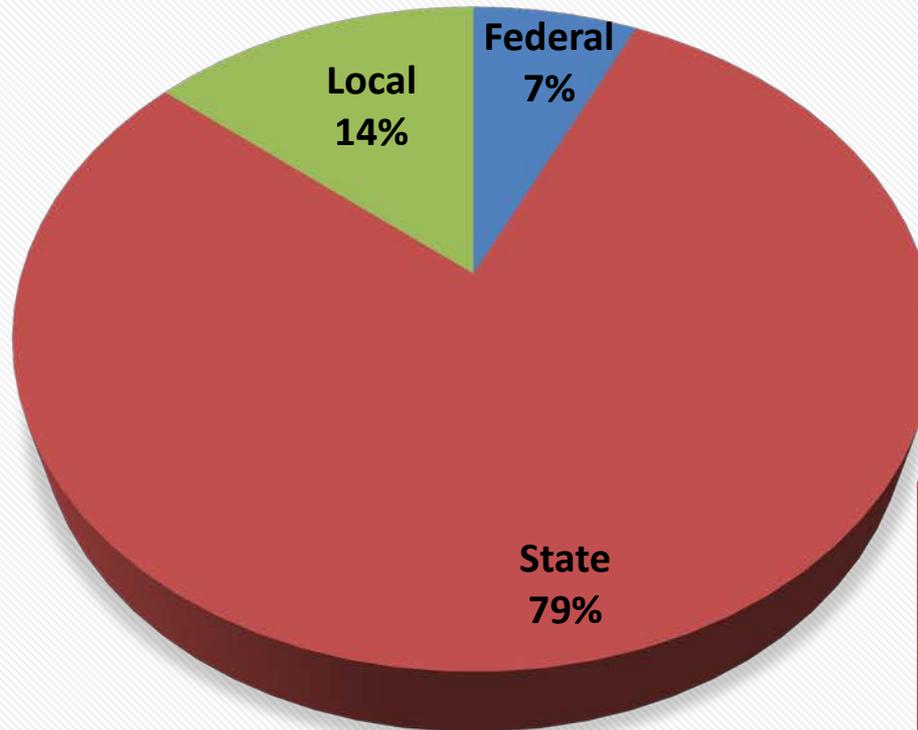


\*Limited Discretion, only a portion can be spent on road maintenance

Source: The California Local Government Finance Almanac, March 2015

# Funding Sources for FY 14/15 Local Streets and Roads Maintenance

FY 14/15 Local Streets & Roads Funding Breakdown



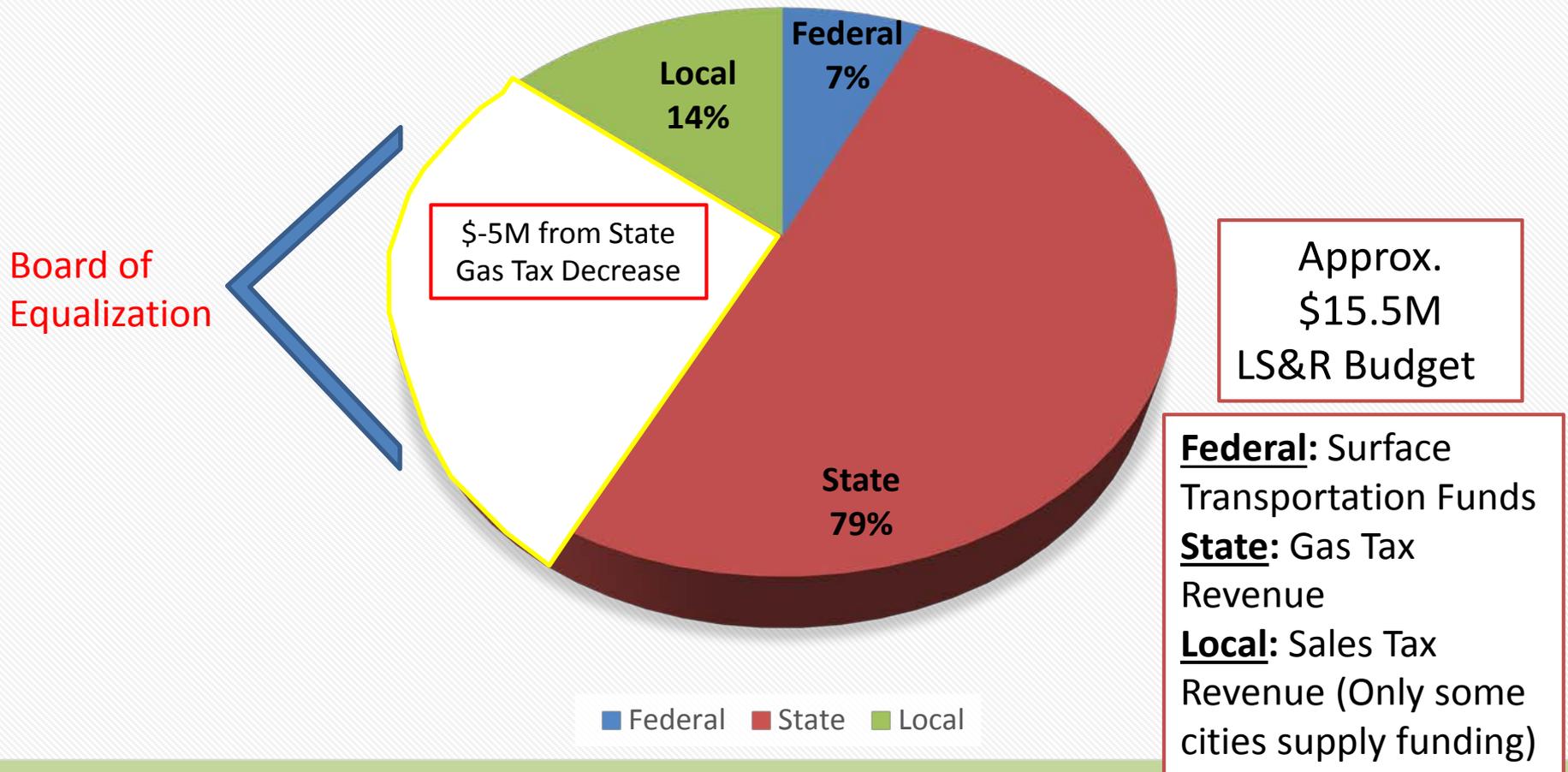
Approx.  
\$20.5M  
LS&R Budget

**Federal:** Surface Transportation Funds  
**State:** Gas Tax Revenue  
**Local:** Sales Tax Revenue (Only some cities supply funding)

Federal State Local

# Funding Sources for FY 15/16 Local Streets and Roads Maintenance

FY 15/16 Local Streets & Roads Funding Breakdown



# Local Transportation Funding

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## LOCAL SALES TAX MEASURES

- Fairfield, Rio Vista, Vallejo, and Vacaville have temporary sales tax measures
- Benicia has permanent 1% sales tax



## LOCAL SALES TAX REVENUE EFFECT ON LS&R

- Collectively cities and the County make up only 14% of LS&R funding available





**Franklin Delano Roosevelt**

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