

SB 1: Road Repair and Accountability Act of 2017

New Law Overview

California's transportation system is about to undergo an historic era of improvement, and Caltrans will be at the forefront. The passage of the Road Repair and Accountability Act of 2017 provides a new and badly needed infusion of money into the state's vast transportation network that has reached the crisis stage of deterioration.

The new law, created by Senate Bill 1, approved by a two-thirds majority of the Legislature and signed by Gov. Edmund G. Brown Jr. in April, will do much to reverse that decay. It is the most far-reaching and significant transportation funding legislation in decades, projected to raise a total of \$54 billion through 2027, divided equally between state and local governments.

Caltrans will receive the bulk of the \$26 billion state share over the 10-year period. Of that, \$19 billion has been dedicated to the state's most pressing transportation problem – fixing the interlocking system of roads, bridges, culverts, traffic devices, and other critically important components.

The Road Repair and Accountability Act outlines a plan for Caltrans and other transportation agencies to fix and upgrade their systems. It lays down a series of performance measures to gauge progress, and builds in program oversight safeguards and financial accountability. See accompanying stories for more details.

The work will be funded by a combination of higher gas and diesel taxes at the pump, and new road improvement fees assessed on vehicles at the time of registration. This also includes a special fee on zero-emission vehicles (starting in 2020).

The revenue comes at a critical time. Proposition 1B, the transportation bond program approved by California



The Road Repair and Accountability Act is expected to go a long way toward fixing and maintaining the crumbling state highway system.

voters in 2006, is winding down, and most of the \$19.9 billion it raised have been allocated to projects up and down the state.

The new law will more than double that financial commitment to state and local transportation systems, and, unlike Prop. 1B, focuses on rehabilitation and maintenance of existing roads.

Although Caltrans has worked hard to maintain its transportation assets, it hasn't had the resources to keep

up with wear on an aging system used daily by millions of cars and trucks. The toll from last winter's storms, now topping \$1 billion, showed how vulnerable California's state highway network had become, and the future looked grim. According to estimates, the state would fall \$59 billion short of being able to maintain its highway system in adequate condition over the next 10 years had funding remained unchanged.

The law's passage has changed that dire forecast. Instead of staring into a highway funding abyss, Caltrans is now gearing up for an era of improvements. Maintenance crews will be especially active after the new state budget takes effect on July 1, looking to fix immediate problems such as potholes and crumbling roadway concrete, as well as pavement projects for sections of bumpy road. Guidelines for larger projects funded by the State Highway Operation and Protection Program (SHOPP) will be determined by Caltrans and the California Transportation Commission (CTC) in a series of public meetings this summer.

The new law will bring other positive changes. It will require Caltrans and other agencies adopt a more holistic and environmentally sensitive approach to the projects they undertake. Money is being provided to incorporate mitigation measures earlier in the project delivery process, encourage pedestrian and bicycle modes of travel, and make infrastructure improvements to accommodate emerging automotive technologies such as autonomous

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cars, or zero-emission vehicle charging stations.

The act also should stabilize transportation funding for the foreseeable future, giving more certainty to project planning and budgeting. Fuel taxes and new fees will be indexed for inflation, and lawmakers restored a previous formula used to calculate fuel excise taxes that should smooth out funding fluctuations.

Improving the condition of the state's road system is expected to provide an overall boost for the state's economy as well. Businesses that transport goods and services around the state on smoother and less congested roads should see a bottom line benefit thanks to steadier travel time and less wear on equipment.

And with 10 years of major road maintenance and projects on the horizon, the Road Repair and Accountability Act of 2017 promises to be a major job-creator. Every \$1 billion spent on infrastructure projects creates more than 13,000 jobs, according to federal government estimates, so the \$54 billion spent over the life of the law is shaping up as a jobs bonanza for the state. **MM**

Allocations

The Road Repair and Accountability Act of 2017 is expected to raise a total of \$54 billion over the next decade to address a daunting backlog of transportation system repairs and upgrades, while ensuring a cleaner and more sustainable travel network for the future.

Caltrans and other state agencies are due to receive roughly half of that amount, \$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. The money from the new law — passed as Senate Bill 1 — will start flowing when increased fuel taxes take effect Nov. 1.

At the heart of the law is the creation of a Road Maintenance and Rehabilitation Account (RMRA) that embodies Caltrans' "fix it first" philosophy. That account will provide the lion's share of the funding to tackle deferred maintenance needs on the state highway system and the local road system.