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1st Extraordinary Session on Transportation - Conference Committee Hearing
Wednesday, October 21, 2015
Dennis Michael, Mayor, City of Rancho Cucamonga and
President, League of California Cities
(as prepared)

Honorable Chairs and Members of the Conference Committee - Good morning, I am Dennis Michael, Mayor of the great City of Rancho Cucamonga and President of the League of California Cities. Thank you for dedicating your time to addressing the critical issue of transportation infrastructure financing, and thank you for the opportunity to speak with you on this critical issue.

I know last Friday you heard from the League's Assistant Legislative Director, Jennifer Whiting, on the needs of the local streets and roads system and why it is urgent that you act.

So you already know that the condition of the local streets and roads system is declining, and that the rate of decline will only increase if the state does not act now.

We know that transportation funding will likely never catch up to our needs. But we have to at least stop the bleeding. Even in rough condition, the local streets and roads system is worth \$188 billion. We've made too much investment in the system to let it crumble.

We can't talk about transportation without looking at how the system is currently funded and the challenge of those sources.

I handed out a chart that shows the funding levels for the local system for the last six years. Funding for the local transportation system comes from a variety of sources – some federal, some state, some local.

The federal government may be the smallest source of funding for our local system, but it is important and the fact of the matter is the federal contribution is vastly out of date. Congress is in a quagmire. The Highway Trust Fund is

constantly on the verge of bankruptcy and federal gas tax revenues adjusted for inflation peaked in 1994.

Cities and counties receive more the 50 percent of their transportation funding from the state, which also heavily relies on gas taxes.

As you know, the state has not increased the gas tax since 1994. As a result, the 18 cent state gas tax is bringing in the equivalent of 9 cents per gallon when adjusted for mileage and inflation¹. And with the increase in electric and hybrid vehicles and better fuel efficiency, those revenues are dragging.

There are long-term solutions in the works with the study of a road charge, or Vehicle Miles Traveled-type fee, to replace the gas tax. But these potential proposals won't come in time to fix our urgent short-term needs.

In California, our local governments also support the transportation system by funding highway improvements, local streets and roads, and transit. Most of these revenues come from city and county general funds or local sales tax measures. Local funds account for about 35% of the funding for the local transportation system.

We have 20 counties in the state that have passed voter-approved transportation measures. These annually provide \$3-4 billion for essential transportation programs and projects. Nearly 31 million, or 81 percent, of Californians live in one of these counties.

There are also eight cities that have passed special sales or parcel taxes to fund local street needs and eight special districts that have done the same.

And of course we should look at what Californians are paying toward the system.

On average, motorists pay about \$370 in taxes used to maintain the roadways necessary for everyday life.

Compared to costs of other services many of us use on a daily basis, that really isn't all the much.

¹ 10.5 cents per gallon when adjusted just for inflation

To put our investment in context: Californians on average pay \$540 for internet, \$780 for their coffee habit, \$852 for a cell phone, and an incredible \$1,032 for cable every year.

And in comparison, the TRIP report found that bad roads cost California drivers as much as nearly \$2,500 per driver².

There are some issues we work on as elected officials that seem to last forever and never change. Transportation could easily fall into that category. You may not know that transportation was the issue that spurred the formation of the League of California Cities in 1898.

It began with a letter from Ben Lamborn, city clerk of Alameda, to the more than 100 cities in the state. Mr. Lamborn had been instructed by his council to inquire about other cities' experiences with a new mechanical device: a road roller. Drafting his letter, he found that the road roller question took less than the top half of the paper. So, "to make it look better," he filled up the page with additional questions. Name of city? Population? When incorporated? Officials? Etc. Thus began the League of California Cities.

And 117 years later, city officials are still talking about how to more efficiently deliver transportation and make the most out of the transportation dollars we have. You'll hear more on that in just a few minutes.

My point in sharing this history with you is to show that this is an issue on which cities stand united. There is universal agreement that something has to be done. We stand ready to work with you on solutions.

Thank you for having me here today, and thank you for your dedication to our state.

² Regional costs, per driver:

Los Angeles: \$2,458

Sacramento: \$1,543

San Diego: \$1,886

San Francisco-Oakland: \$2,206

San Jose: \$1,723