



SB 1121 (Gonzalez) – Transportation Needs Assessment

SUMMARY

Senate Bill (SB) 1121 requires the California Transportation Commission to provide a 10 year transportation needs assessment, compare that with an assessment of the available transportation revenues, and recommend ways to bridge the gap.

PROBLEM

California's transportation system is at the center of our economy and society. A well-functioning transportation system allows people and goods to move easily and conveniently. But that system is under threat from chronic under-investment, climate change, congestion, and a shift in how people choose to move. Meeting our transportation needs starts with comprehensively identifying the needs, comparing those needs to available resources, and reprioritizing those needs and resources to bridge the gap.

BACKGROUND

California annually spends tens of billions of dollars of federal, state and local revenues to operate, maintain and expand our transportation system. But even with the passage of SB 1 (Beall, Chapter 5, Statutes of 2017), there isn't enough funding. A study commissioned by the California State Association of Counties found that it will cost \$118.7 billion over the next ten years for local streets and roads to be maintained in a state of good repair. Unfortunately, only \$54.7 billion will be available leaving a deficit of \$64.0 billion¹. Similarly, Caltrans estimates that the cost to operate and maintain state highways for the next 10 years will be \$116.8 billion, though we'll have only \$55.3 billion, leaving a deficit of

¹ California Statewide Local Streets and Roads Needs Assessment; August 2021; p. 5.

\$61.5 billion². And that's just the beginning. The impacts of climate change, from sea level rise to more intense weather to wildfires, are easily in the tens of billions of dollars and only now are being recognized.

Transit systems are also running operating deficits. When their federal COVID relief funding runs out next year, many transit agencies will be running huge deficits which, if not addressed, will result in service cuts. For example, the Metropolitan Transportation Commission estimates that beginning in 2023 Bay Area transit operators will have an average annual deficit of over \$500 million over the next five years³. The southern California region has asked for an additional \$10 billion to support the operation of their transit systems⁴.

In addition to maintaining the existing system, it's also necessary to expand our transportation system to meet the needs of our citizens, including transit systems, infrastructure investments, and bike and pedestrian facilities. The cost to do so will be many billions of dollars. At the regional level there are comprehensive estimates of the operations, maintenance and expansion costs for both transit and roads. For example, the Southern California Association of Governments found that the total cost of operations and expansion of the transportation system in southern California will cost \$638.9 billion for 2020-2045 which they expect to pay for with \$493.1 billion of existing revenue and \$145.7 billion in new revenues⁵. But similar estimates don't exist for state assets. Policymakers need a comprehensive understanding of the totality of the transportation funding need and the resources available to meet those

² Caltrans 2021 State Highway System Management Plan; p. 6.

³ MTC Transportation Funding Request to Legislative leadership; February 16, 2022.

⁴ Southern California State Budget funding request to Legislative leadership; February 7, 2022.

⁵ SCAG 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy.

needs. Once we know our needs we can look at our available resources and make decisions about matching our resources to our needs.

SOLUTION

SB 1121 will provide policymakers with the big picture of California's transportation funding needs by requiring the California Transportation Commission to perform an assessment of the state and local transportation needs, compare those needs to the available resources, and recommend how to bridge the gap.

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