TOWNSEND

PUBLIC AFFAIRS

EST TPA 1998

Where the Sidewalk Ends…

Without Changes to Our Funding Mechanisms!

April 4, 2024

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SACRAMENTO • WASHINGTON, DC
NORTHERN CALIFORNIA • CENTRAL CALIFORNIA • SOUTHERN CALIFORNIA

Company Overview

- Townsend Public Affairs, Inc. (TPA) was founded in 1998 by Christopher Townsend with a mission to support organizations that improve our communities.
- TPA has represented over 300 clients, including 250 local public agencies, such as cities, counties, transportation agencies, water and sanitation districts, school districts, community college districts, park and recreation districts, and other special districts, as well as nonprofit organizations.
- Ranking by Revenue Reported to the California Secretary of State:
  - 8th of 491 Firms Registered for 2022–23 Legislative Session
  - 99th Percentile
- More California public agencies have hired TPA to represent them in Washington, DC than any other advocacy firm in the nation.

Company Overview: Results

TPA is the <u>only</u> firm that provides legislative advocacy AND grant funding services for clients in Sacramento AND Washington, DC

$3.0B+
Funds secured for client projects

150+
Client bills signed into law

Agenda

1. The Problem
2. The Impacts
3. Potential Solutions

The Problem

Assessing California's Climate Policies—Implications for State Transportation Funding and Programs

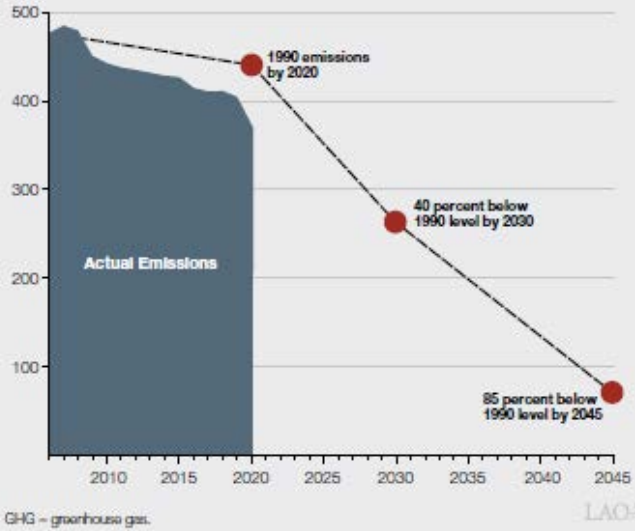
LAO

GABRIEL PETEK | LEGISLATIVE ANALYST
DECEMBER 2023

Figure 1

California Has Adopted Aggressive GHG Reduction Goals

Millions of Metric Tons of Carbon Dioxide Equivalent



GHG = greenhouse gas.

The Problem

Current Transportation Funding Situation

Figure 4

State Transportation Funding Is Supported by Several Fuel Taxes and Vehicle Fees

2023-24

	Rate	Estimated Revenues (In Billions)
Fuel Taxes		
Gasoline excise tax	57.9 cents[a]	$7.8
Diesel excise tax	44.1 cents[a]	1.4
Diesel sales tax	13 percent[b]	1.3
Vehicle Fees[c]		
Transportation improvement fee	$29 to $206[d]	$2.3
Weight fees	$8 to $2,064	1.3
Road improvement fee	$108[d]	0.1
Total		**$14.2**

[a] Per gallon.
[b] 10.5 percent is dedicated to transportation purposes.
[c] Per vehicle per year.
[d] Rate as of January 2023. Will be adjusted for inflation in January 2024.

$3.4 BILLION
Local Streets and Roads

$2 BILLION
Transit

$1.6 BILLION
Regional and Grants

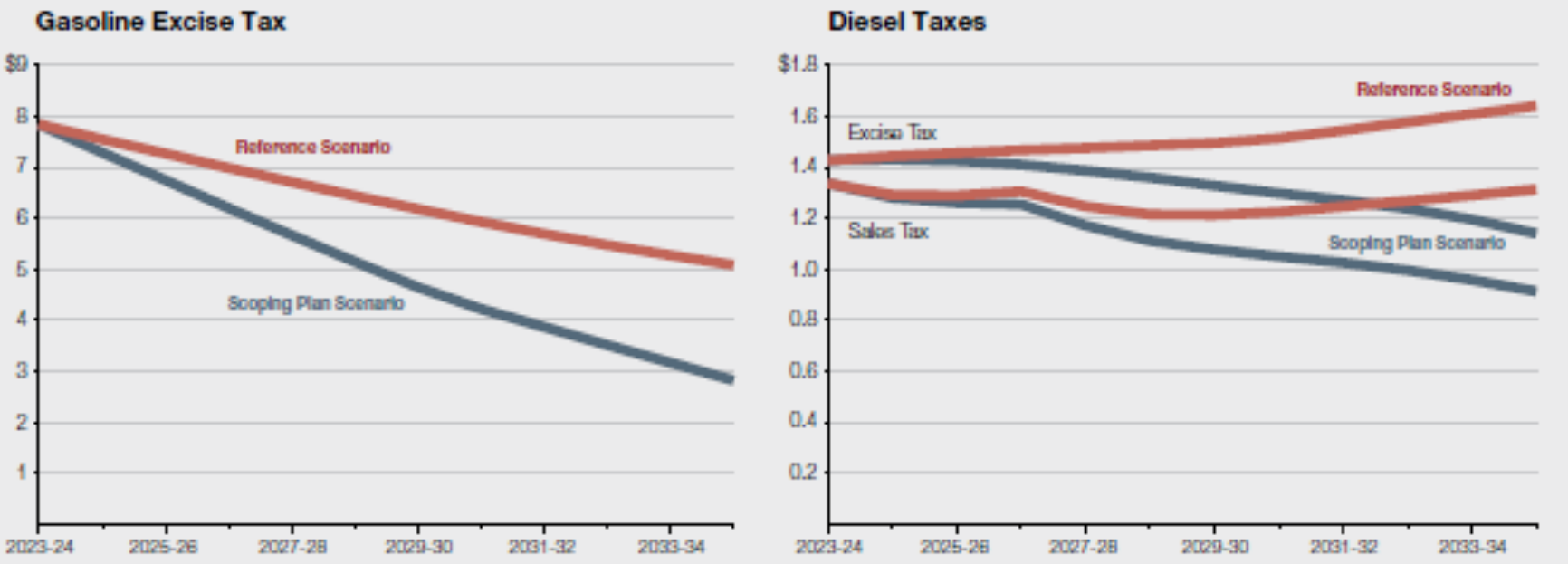
$7 BILLION

The Problem

Figure 7

Fuel Tax Revenues Decline as Fuel Efficiency and ZEV Adoption Increase

Inflation-Adjusted Dollars (In Billions)



ZEV = zero-emission vehicle.

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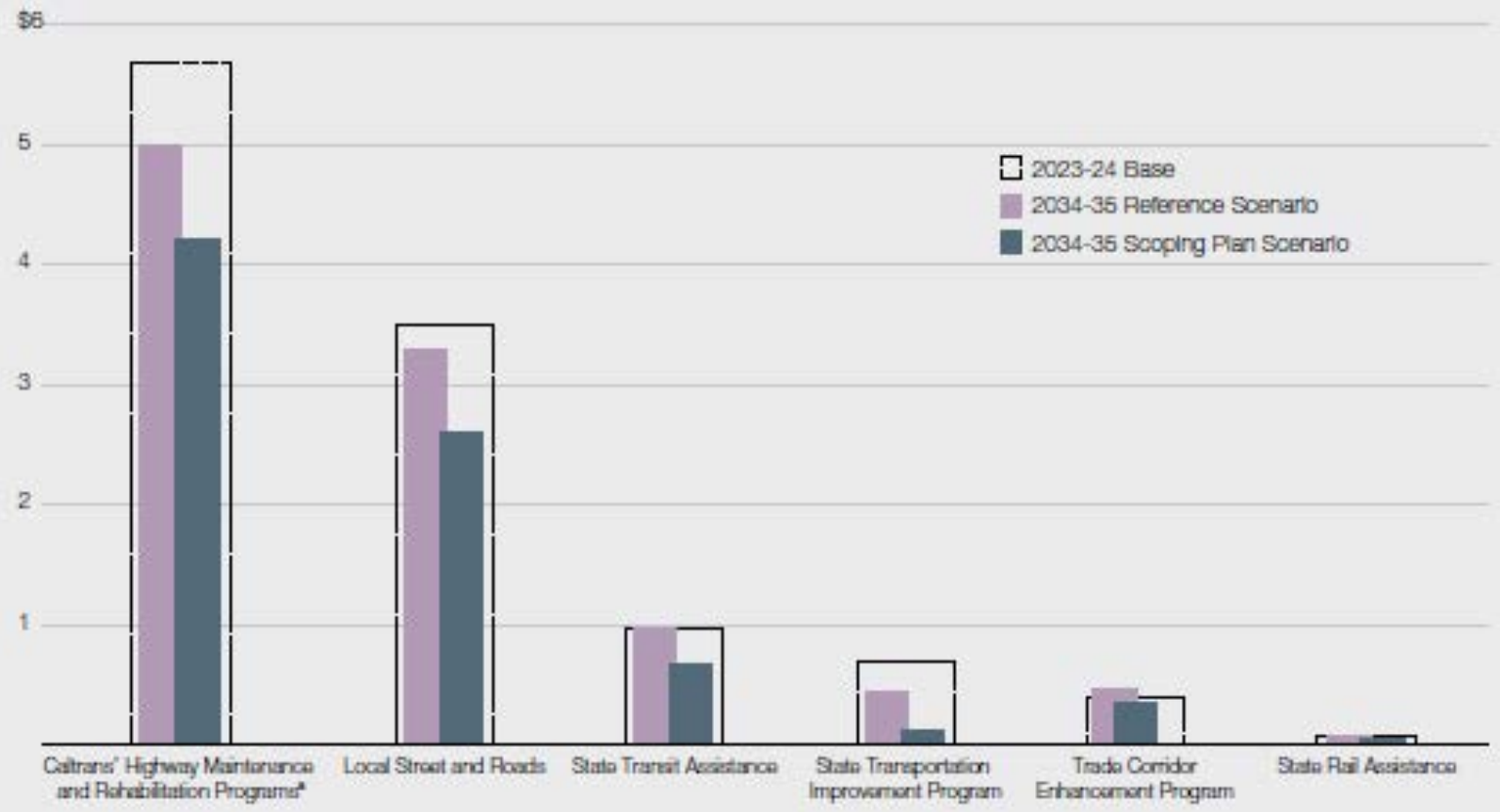
The Impact

Figure 9

Several State Transportation Programs Will Be Impacted by Declining Revenues

Inflation-Adjusted Dollars (In Billions)



* Also includes funding to support Caltrans' administrative programs, such as project planning and general administration.

Caltrans = California Department of Transportation.

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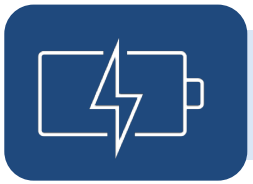
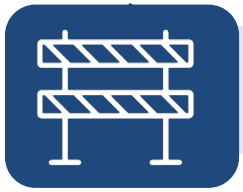
Potential Solutions

Legislative Analyst Recommendations

Increase Existing Taxes and Fees



Shift Costs to Other Funding Sources



Reduce Spending on Transportation

Adopt New Transportation-Related Charges

More Near-Term Solutions

Grant Funding

Federal

- Rebuilding American Infrastructure with Sustainability and Equity (RAISE)
  - *$15m – Complete Streets Project, Fontana, 2022*
- Safe Streets for All (SS4A)
  - *$20m – Address Unsafe Road Gaps, Fontana, 2023*

More Near-Term Solutions

Grant Funding (cont'd)

State

- Active Transportation Program (ATP)
  - *$7m – Extension of Nutwood Ave, Fullerton, 2023*
- Local Partnership Program (LPP)

Regional

- LA Metro
- South Coast Air Quality Management District
  - *$4.6m – Critical Intersection Upgrades, Colma, 2022*

More Near-Term Solutions

Federal Earmark Funding

Federal Community Project Funding from Congressional Representatives

Recent Examples Include:

- $5m for Mendota Pavement Management
- $2.6m for Murrieta Interchange Improvements
- $2m for Avalon Road Improvements
- $500,000 for Compton Street Safety Projects

More Near-Term Solutions

State Earmark Funding

State District-Directed Funding from State Representatives

Recent Examples Include:

- $12 million for Compton Bridge Rehabilitation
- $7.2 million for Fremont Interchange Project
- $2 million for Gardena Blvd Revitalization
- $750,000 for Emeryville Street Improvements

More Near-Term Solutions

Regional/Statewide Bond Measures

Statewide Bond Measures

- Climate Bonds
- Transportation Bonds
- Housing Bonds

Regional Funding Measures

- LA Metro
- South Coast Air Quality Management District

Questions?

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