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Transportation

Keith Millhouse, Ventura County

Transportation Commission

No. 2 MEETING OF THE

TRANSPORTATION FINANCE SUBCOMMITTEE

Friday, November 16, 2012

10:00 a.m. – 12:00 p.m.

**SCAG Los Angeles Office
818 West Seventh Street, 12th Floor
Los Angeles, CA 90017
(213) 236-1800**

Videoconference Available

Orange County Office

600 S. Main Street, Suite 906
Orange, CA 92863

San Bernardino County Office

1170 W. 3rd Street, Ste 140
San Bernardino, CA 92410

Ventura County Office

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Ventura, CA 93003

Imperial County Office

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El Centro, CA 92243

Riverside County Office

3403 10th Street, Suite 805
Riverside, CA 92501

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Ruby Moreno at (213) 236-1840 or via email moreno@scag.ca.gov

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. If you require such assistance, please contact SCAG at (213) 236-1928 at least 72 hours in advance of the meeting to enable SCAG to make reasonable arrangements. To request documents related to this document in an alternative format, please contact (213) 236-1928.

Transportation Finance Subcommittee Member List

San Bernardino County: Hon. Gary Ovitt, **Chair**/Member (SB)

Los Angeles County: Hon. Keith Hanks, **Vice Chair**/Member (LA)
Hon. Bruce Barrows, Member (LA)

Riverside County: Hon. Mary Craton, Member (Riv)
Hon. Darcy Kuenzi, Member (Riv)

Orange County: Hon. Brett Murdock, Member (OC)

Ex-Officio Members

Lucy Dunn, President & CEO, Orange County Business Council
Denny Zane, Executive Director, Move LA

TRANSPORTATION FINANCE SUBCOMMITTEE

AGENDA

NOVEMBER 16, 2012

The Transportation Finance Subcommittee may consider and act upon any of the items listed on the agenda regardless of whether they are listed as information or action items.

CALL TO ORDER & PLEDGE OF ALLEGIANCE

(Hon. Gary Ovitt, Chair)

PUBLIC COMMENT PERIOD – Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Subcommittee, must fill out and present a speaker's card to the Assistant prior to speaking. Comments will be limited to three (3) minutes. The Chair may limit the total time for all comments to twenty (20) minutes.

REVIEW AND PRIORITIZE AGENDA ITEMS

	<u>Time</u>	<u>Page No.</u>
<u>CONSENT CALENDAR</u>		
<u>Approval Item</u>		
1. <u>Minutes of October 12, 2012</u>	Attachment	1

INFORMATION ITEMS

2. <u>Capital Costs Overview</u> <i>(Warren Whiteaker, SCAG Staff)</i>	Attachment	20 mins.	5
3. <u>Breaking Down Barriers</u> <i>(Richard Bacigalupo, OCTA Staff)</i>	Attachment	20 mins.	20
4. <u>Economic Benefits of Expediting Project Delivery</u> <i>(Dr. Wallace Walrod, Orange County Business Council)</i>	Attachment	30 mins.	25
5. <u>Voter Thresholds for Transportation Measures</u> <i>(Denny Zane, Move LA)</i>	Attachment	30 mins.	36

CHAIR'S REPORT

(Hon. Gary Ovitt, Chair)

STAFF REPORT

(Annie Nam, SCAG Staff)

TRANSPORTATION FINANCE SUBCOMMITTEE

AGENDA

NOVEMBER 16, 2012

FUTURE AGENDA ITEMS

Any Subcommittee member or staff desiring to place items on a future agenda may make such a request.

ANNOUNCEMENTS

ADJOURNMENT

The next regular meeting of the Transportation Finance Subcommittee meeting will be determined at the November 16th meeting. It will be held at the SCAG Los Angeles Office.

**Transportation Finance Subcommittee
Of the
Southern California Association of Governments**

October 12, 2012

Minutes

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE TRANSPORTATION FINANCE SUBCOMMITTEE. AUDIO CASSETTE TAPE OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.

The Transportation Finance Subcommittee held its meeting at the SCAG offices in downtown Los Angeles. The meeting was called to order by Hon. Gary Ovitt, Chair, San Bernardino County. There was a quorum.

Members Present

Representing

Hon. Gary Ovitt, **Chair**

Member (SB)

Hon. Keith Hanks, Vice Chair

Member (LA)

Hon. Bruce Barrows

Member (LA)

Hon. Mary Craton

Member (Riv) (Videoconference)

Hon. Brett Murdock

Member (OC)

Ex-Officio Members Present

Denny Zane, Executive Director, Move LA

Members Not Present

Representing

Hon. Darcy Kuenzi

Member (Riv)

Ex-Officio Members Not Present

Lucy Dunn, President & CEO, Orange County Business Council

CALL TO ORDER & PLEDGE OF ALLIGIANCE

Hon. Gary Ovitt, Chair, called the meeting to order at 10:03am.

**Transportation Finance Subcommittee
Of the
Southern California Association of Governments**

October 12, 2012

Minutes

PUBLIC COMMENT PERIOD

None.

REVIEW and PRIORITIZE AGENDA ITEMS

None.

ACTION ITEM

1. Subcommittee Work Plan and Deliverables

Chairman Gary Ovitt introduced the membership of the Transportation Finance Subcommittee (TFS), and SCAG staff. Honorable Ovitt proceeded to brief the Subcommittee on the purpose, goals and objectives of the Subcommittee. Warren Whiteaker, SCAG Staff, further outlined the TFS' Work Plan and Deliverables, which include the following:

- Action Plan for moving forward implementation of key strategies identified in the 2012-2035 RTP/SCS
- Identify economic benefits for expediting RTP/SCS projects delivery
- Framework for the development of the financial plan for the upcoming 2016 RTP/SCS
- Investigate potential mitigation measures to lessen impacts from revenue strategies included in the 2012-2035 RTP/SCS.

The Committee responded to the proposed Work Plan and Deliverables with questions and additional suggestions. Rich Macias, Director of Transportation Planning, reassured the membership their suggestions would be taken into consideration and be addressed in accordance with the framework for the upcoming 2016 RTP/SCS. Final recommendations will be presented to the Transportation Committee, and the Deliverables will be forwarded to the Regional Council at the General Assembly for adoption.

A motion was made (Hanks) to recommend approval of the Transportation Finance Subcommittee Work Plan and Deliverables. Motion was SECONDED (Barrows) and unanimously APPROVED by roll call vote.

INFORMATION ITEMS

2. Overview and discussion of 2012-2035 RTP/SCS Financial Plan

Annie Nam, SCAG Staff, provided a brief overview of the most critical elements of the 2012-2035 RTP/SCS Financial Plan. Topics that were discussed included:

**Transportation Finance Subcommittee
Of the
Southern California Association of Governments**

October 12, 2012

Minutes

- Financial Plan concepts
- Issues impacting the Financial Plan outlook (e.g., economic conditions, construction costs, federal funding, etc.)
- Revenue forecasts
- Estimated costs
- Balancing expenditures and revenues over the life of the Financial Plan

Annie Nam concluded by highlighting several key next steps SCAG will pursue as part of the 2012–2035 RTP/SCS implementation. The full presentation was included in the agenda packet.

3. Statewide Needs Assessment Update and Revenue Options

Susan Bransen, California Transportation Commission Staff, presented an update on how the Commission is addressing the transportation system needs at a statewide level. Working together with Metropolitan Planning Organizations (MPO), transit agencies, and airports, the Commission generated a report that identifies investment needs for California’s transportation system; system preservation, system management, and system expansion. Mrs. Bransen further expanded on the objectives of their workgroup to identify the following:

- Performance Objectives
- Accountability and Accomplishments
- Efficiency Measures
- Revenue Principles
- Revenue Options
- Economic Analysis
- Policy Recommendations

The full presentation was included in the agenda packet.

4. Measure J Overview

Cosette Stark, Los Angeles County Metropolitan Transportation Authority Staff, informed the subcommittee on Measure J, which purpose is to extend the Measure R half-cent sales tax to accelerate traffic relief and job creation. This measure will be on the November general election ballot, and the ballot language was included in the presentation.

**Transportation Finance Subcommittee
Of the
Southern California Association of Governments**

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Minutes

5. 2016 RTP/SCS Development Schedule

Warren Whiteaker, SCAG Staff, displayed and explained the draft preliminary schedule for the development of the 2016–2040 RTP/SCS.

STAFF REPORT

None was presented.

FUTURE AGENDA ITEMS

Discussion regarding potential mitigation measures to lessen impacts from revenue strategies included in the 2012–2035 RTP/SCS.

ANNOUNCEMENTS

There were no announcements.

ADJOURNMENT

Honorable Gary Ovitt, Chair, adjourned the meeting 12:00 pm. The next meeting will be held in November. The date will be determined by the subcommittee.

Transportation Finance Subcommittee

Capital Costs Overview

November 16, 2012



Transportation System Cost Components

- Focus today will be on capital costs
- Operations and maintenance (O&M) / system preservation will be topic of next meeting

Revised 10-10-2012



TRANSPORTATION FINANCE
SUBCOMMITTEE

Deliverables:

1. Action Plan for moving forward Implementation of key strategies identified in the 2012-2035 RTP/SCS
2. Identify economic benefits for expediting RTP/SCS projects delivery
3. Framework for the development of the financial plan for the upcoming 2016 RTP/SCS
4. Investigate potential mitigation measures to lessen impacts from revenue strategies included in the 2012-2035 RTP/SCS

Meeting #1	<p>Overview of Financial Plan, Emerging Issues, and Work Plan</p>
Meeting #2	<p>Managing System Costs and Expediting Project Delivery</p>
Meeting #3	<p>System Preservation Needs</p>
Meeting #4—Joint Meeting	<p>Public-Private-Partnerships, Innovative Financing, and Strategies for Goods Movement</p>
Meeting #5—Joint Meeting	<p>Revenue Strategies—Joint Subcommittee Meeting</p>
Meeting #6	<p>2012-2035 RTP/SCS Implementation Action Plan and 2016 RTP/SCS Financial Plan Framework</p>



Meeting #1

Objective: Introduce critical components impacting ability to achieve fiscal constraint and establish subcommittee work plan

- ◆ Overview of the financial plan and discussion of key emerging issues (costs and revenues)
- ◆ Update on statewide needs assessment and associated revenue options
- ◆ Measure J Overview
- ◆ Review 2016 RTP/SCS development schedule
- ◆ Work plan for subcommittee and steps to achieve deliverables

Action: Approve Transportation Finance Subcommittee Work Plan

Presenters: California Transportation Commission staff, Metro staff, SCAG

Meeting #2

Objective: Understand components of system costs and identify strategies to better manage costs

- ◆ Review of system cost components—trends, risks, and economic implications
 - Incorporating full life-cycle costs in planning, programming, and financing
- ◆ Strategies to better manage costs and expedite project delivery

Potential Presenters: Dr. Wallace Walrod (SCAG economic consultants), Caltrans economic division, ENR, OCTA, SANBAG, SCAG

Meeting #3

Objective: Understand the cost of system preservation and identify adequate, reliable revenue sources to achieve a state of good repair

- ◆ Investment in system preservation as a cost containment strategy
 - Assessment of highways, local streets and roads, transit, and other modal system preservation needs
- ◆ Funding options for system preservation

Potential Presenters: Caltrans SHOPP, AASHTO, City of Ontario, Pat DeChellis (Deputy Director IACDPW), OCTA, Metrolink, SCAG

Meeting #4—Joint Meeting

Objective: Understand options for leveraging private sector participation; other innovative financing options and strategies for good movement

- ◆ MAP-21 provisions for TIFIA and implications for regional initiatives
- ◆ Viable revenue sources to support PPP opportunities for project delivery and system preservation
 - Goods movement funding and financing options

Potential Presenters: Nussman, FHWA Office of Innovative Finance, financial institutions, county transportation commissions, SCAG, California Finance Authority, Tilga Group (NCRFP Report 15), POLA/POLB

Meeting #5—Joint Meeting

Objective: Understand options and identify strategies to fund specific modal initiatives (e.g., commuter rail, transit, active transportation, transportation demand management)

- ◆ Trends, emerging tools, and opportunities for funding modal initiatives
- ◆ Funding high-speed rail
- ◆ Update on Express Travel Choices Study and emerging regional congestion pricing strategies

Potential Presenters: APTA, FTA, Denny Zane, HSRT, Metrolink, county transportation commissions, financial institutions, cities, City of Portland, New York City DOT, SCAG

Meeting #6

Objective: Review and recommend steps for implementation of 2012-2035 RTP/SCS and framework for development of 2016 RTP/SCS

- ◆ Review and recommend steps for 2012-2035 RTP/SCS implementation and identify emerging issue to address in development of 2016 RTP/SCS

Action: Recommend steps for moving forward key strategies from 2012-2035 RTP/SCS and framework for development of 2016 RTP/SCS

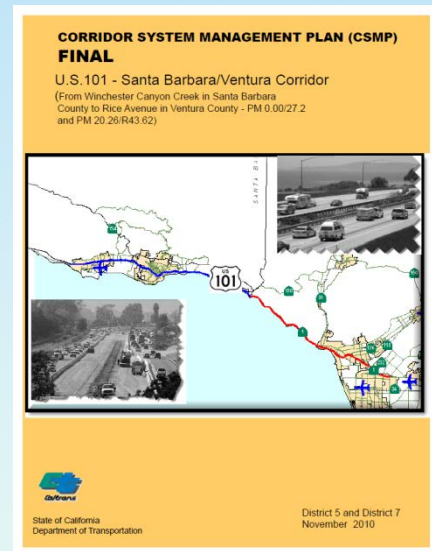
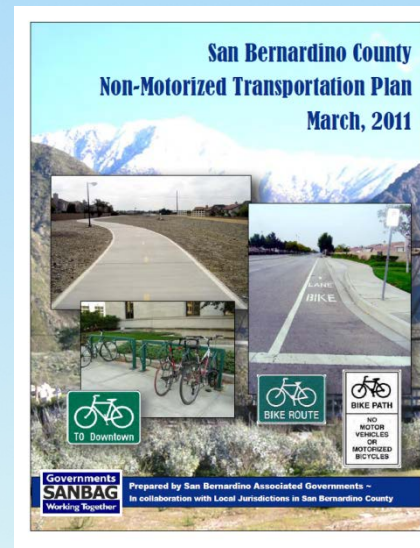
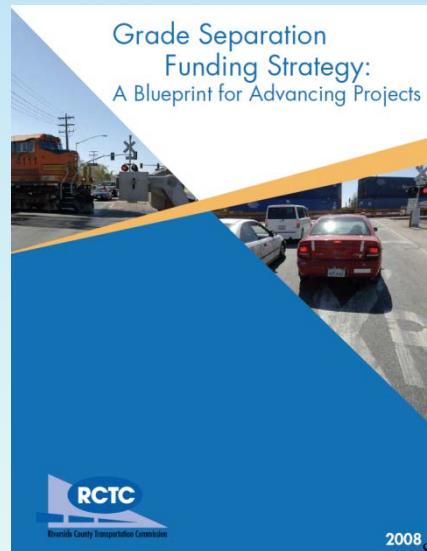
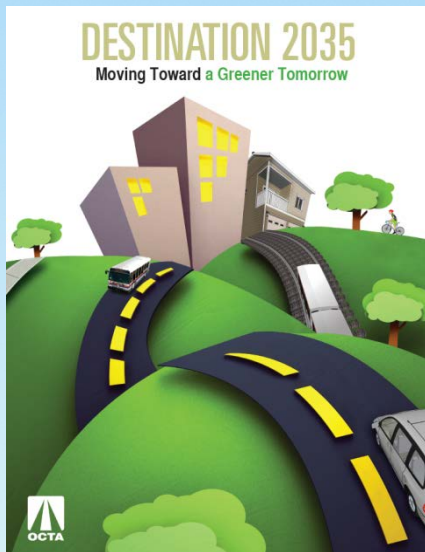
Potential Presenters: County transportation commissions, Metrolink, Caltrans, FHWA/FTA, SCAG

Key Capital Cost Concepts

- RTP Financial Plan includes capital costs for
 - Major roadways
 - Transit
 - Multimodal and intermodal facilities
 - Intermodal connectors
 - Active transportation infrastructure
- Emphasis on facilities that serve important national and regional transportation functions
- Sufficient project detail for air quality conformity determinations

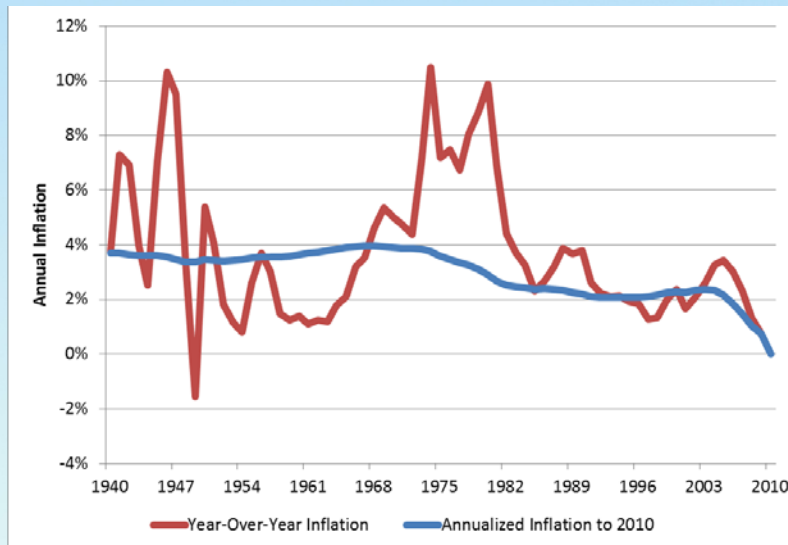
Key Capital Cost Concepts

- Builds on county transportation commissions plans, project studies, others

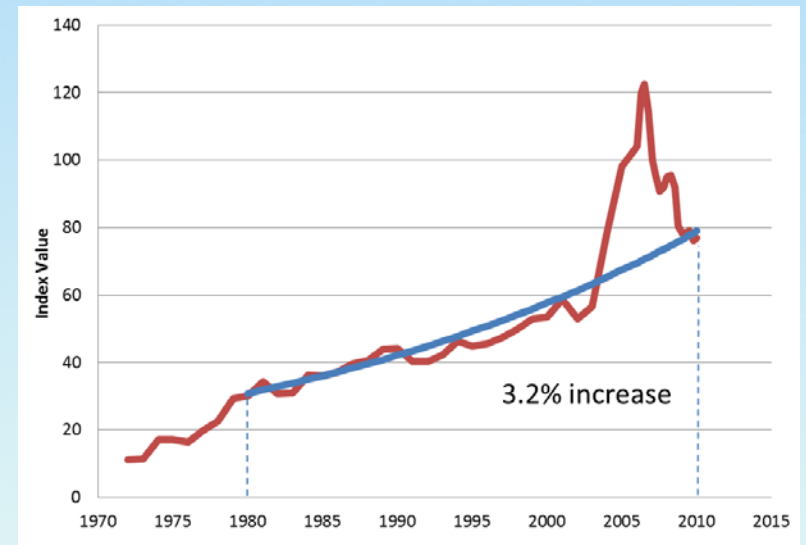


Key Capital Cost Concepts

- Year-of-expenditure (YOE) / nominal dollars
- Capital projects include both soft and hard costs with different inflation factors



2.9% Annual Inflation Rate



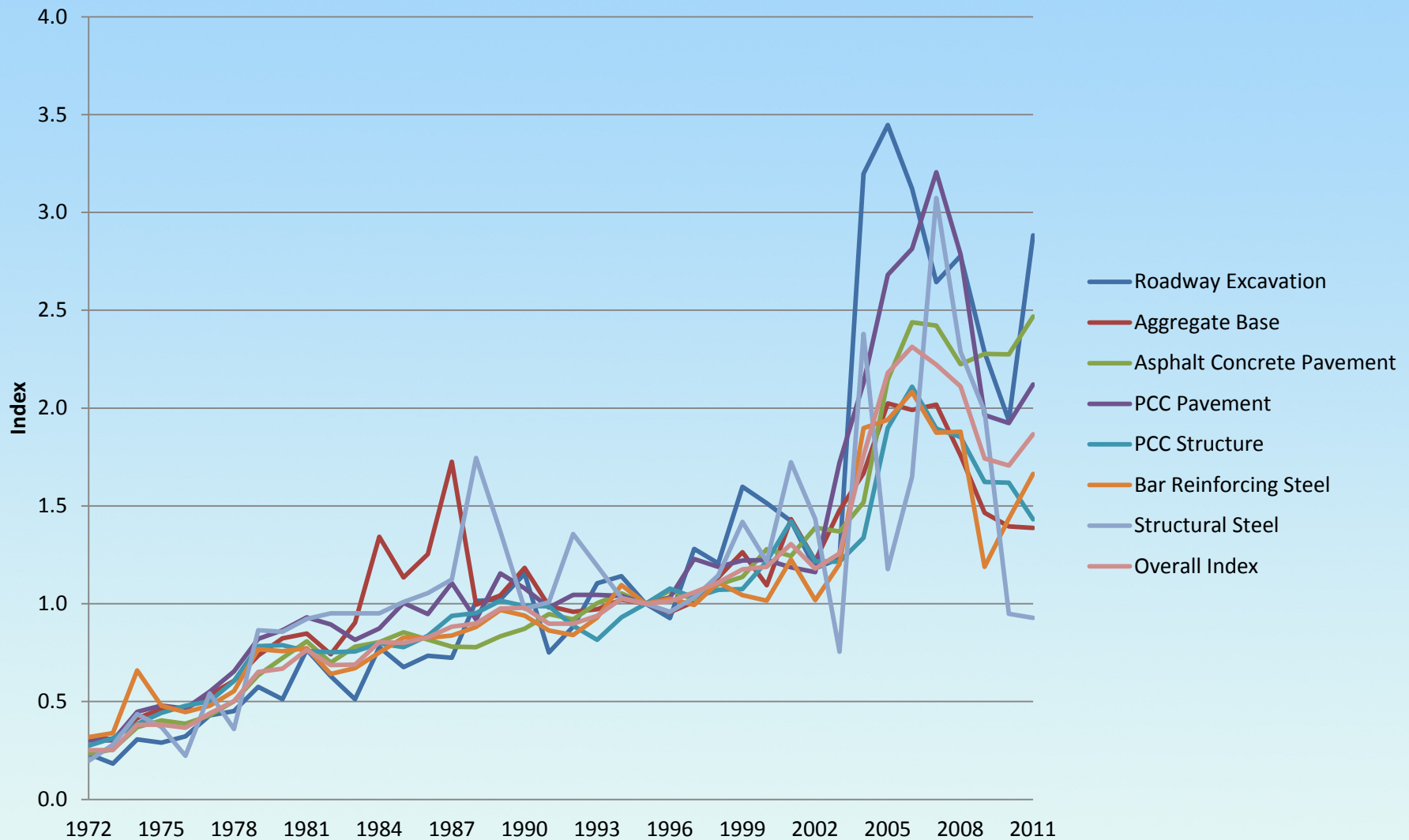
3.2% Annual Construction Inflation Rate

Construction Cost Index

- Construction inflation rate derived from Caltrans' *Price Index for Selected Highway Construction Items*
- Tracked items include
 - Roadway excavation
 - Aggregate base
 - Asphalt concrete pavement
 - Portland cement concrete (PCC pavement)
 - Portland cement concrete (PCC structure)
 - Bar reinforcing steel
 - Structural steel

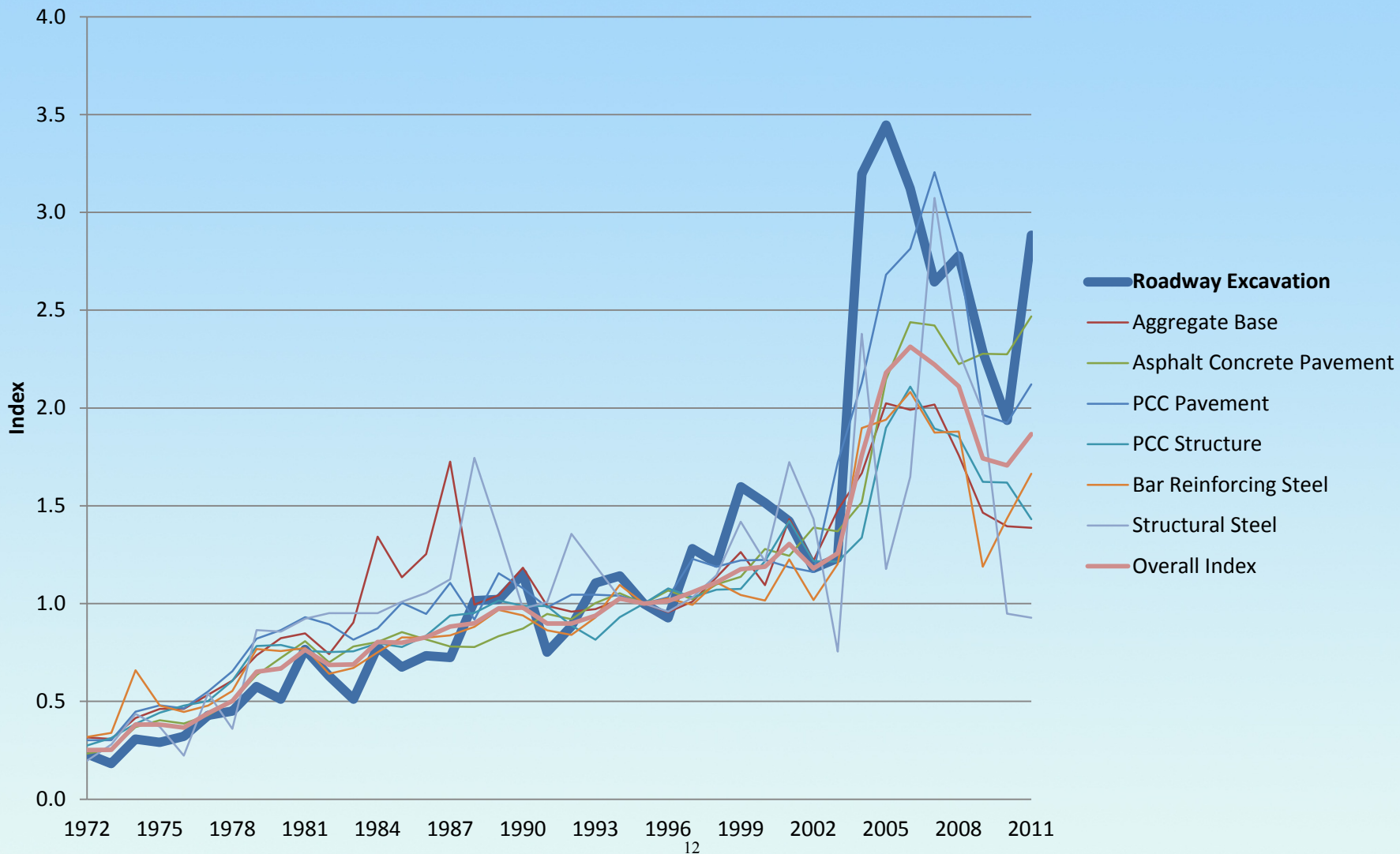
Construction Cost Index

Cost Changes by Construction Item

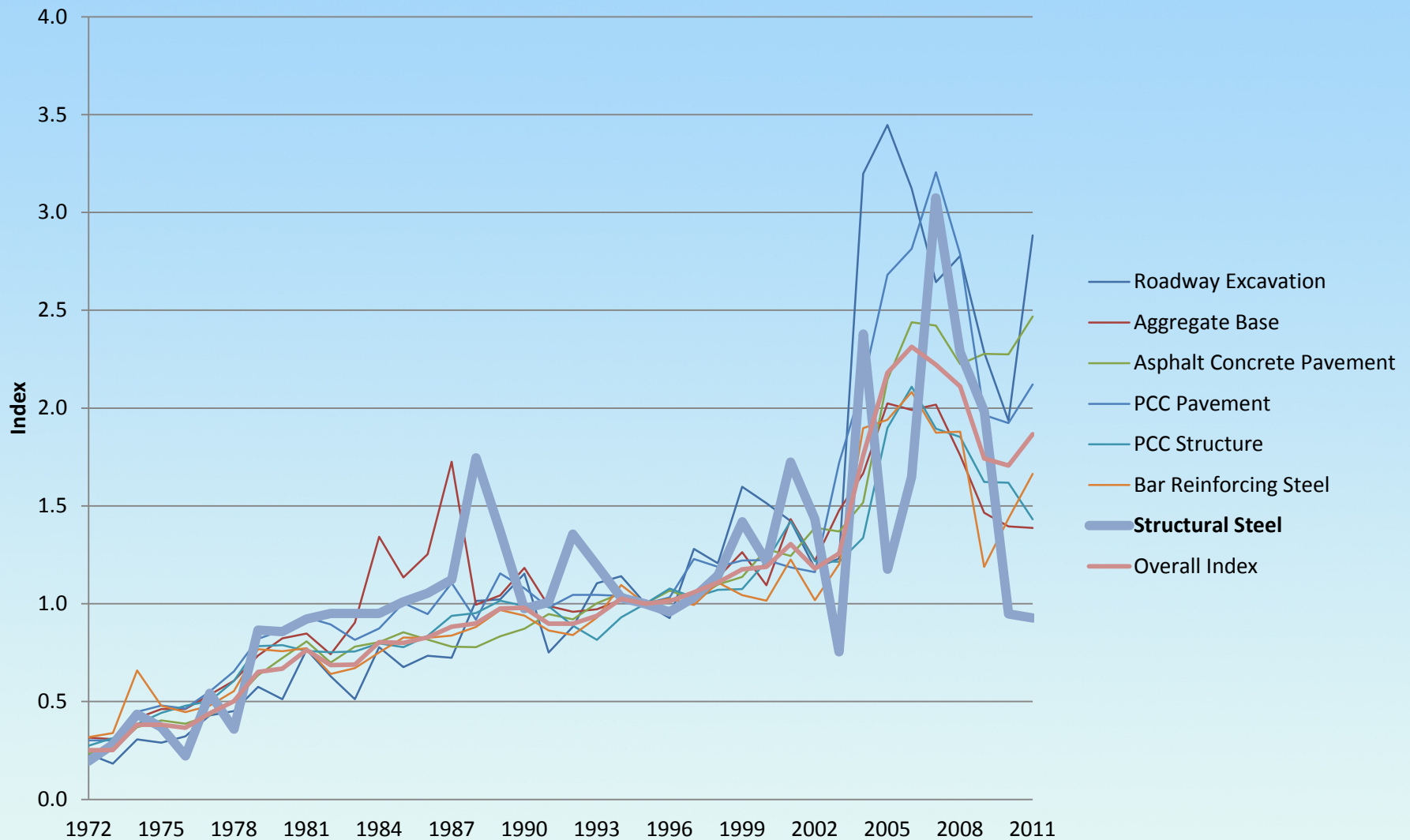


Construction Cost Index

Roadway Excavation Cost Changes

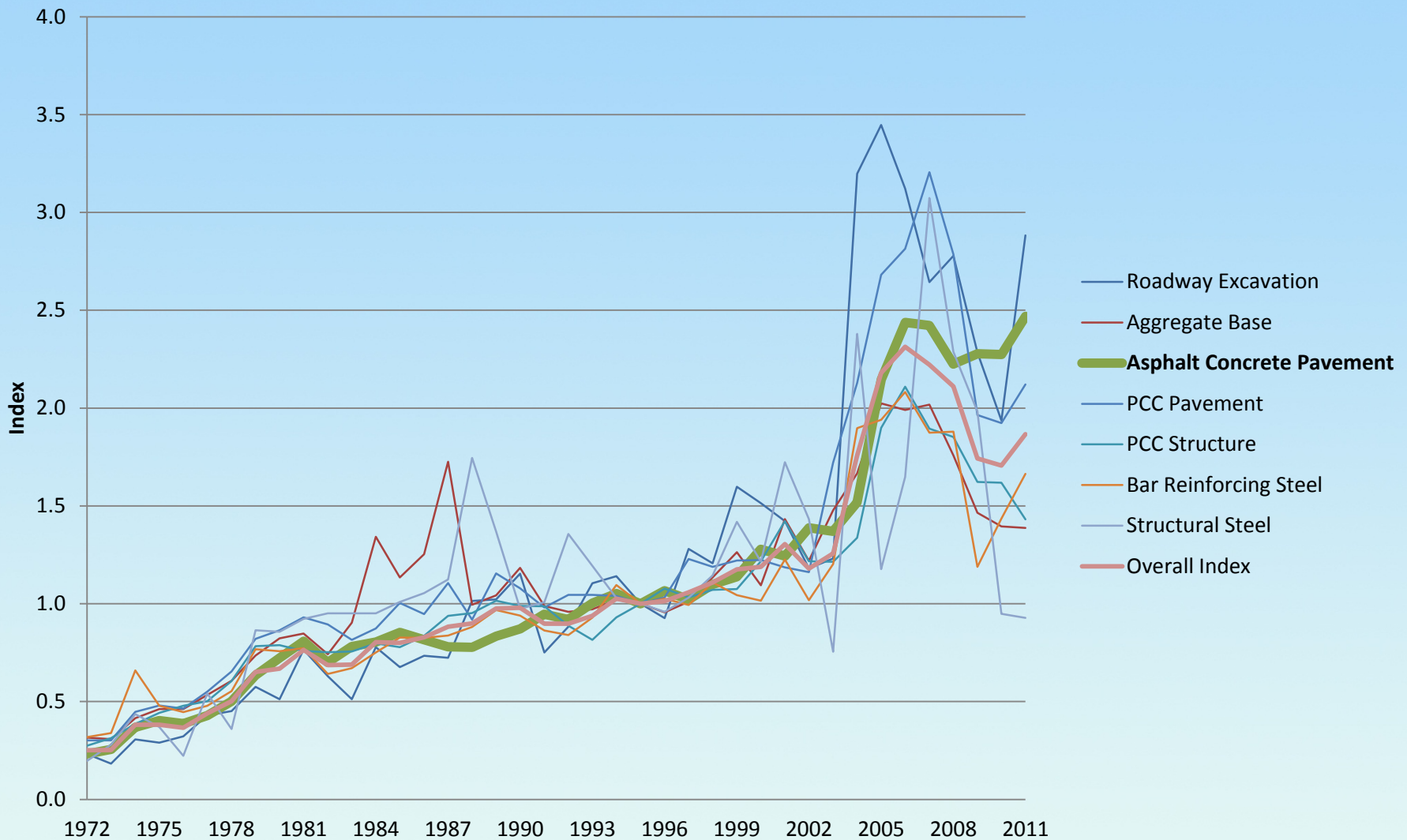


Construction Cost Index Structural Steel Cost Changes

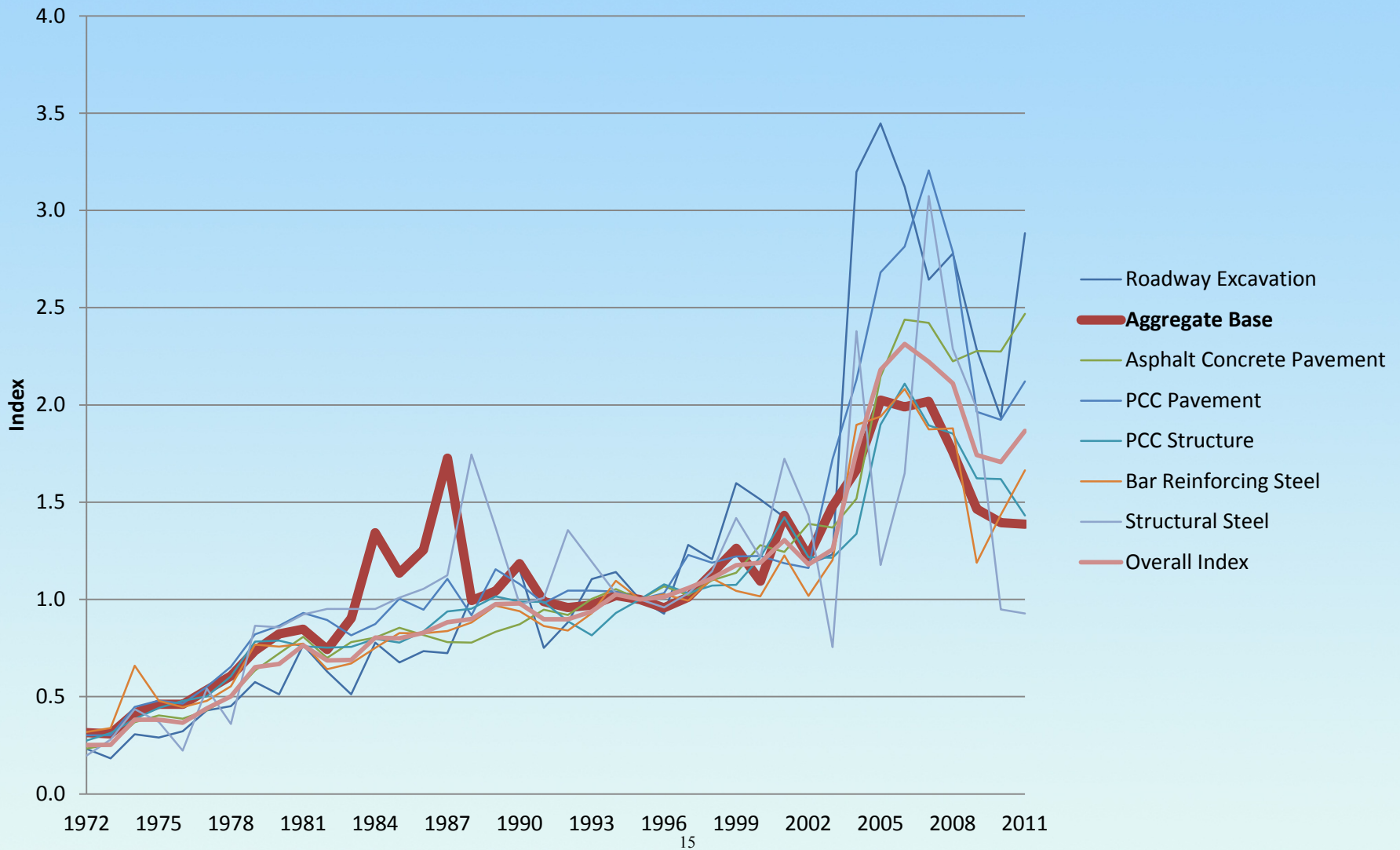


Construction Cost Index

Asphalt Concrete Pavement Cost Changes



Construction Cost Index Aggregate Base Cost Changes



Aggregate Availability

50-Year Demand and Permitted Resources

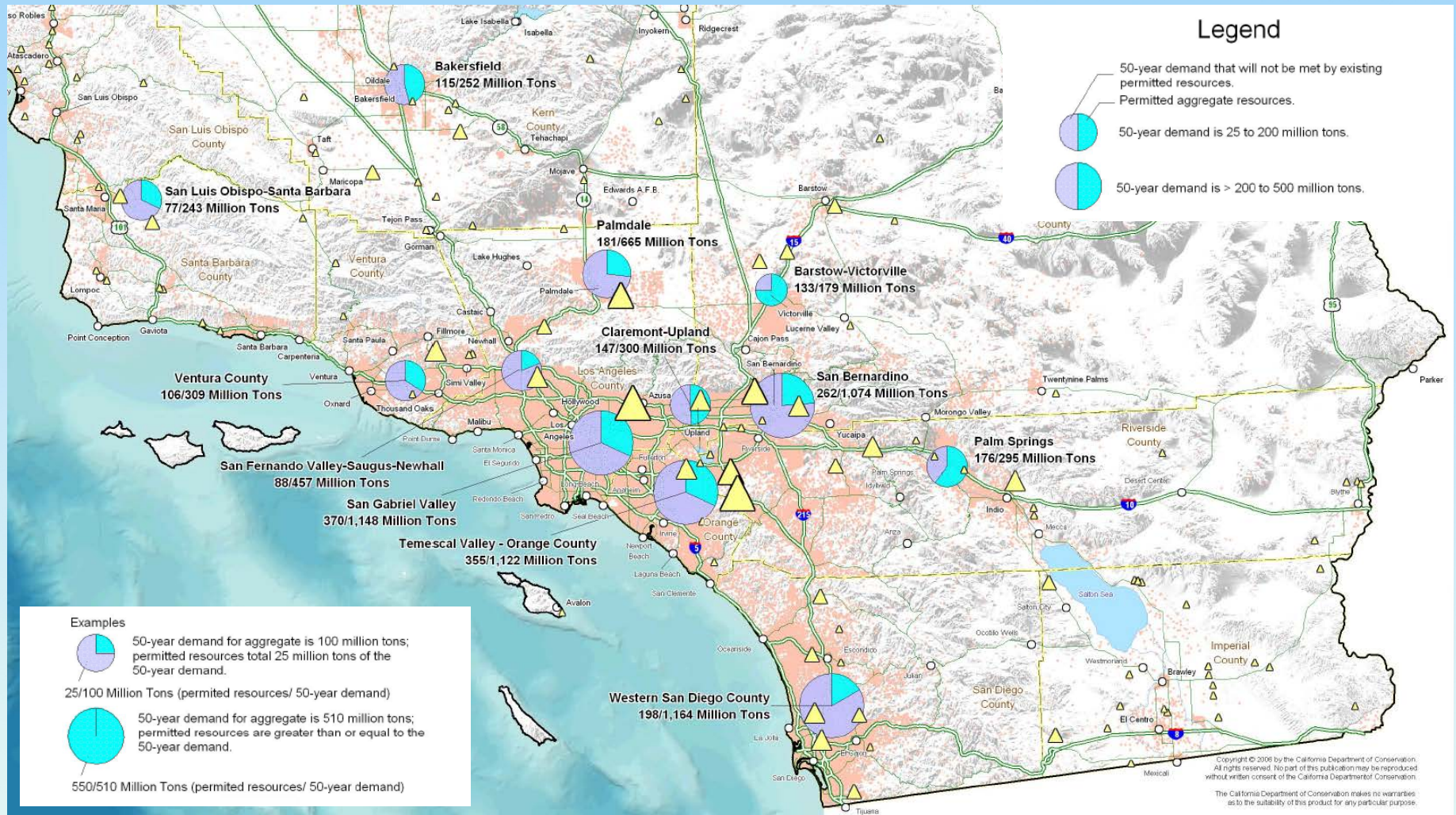
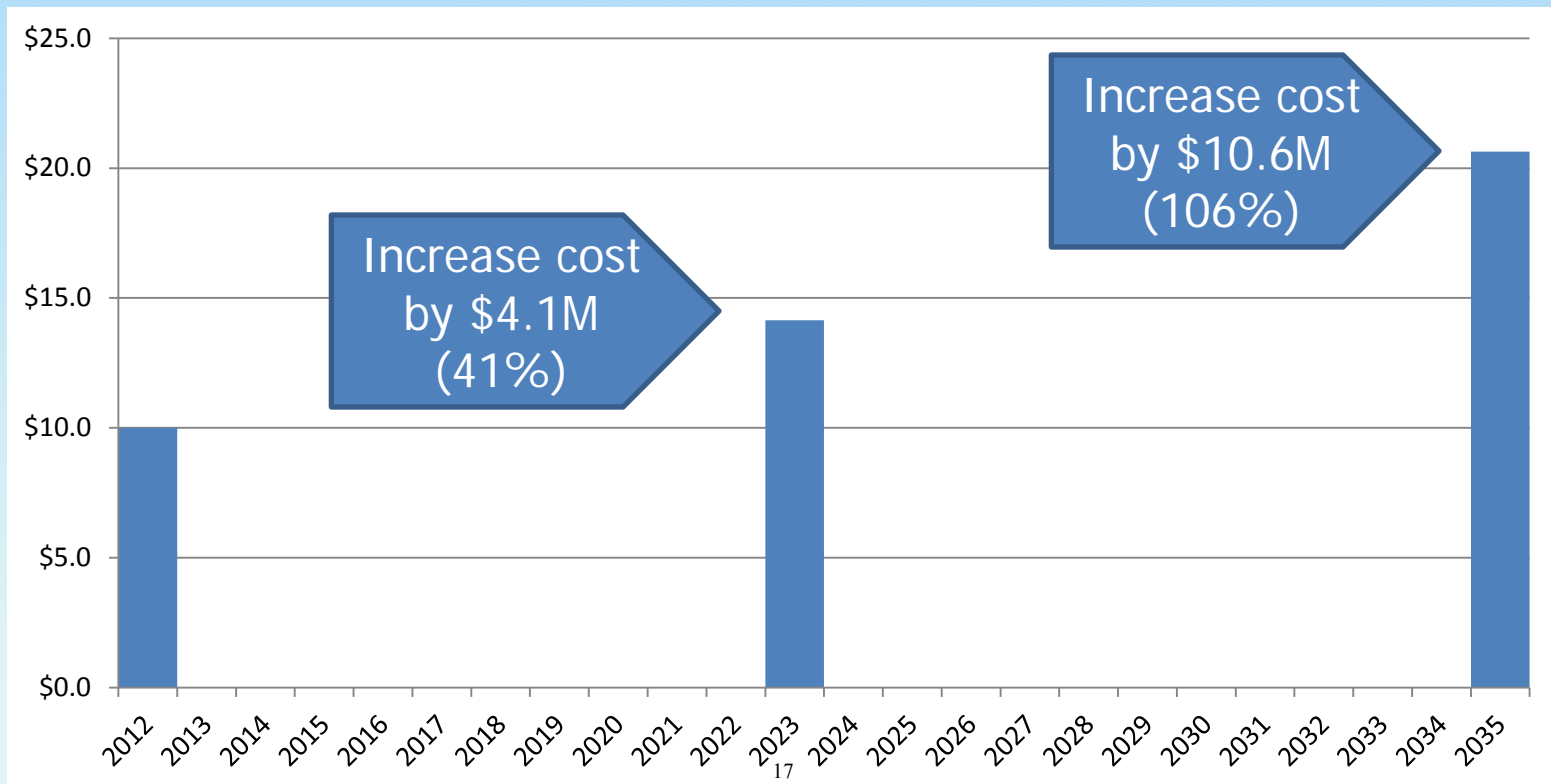


Illustration of Construction Cost Escalation

- Using 3.2% annual inflation factor, what are impacts to a \$10.0 million project of delaying from 2012 to 2023? from 2012 to 2035?



Capital Costs Take-Aways

- Number of cost components impacted by international demand
 - Structural steel, asphalt concrete pavement
- Opportunities to help manage costs through local actions
 - Permitting aggregate resources
- Time is money
- Developing a cost model is challenging but critical for financial planning
 - With a 25 year time horizon, project scopes are still being defined

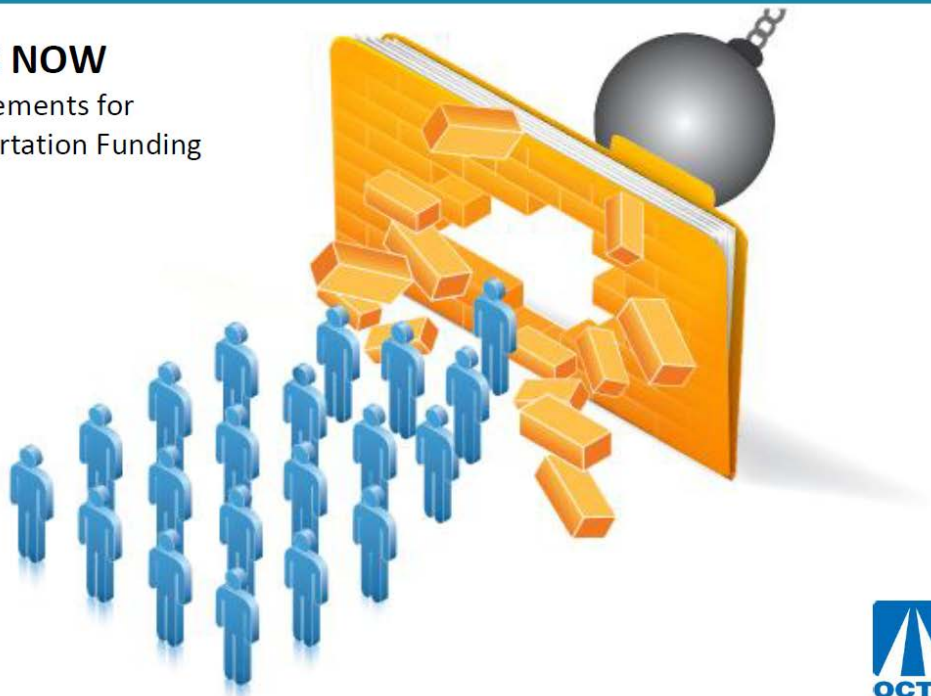
Questions?



BREAKING DOWN BARRIERS

MORE JOBS NOW

Process Improvements for
Federal Transportation Funding



DESCRIPTION OF MAP-21 PROJECT DELIVERY ACCELERATION PROVISIONS

1. Allows states to acquire land before the completion of the National Environmental Policy Act (NEPA) review.
2. Allows states to be reimbursed for design and pre-construction contracts before the NEPA review is completed.
3. Allows projects that utilize innovative technologies to increase efficiency of construction, safety, and life of highways and bridges to be eligible for up to 100 percent federal cost share of the project.
4. Allows the Secretary to place a single modal administration over a multimodal project.
5. Sets deadlines for agency environmental reviews, accelerates dispute resolutions, and elevates decision with the Executive branch.
6. Levies financial penalties on agencies that do not meet deadlines for environmental reviews (up to seven percent of the agency's office budget for that fiscal year).
7. Requires memorandum of understanding (MOU) for Department of Transportation (DOT) funds obligated for staff at other agencies.
8. Reduces the statute of limitations for filing a challenge to a project from 180 days to 150 after a decision has been recorded.
9. Requires that DOT lay out a schedule for all reviews to be completed for any given project within four years of the Notice of Intent. No waivers are allowed for change in project scope, and agency would be subject to up to seven percent of budget penalties as mentioned before.
10. Allows for planning materials adopted by one agency to be utilized by all other agencies in environmental reviews.

DESCRIPTION OF MAP-21 PROJECT DELIVERY ACCELERATION PROVISIONS

11. Allows programmatic mitigation plans developed by states and Metropolitan Planning Organizations to be used to address impacts of future transportation projects.
12. As a condition of assuming responsibility for determining categorical exclusions (CE) a state is also allowed to utilize project delivery methods that are permissible for other highway projects.
13. Makes permanent the pilot program that allows DOT to delegate NEPA review authority to five states currently underway and expands eligibility of the program to all states and includes rail, public transit, and multimodal projects.
14. Allows a lead agency for multimodal projects to use CEs of cooperating agencies and modes.
15. In the event of a state-declared emergency, the Secretary shall declare rules for repairs or reconstruction, design, and commence repairs within two years.
16. Requires the Secretary to designate any project in an existing operational right-of-way as a CE within 180 days.
17. Requires that projects with less than \$5 million in federal funds or 15 percent of a total estimated cost of \$30 million in federal funds be considered as CEs.
18. Allows CE qualification determination be delegated to the states.
19. Requires DOT to examine the use of CEs and ask for new ideas for CEs.
20. Allows errata sheets to be utilized to modify final Environmental Impact Statements (EIS) and promotes the use of combined final EIS and Record of Decision.
21. Includes a sense of Congress that encourages early coordination and MOUs.

DESCRIPTION OF MAP-21 PROJECT DELIVERY ACCELERATION PROVISIONS

22. Requires DOT to establish an initiative to review and develop consistent procedures for environmental reviews and permitting of formula funded projects.
23. Requires a Government Accountability Office study to assess state laws comparable to federal environmental review law.
24. Requires DOT study of completion times for CEs, Environmental Assessments, and EISs from 2005 to present, and after enactment of the conference report.

DRAFT PRINCIPLES FOR TRANSPORTATION PROJECT DELIVERY

1. Acceleration of project delivery needs to be an explicitly recognized value at all stages in federally assisted project development and implementation.
2. Prompt recognition and allocation of project risks need to replace risk-avoidance tactics, such as delay and micro-management, as goals in federally assisted project development.
3. All redundancies need to be removed from federally assisted project development.
4. Every effort must be made to maintain a mature federal-state-local partnership in project development and implementation.
5. The co-equal federal-state-local partnership must be flexible enough to focus on outcomes, rather than regulatory processes.
6. Leaders at the federal, state, and local level need to create a cultural change that values time and avoids bureaucratic delay in project development and implementation.
7. Leaders at all levels must create and honor a sustained, long-term commitment to completing the project.
8. Project planning needs to be focused on providing the facts needed for informed decision-making, and not become a pre-conditional process to create the perfect project.
9. Technical assistance should be at the core of federal involvement in project development investigating and sharing the best practices and lessons from other past and pending projects.



Accelerating Southern California's Economic Recovery



Southern California Association of Governments

Dr. Wallace Walrod
Orange County Business Council

Transportation Finance Subcommittee

November 16, 2012

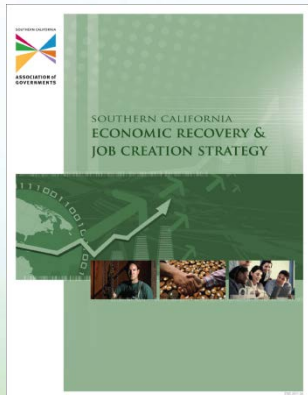
Economic Strategy Background

INAUGURAL
ROAD TO
RECOVERY
ECONOMIC
SUMMIT
12/2010

Transportation, Sustainability
& Economic Recovery Summit
Thursday, December 1, 2011

THIRD ANNUAL
ECONOMIC
2012
SUMMIT

12/2012



SOUTHERN
CALIFORNIA
ECONOMIC
RECOVERY &
JOB CREATION
STRATEGY
ADOPTED
6/2011

REGIONAL TRANSPORTATION PLAN
2012-2035
SUSTAINABLE COMMUNITIES STRATEGY
Towards a Sustainable Future
RTP
ADOPTED
5/2012

**PHASE II OF THE
STRATEGY COMMENCES**
ADOPTED
6/2012

Economic & Job Creation Analysis

Full Results

	2011-2015	2016-2020	2021-2025	2026-2030	2031-2035	Annual Average
CONSTRUCTION	194	165	173	188	154	174.5
ALL NETWORK BENEFITS	21	71	263	543	852	354
AMENITY & OPERATIONS	17	40	65	88	108	64
2012-2035 RTP/SCS	232	276	501	819	1,114	592.5

Phase II of the Economic Strategy

- Phase II of the Economic Strategy focuses on the following four areas:
 - ***Reforms***

Emphasis will be placed on uniting the region behind a select list of critical business and economic reforms that are necessary for economic recovery and job creation, such as project streamlining and expediting, modernizing CEQA, etc.
 - ***Advocacy Strategy***

Engage Southern California's State and Federal legislators, labor partners, and officials from the region's 6 counties and 191 cities. Emphasize local participation.
 - ***Economic Clusters***

Identify—and find ways to protect—region's key economic clusters.
 - ***Economic Impact Analysis***

Economic analysis of implementation of the 2012-2035 RTP/SCS.

Accelerating Southern California's Economic Recovery

- Many opportunities exist for transportation project delivery streamlining and expediting.
- Examples include Breaking Down Barriers, America Fast Forward, process reforms, modernizing CEQA, etc.



Expedited Project Delivery

Accelerating Economic Benefits

- SCAG's economic team is developing methods to estimate the economic benefits of expedited project delivery and project certainty.
 - Project cost savings due to avoidance of escalation in construction cost inflation, right-of-way acquisition costs, and material costs
 - Reduce the direct costs and economic impacts of traffic disruption
 - Accelerated Transportation Investment Benefits
 - Construction Jobs
 - Network Benefits
 - Amenity Benefits
 - Health Benefits
 - Other ancillary benefits such as project certainty arising from quicker project delivery

Expedited Project Delivery

Accelerating Economic Benefits

- The Economic team is estimating the benefits of moving one five-year tranche of RTP spending forward five years and simulating the benefits of accelerating the RTP spending program, hence bringing economic benefits forward.
- We will be using many of the same methods used to estimate economic benefits of the 2012 RTP/SCS.
- The REMI model will be used to quantify the net present value of benefits from moving project delivery forward.

Expedited Project Delivery

Accelerating Economic Benefits

Methodology

Basic elements and highlights of the approach and analysis:

- Accelerated project delivery moves benefits forward.
- Road user benefits are reductions in travel time, vehicle operating costs, accidents, and external costs.
- Construction benefits: direct, indirect, and included jobs from the RTP spending program.
- Network benefits: largely the benefits of reduced congestion in enhancing economic activity, through improved labor market matching and larger within-region market areas.

Expedited Project Delivery

Accelerating Economic Benefits

Methodology - Continued

- The steps in project acceleration would be largely those outlined in current models and other related analyses.
- Financing costs associated with faster investment need to be monetized.
- There are several other potential ancillary benefits to consider:
 - The value of lower regulatory uncertainty and risk from faster project delivery
 - Mitigating budget/funding risks
 - Mitigating institutional risks
 - Mitigating scheduling risks

Economic Analysis of Implementation of the 2012-2035 RTP/SCS

- The economic team is also documenting the economic benefits and job impacts of the 2012/2035 RTP/SCS.
- We are conducting case studies and key interviews of major industry sectors that depend on, and benefit from, an efficient transportation system in Southern California.

- These industries include:

- Logistics & Distribution
- Manufacturing
- Tourism



- This year's Economic Summit, in its third year, will include a review of the economic data that was presented at the 2010 Summit, as well as the current state of the economy in the six counties in the SCAG region.
- Topics will include:
 - Regaining Lost Jobs and an Update on the Recovery
 - Expedited Project Delivery: Accelerating Economic Benefits
 - Industry Clusters: A Report on the Top Industry Clusters in the SCAG Region
 - Identifying Local Best Practices

Time To
Restore Democracy ?

Voting Away Democracy

Since 1978, California voters have adopted several ballot measures requiring 2/3 voter approval for new taxes or fees – by increasingly narrow margins

1978, Proposition 13, 62.6%

1996, Proposition 218, 56.6%

2010, Proposition 26, 52.5%

Proposition 39

Sets school bonds at 55% voter threshold

Approved by CA voters in Nov, 2000

53.4% Yes 46.6% No

(Note: Jan. 1999, Baseline polling: 43 Yes - 47 No)

Of recent school bond measures in California

How many passed with 55% but would have failed if 2/3 were required?

Nov. 2008

87 passed > 55%
47 more than 2/3
40 less than 2/3
(46%)

June 2010

20 passed > 55%
9 more than 2/3
11 less than 2/3
(55%)

Nov. 2010

49 passed > 55%
21 more than 2/3
28 less than 2/3
(58%)

June 2012

25 passed > 55%
4 more than 2/3
21 less than 2/3
(84%)

Nov. 2012

90 passed out of 106 > 55%
42 more than 2/3
48 less than 2/3

Since 2008 in California

**271 local school bond measures have passed
with more than 55%**

**148 would have failed if 2/3 were still
required**

Transportation Measures in California Counties?

Since 2002,

42 local transportation property or sales tax measures have been on the ballot

22 passed with 2/3

10 more would have passed with 55% threshold

November, 2012

Napa County

Transportation Sales Tax Passes: 74%

Los Angeles County

Measure J Sales Tax Extension Fails: 64.7%

Alameda County

1/2 cent Transportation Sales Tax Fails, 65.5%

Is now the moment to give California voters the opportunity to lower the approval threshold to 55% for most local measures?

Consider

Positive Signs

Interesting polling in 2009

- Only one-third of voters know that local special purpose tax or bond measure requires a two-thirds vote.
- Local government should have more control over funding for services because state govt. not getting job done: 86% Yes 11% No
- 55% Yes, 38% No: on a proposal to lower threshold to 55% for a range of local government services

Interesting polling in early 2011

- 64% Yes: proposal to lower voter threshold to 55% for local transportation funding measures:
 - Voter sample from SCAG's 6 Southern California Counties
 - Representing half of the state's voters

ACA 23

Asm. Henry Perea, D-Fresno, 2012 session

Sponsored by Kern County Council of Governments

Proposed: The imposition, extension, or increase of a special tax by a local government for the purpose of providing funding for local transportation projects should require the approval of

55%

of its voters voting on the proposition.

Move LA Proposed Amendment Accepted by Author :

**If approved, this measure shall become
effective immediately
and shall apply
to any concurrent qualifying local measure.**

Other Signs Suggest an Opportunity for the 55% Reform Is Near

- **Support from non-Democratic constituencies:**
 - Kern County Council of Governments sponsored ACA 23
 - Mobility 21, coalition of transportation commissions and chambers of commerce and AAA endorsed ACA 23
- **2/3 of Legislature will be Democrats**
 - Have not signed “No tax” pledge and may be willing to let voters decide
- **Governor has political capital, momentum:**
 - may be willing to remedy constraints of Proposition 13 for local governments