

CALIFORNIA'S LOOMING TRANSPORTATION FUNDING CRISIS

As California leads the transition to fuel-efficient and zero-emission vehicles, more drivers are using less gasoline. This means, however, that fewer drivers are actually paying their fair share of the gas taxes local communities rely on to fix essential roads, enhance safety and improve public transportation – amounting to a shortfall of \$31 billion over 10 years.

Most Californians agree that users of state and local roads should contribute to their maintenance, but the state's funding system for critical transportation improvements is becoming increasingly unfair, unaffordable and unreliable. The state needs to prioritize new ways to fund our multimodal system that 39 million people rely on to get from one place to another.

TRANSPORTATION IS A CRITICAL NEED FOR ALL CALIFORNIANS

Nothing moves without transportation infrastructure. Nearly every trip begins on a city street or county road – whether by foot, bicycle, vehicle or mass transit. California's complex transportation network enables people and businesses to move goods, services and information to sustain the world's fifth largest economy.

CALIFORNIA NEEDS FAIR AND AFFORDABLE TRANSPORTATION FUNDING

If we fail to close the funding gap, local transportation projects will be delayed, potholes will multiply, and much-needed safety enhancements will remain unfunded. California is already among the worst-rated nationally for poor road and highway conditions. However, our state and local governments cannot commit to making critical transportation safety improvements in the future without sufficient funding. California's declining transportation revenue will lead to serious consequences for drivers, bicyclists and pedestrians, public transit riders, and first responders – unless everyone pays their fair share.

BY THE NUMBERS

80%

Highway and road repairs
funded by the gas tax

\$31.3 BILLION

Loss in gas tax revenue
over the next 10 years

438,200

Approximate job loss over
the next 10 years

\$118

Annual fees EV drivers
pay for transportation
infrastructure

1-IN-3

EVs sold in U.S. registered
to Californians

45%

California major roads in
poor or mediocre condition

100%

New vehicles sold in CA to
be zero-emission in 2035

ACHIEVING SUSTAINABLE FUNDING

Transportation California and its partners are taking an **evidence-based approach** to ensure multimodal transportation improvements are funded in a way that is fair, affordable and accountable over the long term. The coalition commissioned an independent study to research all viable transportation funding options and identify a solution that works for all Californians. The study identified three options for further consideration by policymakers and stakeholders – each reflecting a trade-off between simplicity, equity and practicality:

1. **An expanded fuel tax model** that would account for fuel efficiency, including vehicles that use alternative fuel types such as electricity and hydrogen, in assessing vehicles.
2. **A pure road user charge model** in which vehicles are assessed solely based on how far they drive.
3. **A mixed model** that combines the current fuel tax system with a road user charge for alternative fuel vehicles.

COLLABORATIVE APPROACH

Transportation California is collaborating with state and local leaders and stakeholders to bring this issue to the forefront as part of a multi-year effort to replace declining transportation funding. Assembly Transportation Committee Chair Lori Wilson (D-Suisun City) is convening a series of informational hearings and regional workshops across the state to cast a wide net of input from all Californians toward achieving a fair, affordable and effective solution to this problem for all Californians.



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