



Richard G. Little: Give state's transportation the help it needs

By Richard G. Little - Special to The Bee

Perhaps the governor and Legislature can take a break from their annual budget theater and get an important piece of legislation enacted. The case in point is Assembly Bill 3021, the bill introduced by Pedro Nava, D-Santa Barbara, to authorize the California Transportation Finance Authority.

The California Transportation Finance Authority was proposed by state Treasurer Bill Lockyer to give local governments and regional agencies an alternative way to finance locally needed transportation infrastructure without going to Sacramento to ask permission from the Legislature. By authorizing local governments and agencies to charge tolls and sell bonds backed by these revenues, it would significantly increase the options for financing new transportation system capacity. AB 3021 recently passed the Assembly and is in the Senate. It really needs to get to the governor's desk for his signature.

New funding sources are desperately needed given the state's enormous transportation needs and anemic revenue streams. Voters have been quite clear that dedicated revenues to fund transportation are an important priority to them. Proposition 1B, the \$19.9 billion in general obligation bonds for transportation, passed in 2006 and 19 "self-help" counties in California have voted to fund transportation projects with local sales taxes. The fact that these measures were able to achieve the two-thirds "supermajority" required for funding measures highlights the public's awareness that transportation in California needs more money.

However, these measures don't come close to meeting our real needs for transportation spending. Even with the bonds approved in 2006, the state is looking at a \$3 billion annual shortfall for highway maintenance and rehabilitation, let alone any new construction. Overall, the California Transportation Commission estimated in 2007 that the state needed to spend \$200 billion just to meet current needs. California needs all the funding sources it can find.

AB 3021 adds an important piece of the funding puzzle. The California Transportation Finance Authority would have a very limited purpose – to issue revenue bonds to pay for new capacity or improvements to the state transportation system. Projects could be requested by the state or a local or regional agency, and the bonds would be repaid through tolls or other local revenues. In congested areas, projects with the potential to manage congestion through pricing and generate significant revenues would be prime candidates for financing by the Transportation Finance Authority. Until now, tolls have been problematic because of the need for case-by-case legislative approval for new debt or tolls.

AB 3021 would also free up funds for nontransportation projects because it would reduce the need for general obligation bonds (repaid from the general fund) by using revenue bonds repaid from tolls. By thus reducing the competition for general funds, the Legislature and governor might actually get closer to a budget they could agree on, and we might actually see some transportation improvements; a possible win-win solution.

The California Transportation Finance Authority would help improve transportation in California by providing more options for local, regional and state agencies to implement high-priority projects. It would expand the use of tolls and bring some market discipline to the allocation and use of transportation resources by letting people make choices about how they wished to travel and how much each trip was worth to them. With \$4-plus-per-gallon gasoline probably a permanent reality, it would also increase the revenue available to support the transit systems people are increasingly looking to as an option to the automobile. Mostly, AB 3021 is about giving local governments the authority to solve their most pressing transportation problems with local revenue solutions.

With so much to offer, AB 3021 needs to get through the Senate and onto the governor's desk. The people of California don't have the time to wait for Sacramento to figure out what they have to do every day: Balance a budget and live within their means.