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# Press Release

TO: The Union, Sierra Sun, The Wildwood Independent, Moonshine Ink,  
Nevada City Advocates, KNCO, KVMR, YubaNet

FROM: Dan Landon, Executive Director

SUBJECT: **2018 California Statewide Local Streets and Roads Needs Assessment Report**

DATE: October 25, 2018

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## **2018 Report Confirms New Transportation Funding Will Improve Condition of California's Local Streets and Roads** *Cities and Counties Can Reduce Funding Shortfall for Local Transportation Network by \$18.4 Billion Over Next Decade*

The *2018 California Statewide Local Streets and Roads Needs Assessment Report* was released on October 9.

The 2018 Report marks 10 years since the League of California Cities® and the California State Association of Counties®, in cooperation with California's Regional Transportation Planning Agencies and the Rural Counties Task Force, began releasing the biennial study to assess the condition of the state's local transportation network. The city street and county road system makes up 85 percent of California's roadways and provides the backbone of the statewide transportation system.

The 2018 Report notes that for those who do not work with transportation issues every day, it can be difficult to understand how California's cities and counties have reached the current situation they are in. The report outlines the following factors:

- The population of California was approximately 30 million in 1990; it is now approximately 39 million, an increase of 30%. Along with that increase in population are increases in traffic, housing and new roads.
- The cost of road repairs and construction has steadily increased, at rates that are significantly higher than that of inflation. In the last 15 years, paving costs have increased much more than revenues. This can be attributed to the increasing cost of petroleum products which is directly correlated to asphalt costs as well as labor and equipment costs.
- The State gasoline excise tax did not increase for more than 20 years and yet is the single most important funding source for transportation. Cities and counties have relied on a diminishing revenue source for a transportation system that is aging and deteriorating rapidly. The Road Repair and Accountability Act of 2017 (SB 1) provides the first significant new infusion of funding for transportation.

- The increased fuel economy of vehicles as well as the popularity of hybrid and electric vehicles leads to decreasing gas consumption, and, in turn, to a reduction in gas tax revenue. Therefore, a long-term sustainable revenue source is needed.

Nichols Consulting Engineers (NCE), the engineering firm that conducted the study, found that with a new infusion of funding for transportation infrastructure provided by SB 1, cities and counties have already begun to slow the historical deterioration that has occurred on the local transportation network, and will likely reduce a predicted funding shortfall by \$18.4 billion over the next decade.

The first Assessment Report in 2008 showed a statewide 10-year funding need for local streets and roads of \$99.7 billion, with a shortfall of \$71.4 billion. The report stated that unless the funding shortfall was addressed, California’s local streets and roads would deteriorate within 25 years to a “poor” condition. The condition of California’s local streets and roads has continued to deteriorate significantly since the initial study. On a scale of zero (failed) to 100 (excellent), the statewide average Pavement Condition Index (PCI) is now 65 (“At Risk” category).

## Average Statewide PCI for 2018 = 64.7 (At Risk)



In 2008, at least \$7 billion annually of new funding was needed to stop further decline of the local transportation system. In Nevada County, the 10-year funding need was \$203.6 million, and the shortfall was \$22 million.

Two years ago, the 2016 Assessment Report found that the statewide 10-year funding need for local streets and roads had grown to \$102 billion and the funding shortfall was estimated at \$73 billion. In Nevada County it was estimated that the 10-year need was \$221 million, and only 20%-40% of the 10-year pavement needs would be met.

The most significant finding in the 2018 Assessment Report is with the infusion of new revenues from SB 1, cities and counties are beginning to stabilize the average condition of local roads and will be able to lift a significant percentage of the network from “at-risk” into “good” condition. The revenues from SB 1 annually provide over \$5 billion to transportation, with approximately \$1.5 billion going to the local street and road system. Without the new revenue, the statewide funding shortfall for pavement on local streets and roads will grow by \$12.2 billion over the next 10 years. The percentage of local roads in “failed” condition will grow nearly 29%.

Following the implementation of SB 1, the statewide 10-year pavement funding need has been reduced more than 15% from \$73 billion to \$61.7 billion and in Nevada County the 10-year need is down nearly 14% from \$221 million to \$191 million.

The 2018 Assessment Report recommends that the state maintain all existing sources of revenue, with a significant portion focused on the preservation of the existing road network.

#### **Assessment Findings:**

The local road network is stabilized with SB 1 funding.

If SB1 is repealed:

- Average PCI will deteriorate from 65 to 57.
- Unfunded backlog will grow to \$46.9 billion in just 10 years.
- More than one quarter of roads will be in poor/failed condition.
- Similar conclusions for bridges, safety and other essential transportation components.

The full *2018 California Statewide Local Streets and Roads Needs Assessment Report* can be found at [www.SaveCaliforniaStreets.org](http://www.SaveCaliforniaStreets.org).