



TRANSPORTATION SYSTEMS

September 2006

☛ **Californians continue to pursue their legendary love affair with the automobile...**

Annual vehicle miles traveled on state highways grew about three times faster than population between 1965 and 2005, and automobile use is projected to continue outpacing population growth. Reasons include a continuing shift of jobs and residents to less dense suburban and “edge city” locations.

☛ **...but they have become frustrated about traffic congestion.**

The Los Angeles metropolitan area has been the nation’s most congested area for more than a decade, and the San Francisco Bay area has been close behind. In public opinion surveys, Californians living in these areas routinely identify traffic congestion as a major problem.

☛ **One reason for more congestion is slower road building since the heyday of the 1960s.**

Real capital outlay spending per vehicle-mile traveled on state highways declined by 79 percent between 1965 and 1980 and has remained relatively constant since then. Meanwhile, construction costs have increased; nationally, the capital expenses per new highway mile added during the 1990s were more than three times higher than during the early 1960s. Aging road networks have increased maintenance and other operating costs (\$177 per person in 2002 vs. \$84 in 1967). The result is less new construction: From 1980 to 2003, California added only about 6 percent to its stock of state highway lane miles, despite a doubling of state highway miles driven.

☛ **Transportation funding has been constrained in recent years...**

By the 2000s, inflation and increased fuel efficiency had reduced the real value of the gas tax in the state – a major source of transportation funds – to about one-third of its 1970 value for each vehicle-mile traveled. In 2002, capital spending per capita for highways, roads, and transit (\$195) was 29 percent lower than the national average (\$274) and 28 percent lower than 1967 state spending (\$269). California has come to rely substantially on local sales tax measures for transportation, with 18 counties using optional county sales taxes to address needs. But getting voter approval for these local taxes has become more difficult since 1995, when the voter threshold for approving such taxes shifted from a simple majority to a two-thirds supermajority requirement.

☛ **... but new funding sources may reverse the trend.**

More recently, state funding for transportation has increased, with federal funding rising 40 percent in 2005, and with the implementation of a 2002 voter-approved earmark of funds for transportation projects. Almost \$20 billion in transportation bonds will be included for voters on the November 2006 state ballot.

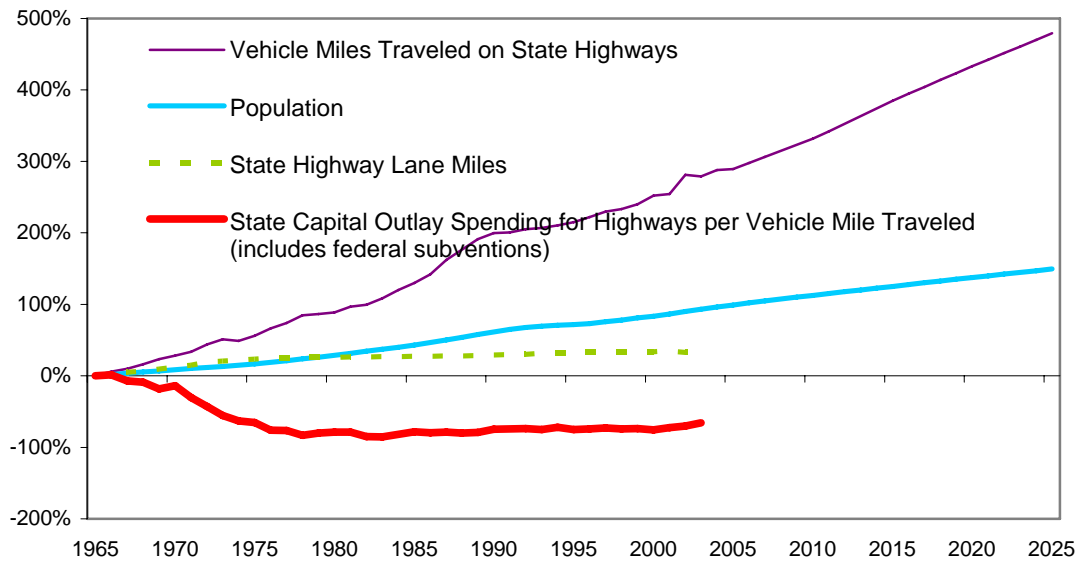
☛ **Spending for transit projects has increased, but use remains low.**

Per capita capital expenditure on transit in California more than doubled between 1982 and 2002 (from \$15 to \$39). In recent years, transit accounted for at least 20 percent of the combined capital outlay for transit, highways, and roads in the state. Despite the addition of new light-rail systems over the past 20 years, transit trips (subway, rail, bus, and streetcar) inched up only marginally (from 5.5 % to 5.6 %) as a share of commutes in the four largest metropolitan areas between 1990 and 2000.

☛ **New strategies can help relieve congestion and reduce costs.**

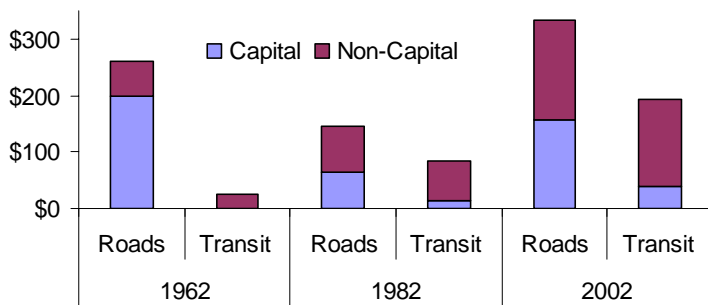
Various methods to encourage efficient use of existing systems and provide cost-effective service are being tried. These include relieving bottlenecks through ramp metering and increasing capacity through bus rapid transit, a less costly alternative to rail. Techniques to manage demand include high-occupancy vehicle (HOV) lanes, which comprised the majority of new highway capacity added in the state in the past 15 years, and experimental high-occupancy toll (HOT) lanes, which allow drivers who pay tolls to use carpool lanes. Local governments are also being encouraged to plan land uses that promote more efficient use of mass transit.

Growth in Highway-Related Indicators in California, 1965-2025



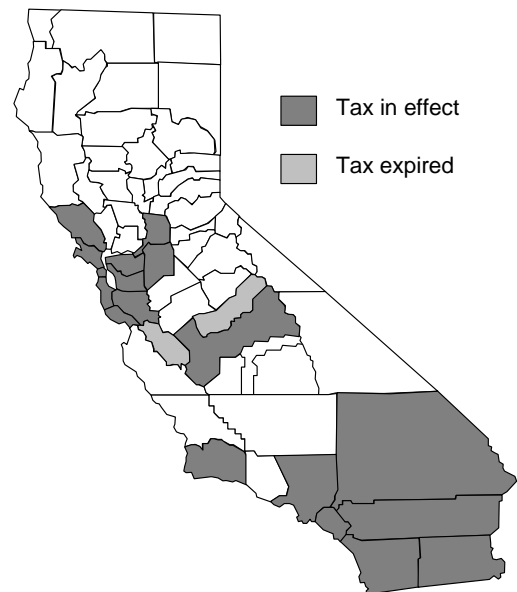
Sources: CalTrans, California Department of Finance, Federal Highway Administration

Per Capita Spending on Highways, Roads, and Transit in California (2003 \$)



Sources: U.S. Census Bureau, California State Controller

Counties with Optional Transportation Sales Taxes



Source: Self-Help Counties Coalition