Transportation Funding 101
Project Implementation

- Establish Goals
- Identify Needs
- Identify Funding
- Prioritize Projects
- Secure Funding
- Implement Project
Funding

- Can be confusing - mix of acronyms, changing rules, & rollercoaster
Funding Basics

1) Legislation Actions
   -> taxes, fees -> funding programs/sources

2) Revenues Collected

3) Rules & priorities set

4) Project identified/programmed

5) Implement Projects

6) Invoices & Audits
Major Sources
Transportation Funds
Three Main Categories of Funds

- State: 30%
- Local: 60%
- Federal: 10%

Cities/County taxes & fees
Most Existing Transportation Funds are Dedicated (Not flexible)

- Over 80% Dedicated: Can only be used on specific types of projects or by certain agencies
  - Transit
  - Highway Maintenance
  - Local Jurisdictions
  - Airports
  - Active Transportation (bike/ped)
- Discretionary/Flexible: Can be used for a variety of types of projects
  - Most Funds Distributed by Other Agencies (*not RTC*)
  - RTC Discretionary Funds - only 4% (~$7M/year)
Who Decides How Funds Used?

- Depends on the Funding Source
  - STIP (the Regional Share of gas taxes): SCCRTC/CTC
  - Transit Sales Tax (1/2 cent approved in 1978): Metro
  - Measure D (2016): Voter-approved Exp. Plan, then recipients
  - State Highway Operation and Protection Program – CTC/Caltrans
  - Highway Bridge Rehabilitation Program & Safety Improvement Program (HSIP): Caltrans (& fed rules)
  - Active Transportation Program (ATP): CTC
  - SB1-Solutions for Congested Corridors Program (SCCP) & Local Partnership Program (LPP): CTC
  - Local streets & roads (SB1 & HUTA): Cities/County
  - Planning grants – Caltrans
RTC Managed Transportation Funds

Transportation Funds Distributed By SCCRTC

Included in the Commission Budget
- Pass Through Funds
  - Measure D
  - TDA
  - STA (transit)
  - RSTPX
  - Sponsorships
- Commission Programs/Projects
  - Highway
  - Traveler Info
  - FSP/Safe (DMV fees)
  - Rail/Trail Authority
  - Planning

Commission Administered Grants
- STIP ($0-5M/yr)
- SB1-LPP ($300k/yr)
- STBG/RSTPX ($3M/yr)

Fund:
- Local Jurisdiction Projects
- Highway Projects
- Transit Projects
- RTC Programs & Projects
Transportation Development Act (TDA)

- 1971 Legislation
- ¼ cent sales tax ($6-$10M/year)
  - RTC uses some for TDA Admin & Planning
  - Balance to other agencies
    - Formula set by RTC Rules & Regulations
- TDA Claims for Funds
- Committees Review Projects
- Unmet Needs – hearing on transit needs
- TDA also requires triennial performance audit of RTC, METRO & CTSA (Lift Line)
- Monthly report on revenues in RTC packet
TDA - Pass Through Funds

Transportation Development Act (TDA):

- Metro 85.5%
- LiftLine 8.4%
- Local Bike/Ped 5.1%
- Volunteer Center 1%
State Transportation Improvement Program

What is the STIP?
- RTC grant program – subject to CTC concurrence
- Funds from CA gas tax
- Covers a 5 year period
- Programmed every two years (2 new years of funds each cycle)
- 2010 -2017: dependent on price based excise tax, used to be combo of state and federal funds
- SB1 replaced priced-based gas tax = about half the funds
- County share~$3-7M/year
  - $0 new funds available in 2016 STIP ($7M deleted by CTC)

How are STIP funds distributed?
- 25% to Interregional TIP - Caltrans
- 75% to Regional TIP – SCCRTC
New STIP Funds (per cycle - statewide)

New STIP Funds (in $ thousands)

STIP Cycle

- $1,000,000
- $2,000,000
- $3,000,000
- $4,000,000
- $5,000,000
- $6,000,000
- $7,000,000


Prop 1B

SB 1

Aug.
Surface Transportation Block Grant (aka RSTPX)

- Federal gas tax formula $
  - $ per year: $2.5-3.5 million
- What: Road/transit rehab, operational improvements, bike, ped projects
- County gets $224k directly
- Caltrans allows small counties to exchange for state funds (RSTPX), gives RTC check for annual amounts
  - RSTPX projects listed in RTC budget (budget & RTIP amendment)
  - RTC annual report to CT on payments to projects
Other Transit Funds

- STA- subject to TDA
  - 50% based on transit revenues
  - 50% based on population
  - Mostly diesel sales tax
  - RTPAs responsible for distribution ($->SCO->RTC- >transportation provider)
  - Avail. to pub trans and community transit programs
  - SB1 added approx. $2M/yr
- SB1-SOGR (State of Good Repair) ~ $670k/yr
- LCTOP
- Rules: Caltrans Div. of Rail and Mass Transportation
  - Contact: D5 Planning staff
Measure D: Expenditure Plan

- Neighborhood & Street Projects: 30%
- Transit & Paratransit: 17%
- Highway Corridors: 25%
- Rail Corridor: 8%
- Active Transportation: 20%
Other Major Funds
Federal Funds-
(Under Fixing America’s Surface Transportation (FAST ACT))

- Transportation Alternative (TA) and Rec Trails
  - Incorporated into CA’s Active Transportation Program
- HBP (Highway Bridge Replacement & Rehab)
  - 25% for off federal aid system- no match required
  - 75% for on federal aid system
- Highway Safety Improvement Program (HSIP)
  - Reduce traffic fatalities and serious injuries on public roads
  - Infrastructure-related highway safety improvements
  - Various set-aside's such as: Guardrail; High Friction Surface Treatment; Ped crossing enhancement
Other Federal Funds

- Transit Formula Funds – FTA Sec. 5307, 5311, State of Good Repair +
- RR Highway Crossing PUC 130
- Discretionary Program
  - BUILD (formerly TIGER)
  - Capital Improvement Grants – Small Starts
  - Federal Lands Access Program (FLAP)
State Funds

- State Transportation Improvement Program (STIP)
- State Highway Operation & Protection Program (SHOPP)
- Cap & Trade (AB32): TIRCP, LCTOP
- Senate Bill 1 (SB1)
  - TCEP, LPP, SCCP, LSR +
- Proposition 1B (2006): CMIA, PTMISEA, SLPP, TCIF, HRCSA, TLSP, LBSRA
State Highway Operation & Protection Program (SHOPP)

- Four Year - “Fix it First” Program
  - Repairs
  - Preservations
  - Safety Improvements
  - Operational Improvements
  - Must fund projects according to the Transportation Asset Management Plan (TAMP)
  - 2020: Integrating Complete Streets More

State Funds
Cap & Trade

SB 862 Cap-and-Trade Revenue Allocation

- Affordable Housing and Sustainable Communities (AHSC), 20%
- High Speed Rail (HSR), 25%
- Low Carbon Transit Operations, 5%
- Transit and Intercity Rail Capital, 10%

Annual Budget Act Appropriation, 40%
Continuous Appropriations, 60%

State Funds
Cap & Trade

- Low Carbon Transit Operation Program (LCTOP)
  - Formulaic program – through RTPAs (RTC)
  - For transit projects that reduce GHG
- Transit & Intercity Rail Capacity Program (TIRCP)
  - Also funded by SB 1
  - Competitive grants
  - Expand & improve transit service to increase ridership
Local Funds

- Measure D - 0.5% Sales Tax
- METRO 1978 - 0.5% Sales Tax
- City & County Taxes & Fees
  - HUTA- Gas Tax
  - County Service Area (CSA)
  - City taxes (e.g. Santa Cruz Measure H)
Want to Learn More?
# RTP Financial Element

<table>
<thead>
<tr>
<th>REVENUE SOURCES/PROGRAMS</th>
<th>Funding Type/Eligible Uses</th>
<th>Base Year</th>
<th>2018-2020 Not Escalated</th>
<th>2021-2035 Not Escalated</th>
<th>2036-2040 Not Escalated</th>
<th>22 Year Total Not Escalated</th>
<th>22 Year Escalated*</th>
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(all figures in $000's)
RTC Budget

Annual Process

- February/March Adoption for next year
  - Estimates of TDA and Measure D for recipients’ budgets
- Fall Amendment
  - Includes carryover balances
- Other Amendments (as needed)
Budgetary Flow Of State Fees And Taxes Designated For Transportation Purposes (aka Chart C)
Backlog of Needs

- Additional $10-12 million/year needed to maintain local roads
- Backlog of local and regional maintenance exceeds $250 million (pavement=$150M)
- More potholes
- Fewer transportation choices
- METRO facing severe deficit
Fuel Taxes have not kept up with miles driven

- **Vehicle Miles Traveled**
- **Gas Consumption with Increased Efficiency**

**VMT Growth**

**Revenue Loss Due to Increased Fuel Economy**

- 1994
- 1999
- 2004
- 2009
- 2014
- 2019
- 2024
- 2029
Prior to SB 1

History of California’s Base Gasoline Excise Tax
¢ per gallon

46% drop in value of gas tax since 1963, even with SB 1

Base Gasoline Excise Tax
Value of Base Gasoline Excise Tax in FY 2017-18 $