

Memorandum

*Serious drought.
Help Save Water!*

To: DIRECTOR
CHIEF DEPUTY DIRECTOR
DEPUTY DIRECTORS
DISTRICT DIRECTORS
DIVISION CHIEFS
PROGRAM MANAGERS

Date: April 1, 2015

From: 
STEVEN KECK
Chief
Division of Budgets

Subject: **2015-16 CALIFORNIA TRANSPORTATION FINANCING PACKAGE**

The California Transportation Financing Package is prepared annually and distributed by the Department of Transportation (Caltrans). The package summarizes the source and distribution of transportation funds at the state level from the fiscal year 2015-16 Governor's Proposed Budget, including funding from the issuance of bonds under the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006 and the High-Speed Passenger Train Bond.

The details are presented in the attached "California Transportation Financing Summary" and in the following charts:

- Chart A - "Source and Distribution of California State Motor Vehicle Fees and User Taxes"
- Chart B - "Statutory Allocation of Transportation Funding"
- Chart C - "Budgetary Flow of California State Fees and Taxes Designated for Transportation Purposes"
- Chart D - "Distribution of California Sales Tax Revenue"
- Chart E - "Motor Vehicle License Fee Distribution"
- Chart F - "Chart of Transportation Revenues"
- Chart G - "Price-Based Excise Tax Distribution"

Attachments

CALIFORNIA TRANSPORTATION FINANCING SUMMARY FISCAL YEAR 2015-16

BUDGET SUMMARY

In January of each year, the Governor presents a proposed budget to the Legislature which contains the Administration's estimate of available revenue and a recommended expenditure plan. The fiscal year 2015-16 Governor's Budget authorizes \$10.5 billion in expenditures for the Department of Transportation (Caltrans). The California Transportation Financing Package illustrates the flow of specific dollars, from collection to distribution, and includes transportation funding financed by the issuance of general obligation bonds under the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Bond Act) and the High-Speed Passenger Train Bond. Any changes made during the legislative process are not reflected in the package.

Over time, the purchasing power of transportation revenues has declined due to inflation. In addition, the improvements in vehicle fuel efficiency and alternative sources of fuel have impacted and will continue to impact transportation revenues. In Governor Brown's 2015 State of the State Address, he focused on transportation funding shortfalls, calling on the Legislature to work with him to solve this chronic issue. The Governor specifically called attention to funding for road maintenance and repair.

Highlights of the 2015-16 proposed Budget:

- **Road Usage Charge Pilot Program**
 - The Budget proposes \$9.4 million to assist in the implementation of a Road Usage Charge Pilot Program, as required by Senate Bill 1077 (2014). The purpose of the Pilot Program is to explore, in conjunction with the California Transportation Commission (Commission), an equitable revenue collection methodology based on the use of state highways and local roads. Such a revenue collection method would be calculated using the vehicle miles traveled and would be explored as a replacement for the fuel tax system currently in place.
- **Fleet Greening for Air Quality**
 - The Budget proposes \$12 million in State Highway Account funds for fleet greening and ongoing compliance with air quality targets. These resources will fund costs for replacement equipment with lower and cleaner emissions in efforts to improve air quality.
- **Project Initiation Document (PID) Program**
 - The Budget proposes an increase of \$3.4 million and 25 positions for the PID Program. The new resources will be used to develop PIDs to allow for programming of a permanent \$300 million increase in State Highway Operation and Protection Program (SHOPP) funding. Also incorporated into the new resources is sufficient support for the development of a strategic contingency of PIDs for priority pavement, bridge, mobility and roadside projects.
- **Transportation Management Systems**
 - The Budget proposes an increase of \$6.6 million and 64 positions (20 Traffic Operations positions and 44 Maintenance positions). These resources will be utilized to maintain and improve the Transportation Management System elements used to

anticipate and clear incidents, provide traveler information, and to enable integrated corridor management on the State Highway System.

- **Decrease in the Price-Based Excise Tax**

- The Governor's January 10 Budget projects a decrease of 5.5 cents per gallon to the price-based excise tax, lowering it from 18 cents per gallon to 12.5 cents per gallon. It is expected that this decrease will have a significant impact on transportation resources. Refer to "Chart G" for the details of impact to the State Transportation Improvement Program (STIP) and SHOPP based on the 2015-16 Governor's Budget projection of 12.5 cents per gallon.

Note: Effective March 1, 2015 the Board of Equalization announced the new price-based excise tax rate for 2015-16 of 12 cents per gallon.

TRANSPORTATION FUNDS

Transportation revenue is generated from user taxes and fees, and is deposited in separate funds. Within the funds are several accounts that help facilitate the accounting of all receipts and expenditures. An overview of the fund and account activity planned for 2015-16 is provided in the following pages. The funds and accounts are:

Transportation Tax Fund

- Motor Vehicle Fuel Account
- Highway Users Tax Account
- Motor Vehicle License Fee Account

State Transportation Fund

- Aeronautics Account
- Local Airport Loan Account
- Local Transportation Loan Account
- Motor Vehicle Account
- Pedestrian Safety Account
- Public Transportation Account
- State Highway Account
- Transportation Financing Subaccount

Other Funds

- Greenhouse Gas Reduction Fund
- Historic Property Maintenance Fund
- Traffic Congestion Relief Fund
- Transportation Investment Fund
- Transportation Deferred Investment Fund
- Transportation Debt Service Fund

Transportation Bond (Proposition 1B) - Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006

- California Ports Infrastructure, Security, and Air Quality Improvement Account
- Corridor Mobility Improvement Account
- Trade Corridors Improvement Fund
- Transportation Facilities Account
- Public Transportation Modernization, Improvement and Service Enhancement Account
- State-Local Partnership Program Account
- Local Bridge Seismic Retrofit Account
- Highway-Railroad Crossing Safety Account
- Highway Safety, Rehabilitation, and Preservation Account
- Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account
- State Route 99 Account

Transportation Bond (Proposition 1A) – High-Speed Passenger Train Bond Fund

TRANSPORTATION TAX FUND:

Motor Vehicle Fuel Account (0061)

Revenues from taxes on gasoline, diesel, and aviation fuels are collected and deposited in the Motor Vehicle Fuel Account (MVFA). The proposed budget estimates that \$4,914,597,000 is available for distribution as follows:

Motor Vehicle Fuel Account	
Food and Agriculture Fund	\$38,883,000
Off-Highway Vehicle Trust Fund	54,964,000
Aeronautics Account	5,443,000
Harbors and Watercraft Revolving Fund	27,067,000
State Board of Equalization	28,591,000
State Controller's Office	4,735,000
State Parks and Recreation Fund	26,649,000
General Fund	91,555,000
Balance to Highway Users Tax Account	4,636,710,000
Total	\$4,914,597,000

Highway Users Tax Account (0062)

The Highway Users Tax Account (HUTA) receives transfers from the MVFA consisting of the net revenue (after statutory transfers) of diesel, gasoline and aviation fuel taxes. The proposed budget estimates that \$4,636,710,000 is available for distribution as follows:

Highway Users Tax Account	
Cities and Counties	\$825,144,000
Counties	355,682,000
Cities	264,007,000
State Parks and Recreation Fund	3,400,000
State Controller's Office	1,653,000
Weight Fee Backfill	1,015,351,000
Balance to State Highway Account	2,171,471,000
Accumulated Balance	2,000
Total	\$4,636,710,000

Motor Vehicle License Fee Account (0064)

The Motor Vehicle License fees and miscellaneous in-lieu fees are collected and deposited into the Motor Vehicle License Fee Account (see Chart E). The proposed budget estimates that \$566,945,000 is available for distribution as follows:

Motor Vehicle License Fee Account	
Franchise Tax Board	\$5,953,000
Department of Motor Vehicles	14,785,000
Local Revenue Fund 2011	546,145,000
State Controller's Office	17,000
Financial Information System for California	45,000
Accumulated Balance	0
Total	\$566,945,000

STATE TRANSPORTATION FUND:

Aeronautics Account (0041)

Excise taxes attributable to jet fuel and the distribution of motor vehicle fuel for use in propelling aircraft are transferred from the MVFA in the Transportation Tax Fund to the Aeronautics Account. Funding from the Aeronautics Account provides for grants to qualifying airports, acquisition and development, and state dollars to local agencies to match federal funds for airport improvements. The proposed budget estimates that \$8,784,000 is available for distribution as follows:

Aeronautics Account			
	State Funds	Federal Funds	Total Funds
State Operations	\$3,882,000	\$439,000	\$4,321,000
Local Assistance	2,915,000	0	2,915,000
Public Transportation Account	30,000	0	30,000
Financial Information System for California	7,000	0	7,000
Accumulated Balance	1,511,000	0	1,511,000
Total	\$8,345,000	\$439,000	\$8,784,000

Local Airport Loan Account (0052)

The Local Airport Loan Account (LALA) is a subaccount of the Aeronautics Account. Monies deposited in the LALA represent payments of principal and interest received on loans made by Caltrans to local agencies for acquisition, construction, improvement, maintenance, and operation of local airports. The accumulated balance of this fund is used for future loans to local agencies. The proposed budget estimates that \$17,360,000 is available for distribution as follows:

Local Airport Loan Account	
Local Assistance	\$1,490,000
Local Assistance (Loan Repayments)	-2,395,000
Accumulated Balance	18,265,000
Total	\$17,360,000

Local Transportation Loan Account (2501)

The Local Transportation Loan Account was created in 2002 for the management of federal funds for loans to local entities. Resources for transportation loans from the Federal Trust Fund are transferred to this account. The proposed budget estimates that \$4,031,000 is available for distribution as follows:

Local Transportation Loan Account	
Accumulated Balance	\$4,031,000
Total	\$4,031,000

Motor Vehicle Account (0044)

Motor vehicle registration, driver's license, and off-highway vehicle registration fees are collected and deposited into the Motor Vehicle Account. The proposed budget estimates that \$3,775,097,000 is available for distribution as follows:

Motor Vehicle Account	
General Fund	\$72,865,000
State Highway Account	126,000
Motor Vehicle License Fee Account	73,000
Environmental License Plate Fund	5,000
Off-Highway Vehicle Trust Fund	1,000
Secretary for Transportation Agency	2,635,000
Department of Justice	26,385,000
Judicial Branch	198,000
Franchise Tax Board	3,168,000
Air Resources Board	134,171,000
Department of Motor Vehicles	1,049,812,000
California Highway Patrol	2,174,314,000
Secretary of Environmental Protection	1,976,000
State Mandates	2,604,000
Energy Resources Conservation and Development Commission	141,000
Environmental Health Hazard Assessment	4,149,000
Department of Public Health	1,644,000
Department of Food and Agriculture	7,620,000
Financial Information System for California	5,606,000
Accumulated Balance	287,603,000
Total	\$3,775,097,000

Pedestrian Safety Account (2500)

Grants are provided to local agencies with high pedestrian injury or fatality rates to fund projects that increase safety, such as traffic calming measures, intersection safety improvements, and crosswalk construction or improvements. This account receives no revenue and has no outstanding expenditures

Pedestrian Safety Account	
Accumulated Balance	\$0
Total	\$0

Public Transportation Account (0046)

Resources in the Public Transportation Account (PTA), a trust fund, may only be used for transportation planning and mass transportation purposes. Due to the passage of Assembly Bills (AB) 6 and 9 of the Eighth Extraordinary Session of 2009-10 (Chapter 11, Statutes of 2010), Senate Bill 70 (Chapter 9, Statutes of 2010), and AB 105 (Chapter 6, Statutes of 2011), collectively known as the Fuel Tax Swap of 2010, the only remaining source of revenue for the PTA is the sales tax on diesel fuel. The passage of AB 105 also implemented an additional 1.75 percent tax on diesel fuel to the 4.75 percent sales tax for 2015-16. In response to the increase of sales tax on diesel fuel, the excise tax on diesel was reduced to maintain revenue neutrality.

Additional resources are transferred into the PTA from the State Highway Account (SHA) for transportation planning, and the Aeronautics Account for airport planning activities. Prior to 2009-10, miscellaneous revenues that are not subject to Article XIX of the State Constitution were deposited into the PTA from the SHA. From 2010-11 through 2012-13, these revenues were redirected to the Transportation Debt Service Fund (TDSF) to offset General Fund (GF) debt service costs on specified general obligation transportation bonds. Commencing in 2013-14 and beyond, this offset is permanent.

The accumulated balance in the table below represents resources available for future years, including commitments to existing projects and assets and liabilities from other departments that report on a modified accrual basis. The proposed budget estimates that \$1,286,482,000 is available for distribution as follows:

Public Transportation Account			
	State Funds	Federal Funds	Total Funds
State Operations	\$186,880,000	\$36,767,000	\$223,647,000
Local Assistance	3,871,000	152,535,000	156,406,000
Capital Outlay	2,272,000	0	2,272,000
Public Utilities Commission	5,991,000	0	5,991,000
Secretary for Transportation Agency	6,000	0	6,000
State Controller's Office	19,000	0	19,000
California Transportation Commission	1,713,000	0	1,713,000
University of California	980,000	0	980,000
State Transit Assistance (Local Assistance)	387,798,000	0	387,798,000
Adjustment for Cash Accounting of Expenditures (Local Assistance)	55,119,000	0	55,119,000
Adjustment for Cash Accounting of Expenditures (Capital Outlay)	16,884,000	0	16,884,000
Accumulated Balance	435,647,000	0	435,647,000
Total	\$1,097,180,000	\$189,302,000	\$1,286,482,000

State Highway Account (0042)

The SHA is the primary funding source for the state's highway transportation system. The two major sources of funding for the SHA are the balance of fuel taxes transferred from the HUTA, and reimbursements from the Federal Trust Fund for federal-aid highway projects (see Chart A). The Weight Fee Swap redirected all weight fees to the GF for debt service payments and loans. In return, the SHA receives monthly backfill payments equal to the sum of weight fees that were redirected from the account.

Federal funds received by Caltrans come from federal fuel excise taxes that are deposited in the Federal Highway Trust Fund. The taxes are apportioned and allocated back to the state through the Federal Transportation Act and the federal budget. Each federal-aid highway project must be authorized in advance by the Federal Highway Administration, and federal funds must be obligated before the state can be reimbursed. Once the authorization process and obligation of funds are completed, the state can recover federal reimbursements based on the monthly expenditures of federal-aid projects.

The accumulated balance in the table below represents resources available for future years, including commitments to existing projects and assets and liabilities from other departments that report on a modified accrual basis. The proposed budget estimates that \$10,100,940,000 is available for distribution as follows:

State Highway Account			
	State Funds	Federal Funds	Total Funds
State Operations	\$2,579,106,000	\$859,600,000	\$3,438,706,000
Local Assistance	186,535,000	1,684,876,000	1,871,411,000
Capital Outlay	481,372,000	1,887,840,000	2,369,212,000
Unclassified	0	5,000,000	5,000,000
Public Transportation Account	25,046,000	0	25,046,000
Environmental Enhancement and Mitigation Fund	7,000,000	0	7,000,000
University of California	1,000,000	0	1,000,000
California Transportation Commission	1,068,000	0	1,068,000
California Highway Patrol	73,215,000	0	73,215,000
Department of Motor Vehicles	11,064,000	0	11,064,000
Department of Conservation	12,000	0	12,000
Financial Information System for California	4,710,000	0	4,710,000
Public Utilities Commission	4,250,000	0	4,250,000
Transportation Debt Service Fund	1,186,113,000	0	1,186,113,000
Interest Payments to Federal Government	1,000,000	0	1,000,000
Adjustment for Cash Accounting of Expenditures (Local Assistance)	80,972,000	0	80,972,000
Adjustment for Cash Accounting of Expenditures (Capital Outlay)	-35,374,000	0	-35,374,000
Accumulated Balance	1,056,535,000	0	1,056,535,000
Total	\$5,663,624,000	\$4,437,316,000	\$10,100,940,000

Transportation Financing Subaccount (6801)

The Transportation Financing Subaccount was created to receive the deposit of proceeds from the sale of tax-exempt or taxable notes, known as Grant Anticipation Revenue Vehicles (GARVEE). These notes were issued by the State Treasurer to finance selected large-scale federal transportation projects administered by Caltrans. The funds in the subaccount are attributable to the GARVEE bond sales from 2004 and 2008, and are continuously appropriated and available for use as directed by the Commission. The proposed budget estimates that \$0 is available for distribution and no new GARVEE issuances are expected in 2015-16.

Transportation Financing Subaccount	
Capital Outlay	\$0
Accumulated Balance	0
Total	\$0

OTHER FUNDS:

Greenhouse Gas Reduction Fund (3228)

The Greenhouse Gas Reduction Fund was created to facilitate the achievement of reductions of greenhouse gas emissions in the state. Monies appropriated from the fund may be allocated for the purpose of reducing greenhouse gas emissions in the state through investments. The proposed budget estimates that \$12,625,000 is available to Caltrans for distribution as follows:

Greenhouse Gas Reduction Fund	
State Operations	\$229,000
Local Assistance	12,396,000
Accumulated Balance	0
Total	\$12,625,000

Historic Property Maintenance Fund (0365)

The Historic Property Maintenance Fund provides funding for costs associated with the maintenance and operation of federally-designated or state historic properties that are owned by Caltrans and are located in a freeway right-of-way corridor. Revenues are derived from 50 percent of the rental receipts collected on these historic properties. The proposed budget estimates that \$1,317,000 is available for distribution as follows:

Historic Property Maintenance Fund	
State Operations	\$1,137,000
Financial Information System for California	0
Accumulated Balance	180,000
Total	\$1,317,000

Traffic Congestion Relief Fund (3007)

The Traffic Congestion Relief Fund provides funding for deferred maintenance on local streets and roads, and congestion relief projects. It provides additional transportation capacity in high growth areas of the state. The accumulated balance in the table below represents resources available for future years, including commitments to existing projects and assets and liabilities from other departments that report on a modified accrual basis. The proposed budget estimates that \$209,971,000 is available for distribution as follows:

Traffic Congestion Relief Fund	
State Operations	\$3,599,000
Local Assistance	4,220,000
Capital Outlay	54,251,000
Adjustment for Cash Accounting of Expenditures (Local Assistance)	37,121,000
Adjustment for Cash Accounting of Expenditures (Capital Outlay)	-18,175,000
Accumulated Balance	128,955,000
Total	\$209,971,000

Transportation Investment Fund (3008)

Proposition 42 (2002), added Article XIX, Section B to the California Constitution, which made permanent the transfer of the sales tax on gasoline to the Transportation Investment Fund (TIF) for transportation purposes. However, with the elimination of sales tax on gasoline due to the Fuel Tax Swap of 2010, the revenue stream for the TIF was eliminated. The accumulated balance in the table below represents resources available for future years, including commitments to existing projects as well as assets and liabilities from other departments that report on a modified accrual basis. The proposed budget estimates that \$224,898,000 is available for distribution as follows:

Transportation Investment Fund	
Adjustment for Cash Accounting of Expenditures (Local Assistance)	\$0
Adjustment for Cash Accounting of Expenditures (Capital Outlay)	0
Accumulated Balance	224,898,000
Total	\$224,898,000

Transportation Deferred Investment Fund (3093)

The Transportation Deferred Investment Fund was established to receive loan repayments from the GF equal to the amounts that were not transferred from the GF to the TIF in 2003-04 and 2004-05, and would otherwise have been available for the transportation programs. The accumulated balance in the table below represents resources available for future years, including commitments to existing projects and assets and liabilities from other departments that report on a modified accrual basis. The proposed budget estimates that \$55,237,000 is available for distribution as follows:

Transportation Deferred Investment Fund	
Traffic Congestion Relief Fund	\$84,039,000
Unclassified	-84,039,000
Adjustment for Cash Accounting of Expenditures (Local Assistance)	0
Adjustment for Cash Accounting of Expenditures (Capital Outlay)	0
Accumulated Balance	55,237,000
Total	\$55,237,000

Transportation Debt Service Fund (3107)

The TDSF was established for payment of debt service on bonds including debt service on bonds issued pursuant to the Clean Air and Transportation Improvement Act of 1990, the Passenger Rail and Clean Air Bond Act of 1990, the Seismic Retrofit Bond Act of 1996, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, and the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century. As part of the Weight Fee Swap, weight fees deposited into the SHA are subsequently transferred to the TDSF. The proposed budget estimates that \$1,186,113,000 is available for distribution as follows:

Transportation Debt Service Fund	
General Obligation Bonds	\$1,186,113,000
Total	\$1,186,113,000

PROPOSITION 1B – HIGHWAY SAFETY, TRAFFIC REDUCTION, AIR QUALITY, AND PORT SECURITY BOND ACT OF 2006

Proposition 1B, approved by voters in November 2006, authorized the issuance of \$19.925 billion in state general obligation bonds under the Bond Act. The objectives of the Bond Act are to improve transportation, air quality, and port security, through the creation of new transportation accounts and programs, and by providing new funding for existing programs.

The proposed budget includes \$734 million for Proposition 1B bond programs in 2015-16. The \$734 million includes \$393 million for Capital Outlay and \$48 million for Local Assistance. The Governor’s Budget did not include new proposed Proposition 1B appropriations for the 2015-16 year.

Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 (6053)

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 was established to fund the mobility, safety and air quality improvements described in the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Bond funding of \$734,375,000 will be deposited into the Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 and distributed as follows:

Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006	
CA Ports Infrastructure, Security, and Air Quality Improvement Account	\$130,000
Corridor Mobility Improvement Account	178,815,000
Trade Corridors Improvement Fund	59,472,000
Transportation Facilities Account	115,278,000
Public Transportation Modernization, Improvement and Service Enhancement Account	261,482,000
State-Local Partnership Program Account	3,453,000
Local Bridge Seismic Retrofit Account	19,721,000
Highway-Railroad Crossing Safety Account	6,761,000
Highway Safety, Rehabilitation, and Preservation Account	51,696,000
State Route 99 Account	37,567,000
Total	\$734,375,000

California Ports Infrastructure, Security, and Air Quality Improvement Account (6054)

The California Ports Infrastructure, Security, and Air Quality Improvement Account was established to fund infrastructure improvements along trade corridors, emission reductions from activities related to the movement of freight along California’s trade corridors, and port, harbor and ferry terminal security improvements. The proposed budget estimates that \$130,000 is available for distribution as follows:

California Ports Infrastructure, Security, and Air Quality Improvement Account	
Air Resources Board	\$130,000
Total	\$130,000

Corridor Mobility Improvement Account (6055)

The Corridor Mobility Improvement Account was established to fund performance improvements on the state highway system, or major access routes to the state highway system on the local road system that relieve congestion by expanding capacity, enhancing operations, or otherwise improving travel times within these high-congestion travel corridors. Projects are identified by Caltrans and regional or local transportation agencies, and are allocated by the Commission. The proposed budget estimates that \$178,815,000 is available for distribution as follows:

Corridor Mobility Improvement Account	
State Operations	\$76,667,000
Capital Outlay	101,999,000
California Transportation Commission	149,000
Total	\$178,815,000

Trade Corridors Improvement Fund (6056)

The Trade Corridors Improvement Fund was established to fund infrastructure improvements along federally-designated “Trade Corridors of National Significance” in the state and along other corridors within the state that have a high volume of freight movement, as determined by the Commission. The proposed budget estimates that \$59,472,000 is available for distribution as follows:

Trade Corridors Improvement Fund	
State Operations	\$14,254,000
Local Assistance	12,500,000
Capital Outlay	32,573,000
California Transportation Commission	145,000
Total	\$59,472,000

Transportation Facilities Account (6058)

The Transportation Facilities Account was established to augment funding for projects included in the STIP (Government Code, Section 14525.5). The proposed budget estimates that \$115,278,000 is available for distribution as follows:

Transportation Facilities Account	
State Operations	\$13,143,000
Local Assistance	0
Capital Outlay	102,000,000
California Transportation Commission	135,000
Total	\$115,278,000

Public Transportation Modernization, Improvement and Service Enhancement Account (6059)

The Public Transportation Modernization, Improvement and Service Enhancement Account was established to fund intercity rail projects and commuter or urban rail operators, bus operators, waterborne transit operators, and other transit operators in California. The account is used for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or for rolling stock procurement, rehabilitation, or replacement. The proposed budget estimates that \$261,482,000 is available for distribution as follows:

Public Transportation Modernization, Improvement and Service Enhancement Acct	
State Transit Assistance (Local Assistance)	\$150,000,000
State Operations	1,120,000
Capital Outlay	110,325,000
California Transportation Commission	37,000
Total	\$261,482,000

State-Local Partnership Program Account (6060)

The State-Local Partnership Program Account provides dollar-for-dollar matching funds for eligible transportation projects nominated by applicant transportation agencies. The proposed budget estimates that \$3,453,000 is available for distribution as follows:

State-Local Partnership Program Account	
State Operations	\$3,384,000
Local Assistance	0
Capital Outlay	0
California Transportation Commission	69,000
Total	\$3,453,000

Local Bridge Seismic Retrofit Account (6062)

The Local Bridge Seismic Retrofit Account was established to provide the required match for federal Highway Bridge Replacement and Repair funds available to the state for seismic work on local bridges, ramps, and overpasses, as identified by Caltrans. The proposed budget estimates that \$19,721,000 is available for distribution as follows:

Local Bridge Seismic Retrofit Account	
State Operations	\$375,000
Local Assistance	19,340,000
California Transportation Commission	6,000
Total	\$19,721,000

Highway-Railroad Crossing Safety Account (6063)

The Highway-Railroad Crossing Safety Account was established to fund the completion of high-priority grade separation and railroad crossing safety improvements pursuant to Chapter 10 (Sections 2450 through 2461) of Division Three of the Streets and Highways Code. A dollar-for-dollar match of non-state funds shall be provided for each project, and the limitation on maximum project cost in Streets and Highways Code, Section 2454(g), shall not be applicable to projects funded with this account. The proposed budget estimates that \$6,761,000 is available for distribution as follows:

Highway-Railroad Crossing Safety Account	
State Operations	\$403,000
Local Assistance	6,334,000
California Transportation Commission	24,000
Total	\$6,761,000

Highway Safety, Rehabilitation, and Preservation Account (6064)

The Highway Safety, Rehabilitation, and Preservation Account was established to fund the SHOPP, traffic light synchronization, and other technology-based projects, in order to improve safety, operations, and the effective capacity of local streets and roads (Government Code, Section 14526.5). The proposed budget estimates that \$51,696,000 is available for distribution as follows:

Highway Safety, Rehabilitation, and Preservation Account	
State Operations	\$2,599,000
Local Assistance	10,302,000
Capital Outlay	38,732,000
California Transportation Commission	63,000
Total	\$51,696,000

Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account (6065)

The Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account was established to fund improvements to transportation facilities that will assist in reducing local traffic congestion and further deterioration of roads, improving traffic flows, or increasing traffic safety. Usage of funds may include, but not be limited to, street and highway pavement maintenance; rehabilitation, installation, construction, and reconstruction of necessary associated facilities such as drainage and traffic control devices; maintenance, rehabilitation, installation, construction, and reconstruction of facilities that expand ridership on transit systems; safety projects to reduce fatalities; or as a local match to obtain state or federal transportation funds for similar purposes. This account receives no revenue and has no outstanding expenditures.

Local Streets & Road Improvement, Congestion Relief, & Traffic Safety Account	
Department of Finance	\$0
Total	\$0

State Route 99 Account (6072)

The State Route 99 Account was established to provide funding for safety, operational enhancements, rehabilitation, or capacity improvements for the State Route 99 corridor that traverses approximately 400 miles of the state’s central valley. The proposed budget estimates that \$37,567,000 is available for distribution as follows:

State Route 99 Account	
State Operations	\$29,979,000
Capital Outlay	7,588,000
Total	\$37,567,000

PROPOSITION 1A – HIGH-SPEED PASSENGER TRAIN BOND FUND

High-Speed Passenger Train Bond Fund (6043)

Proposition 1A, approved by voters in 2008, authorized \$9.95 billion in general obligation bonds to initiate the construction of a high-speed train system that connects the San Francisco Transbay Terminal to Los Angeles Union Station and Anaheim, and links the state’s major population centers, including Sacramento, the San Francisco Bay Area, the Central Valley, Los Angeles, the Inland Empire, Orange County, and San Diego. The proposed budget includes \$1,168,035,000 for the Proposition 1A bond program in 2015-16.

High-Speed Passenger Train Bond Fund	
Local Assistance	\$37,810,000
Capital Outlay	0
High-Speed Rail Authority	1,130,225,000
Total	\$1,168,035,000

Attachments:

- Chart A: "Source and Distribution of California State Motor Vehicle Fees and User Taxes"
Summarizes the source and distribution of the state motor vehicle and user taxes, and that of the State Highway Account.
- Chart B: "Statutory Allocation of Transportation Funding"
Shows sources and allocation of funding for the STIP and other programs (non-STIP).
- Chart C: "Budgetary Flow of California State Fees and Taxes Designated for Transportation Purposes"
Shows the budgetary flow of state motor vehicle fees and highway user taxes in California, along with other fund sources that constitute the financing available to Caltrans, as displayed in the 2015-16 proposed Governor's Budget.
- Chart D: "Distribution of California Sales Tax Revenue"
Shows the distribution of sales tax revenues from gasoline and diesel fuel sales to the Public Transportation Account and the Transportation Investment Fund.
- Chart E: "Motor Vehicle License Fee Distribution"
Shows the distribution of revenues from motor vehicle license fees to the Motor Vehicle License Fee Account.
- Chart F: "Chart of Transportation Revenues"
Shows the distribution of total transportation revenues from state motor vehicle fees and highway user taxes designated for transportation purposes.
- Chart G: "Price-Based Excise Tax Distribution"
Shows the distribution of the price-based excise fuel tax for 2015-16 based on the proposed Governor's Budget.

2015-16 Fiscal Year SOURCE AND DISTRIBUTION OF CALIFORNIA STATE MOTOR VEHICLE FEES AND USER TAXES*

FEES & USER TAXES:	
Motor Vehicle License Fees.....	\$566,772,000
Motor Vehicle Registration, Driver's License, Off-Highway Registration.....	\$3,107,192,000
Motor Vehicle Fuel Tax (Diesel).....	\$417,580,000
Motor Vehicle Fuel Tax (Gasoline and Jet Fuel).....	\$4,492,211,000
Motor Vehicle Registration (Weight Fees).....	\$1,015,351,000
Total	\$9,599,106,000

Other State Agencies, Funds, and Accounts
\$3,959,300,000

Cities, Counties, Cities & Counties
\$1,444,833,000

State Highway Account
\$4,194,973,000

State Highway Account Resources:	
Reserves.....	\$1,274,145,000
Gasoline & Diesel Taxes.....	\$3,179,622,000
Motor Vehicle Weight Fees.....	\$1,015,351,000
Interest & Miscellaneous.....	\$194,506,000
Federal Reimbursement.....	\$4,437,316,000
Total Resources.....	\$10,100,940,000

DEPARTMENT OF TRANSPORTATION			
State Operations:	Highway & Rail Capital Outlay:	Local Assistance:	Unclassified:
Project Development and Other Capital Support.....			
\$1,323,321,000	Right-of-Way Acquisition & Engineering, Construction & Management	Local Assistance.....	
Mass Trans. & Planning.....		\$1,859,411,000	
\$83,286,000		Regional Planning.....	
Program Development.....		\$12,000,000	
\$77,622,000			
Operations & Local Assist.....			
\$297,464,000			
Maintenance.....			
\$1,532,074,000			
Admin., Legal, Equip.....			
\$124,939,000			
\$3,438,706,000	\$2,369,212,000	\$1,871,411,000	\$5,000,000

OTHER AGENCIES, ACCOUNTS AND FUNDS	
California Transportation Commission.....	\$1,068,000
State Controller's Office.....	\$0
California Highway Patrol.....	\$73,215,000
Department of Motor Vehicles.....	\$11,064,000
Department of Conservation.....	\$12,000
Equity Claims of CA Victim Compensation.....	\$0
Earthquake Risk Reduction Fund.....	\$0
Environmental Enhancement and Mitigation Program Fund.....	\$7,000,000
Transportation Debt Service Fund.....	\$1,186,113,000
University of California.....	\$1,000,000
Interest payments to Federal Government.....	\$1,000,000
Prefunding Health and Dental Benefits for Annuitants.....	\$0
Public Transportation Account.....	\$25,046,000
Financial Information System for California.....	\$4,710,000
Public Utilities Commission.....	\$4,250,000
General Fund.....	\$0
\$1,314,478,000	

Adjustment for Cash Accounting of Expenditures (Local Assistance)
\$80,972,000

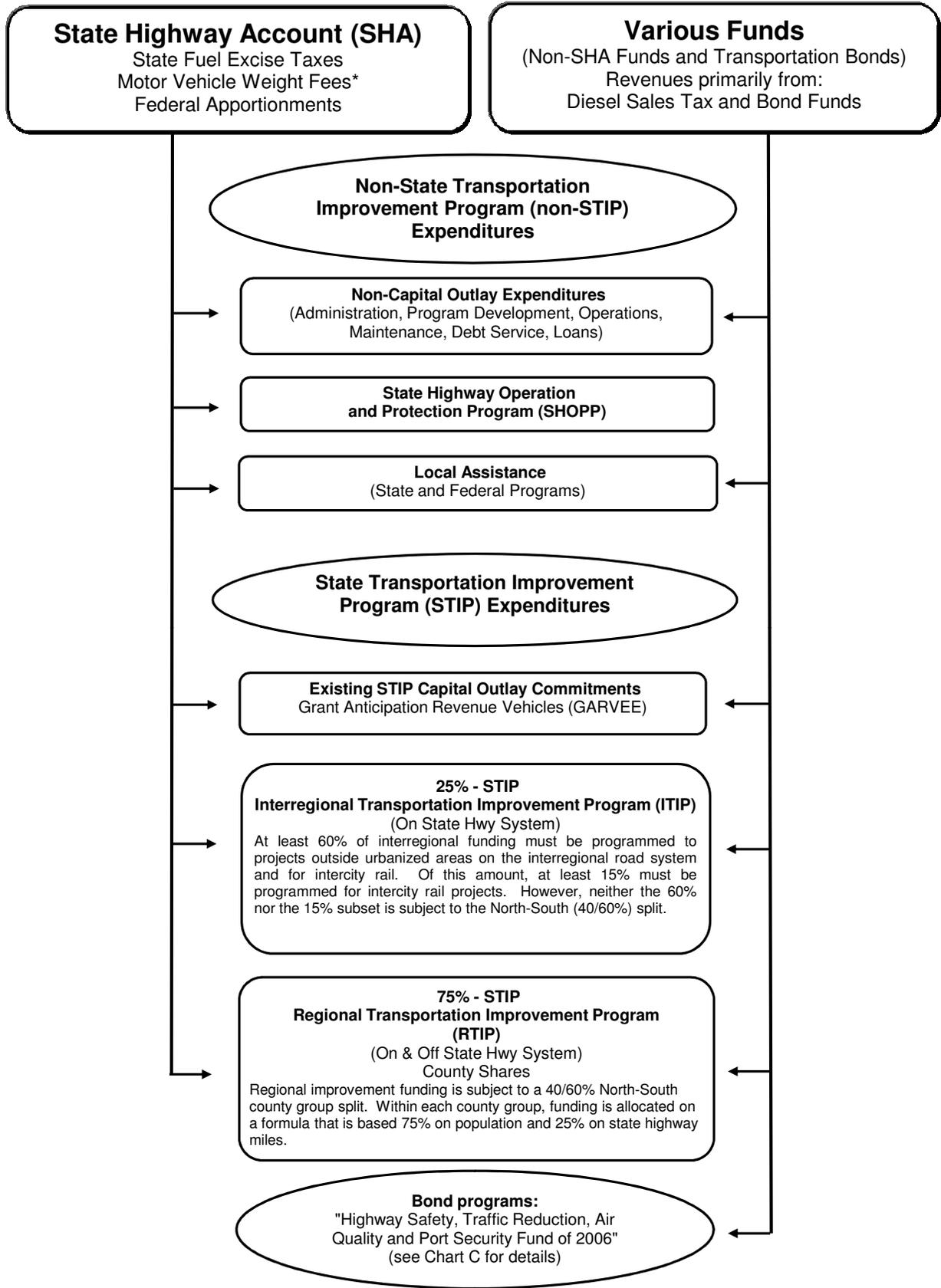
Adjustment for Cash Accounting of Expenditures (Capital Outlay)
-\$35,374,000

Reserve for Cash Outlays in Advance of Federal Reimbursements
\$1,056,535,000

**CHART A
January 2015**

* Retail sales tax on Diesel is not included.

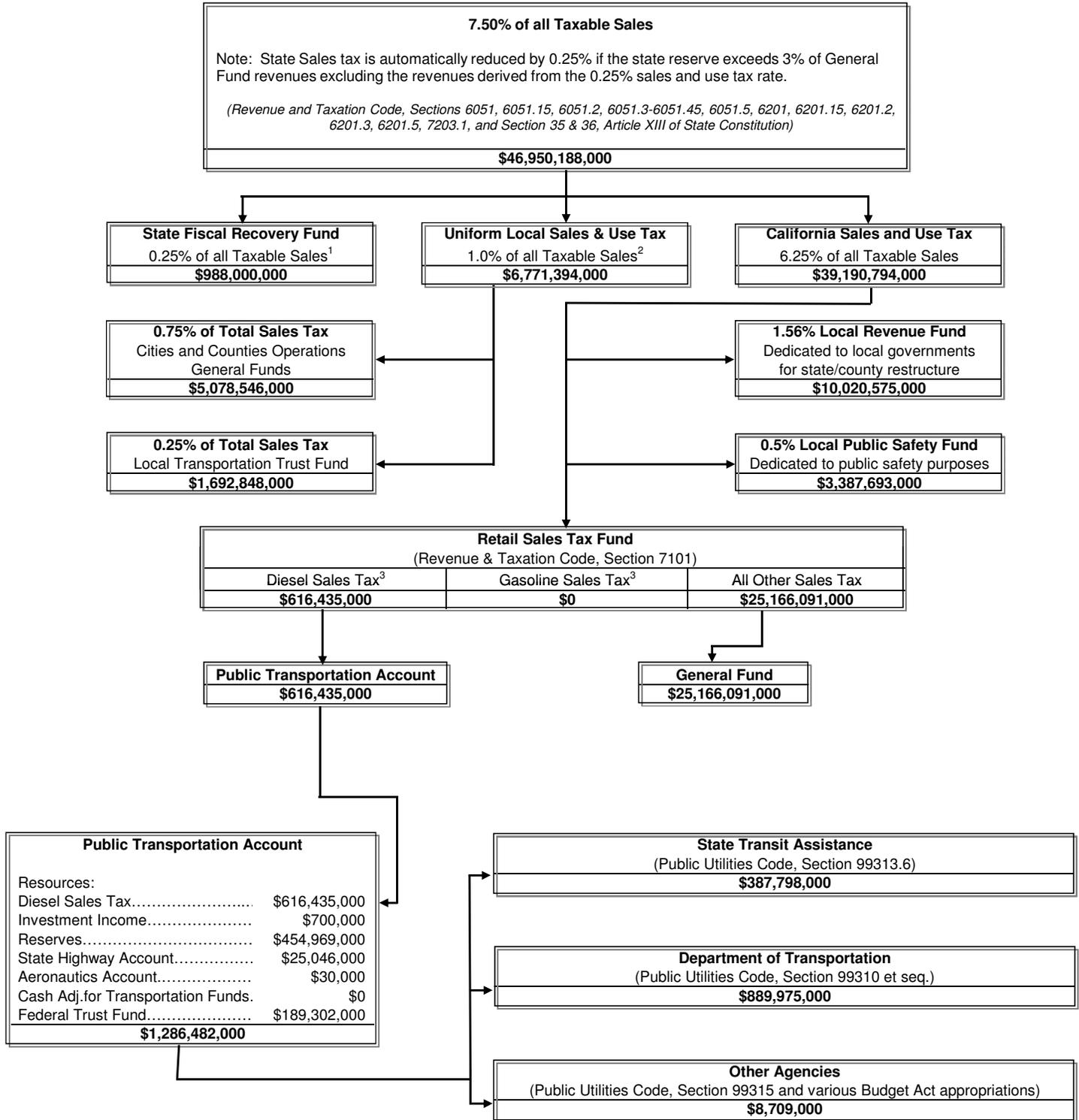
**2015-16 Fiscal Year
STATUTORY ALLOCATION OF TRANSPORTATION FUNDING**



* Motor Vehicle Weight Fees are immediately transferred to the the TDSF for transportation bond debt services, per VC, Section 9400.4.

2015-16 Fiscal Year
DISTRIBUTION OF CALIFORNIA SALES TAX REVENUE
 Dollar amounts are approximate and based on 2015-16 Governor's Budget
 and 2015-16 Department of Finance sales tax forecasts

TOTAL SALES TAX REVENUE



¹ Proposition 57, passed by California voters on March 2, 2004, decreased the general purpose sales and use tax rate for local governments from 1.0% to 0.75% to fund the State Fiscal Recovery Fund, and also provided that property tax revenues be used to offset, or recover, this 0.25% reduction in sales and use tax revenues. The property tax offset itself is not displayed in this chart.

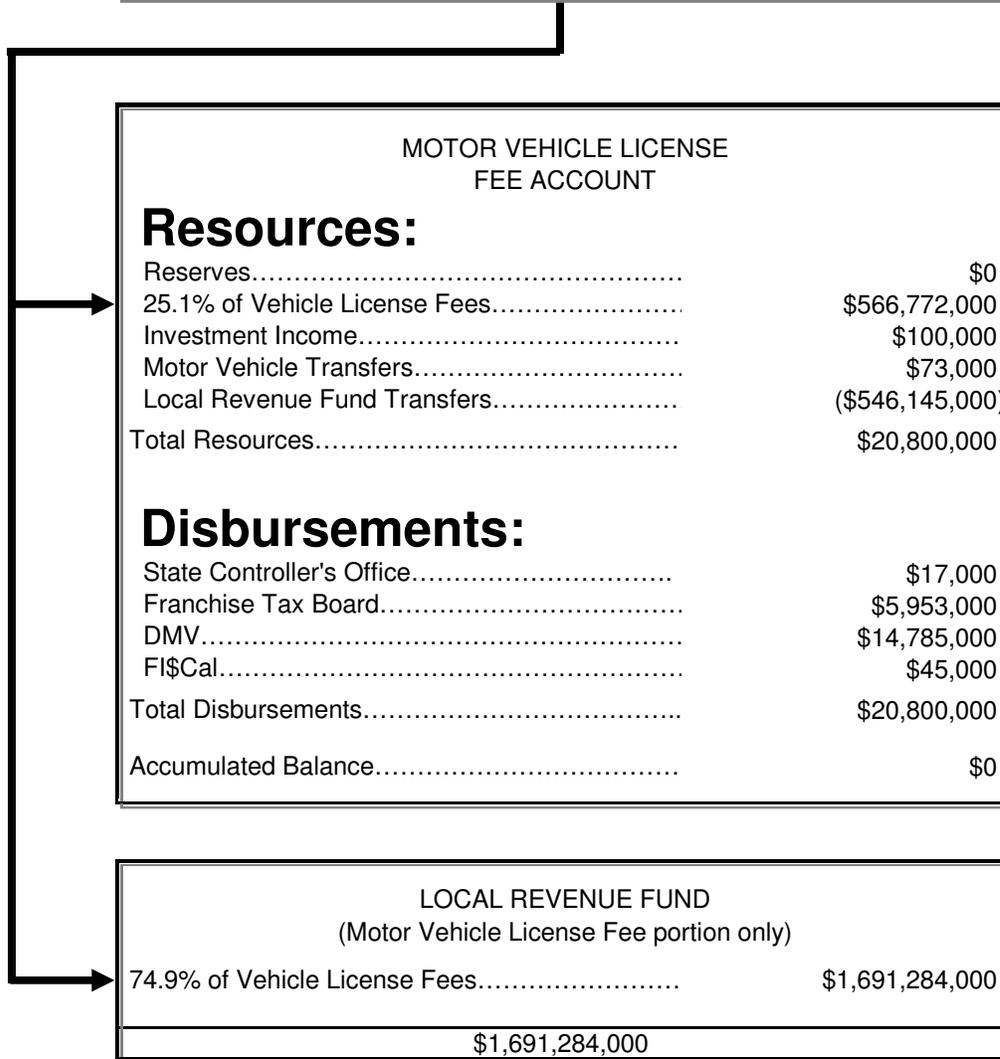
² Counties may impose additional district taxes for special purposes (mass transit systems, schools, public safety projects, etc.).

³ The Fuel Tax Swap enacted in March 2010 (AB X8 6), eliminated state sales tax on gasoline for transportation programs and increased sales tax on diesel fuel by 1.75% for 2015-16.

Note: All amounts are rounded independently - totals may not add to detail.

**2015-16 Fiscal Year
MOTOR VEHICLE LICENSE FEE DISTRIBUTION**

<p>MOTOR VEHICLE LICENSE FEE REVENUE* Revenue & Taxation Code, Section 10752</p> <p>Vehicle License Fee 0.65% of market value as determined by the Department of Motor Vehicles (annual amount).</p>
<p>\$2,258,056,000</p>

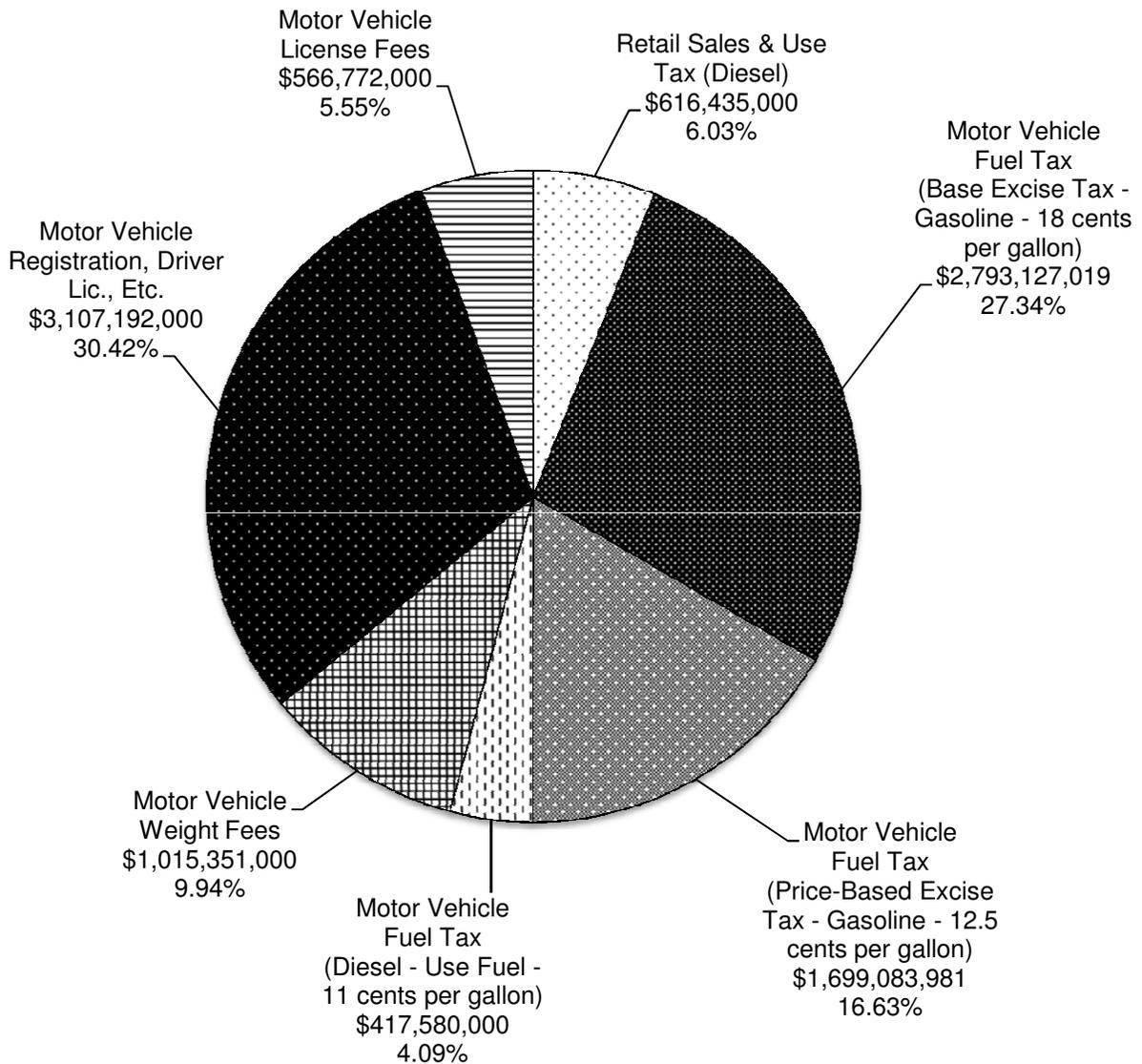


* Distribution of Vehicle License Fee revenue revised to 25.1% / 74.9% (State / Local) split by Revenue & Taxation Code, Section 11001.5. Distribution is not exactly 25.1% / 74.9% split due to uncleared collections, timing, and refund activity.

Note: Chart A and C display only the amount of License Fee Revenue that flows into the Motor Vehicle Account.

**2015-16 Fiscal Year
CHART OF TRANSPORTATION REVENUES**
From California State Motor Vehicle Fees and Taxes

\$10.216B Total Revenues

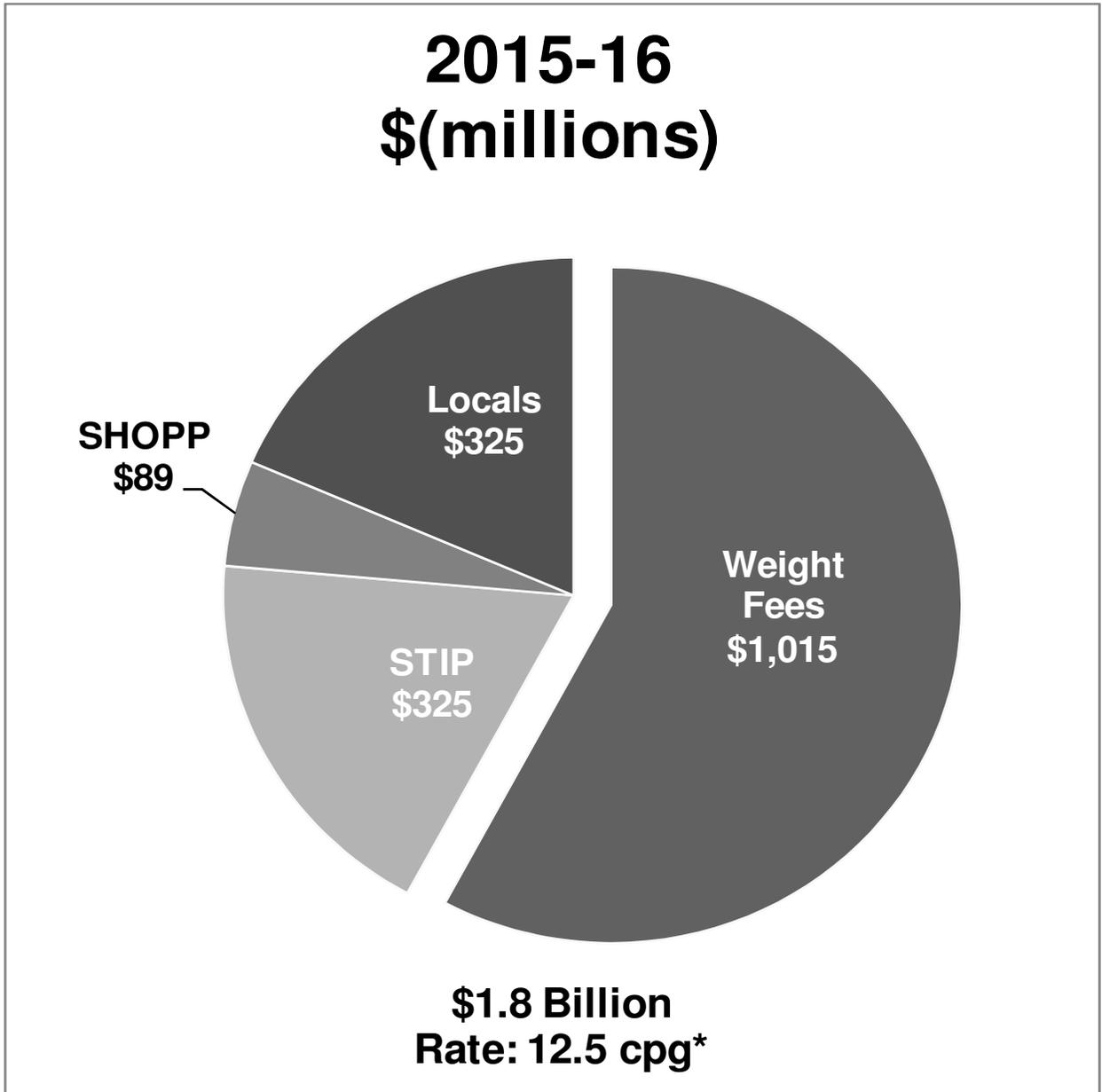


Note:

Does not include funding from the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Motor Vehicle Weight Fees are immediately transferred to the the TDSF for transportation bond debt services, per Vehicle Code, Section 9400.4.

Effective March 1, 2015 the Board of Equalization announced the new price-based excise tax rate for 2015-16 of 12 cents per gallon (cpg).

2015-16 Fiscal Year
PRICE-BASED EXCISE TAX DISTRIBUTION



* The dollar figures are based on the 2015-16 Governor's Budget and are subject to change.

Note:

General Fund transfers are not displayed in the charts.

Effective March 1, 2015 the Board of Equalization announced the new price-based excise tax rate for 2015-16 of 12 cents per gallon (cpg).