

2006 Fund Estimate
Assumptions Workshop
April 13, 2005

Prepared by:
Department of Transportation



Fund Estimate Assumptions

- **Assumptions will guide revenue and expenditure calculations in the Fund Estimate (FE).**
- **Choices made now will have a lasting impact and need to be based on the best information available.**
- **Even with the best information available at the time, some assumptions may not materialize:**
 - Weight fees forecast based on the assumption that Senate Bill (SB) 2084 would be revenue neutral (2002 FE).
 - Assumed Federal Obligation Authority (OA) would increase by 20% in first year of to the new federal act (2002 FE).
 - Assumed General Fund transfers of gasoline sales tax revenues to the Transportation Investment Fund (TIF) beginning in 2004-05 (2004 FE).

Statutory Guidance

- **Revenues** assumptions assume “no change in state and federal statutes.”
- **Administrative** expenditures are based on the “most recent Budget Act, adjusted for inflation.”
- **Maintenance and Operations** expenditures are based on the “most recent Budget Act, adjusted for inflation and inventory.”
- **State Highway Operation and Protection Plan (SHOPP)** expenditures are based on the enacted 10-Year SHOPP Plan, otherwise the “most recent Budget Act.”
- **Local assistance** expenditures equal the “amount required to fund local assistance programs required by state or federal law or regulations.”
- The remaining funds available for capital improvement projects to be programmed in the **State Transportation Improvement Program (STIP)**.

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Significant events since the 2004 FE

- **Suspension of 2004-05 TIF transfer with repayment scheduled for 2007-08.**
- **Proposed suspension of 2005-06 TIF Transfers with a 15-year payback period.**
- **Governor negotiates Tribal Gaming Compact for General Fund Loan Repayments to transportation (Assembly Bill 687).**
- **Weight Fees Revenues after SB 1055.**
- **Federal Revenues...still no Transportation Act.**
- **Toll Bridge Seismic Retrofit:
Design changes proposed...new funding plan?**

Critical Assumptions in the 2006 FE

- **Traffic Congestion Relief Fund (TCRF) loan repayments.**
 - Tribal Gaming Revenue Bonds (AB 687)...\$1.2 billion?
- **Transportation Investment Fund (TIF)**
 - Suspensions & 2007-08 Firewall?
 - Suspension of 2006-07 (\$1.4 billion)?
- **Transportation Deferred Investment Fund (TDIF)**
 - 15-year payback?
 - Impact of smaller revenue stream.

A 2-Tiered Fund Estimate

Fund Estimate Tier Options:

Tier 1: Conservative estimate.

- SHA/FTF Programming Capacity
- Identifies a minimum level of programming, or deprogramming
- No TCRF loan repayment

Tier 2: Existing Law.

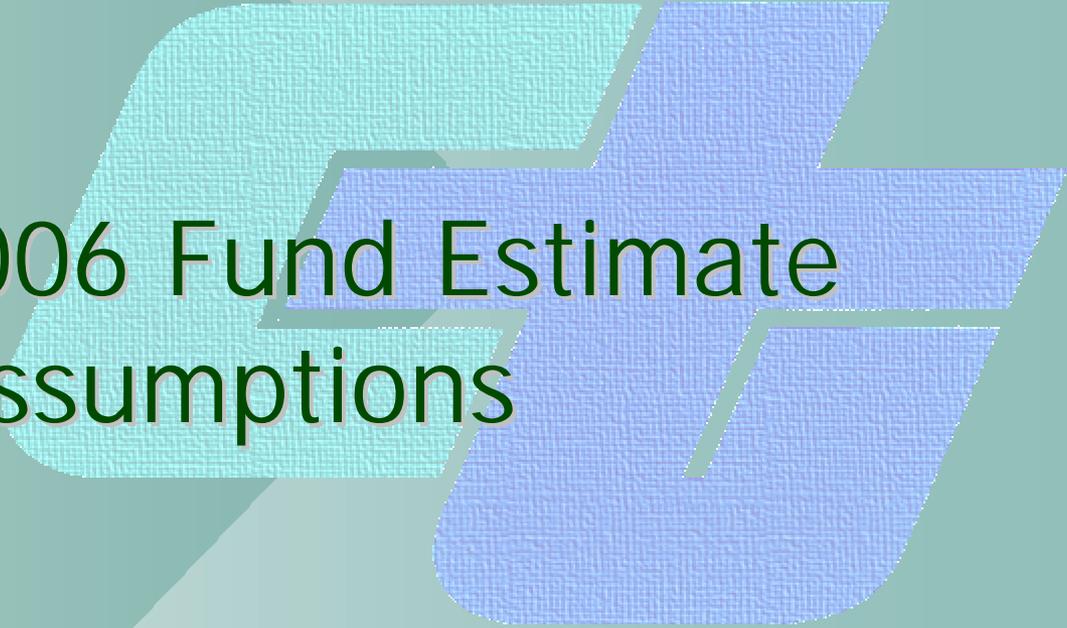
- Additional Programming Capacity from PTA, TIF, TDIF & TCRF loan payback to SHA.
- Identifies a higher level of programming if Tier 2 revenues materialize.

Note:

Budget trailer bills should shed some light on these issues.

A 2-Tiered Fund Estimate (Continued)

Issue	Tier 1 Options	Tier 2 Options
Loan Repayments	No Tribal Gaming revenues and loans will not be repaid.	Assume bond proceeds secured by Tribal Gaming revenues are received and outstanding loans are paid in 2005-06.
TIF Transfers	No transfers.	Assume a TIF transfer in 2006-07 and transfers continue for remainder of the Fund Estimate period.
TDIF Repayments	No TDIF repayments.	Assume 2003-04 and 2004-05 TIF suspensions are repaid to the TDIF in June 2009 and June 2008 as prescribed by AB 1751 and SB 1098, respectively.



Other 2006 Fund Estimate Assumptions

SHA Revenue Assumptions

- **SHA 1** – Beginning Balance
- **SHA 2** – Prudent Cash Balance
- **SHA 3** – Fuel Excise Tax Revenues
- **SHA 4** – Other Excise Tax Revenues

SHA Revenue Assumptions (Continued)

- **SHA 5 – Weight Fee Revenues**

Forecasted Weight Fee Revenues						
(\$ millions)						
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Weight Fee Revenues	\$887.5	\$916.7	\$945.8	\$974.9	\$1,004.1	\$1,033.2
Growth Rate		3.3%	3.2%	3.1%	3.0%	2.9%

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SHA Revenue Assumptions (Continued)

- **SHA 6** – Surplus Money Investment Fund (SMIF)
- **SHA 7** – Revenues from Other Regulatory Licenses and Permits
- **SHA 8** – Non Article XIX Revenue
- **SHA 9** – PTA Transfer
- **SHA 10** – Motor Vehicle Account Transfers

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SHA Revenue Assumptions (Continued)

- **SHA 11** – SHA Transfers to the TBSRA
- **SHA 12** - California Highway Patrol (CHP) Loan
- **SHA 13** – TCRF Loan Repayment Options (Discussed in prior section)
- **SHA 14** - August Redistributions
- **SHA 15** – Existing Federal Programs

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SHA Revenue Assumptions (Continued)

- **SHA 16** - California OA level
- **SHA 17** – California OA – Ethanol Impact
- **SHA 18** – Display of Existing Commitments
- **SHA 19** – Capital Construction Cost Escalation
- **SHA 20** – Office Building Construction Escalation

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SHA Expenditure Assumptions

- **SHA 21** – State Operations
- **SHA 22** – \$50 Million Efficiency Savings
- **SHA 23** - Engineers Pay Increase
- **SHA 24** – State Operations Reservation
- **SHA 25** – Increased Inventory Levels

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SHA Expenditure Assumptions (Continued)

- **SHA 26** – SHOPP Program Levels
- **SHA 27** – SHOPP Capital Outlay Support
- **SHA 28** – The Toll Bridge Seismic Retrofit Program (TBSRP) Contingency
- **SHA 29** – Facilities Expenditures for State Owned Facilities
- **SHA 30** – Stormwater

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SHA Expenditure Assumptions (Continued)

- **SHA 31** – Award Savings Factors
- **SHA 32** – Local Assistance Federal Project Delivery
- **SHA 33** – Federal Lump Sum Allocation
- **SHA 34** – Four-Year Payback of OA to Local Assistance
- **SHA 35** – State and Local Percentage Split for Allocation of Federal Funds

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SHA Expenditure Assumptions (Continued)

- **SHA 36** – State Matching Funds for Local Seismic Retrofit Projects
- **SHA 37** – STIP Planning, Programming and Monitoring (PPM) and Match
- **SHA 38** – Safe Routes to School Program
- **SHA 39** – Railroad Crossing Protection Maintenance Program

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SHA Expenditure Assumptions (Continued)

- **SHA 40** – Environmental Enhancement Mitigation (EEM) Program Transfer
- **SHA 41** – Economic Uncertainties
- **SHA 42** – STIP Expenditure Levels
- **SHA 43** – STIP Capital Outlay Support
- **SHA 44** – Cash Expenditures for State Highway Projects

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SHA Expenditure Assumptions (Continued)

- **SHA 45** – Bond Sale Revenue for State Highway Projects
- **SHA 46** – GARVEE Bond Approval
- **SHA 47** – Future GARVEE Projects
- **SHA 48** – New AB 3090 Projects
- **SHA 49** – Advanced Project Development Element (APDE)

PTA Revenue Assumptions

- **PTA 1** – Beginning PTA Cash Balance
- **PTA 2** – Gasoline and Diesel Fuel Sales Tax Revenues
- **PTA 3** – Spillover Transfer
- **PTA 4** – Federal Trust Funds

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PTA Revenue Assumptions (Continued)

- **PTA 5** – Transfer from the Aeronautics Account
- **PTA 6** – Miscellaneous Revenue Transfer
- **PTA 7** – TCRF Loan Repayment (Discussed in prior section)
- **PTA 8** – TIF Transfers to the PTA (Discussed in prior section)



PTA Revenue Assumptions (Continued)

- **PTA 9** – TDIF Repayment to the PTA
(Discussed in prior section)
- **PTA 10** – SHA Planning Transfer S&H Code
Section 194
- **PTA 11** –PTA share of the Toll Bridge Seismic
Retrofit Program
- **PTA 12** –Prudent Cash Balance

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PTA Revenue Assumptions (Continued)

- **PTA 13** – Intercity Rail
- **PTA 14** – Bay Area Ferry Operations
- **PTA 15** – State Operations

TIF & TDIF Assumptions

- **TIF 1** – TIF Prudent Cash Balance
- **TIF 2** – TIF Transfer Options (Discussed in prior section)
- **TDIF 1** – TDIF repayment options (Discussed in prior section)

2006 Fund Estimate Timeline: CTC Meetings

Date	Objective
April 13	Conduct workshop with the CTC and Regional Transportation Planning Agencies to review FE Issues.
May 26	Assumptions adopted by CTC.
July 14	Present Draft FE to CTC.
August 18	Present final FE to CTC for adoption.