Transportation Funding Overview

“The Alphabet Soup”

Philip Chu
Senior Management Analyst
Three Main Categories of Funding

- Federal
- State
- Local
Types Federal Funds- (Under Fixing America’s Surface Transportation (FAST ACT))

- Surface Transportation Block Grant (STBG, aka the old STP)
  - Transportation Alternative (TA) and Rec trails Set aside
  - Highway Bridge Program (HBP) Set aside

- Congestion Mitigation & Air Quality (CMAQ)

- National Highway Freight Program (NHFP)

- Safety Program
  - Highway Safety Improvement Program (HSIP)
  - RR Highway Crossing PUC 130

- Discretionary Program
  - Public Lands Highway
  - Corridors & Boarders
  - Interstate Maintenance IMD
  - Scenic Byways
Federal Funds-

- Programming
  - Federal Transportation Improvement Program (FTIP)
  - Regional Transportation Plan (RTP) Modeling requirements

- Authorization through Caltrans (E-76 process)
  - E-76 authorization prior to contract award (A&E)
  - E-76 authorization prior to construction bid release (CON)

- Environmental Doc
  - Must clear NEPA – FHWA delegated to Caltrans

- Local Match
  - Usually 11.47%

- Federal Project Requirements
  - Privilege wage, Buy USA etc.
Surface Transportation Block Grant (STBG)- aka the old STP)

- STBG- (approx. $900m statewide)
  - Very flexible
  - Distributed to the RTPA by population and formula
  - Functional Classification- Minor Collector or above
  - Preventive Maintenance- Must have PMS system, with over 5 years of service life
  - Local match requirement of 11.47% (may use toll credit as match, check with RTPA)

- TAP (Transportation Alternative Program approx. $85m statewide)
  - Incorporated with the State’s Active Transportation Program (ATP)

- HBP (Highway Bridge Replacement & Rehab)
  - $75m for off federal aid system- no match required
  - $225m for on federal aid system
  - Will not pay for widening of a bridge. (with some caveat)
  - Must have an Sufficiency Rating of 80 or less
  - Submit application by February of each year
  - http://dot.ca.gov/hq/LocalPrograms/lem/prog_g/g06hbrr.pdf
Congestion Mitigation & Air Quality (CMAQ)

- CMAQ- (approx. $460m statewide)
  - Distributed to RTPA within the Federally designated air quality nonattainment and maintenance areas.
  - Project must demonstrate emission reduction
  - Operating assistance up to 3 years
  - Routine maintenance and rehab not eligible
  - Local match requirement of 11.47% (may use toll credit match, check with RTPA)
  - Air quality analysis report required for each project

- Examples
  - HOV Lanes
  - Transit (fleet conversion)
  - New Transit Route
    (up to 3 years for operating assistance)
  - Rideshare program
  - Traffic Signal Coordination
  - Park and Ride Lots
Safety Program

- Highway Safety Improvement Program (HSIP)
  - Reduce traffic fatalities and serious injuries on public roads
  - Infrastructure-related highway safety improvements
  - Various set-asides such as
    - Guardrail
    - High Friction Surface Treatment
    - Ped crossing enhancement
    - Tribes
    - Horizontal Signing
  - Cycle 9 Call for Project - July 2018
  - Approx $120m with 11.47% local match

- RR Highway Crossing PUC 130 (approx. $30m)
  - CPUC identify projects from PUC Grade Sep priority list (similar to PUC 190)
  - Call for projects are due to CPUC each October
  - 10% local match required
Other Federal Programs

• National Highway Freight Program (NHFP)
  • Approx. $535m for three Federal FY
  • Combined with State’s SB1 Trade Corridor Enhancement Program (TCEP)

• Discretionary Program
  - Public Lands Highway
  - Corridors & Boarders
  - Interstate Maintenance IMD
  - Scenic Byways
  • https://www.fhwa.dot.gov/discretionary/
State Funds-

- California Transportation Commission (CTC)
  - Programming of projects
  - Allocation
  - CTC meeting Schedule
  - [http://www.catc.ca.gov/meetings/](http://www.catc.ca.gov/meetings/)

- Environmental Doc
  - CEQA requirement- CTC approval required if project is above a CE

- Local Match
  - Varies by program
State Funds -

- Proposition 1B
  - CMIA, SLPP, TCIF, HRCSA, TLSP, LBSRA, PTMISEA

- State Transportation Improvement Program (STIP)
  - Regional- 75%
  - Interregional- 25%

- State Highway Operation & Protection Program (SHOPP)
  - Caltrans

- Cap & Trade (AB32)
  - TIRCP
  - LCTOP

- Senate Bill 1 (SB1)
  - TCEP, LPP, SCCP, LSRP etc.

- Transit Development Act Fund (TDA)
  - Article 3,8
State Transportation Improvement Program (STIP)

STIP Funds
(State & Federal)

Caltrans 25%
SB 45 (1997)
S&H § 164

RTPAs 75%

ITIP
(Interregional Transp. Improvement Program)

60% (min)
S&H § 164

40% (max)
Subject to N/S Split

North Counties
15% Min. Intercity Passenger Rail
85% Max. IRRS Outside Urban Areas

South Counties
Subject to County Share
- County Population (75%)
- St. Hwy Mileage (25%)

RTIP
(Regional Transp. Improvement Program)

40%
S&H § 188

60%

N/S Split

State Funds
State Transportation Improvement Program (STIP)

- Five year programming updated every two years
- $2.26 Billion for 2018 STIP Cycle
- [http://www.catc.ca.gov/programs/stip/](http://www.catc.ca.gov/programs/stip/)

**Regional- RTPAs- 75%**
- Within Urban Area
- On State Highway System
- Reduce Greenhouse Gas Emission (i.e. Transit projects)
- Consistent with the RTP
- ROW and CON with Advance Project Development Element (APDE) funding Project Development Cost.

**Interregional- Caltrans- 25%**
- Outside Urban Area (85%)
- On State Highway System
- Intercity Passenger Rail (15% min)
- Consistent with the State’s Transportation Plan
State Highway Operation & Protection Program (SHOPP)

- Four year program
- $18 Billion for 2018 SHOPP cycle
- [http://www.dot.ca.gov/hq/transprog/shopp.htm](http://www.dot.ca.gov/hq/transprog/shopp.htm)

“Fix it First” Program
- Repairs
- Preservations
- Safety Improvements
- Operational Improvements
- Must fund projects according to the Transportation Asset Management Plan (TAMP)
AB 32 (2006) requires the reduction of greenhouse gas (GHG) emissions to 1990 levels by 2020.

ARB conducts quarterly auctions and sells emission allowances that is intended to generate billions of dollars in state revenue over multiple years. Proceeds from these auctions are deposited into the Greenhouse Gas Reduction Fund.

https://www.arb.ca.gov/cc/capandtrade/capandtrade.htm
Cap & Trade (AB32)

- **Low Carbon Transit Operation Program (LCTOP)**
  - Formulaic program
  - Operating and transit capital for transit agencies to reduce greenhouse gas emission and improvement mobility with priority for disadvantage communities
  - [http://www.dot.ca.gov/drmt/splctop.html](http://www.dot.ca.gov/drmt/splctop.html)

- **Transit & Intercity Rail Capacity Program (TIRCP)**
  - Also funded by SB1- approx. $1.4 billion for 6 years
  - Competitive grant
  - Reduce emissions of greenhouse gases
  - Expand and improve transit service to increase ridership
  - Integrate the rail service of the state’s various rail operations, including integration with the high speed rail system
  - Improve transit safety
  - [http://www.dot.ca.gov/drmt/sptircp.html](http://www.dot.ca.gov/drmt/sptircp.html)

- **Affordable Housing & Sustainable Communities (AHSC)**
  - Affordable Housing
  - Sustainable Transportation Infrastructure
  - TODs
  - [http://www.hcd.ca.gov/grants-funding/active-funding/ahsc.shtml](http://www.hcd.ca.gov/grants-funding/active-funding/ahsc.shtml)
Transportation Development Act (TDA)

California Statewide Base Sales and Use Tax

7.25%

Local Transp. Funds (LTF) *(Counties)

1/4%

State Retail Sales Tax Fund

5%

Local General Funds

2%

State General Fund

Statewide Diesel Fuel Sales Tax Rate

State Base Sales Tax on Diesel Fuel (4.75%)
R&T §7102(a)(3)

Public Transportation Account (PTA)

State Sales Tax on Diesel Fuel (1.75%)
R&T §6051.8 (a)

State Transit Assistance (STA)**

* Two funding sources within TDA law.
Transportation Development Act (TDA)

- Local Transportation Funds (LTF) – 0.25% Sales tax (SBCTA- $85m)
- State Transit Assistance (STA) – 1.75% of diesel sales tax (SBCTA- $12m)

- TDA Article 3
  - Bicycle and Pedestrian set aside – 2% annually (SBCTA- $1.8m)
  - RTPA Call for project
  - Use as ATP match

- TDA Article 8
  - Remaining TDA funds can be use for streets and roads
  - If the RTPA determines that there is no Unmet Transit Need, Reasonable to meet
  - SBCTA- Mountain Desert Area Only – Approx. $1m per year
**Transit Districts (Permanent 0.5% Taxes)**
- BART (S.F., Alameda, Contra Costa)
- San Mateo
- Santa Clara
- Santa Cruz

**"Self-Help" (Temporary 0.5% Taxes)**

<table>
<thead>
<tr>
<th>County</th>
<th>Duration</th>
<th>Est. 2017 Revenues (in millions $)</th>
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</thead>
<tbody>
<tr>
<td>Alameda (Measure BB, 1% Tax)</td>
<td>2015-2045</td>
<td>322</td>
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<tr>
<td>Contra Costa</td>
<td>1989-2034</td>
<td>87</td>
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<tr>
<td>Fresno</td>
<td>1987-2027</td>
<td>78</td>
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<tr>
<td>Imperial</td>
<td>1990-2050</td>
<td>15</td>
</tr>
<tr>
<td>Los Angeles (1%)</td>
<td>Permanent</td>
<td>1,637</td>
</tr>
<tr>
<td>Los Angeles (Measure R)</td>
<td>2009-2039</td>
<td>819</td>
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<tr>
<td>Los Angeles (Measure M)</td>
<td>2017- Indefinite</td>
<td>819</td>
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<tr>
<td>Madera</td>
<td>1990-2027</td>
<td>9</td>
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<tr>
<td>Merced</td>
<td>2017-2047</td>
<td>28</td>
</tr>
<tr>
<td>Marin</td>
<td>2005-2025</td>
<td>16</td>
</tr>
<tr>
<td>Monterey (.375%)</td>
<td>2017-2047</td>
<td>27</td>
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<tr>
<td>Napa (Measure T)</td>
<td>2018-2043 (Est.)</td>
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<tr>
<td>Orange</td>
<td>1991-2041</td>
<td>337</td>
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<tr>
<td>Riverside</td>
<td>1989-2039</td>
<td>185</td>
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<tr>
<td>Sacramento</td>
<td>1989-2039</td>
<td>122</td>
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<tr>
<td>San Bernardino</td>
<td>1990-2034</td>
<td>207</td>
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<tr>
<td>San Diego</td>
<td>1988-2048</td>
<td>298</td>
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<td>San Francisco</td>
<td>1990-2034</td>
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<tr>
<td>San Joaquin</td>
<td>1991-2041</td>
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<td>San Mateo</td>
<td>1989-2033</td>
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<td>Santa Barbara</td>
<td>1990-2040</td>
<td>37</td>
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<tr>
<td>Santa Clara</td>
<td>1996-2036</td>
<td>226</td>
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<tr>
<td>Santa Clara (BART Ext 0.125%)</td>
<td>2013-2043 (Est.)</td>
<td>56</td>
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<tr>
<td>Santa Clara (VTA- Measure B)</td>
<td>2017-2047</td>
<td>226</td>
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<td>Santa Cruz</td>
<td>2017-2032</td>
<td>20</td>
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<tr>
<td>Sonoma (0.25% Tax)</td>
<td>2005-2025</td>
<td>24</td>
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<tr>
<td>Sonoma-Marin (SMART 0.25%)</td>
<td>2009-2029</td>
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<tr>
<td>Stanislaus</td>
<td>2017-2042</td>
<td>46</td>
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<tr>
<td>Tulare</td>
<td>2007-2037</td>
<td>34</td>
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<tr>
<td><strong>Total Estimated 2017 Revenue</strong></td>
<td><strong>$5,965</strong></td>
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Local Funds

Local Option Sales Tax “Self Help Counties”

- San Bernardino County - 0.5% Sales Tax
- Old Measure I 1990-2010
- Current Measure I 2010-2040 (renewed in 2006)
  - $160 million per year

- Measure I 2010-2040 Strategic Plan
  - Valley: Freeway, Interchange, Major Street, Local Street, Transit and Rail, Traffic Management System.
  - Sub Area: Mountain, Cajon pass, North Desert, Colorado River, Morongo Basin, Victor Valley
  - Nexus Study/ DIF Share
  - Policies for Measure I

- Ten Year Delivery Plan
  - Geographic equity
  - Financial plan: Revenue and Expenditure
  - Updated every 2 years
