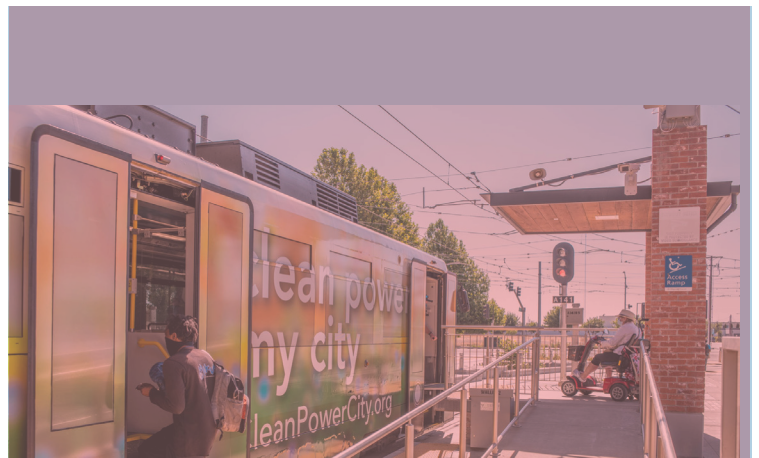




TRANSPORTATION FUNDING IN CALIFORNIA 2022

California Department of Transportation | Division of Transportation Planning | Transportation Economics Branch



Disclaimer

This guide provides an overview of transportation funding sources and apportionments to entities and programs. The information stated in this document should not be used for accounting purposes, as some figures are drawn from sources with varying accounting practices. Any stated financial figures are subject to change. The latest version of this document can be viewed online at <https://dot.ca.gov/programs/transportation-planning/division-of-transportation-planning/data-analytics-services/transportation-economics/transportation-funding-in-ca>

TRANSPORTATION FUNDING IN CALIFORNIA 2022



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Division of Transportation Planning | Office of Data Analytics Services | Transportation Economics Branch



CONTENTS

■ Transportation Funding in California 2022

| | | | |
|---|---|--|----|
| An Overview of the Transportation System | 5 | Transportation Funding Sources | 9 |
| The Transportation System’s Decision Makers | 6 | Federal and State Transportation Programming | 14 |

■ Charts and Tables

| | | | |
|---|----|--|----|
| A Simplified Overview of Transportation Funding | 19 | Transit and Rail Capital Funding | 31 |
| Fuel Excise Tax | 20 | Cap-and-Trade: Sustainable Communities Funding Programs | 32 |
| Overview of Senate Bill 1 | 21 | Cap-and-Trade and High-Speed Rail Funding | 33 |
| State and Federal Highway Funding | 22 | Active Transportation Program | 34 |
| STIP Funding Distribution | 23 | State General Aviation Funding | 35 |
| Incremental Excise Tax | 24 | Non-Motorized Transportation Funding | 36 |
| State Sales and Use Tax and Diesel Fuel Sales Tax | 25 | State Toll Bridge & Seismic Retrofit Funding | 37 |
| Public Transportation Account | 26 | Transportation Planning Funds | 38 |
| Proposition 1B | 27 | Motor Vehicle Fees | 39 |
| Local Street and Road Funding | 28 | Federal-Aid Highway Programs | 40 |
| County Transportation Sales Tax Measures | 29 | Federal-Aid Transit Programs | 43 |
| Transit and Rail Operations Funding | 30 | Tribal Government Transportation Funding | 45 |
| | | Summary of State Transportation Infrastructure Investments | 46 |



EXIT 8B
65th Street
1/2 MILE

59th St
EXIT ONLY
EXIT 8A

AN OVERVIEW OF THE TRANSPORTATION SYSTEM

California's transportation network consists of streets, highways, railways, airports, seaports, bicycle routes, and pedestrian pathways. This network provides people and businesses the ability to access destinations and move goods, services, and information throughout the State. Construction, operation, and maintenance responsibilities are shared amongst state, regional, tribal and local governments. Moreover, funding for these activities comes from federal, state, and local taxes, fees and assessments, private investments and tribal investments. This collaborative effort results in a well-integrated transportation network that provides mobility for 40 million people, while helping California sustain its position as the world's fifth largest economy.

■ The State Highway System and Local Roadways and Streets

Over 27 million licensed drivers in California travel hundreds of billions of miles, annually, on public roads throughout the State. The California Department of Transportation (Caltrans) is responsible for approximately 52,039 lane miles of interstate freeways and State routes known as the State Highway System (SHS). Caltrans also inspects hundreds of public and special use airports and heliports and maintains over 13,000 state-owned bridges.

Metropolitan planning organizations (MPOs) and regional transportation planning agencies (RTPAs) are responsible for planning, coordinating, and financing local transportation projects. Regional agencies and local governments operate and maintain approximately 329,662 lane miles of public roads and streets.

■ Public Transit

Hundreds of transit operators serve people in California. From fiscal year (FY) 2019-20 to FY 2020-21, the number of riders dropped significantly from 999.3 million to 488.2 million due to the COVID-19 pandemic. These operators provide services such as fixed-route buses, dial-a-ride programs, local and express commuter services, ferry, and paratransit. Local governments, regional agencies, tribal governments, and federal and state agencies operate or finance public bus or rail services as well as rural transit services to the general public throughout California. Commuter rail services such as Metrolink, Caltrain, and heavy rail systems like BART operate

in large urban areas, servicing daily commuters and interregional travelers. In addition, local and regional transit agencies operate six light rail systems, providing regional service for daily commuters. Caltrans funds three intercity routes—the Pacific Surfliner, the San Joaquin, and the Capitol Corridor. These three routes are managed by local joint power authorities.

California Roadways

| | SHS | Local |
|--|--------|---------|
| Lane-Miles | 52,039 | 329,662 |
| Total Annual Vehicle Miles of Travel (billion) | 173.4 | 124.5 |
| Percent Annual Vehicle Miles of Travel | 58% | 42% |

2020 California Public Road Data, Statistical Information derived from the Highway Performance Monitoring System (HPMS)

■ Other Modal Services

State, regional, local, tribal, and private entities operate and maintain airports, seaports, railways, ferry terminals, bicycle routes, and pedestrian pathways. These modes provide Californians options to travel long or short distances. California's economy relies on the network to move people and goods through the air, water, rail, or roadway. In 2021, California exported \$175.12 billion in goods to 226 foreign economies. California's top export markets included Mexico, Canada, China, Japan, and South Korea¹.

THE TRANSPORTATION SYSTEM'S DECISION MAKERS

Federal, state, regional, local, and tribal government entities guide and fund the transportation network through coordination, planning, construction, operation, and maintenance activities.

agencies. The U.S. DOT is comprised of agencies that are responsible for specific transportation themes such as highways, transit, aviation, safety, and other emphasis areas. Caltrans partners with the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), the Federal Railroad Administration (FRA), and other federal agencies.

■ Federal Level

The President and Congress enhance the nation's transportation network by creating national policies and allocating funds to states. This effort is carried forward through the Infrastructure Investment and Jobs Act (IIJA) (2021) authorization and various funding programs such as the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) (formerly known as Better Utilizing Investments to Leverage Development (BUILD) and Transportation Investment Generating Economic Recovery (TIGER)), the Infrastructure for Rebuilding America (INFRA) (formerly known as the Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies (FASTLANE)), the Surface Transportation Block Grant Program (formerly known as the Transportation Alternatives Program), and the National Infrastructure Project Assistant program (known as the MEGA Grants). The Infrastructure Investment and Jobs Act was signed into law on November 15, 2021 and expires on September 30, 2026. This "once-in-a-generation" investment will rebuild America's roads, bridges and rails, expand access to clean drinking water and high-speed internet, tackle the climate crisis, advance environmental justice, and invest in communities that have been left behind. The IIJA also aims to add on average 1.5 million jobs per year.

The United States Department of Transportation (U.S. DOT) implements and enforces regulations and allocates funds to state, regional, tribal, and local

■ State Level

At the State level, transportation is a coordinated effort amongst the California State Legislature, California State Transportation Agency (CalSTA), California Transportation Commission (CTC), and Caltrans.

California State Legislature

The Legislature promotes its transportation initiatives and spending priorities by establishing policies and financial resources through State statutes such as the Revenue and Taxation Code, the Streets and Highways Code, and the Government Code. The Governor and Legislature appropriate funds for the transportation network through the annual budget. The Legislature has the authority to designate transportation resources statutorily. For more information visit: <http://leginfo.legislature.ca.gov>.

California State Transportation Agency

CalSTA's mission is to "develop and coordinate the policies and programs of the State's transportation entities to achieve the State's mobility, safety and air quality objectives from its transportation system." CalSTA oversees the Board of Pilot Commissioners, California Highway Patrol, CTC, Caltrans, Department of Motor Vehicles, New Motor Vehicle Board, High-Speed Rail Authority, and the Office of Traffic Safety.

For more information visit: www.calsta.ca.gov.

California Transportation Commission

CTC consists of 11 appointed voting members and two non-voting ex-officio members. The Governor appoints nine members, and the Senate Rules Committee and the Speaker of the Assembly each appoint one member. The two non-voting members are appointed from the State Senate and Assembly. CTC's responsibilities include 1) programing and allocating state and federal funds for the construction of various modes such as highway, passenger rail and transit improvements throughout California, 2) advising and assisting the Secretary of Transportation and the California State Legislature regarding policies, plans, and programs pertaining to transportation, and 3) aiding in the development of state and federal legislation and adopting policies to implement enacted laws. For more information visit: www.catc.ca.gov.

Caltrans

Caltrans plans, designs, constructs, and maintains the SHS to account for motor vehicles, transit and active transportation modes. This effort involves nominating interregional capital improvement projects to the CTC for construction. Caltrans also collaborates and partners with public and private entities such as the federal, state, regional, tribal governments, and Amtrak to advance the transportation network. For more information visit: www.dot.ca.gov.

■ Tribal Governments

There are 109 federally recognized tribes, and many non-recognized tribes, located within the State that have transportation needs. Tribal governments establish plans and policies that are used to prioritize projects through tribal transportation improvement plans, making them eligible for federal funding (Chart 24). Tribes often leverage funding by collaborating with the state, regional, or local planning agencies on projects of mutual interest through their planning processes, and long-range transportation planning documents.

■ Regional Level

The MPOs, RTPAs, and local governments maintain public streets and roads and allocate resources to the SHS. These entities collaborate with federal and state agencies to meet transportation mandates and implement the objectives of policymakers on behalf of the public.

Metropolitan and Regional Planning Organizations

Under federal law (Title 23 United States Code Section 134), there are 18 MPOs in California with populations greater than 50,000 people. In addition, California has designated 26 RTPAs with populations less than 50,000 people (CA Government Code Section 29532 et. seq.). These regional agencies are responsible for planning, coordinating, and administering federal, state, and local funds that enhance their region's multimodal transportation network. Each agency is responsible for developing an overall work program (an annual document), a regional transportation plan (a 20-year planning and programming document), and a regional transportation improvement program (a 5-year financial document) that is included in Caltrans' State Transportation Improvement Program. For more information visit: <https://dot.ca.gov/programs/transportation-planning/regional-planning/federal-state-planning-program>.

Local Government Level

California has 482 incorporated cities and 58 counties; each local government has authority over its roads, streets, and land-uses within its jurisdictional boundary. Local governments and transit operators nominate transportation projects for funding to their metropolitan or regional transportation planning organizations. County transportation authorities are responsible for developing expenditure plans for self-imposed, voter-approved, local sales tax measures.



TRANSPORTATION FUNDING SOURCES

California's transportation network receives funding from federal, state, local, and tribal governments, and private revenue sources (Chart 1). Federal, State, and local revenues are collected through: 1) user fees and taxes, 2) property access charges, and 3) subsidies. Regional and local governments provide half of California's transportation funding, whereas, the federal and state governments each provide roughly a quarter of the remaining amount. Caltrans' Division of Budgets reports that the State's motor vehicle fees and taxes, alone, will generate approximately \$19.27 billion in transportation revenues for FY 2022-23 (Chart F, 2022-23 California Transportation Financing

Package). The passage of the Road Repair and Accountability Act (2017), also known as California Senate Bill 1 (SB 1), is expected to provide California over \$5 billion in additional transportation funding annually by increasing motor fuel tax rates and creating new fee mechanisms. SB 1 started adjusting for inflation in 2020². However, a temporary pause of a 3.9375 percent of the sales tax rate on diesel will be effective beginning October 1, 2022. This will reduce the estimated revenues by \$327 million in FY 2022-23 and \$112 million in FY 2023-24³, but has no impact on transportation funding.

Transportation Funding Sources

| | |
|--------------------------|--|
| User Taxes and Fees | <ul style="list-style-type: none"> » Federal and State gasoline or diesel taxes » Vehicle weight fees (debt service) » Tolls » Transportation Improvement Fee » Road Improvement Fee for zero-emission vehicles » Other various fees |
| Property Related Charges | <ul style="list-style-type: none"> » Property taxes » Benefit assessment districts » Developer fees |
| Subsidies | <ul style="list-style-type: none"> » Sales taxes » General Funds provided by federal, state, and local governments » Externalized Costs |

Source: The Santa Clara Valley Transportation Authority: Introduction to Transportation Funding

■ Federal Funds

Federal Fuel Excise Tax

The Internal Revenue Service collects this tax—18.4¢/gallon gasoline and 24.4¢/gallon diesel fuel—and deposits it into the Highway Trust Fund (HTF).

- Approximately 85 percent of the HTF account goes into the Highway Account. FHWA appropriates funding to each state for specific purposes (Chart 22).
- The remaining 15 percent of the HTF account goes into the Transit Account. The FTA allocates this funding to regional agencies and local transit providers in each state for specific transit purposes (Chart 23).
- California receives most of its federal tax contributions through the Federal Obligation Authority (OA). Under IIJA, California's Formula OA for the period beginning October 1, 2021 through September 30, 2022 is approximately \$4.3 billion⁴.

For more information visit: www.fhwa.dot.gov/policy/olsp/fundingfederalaid/.

² This document includes some but not all budget and accounting information. For more information on budget or accounting see <https://dot.ca.gov/programs/budgets>

³ <https://www.ebudget.ca.gov/FullBudgetSummary.pdf>

COVID-19 Relief Funds

These one time fundings are in response to the COVID-19 pandemic. In FFY 2020-21, these funds were total \$207.4 million for statewide transit and most of them are available until expended⁴.

■ State Funds

State Fuel Excise Tax⁵

Beginning July 1, 2020, state fuel excise taxes are subject to annual inflation rate adjustments. The inflation adjusted rates for FY 2022-23 are 53.9¢/gallon on gasoline and 41¢/gallon on diesel fuel. State Fuel Excise Tax revenues (Chart 2) are shared between the State Highway Account (SHA) and the Road Maintenance & Rehabilitation Account (RMRA), and local entities, according to a statutory formula (Chart 4), while also backfilling the truck weight fee revenue.

Under Article XIX of the California Constitution, revenues raised from taxes and fees must be spent on transportation improvement efforts. In addition, SB 1 mandates implementation of cost savings and accountability practices such as streamlining the environmental process, identifying specific performance measures, and improving transportation investment reporting accuracy.

The excise tax on gasoline is comprised of three taxes: the base excise tax, SB 1 portion, and the incremental excise tax. These three components are adjusted annually for inflation.

- For FY 2022-23, the inflation adjusted base gasoline excise tax is 20.5¢/gallon. This amount is split as follows: cities and counties receive approximately 36 percent of this revenue, while the remaining 64 percent goes to the SHA (Chart 2).
- The SB 1 portion of 13.7¢ is deposited directly into the RMRA (Chart 2).
- The incremental excise tax (formerly known as the price-based excise tax) for FY 2022-23 is 19.7¢/gallon. This revenue is first used to

backfill weight fees. Any remaining funds are allocated among local roadways (44 percent), new construction projects (STIP, 44 percent), and highway maintenance and rehabilitation (SHOPP, 12 percent).

For FY 2022-23, the State's diesel excise tax is 41¢/gallon (Chart 2) with 18.2¢ for the base and 22.8¢ pursuant to SB 1. This rate will be adjusted annually for inflation.

The state also collects excise taxes on general aviation and aircraft jet fuel (Chart 17).

Vehicle Taxes and Fees⁴

SB 1 created two new transportation funding mechanisms—the transportation improvement fee and the Road Improvement Fee:

- The Transportation Improvement Fee (TIF) charges vehicle owners an annual fee based on the current market value of a vehicle—for calendar year 2022, the TIF ranges from \$28 to \$196—at the same time vehicle registration fees are due. This fee is used to fund transportation related purposes and is adjusted annually for inflation on January 1, every year based on the California Consumer Price Index (Chart 3).
- The Road Improvement Fee, effective July 1, 2020, charges electric vehicle owners an annual flat \$100 fee that will be adjusted for inflation. The adjusted rate for the calendar year 2022 is \$102. This fee only applies to electric vehicles with the model year 2020 and newer, at time of registration. Fees are deposited in the RMRA for various transportation related purposes (Chart 3).

State Sales Tax⁵

The California Department of Tax and Fee Administration (formerly the California Board of Equalization) collects state sales taxes on gasoline, diesel, aviation gas and jet fuel. A bulk of the sales tax on gasoline was eliminated on July 1, 2010, but a collection of 2.25 percent remains. Revenues generated from the sales tax on gasoline are allocated for non-transportation related purposes.

⁴ <https://dot.ca.gov/programs/research-innovation-system-information/caltrans-facts>

⁵ <https://www.cdtfa.ca.gov/taxes-and-fees/sales-tax-rates-for-fuels.htm>

A sales tax rate of 7.25 percent applies to jet fuel and is allocated for non-transportation related purposes. The state sales tax on diesel fuel is 13 percent and allocated for public transportation and transit purposes. About 10.5 percent of these tax revenues⁶ apply to public transportation funding, which is specifically apportioned out for the following purposes (Chart 7):

- 4.75 percent base sales tax is given to the state and local transit agencies through the Public Transportation Account (PTA) for State Transit Assistance (STA). This account provides revenue for state and local transit purposes as outlined in the Transportation Development Act (TDA).
- 0.5 percent (SB 1 created) is dedicated to the State Rail Assistance Program. This program provides funding to intercity and commuter rail agencies for operation and capital purposes.
- 5.25 percent (1.75 percent incremental sales tax and 3.5 percent SB 1 sales tax increase) is dedicated to the STA program for local transit operation and capital purposes.

The portion of 3.9375 percent of the sales tax rate on diesel will be paused for 12 months beginning October 1, 2022 based on the broad-based relief package⁷. This pause will lower the operating costs of businesses who utilize the bulk of diesel fuel for transporting goods, hence, indirectly affect the cost of broad range of consumer products. Although the revenues in FY 2022-23 and 2023-24 are reduced, the State Budget will continue allocating the full amount of tax to the PTA, thereby no impact on the transportation funding.

Truck Weight Fees

The state collects commercial vehicle fees based on weight, generating over \$1 billion a year. The California Department of Motor Vehicles (DMV) calculates weight fees based on the gross weight of commercial vehicles. These fees are deposited into the SHA and then transferred to the Transportation Debt Service Fund to pay for transportation bond debt (Chart 6).

Proposition 1B Bonds

The Highway Safety, Traffic Reduction, Air Quality,

and Port Security Bond Act of 2006 (Proposition 1B) authorized the state to sell \$19.9 billion in general obligation bonds for transportation projects. This Act provides California funding for congestion relief, goods movement facilitation, air quality improvement, and safety and security enhancements to improve the transportation network (Chart 9).

Motor Vehicle License and Other Fees

The state collects vehicle license, registration, and driver license fees. These revenues are allocated to the California Highway Patrol (CHP) and DMV for traffic law enforcement and regulations (Chart 21). For more information on California's transportation funding structure visit: <https://catc.ca.gov/reports-resources/annual-reports>.

■ Local and Other Funds

Various local funding sources provide additional revenues for numerous transportation purposes.

Local Sales Tax Measures (Self-Help Counties)

Counties can adopt a sales tax increase for transportation programs. The passage of a local sales tax measure requires 2/3 of local voter approval, generally lasting 20 to 30 years (Chart 11).

- Twenty-five counties have implemented sales tax measures for their transportation needs
- Four transit authorities have approved permanent local tax measures

TDA of 1971

This act is funded by the Local Transportation Fund (LTF) and the STA fund. Revenues for the LTF are generated from a 0.25 percent general statewide sales tax for local transportation purposes. STA funds are derived from the statewide sales tax on diesel fuel (Charts 7 and 8).

⁷ <https://ebudget.ca.gov/budget/2022-23EN/#/BudgetSummary>



Transit Fares

Provided approximately \$1.3 billion⁸ (FY 2019-20) and \$380 million⁸ (FY 2020-21) for local transit systems in California. This decrease is the result of the 50 percent drop of the number of passenger trips and transit operators during the pandemic.

Local General Funds and Other Local Funds

Includes property taxes, developer fees, street assessments, bonds, fines, and forfeitures (Chart 10).

■ California Senate Bill 1 — The Road Repair and Accountability Act of 2017

As mentioned, in addition to the excise tax increases (Chart 2), the Legislature created two new fees that generate additional revenues for California's transportation system (Chart 3) via the Transportation Improvement Fee (TIF - effective January 1, 2018) and the Zero-Emission Vehicle (ZEV) Road Improvement Fee (effective July 1, 2020). These two fees are adjusted annually either for inflation or based on a vehicle's market value. Starting January 1, 2022, TIF ranges from \$28 to \$196 and ZEV is \$102 per vehicle. Consequently, SB 1 is expected to generate an average of \$5.4 billion annually. For FY 2020-21, SB 1 provided

an estimated \$2.3 billion from gasoline excise tax, \$827 million from diesel excise tax, \$334 million from the diesel sales tax, \$58 million from the ZEV, and \$1.93 billion from TIF⁴.

Aside from established transportation revenue mechanisms, current practices may need to be revised in the future because of emerging innovations (such as alternative energy vehicles) as well as the new working wave of telework since the pandemic. As less people commute to work and more people turn to electric vehicles, fuel tax revenues will decrease over time and impact the transportation network.

California's Road Charge Program

As California looks toward a future without gas-powered vehicles, we must think ahead and prepare an alternative funding mechanism to support our transportation network. The Road Charge Programs (RCP) have been studied and developed to provide a fair, transparent, and sustainable method to preserve and maintain road and highway infrastructure. Under a road charge, all drivers share roadway maintenance and repair costs based on what they actually use. Thus, a mileage-based user fee would be charged to drivers rather than the quantity of gas they purchase. The more

⁸ <https://bythenumbers.sco.ca.gov/Raw-Data/Transit-Operators-Raw-Data-for-Fiscal-Years-2020-2/aqpg-as24>

one drives, the more one contributes to highway and road repair.

The RCP started with the Road Charge Pilot Program which was facilitated by CalSTA as required by Senate Bill (SB) 1077 (DeSaulnier, 2014). This nine-month pilot program had more than 5,000 vehicles participate and recorded over 37 million miles driven through six different recording and reporting methods (manual to high technology options). In 2017, CalSTA submitted its findings and recommendations from this effort to the Legislature, the CTC, and the Road Charge Technical Advisory Committee. This first road charge study proved that the road charge revenue mechanism can be functional.

Building on recommendations from the 2017 Final Report, Caltrans continues to engage in research on technology and user experience, impacts to disadvantaged communities, interoperability between states, impacts to rural communities, and much more. Caltrans has received multiple federal Surface Transportation System Funding Alternatives grants

from the FHWA to continue the state's exploration of a road charge as a potential replacement for the gas tax. From January to June of 2021, California tested how road charge can work with four technologies: usage-based insurance, ridersharing, electric vehicle charging stations/ pay-at-the-pump systems, and autonomous vehicles. The first three demonstrations tested different methods of collecting the fees while the fourth demonstrated how to collect data from autonomous vehicles. Currently, an evaluation of this four-phase demonstration and a final report are in development. In 2023, Caltrans will launch the third study named the Public/ Private Roads Project. This \$2.15-million-grant project aims to study the viability of GPS technology in differentiating between public and private roads. It also analyzes the potential benefits of the Road Charge Program in rural areas. Additional information on past projects and ongoing pilot and research efforts can be found on <http://www.caroadcharge.com>.



FEDERAL AND STATE TRANSPORTATION PROGRAMMING

Federal and state governments allocate revenue by programming fund for policy initiatives.

■ Federal Programming

Congress authorizes the federal government to spend its transportation revenue on programs that support public policy interests for a given amount of time—typically a five- to six-year period. An authorization sets the maximum amount of funding that can be appropriated to such programs each fiscal year. Congress reviews appropriation bills to allocate funding for all federal agencies, departments, and programs annually, providing the legal authority for federal agencies to spend money during the upcoming FY on administered programs. The federal government can only allocate up to the maximum amount identified in the authorization for the upcoming year. FHWA and FTA are the main recipients of federal transportation funding; funds are allocated to each state based on various program requirements.

Current Federal Authorization: Infrastructure Investment and Jobs Act (IIJA)

President Joe Biden signed into law the Infrastructure Investment and Jobs Act (IIJA) on November 15, 2021, allocating \$1.2 trillion (including \$550 billion in new spending) for transportation purposes over a five-year span (Federal FY 2022-2026). The IIJA is the largest long-term investment in the nation's infrastructure and focuses on making the U.S. economy more sustainable, resilient, and equitable. This is a historic investment that will modernize our roads, bridges, transit, rail, ports, airports, broadband, and drinking water and wastewater infrastructure. Under IIJA, California is estimated to receive guaranteed formula transportation funding over five years as follows⁹:

- \$25.3 billion for federal-aid highway apportioned programs;
- \$4.2 billion from a new bridge program;

- \$384 million to support the expansion of electric vehicle charging network;
- \$9.5 billion to improve public transportation

Additionally, the IIJA creates new transportation discretionary grant programs and increases funding for existing discretionary grant programs between FY 2021-22 and FY 2025-26. It also provides five years funding of total \$16 billion to upgrade Amtrak system. Moreover, IIJA guaranteed \$8 billion and authorizes \$15 billion more in future appropriations for FTA⁹. The passage of the IIJA resulted in several changes to programs that the FHWA and FTA administer (Charts 22 and 23). For additional information visit: <https://www.fhwa.dot.gov/bipartisan-infrastructure-law/>.

■ State Programming

Similar to federal programming, the Legislature dictates how State revenues are spent on the transportation network. The Legislature appropriates State funding for specific purposes each year.

State Transportation Improvement Program (STIP)

The STIP funds new construction projects that add capacity to the transportation network. STIP consists of two components, Caltrans' Interregional Transportation Improvement Program (ITIP) and regional transportation planning agencies' Regional Transportation Improvement Program (RTIP). STIP funding is a mix of state and federal taxes and fees (Chart 5). Net allocations to the STIP totaled \$704 million¹⁰ for FY 2020-21 and \$429 million¹¹ for FY 2021-22

State Highway Operation and Protection Program (SHOPP)

This program provides funds for pavement rehabilitation, operation, and safety improvements

⁹ <https://calsta.ca.gov/-/media/calsta-media/documents/calsta-high-level-ijja-analysis-a11y.pdf>

on State highways and bridges. Net allocations totaled to the SHOPP was \$3.1 billion¹⁰ for FY 2020-21 and \$2.78 billion¹¹ for FY 2021-22.

redistribute funding to transit operators within their region for purposes such as operating assistance, capital acquisition and improvement, and transit services (Chart 8).

Local Assistance Program

Caltrans administers more than a billion annually in federal and State funding to over 600 cities, counties, and regional agencies. The program provides entities with the opportunity to improve their transportation infrastructure or provide additional services.

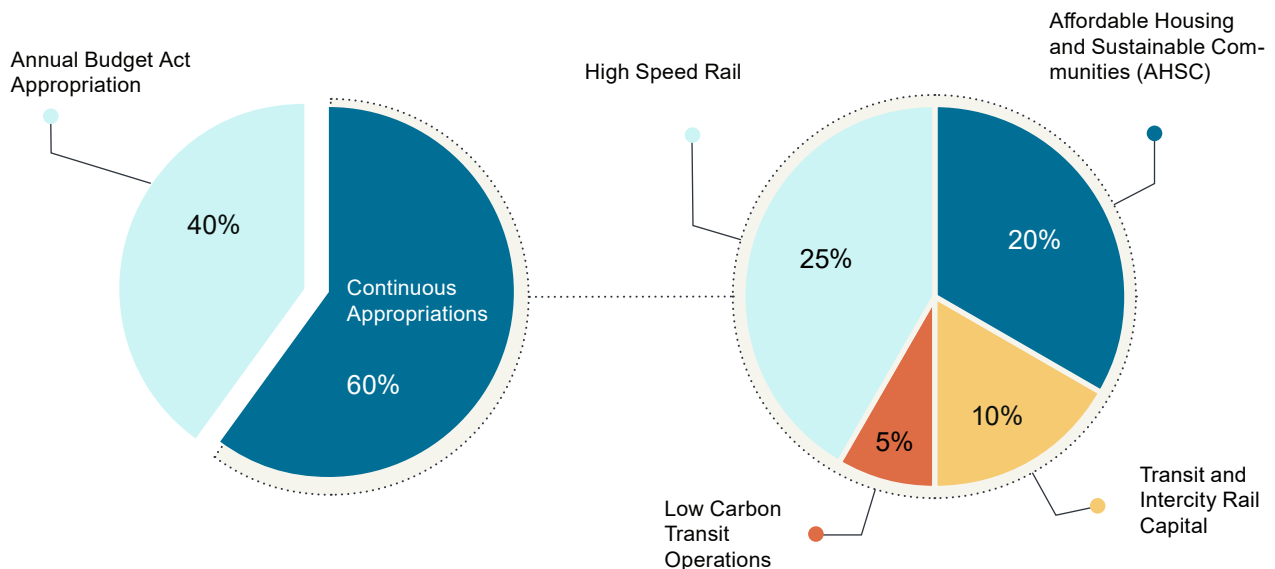
Public Transportation Account (PTA) according to Transportation Development Act (TDA)

The PTA primarily supports the STA, intercity rail, and transit capital improvements. The STA program disburses funding to transportation entities based on a formula that is dependent on an area's population and transit operator revenues. These entities then

Proposition 1B: Transportation Bonds

As mentioned previously, Proposition 1B projects focus on improving state highways and local roads, transit networks, passenger rail, freight mobility, and air quality. In partnership with the CTC, Caltrans is responsible for administering most of the Proposition 1B funds. Roughly 99 percent of Proposition 1B funding has been expended. Proposition 1B funds are used for the following purposes: SHOPP, Trade Corridors Improvement Fund program, State Route 99, intercity passenger rail, local transit, and seismic retrofitting of local bridges and overpasses (Chart 9). For FY 2020-21, \$37.4 million from Prop 1B bond was actually allocated in use, and the corresponding amount projected- for FY 2021-22 is \$ 20 million⁴. For more information visit: www.bondaccountability.dot.ca.gov/bondacc.

SB 862: Cap-and-Trade Revenue Allocation



Source: CA Air Resources Board (2017). CA Climate Investments Using Cap-and-Trade Auction Proceeds.

¹⁰ <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2021/2021-08/16-4-2-a11y.pdf>

¹¹ <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2022/2022-08/15-4-2.pdf>



Cap-and-Trade

The Program is doubling in stringency beginning in 2021 to achieve the State's 2030 Greenhouse Gas (GHG) Reduction Target of at least 40 percent below 1990 levels. The California Air Resources Board (ARB) adopted "cap-and-trade" to meet this goal. This market mechanism policy places a "cap" on entities responsible for 85 percent of the State's GHG emissions. As part of the cap-and-trade program, ARB conducts quarterly auctions and sells emission allowances that generate billions of dollars in State revenue over multiple years. Proceeds from these auctions are deposited into the Greenhouse Gas Reduction Fund.

SB 862 (Pavley, 2014) appropriates revenue from the Greenhouse Gas Reduction Fund. This appropriation dedicates 60 percent of cap-and-trade revenue as continuous appropriations for High Speed Rail (HSR) (Chart 15), Affordable Housing and Sustainable

Communities, Transit and Intercity Rail Capital Program, and Low Carbon Transit Operations Program (Charts 14 and 15). The remaining 40 percent of funds is available for the Legislature to direct toward future objectives through annual budget act appropriation (Cap-and-Trade Revenue Allocation chart, p.15).

The creation of a carbon market also allows businesses that emit less than their allowance, the ability to sell them to others in a secondary market. Businesses that need extra allowances to make up for their shortfall to reduce GHGs can purchase them from entities that do not use their entire allotment. Businesses face steep fines if their allotment is exceeded. Business sectors that purchase allowances generally include heavy industrial, electricity and natural gas producers (stationary sources) and transportation services (mobile sources). Governor Jerry Brown extended the Cap-and-Trade Program to December 2030 through AB 398 (2017).

Active Transportation Program (ATP)

In response to the federal Surface Transportation Block Grant Program, the State's ATP was created on September 26, 2013, with the passage of California SB 99 (Chapter 359, Statutes of 2013), and California AB 101 (Chapter 354, Statutes of 2013). Millions of federal and State dollars are allocated to the ATP each year (Chart 16). This program funds safe routes to school, pedestrian, bicycle, and trail projects. Furthermore, at least 25 percent of the program's funding must be provided for disadvantaged communities (Chart 16, 25). The CTC is responsible for adopting guidelines and programming projects, while Caltrans is responsible for administering the program. For more information visit: <https://catc.ca.gov/programs/active-transportation-program>.

Transit and Intercity Rail Capital Program (TIRCP)

The TIRCP was created by SP 862 (Chapter 36, Statutes of 2014) and modified by SB 9 (Chapter 710, Statutes of 2015) to provide grants from the Greenhouse Gas Reduction Fund to fund transformative capital improvements that will modernize California's intercity, commuter, and urban

rail systems, and bus and ferry transit systems, to significantly reduce emissions of greenhouse gases, vehicle miles traveled, and congestion. AB 398 extended the Cap-and-Trade Program that supports the TIRCP from 2020 through 2030. SB 1 continues to provide historic funding increase for transportation with funds directed to the TIRCP from the PTA account for new programming. For more information, visit: <https://calsta.ca.gov/subject-areas/transit-intercity-rail-capital-prog>.

Transportation Infrastructure Investments

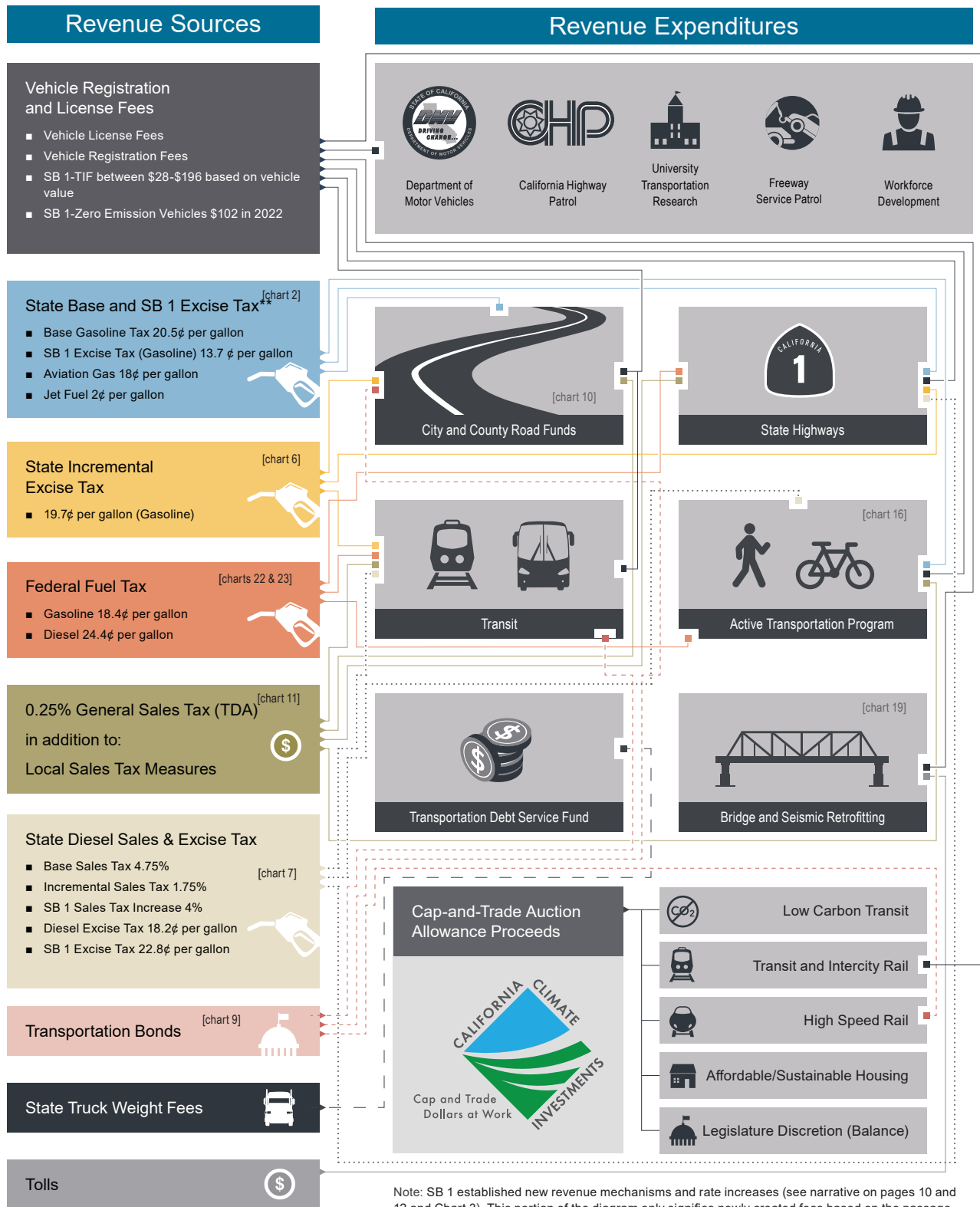
In addition, California will invest \$14.8 billion on transportation infrastructure over the next four years (Chart 25). Looking toward a green transportation system emphasizing economic growth and equitable recovery from the COVID-19 pandemic, the transportation infrastructure package focuses on increasing mobility options for Californians through rails, transit and active transportation projects, equity-related investments to reconnect communities and enhanced safety projects. For more information, visit: <https://ebudget.ca.gov/budget/2022-23EN/#BudgetSummary>.



TRANSPORTATION FUNDING CHARTS

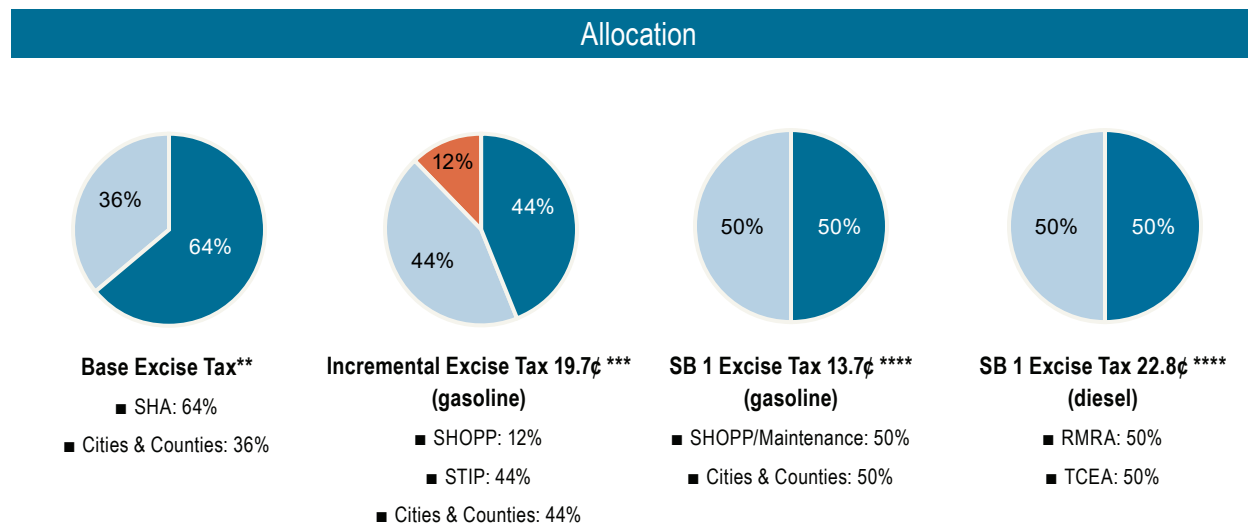
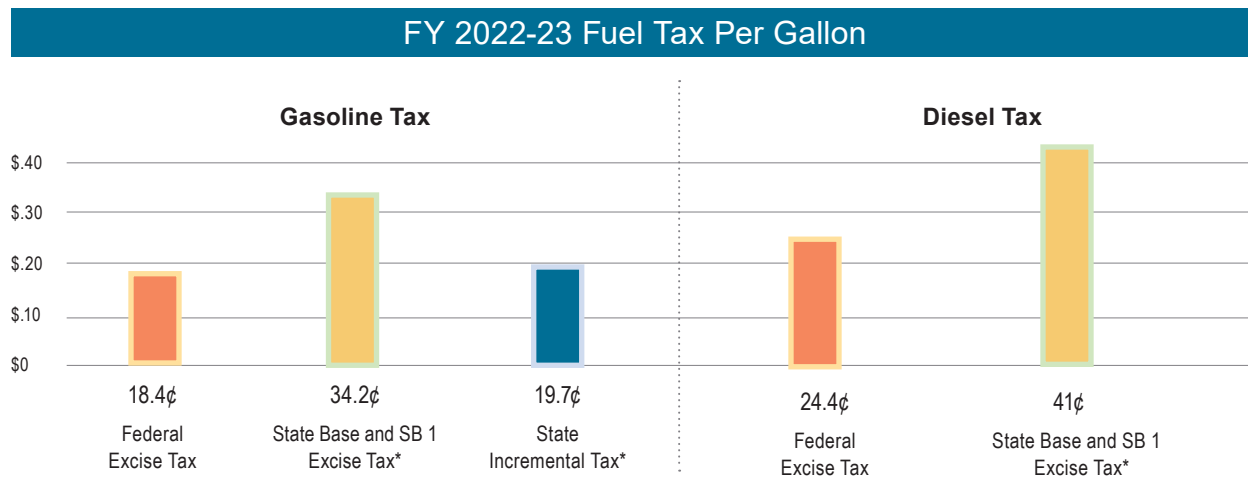


A SIMPLIFIED OVERVIEW OF FY 2022-23 TRANSPORTATION FUNDING: CHART 1*



FUEL EXCISE TAX: CHART 2

(Revenue & Taxation Code, §7360 & §60050)



* Tax rates identified reflect established SB 1 (2017) increases and inflationary adjustments. The gasoline and diesel fuel excise taxes are adjusted for inflation starting July 1, 2020. SB 1 also increased the sales tax rate for diesel fuel, see Chart 7.

** The 64/36 split only applies to California's base excise tax on motor fuels: 1) 20.5¢ of the 34.2¢ State base and SB 1 excise tax on gasoline and 2) 18.2¢ of the 41¢ State base and SB1 excise tax on diesel.

*** The Fuel Tax Swap was first enacted in 2010 (Assembly Bill (AB) x8-6 and Senate Bill (SB) 70). The Fuel Tax Swap eliminated the sales tax on gasoline and replaced it with the price-based excise tax. Due to conflicts created by the passage of Propositions 22 and 26 by voters, the Legislature reenacted the Fuel Tax Swap through AB 105 (2011). The Fuel Tax Swap eliminated the sales tax on gasoline and replaced it with the price-based excise tax. The California Board of Equalization (BOE) was required to adjust this rate annually. The passage of AB 105 (2011) also authorized the redirection of weight fees from the SHA to the General Fund to pay off obligation bond debt service for specified voter-approved transportation bonds. SB 1 replaced the price-based excise tax with an incremental excise tax of 17.3 cents per gallon effective July 1, 2019, and implemented an annual inflation adjustment beginning July 1, 2020. After transfers to backfill diverted weight fees, remaining resources are allocated to SHOPP, STIP and Cities & Counties based on percentages in statute.

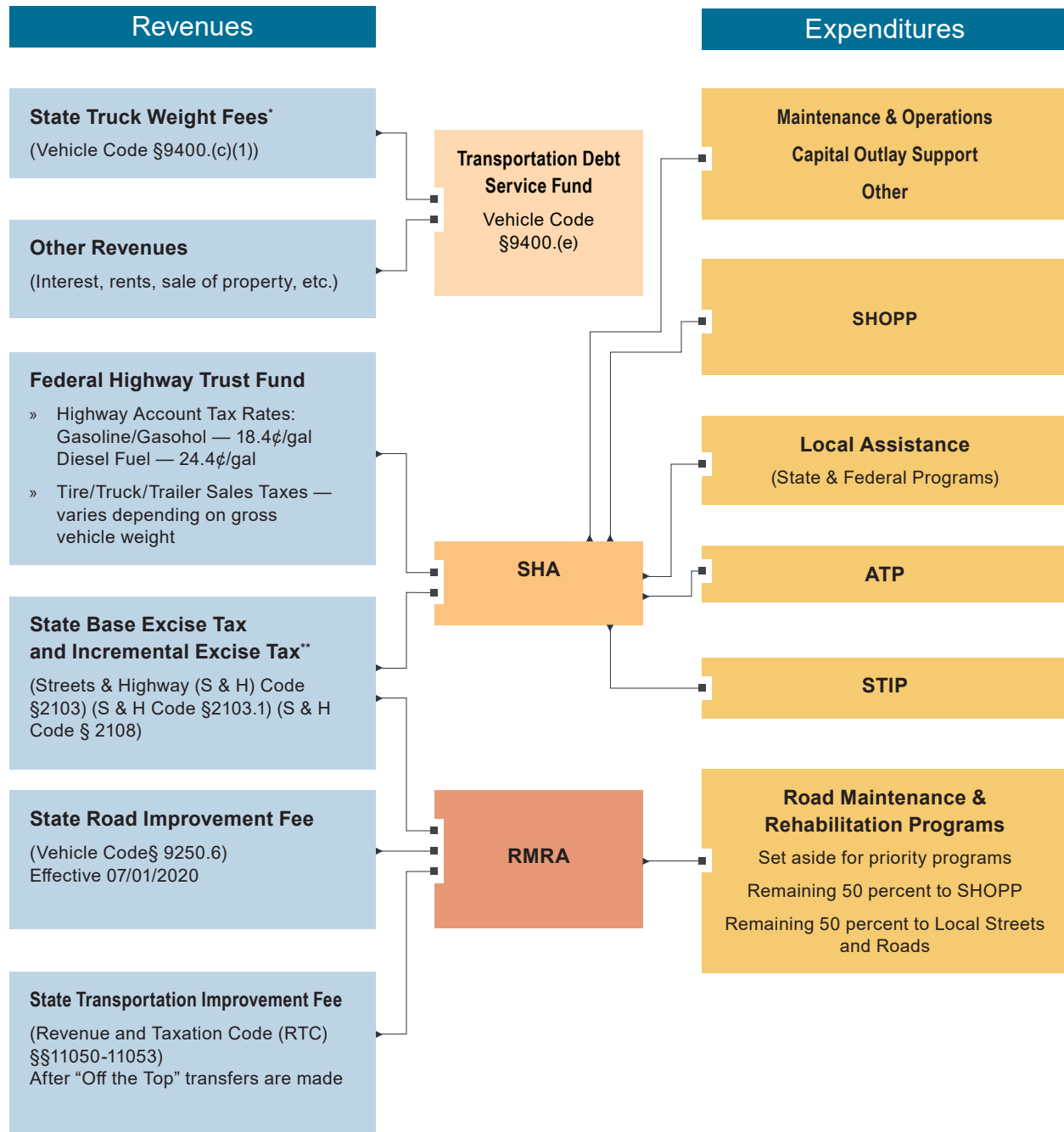
**** Specific to the RMRA, after funding for specific transportation programs, revenue will be allocated equally between state and local transportation purposes. See Chart 3 or Chart 4 for more information.

OVERVIEW OF SENATE BILL 1 (2017): CHART 3*



* Projected amounts were prior to impacts of COVID-19 pandemic

STATE AND FEDERAL HIGHWAY FUNDING: CHART 4

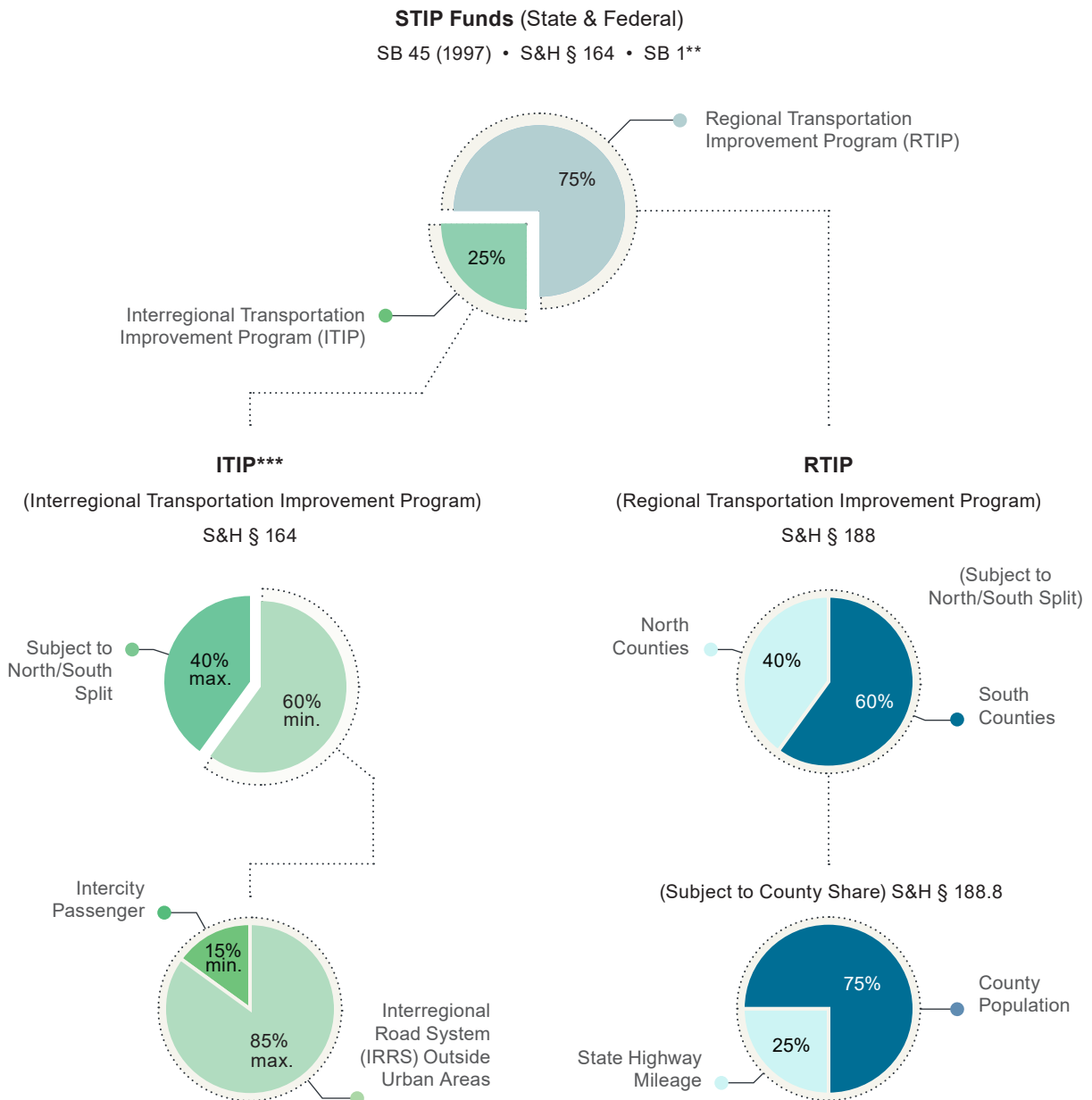


* Assembly Bill 105 (Fuel Tax Swap) directs revenues from the Truck Weight Fees to pay transportation bond debt service and loans to the General Fund.

** The Fuel Tax Swap was originally enacted in 2010 as ABX8 6/SB 70 and re-enacted in 2011 through AB 105 in response to Propositions 22 and 26 (2010). The Road Maintenance and Rehabilitation Act of 2017 (SB 1) replaced the price-based excise tax with an incremental excise tax of 17.3¢ per gallon rate on July 1, 2019 that adjusts for inflation starting in 2020.

STIP FUNDING DISTRIBUTION: CHART 5

State/Region, North & South Splits*, and County Shares

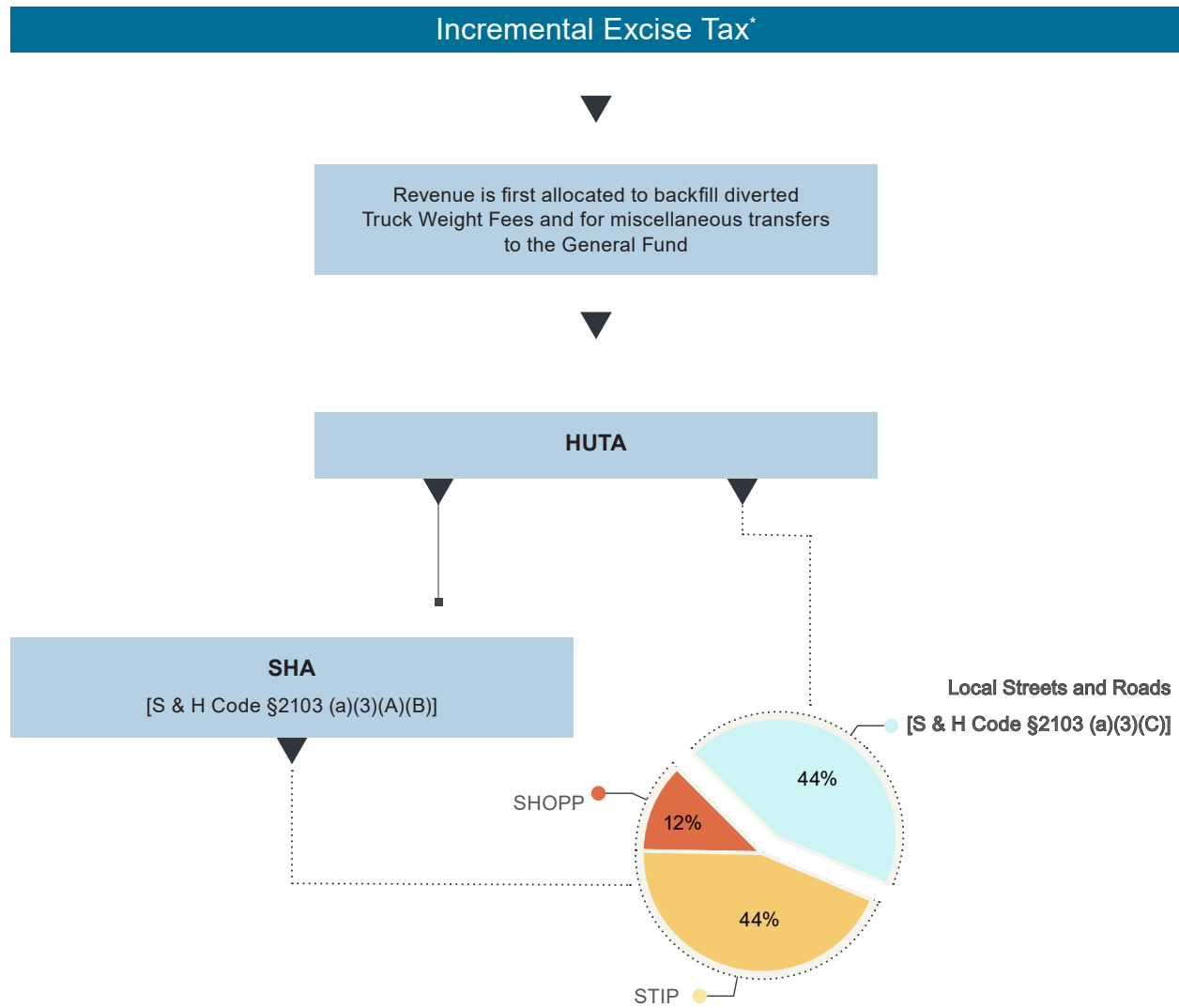


* The "split" is in reference to SB 45 (1997). It is geographically defined as: 60 percent of funds are allocated to 13 southern counties, while the remainder is allocated to the remaining 45 northern counties. For more information, visit https://lao.ca.gov/2000/051100_cal_travels/051100_cal_travels_decisions.html

** SB 1 provides stable funding to the State Transportation Improvement Program over the next 10 years. For more information, visit https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB1

*** For more information on the ITIP, visit <https://dot.ca.gov/programs/financial-programming/office-of-capital-improvement-programming-ocip>

INCREMENTAL EXCISE TAX: CHART 6

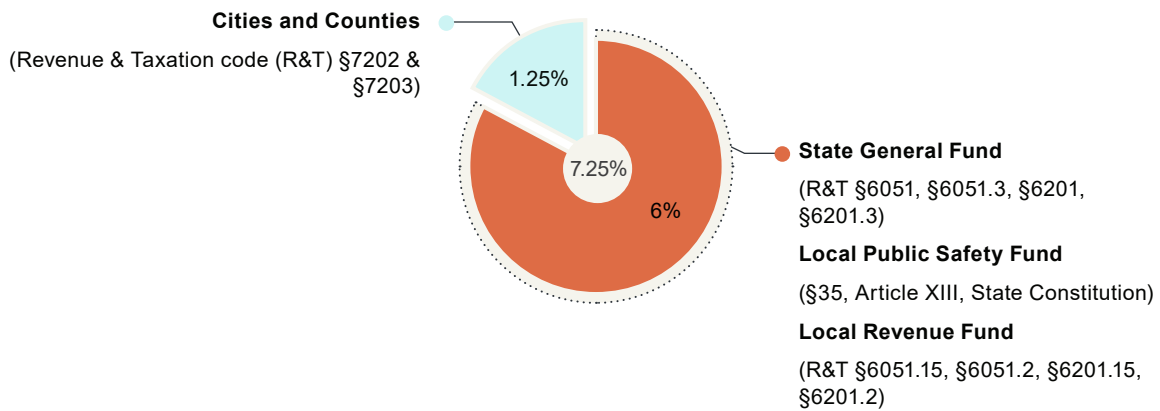


* The passage of SB 1 eliminates the fuel tax swap revenue neutrality adjustment made by the BOE. This rate is fixed at 17.3¢/gal. effective 7/1/19 and adjusts for inflation every year after by the California Department of Tax and Fee Administration.

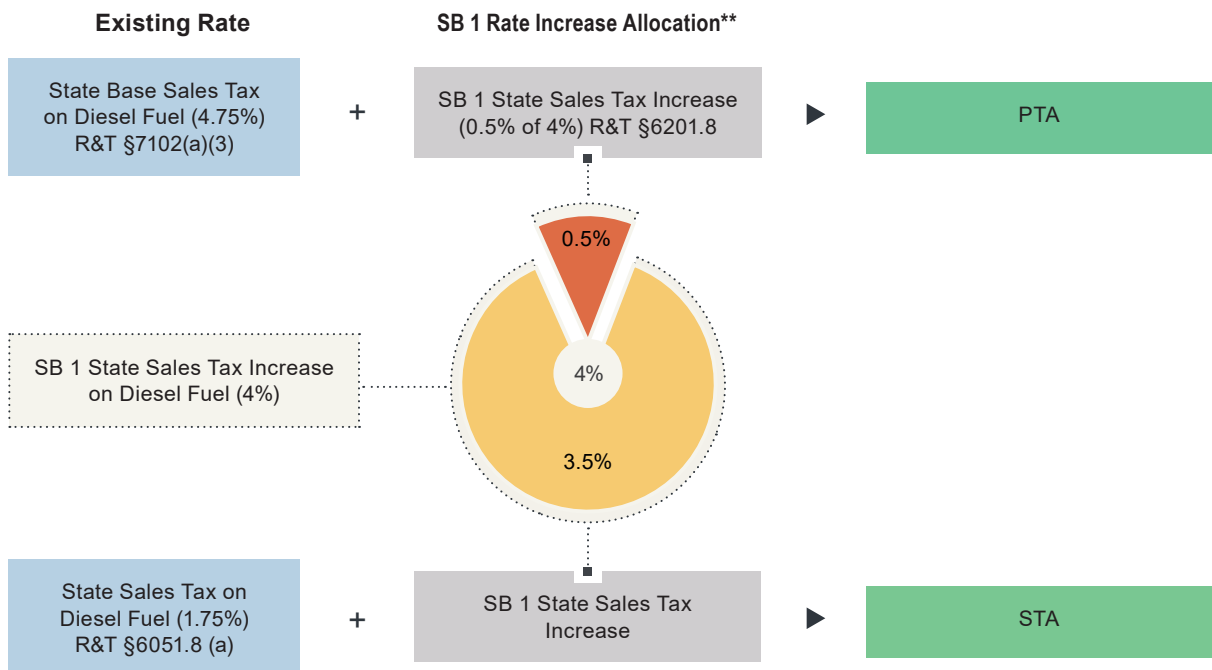
The allocation structure of AB 105 (2011) will remain in place. Truck weight fee revenues from the SHA can still be used to pay down transportation debt services and loans in the Transportation Debt Service Fund.

STATE SALES AND USE TAX RATE: CHART 7

California Statewide Base Sales and Use Tax (7.25%)*



Statewide Diesel Fuel Sales Tax Rate Allocation (Available for Transportation)



* In addition to State and local taxes the counties, cities and towns in California may impose one or more district taxes which range from 0.1% to 1%.

** SB 1 increased the sales tax on diesel fuel by 4% on 11/1/17. PTA receives 0.5% and STA receives 3.5% of this SB 1 rate increase. Total Diesel Sales Tax rates is 13% as of 11/1/2017.

PTA REVENUES: CHART 8



PROPOSITION 1B: CHART 9

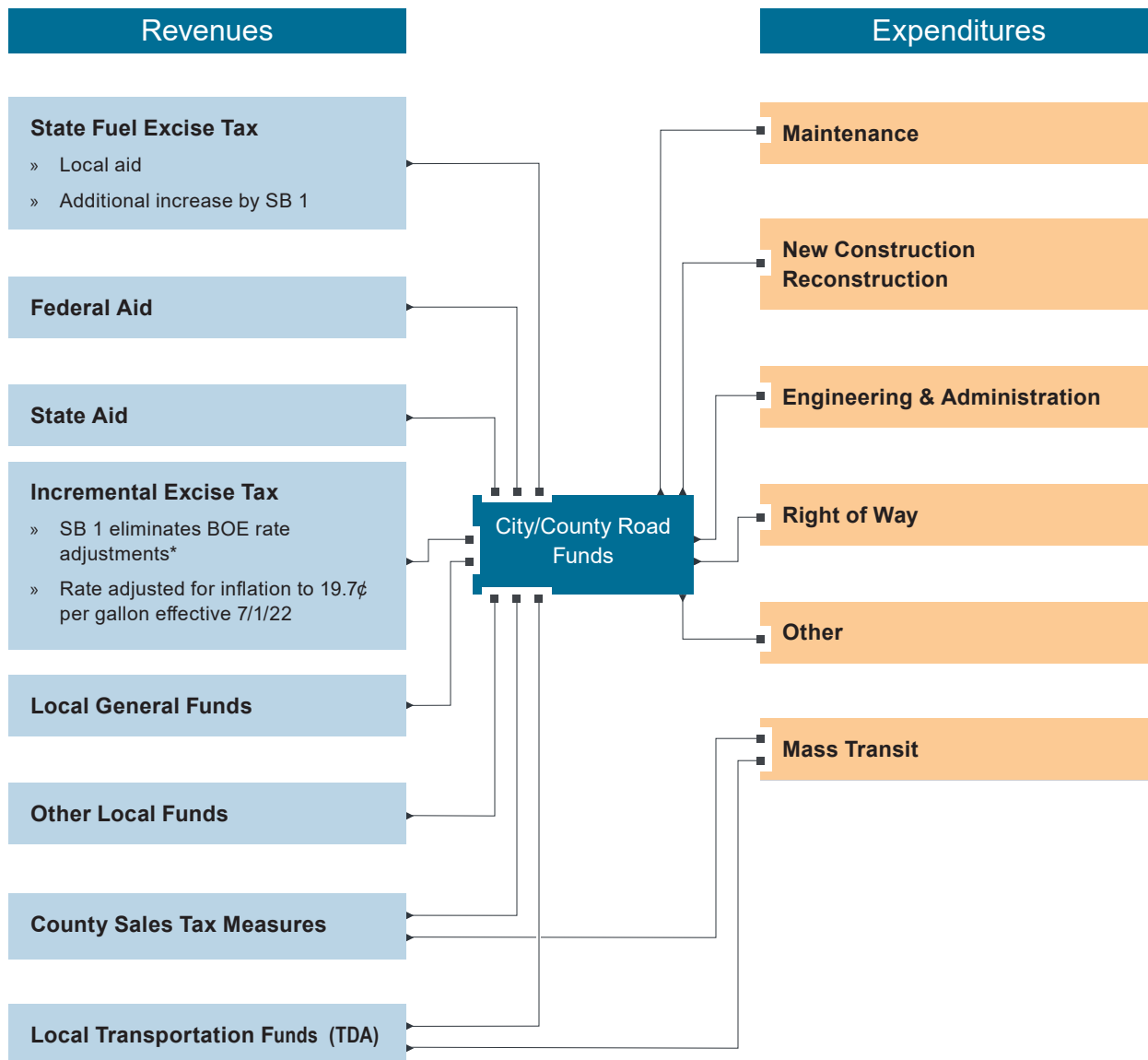
Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006
(Authorizes \$19.9 Billion in General Obligation Bonds)

| Account/Program | Available (Billions) | Committed (Billions) | Allocation Plan |
|---|----------------------|----------------------|--|
| Corridor Mobility Improvement Account (CMIA) | \$4.50 | \$4.50 | <ul style="list-style-type: none"> ■ Performance improvements on highly congested travel corridors ■ Projects are nominated by Caltrans & MPOs/RTPAs ■ CTC develops guidelines and approves projects |
| Public Transp. Modernization, Improvement & Service Enhancement and Intercity Rail Improvement | \$4.00 | \$4.00 | <ul style="list-style-type: none"> ■ Public Transportation Projects ■ Intercity Rail Improvements (\$400M) ■ Funds allocated by formula to local agencies |
| California Ports Infrastructure, Security, and Air Quality Improvement | \$3.10 | \$3.10 | <ul style="list-style-type: none"> ■ Multimodal improvements along federal trade corridors (\$2B) ■ Freight emission reductions along trade corridors (\$1B ARB) ■ Grants for port, harbor, ferry terminals security (\$100M) |
| STIP Funding Augmentation | \$2.00 | \$2.00 | <ul style="list-style-type: none"> ■ Deposited in Transportation Facilities Account |
| Local Streets and Road Improvement, Congestion Relief, and Traffic Safety | \$2.00 | \$2.00 | <ul style="list-style-type: none"> ■ Allocated by Legislature |
| State Route 99 Improvements | \$1.00 | \$0.99 | <ul style="list-style-type: none"> ■ Corridor's safety, operational enhancements, rehabilitation or capacity improvements |
| State-Local Partnership Program | \$1.00 | \$1.00 | <ul style="list-style-type: none"> ■ State matching funds for local projects (5-year program) |
| Transit System Safety, Security, and Disaster Response | \$1.00 | \$0.93 | <ul style="list-style-type: none"> ■ Allocated by Legislature |
| Highway Safety, Rehabilitation, and Preservation | \$0.75 | \$0.75 | <ul style="list-style-type: none"> ■ Augments SHOPP funding ■ Includes \$250M for traffic light synchronization projects |
| Highway-Railroad Crossing Safety | \$0.25 | \$0.25 | <ul style="list-style-type: none"> ■ High-priority grade separation and railroad crossings |
| School Bus Retrofit & Replacement | \$0.20 | \$0.20 | <ul style="list-style-type: none"> ■ Reduction of air pollution & child exposure to diesel exhaust |
| Local Bridge Seismic Retrofit | \$0.13 | \$0.13 | <ul style="list-style-type: none"> ■ Provides the 11.5% required match for the federal Highway Bridge Replacement and Repair funds |

For more information visit www.bondaccountability.dot.ca.gov/bondacc

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LOCAL STREET AND ROAD FUNDING: CHART 10



Revenues and expenditures reported in the State Controller, Annual Reports of Financial Transactions at <https://bythenumbers.sco.ca.gov/>:

- » Streets and Roads
- » Transit Operators
- » Transportation Planning Agencies

* See Road Repair and Accountability Act of 2017 (SB 1)

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COUNTY TRANSPORTATION SALES TAX MEASURES: CHART 11

Permanent 0.5% Sales Tax Transit Districts

| | | | |
|--|-----------|-------------|------------|
| BART (S.F., Alameda, and Contra Costa) | San Mateo | Santa Clara | Santa Cruz |
|--|-----------|-------------|------------|

"Self-Help" (Temporary 0.5% Taxes)

| County | Duration | Estimated 2022 Revenues (in millions) |
|--|------------------|---------------------------------------|
| Alameda | 2015-2045 | \$351 |
| Contra Costa | 1989-2034 | \$96 |
| Fresno | 1987-2027 | \$88 |
| Imperial | 1990-2050 | \$14 |
| Los Angeles (1%) | Permanent | \$1,751 |
| Los Angeles (Measure R, 0.5%) | 2009-2039 | \$875 |
| Los Angeles (Measure M, 0.5%) | 2017–Indefinite | \$875 |
| Madera | 1990-2027 | \$10 |
| Marin* | 2005-2025 | \$29 |
| Merced | 2017-2047 | \$18 |
| Monterey (.375%) | 2017-2047 | \$28 |
| Napa | 2018-2043 | \$19 |
| Orange | 1991-2041 | \$355 |
| Riverside | 1989-2039 | \$216 |
| Sacramento | 1989-2039 | \$141 |
| San Benito** | 2019-2049 | \$9 |
| San Bernardino | 1990-2040 | \$221 |
| San Diego | 1988-2048 | \$322 |
| San Francisco | 1990-2034 | \$110 |
| San Joaquin | 1991-2041 | \$77 |
| San Mateo (Measure A, SamTrans) | 1989-2033 | \$92 |
| San Mateo (Measure W, .5%, San Mateo County Transit District)*** | 2019-2049 | \$92 |
| Santa Barbara | 1990-2040 | \$40 |
| Santa Clara | 1996-2036 | \$243 |
| Santa Clara (VTA 0.125%) | 2013-2043 (Est.) | \$61 |
| Santa Clara (VTA-Measure B, 0.5%) | 2017-2047 | \$243 |
| Santa Cruz | 2017-2047 | \$21 |
| Sonoma (0.25%) | 2005-2025 | \$26 |
| Sonoma-Marin (SMART 0.25%) | 2009-2029 | \$41 |
| Stanislaus | 2017-2042 | \$52 |
| Tulare | 2007-2037 | \$43 |
| Total Estimated 2022 Revenue | | \$6,559 |

Article XIII B of the State Constitution provides the authority and requirements for the imposition of local sales tax measures subject to voter approval.

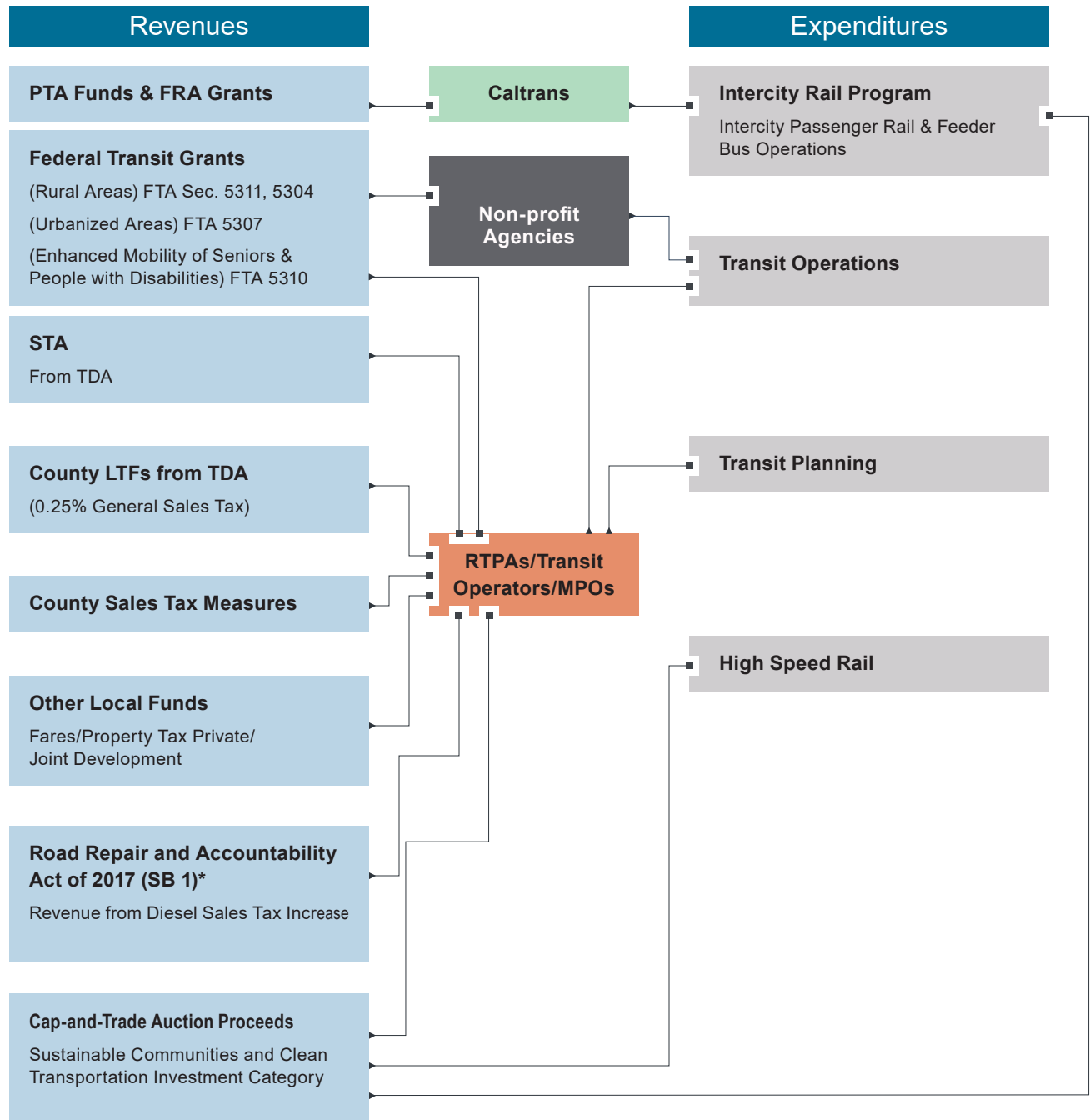
* Renewal of retail transaction of use (sales) tax. Original one-half cent tax passed in 2004 will expire in 2025. In November 2018, voters renewed this tax for another 30 years.

** Transportation sales tax approved by voters in November 2018. The measure authorizes the county to increase sales tax by 1% with revenue dedicated to road transportation, increasing the total sales tax to 7.25%.

*** Voters passed a one-half cent sales tax increase in November 2018 to reduce traffic congestion and improve public transportation.

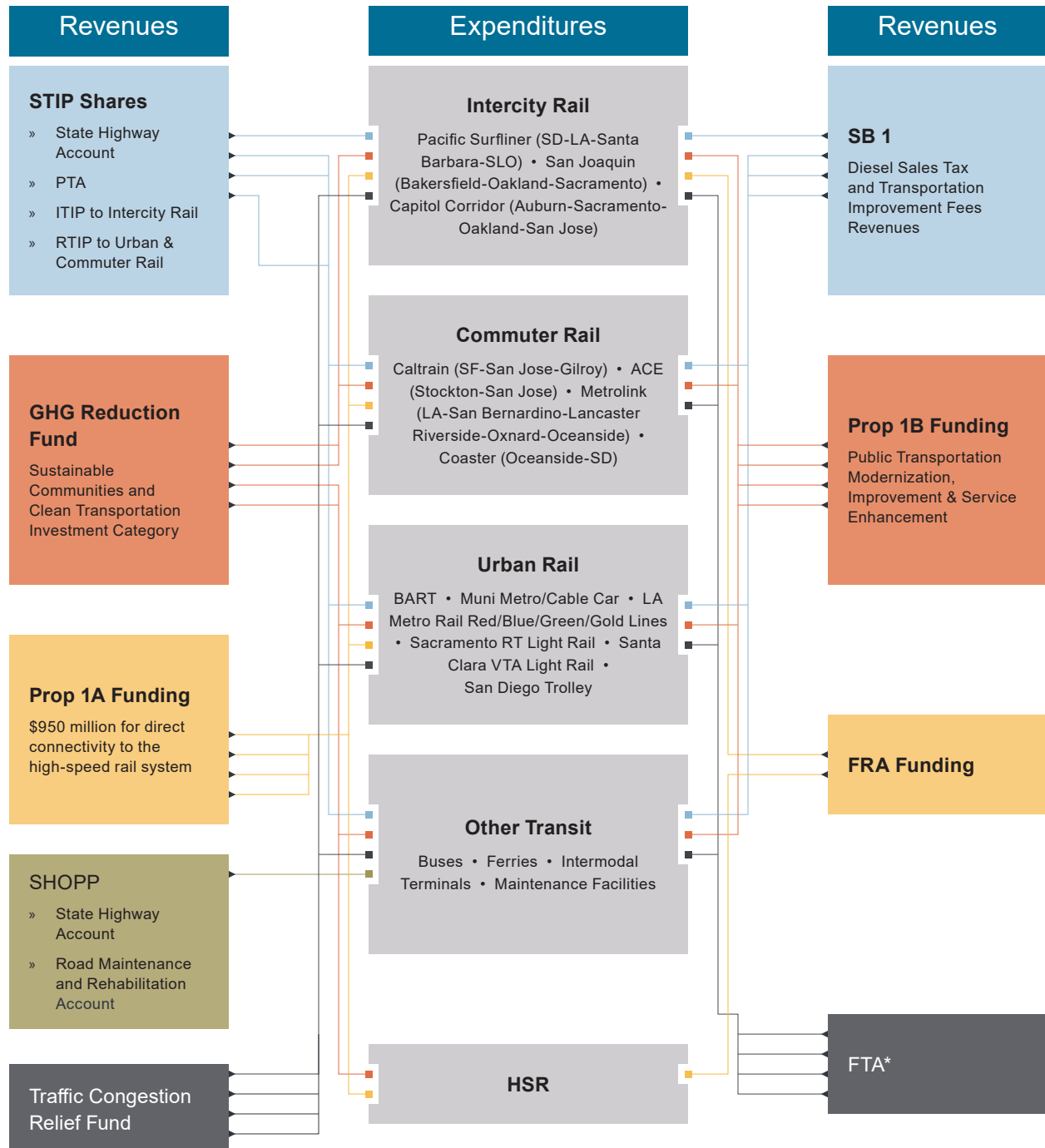
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TRANSIT AND RAIL OPERATIONS FUNDING: CHART 12



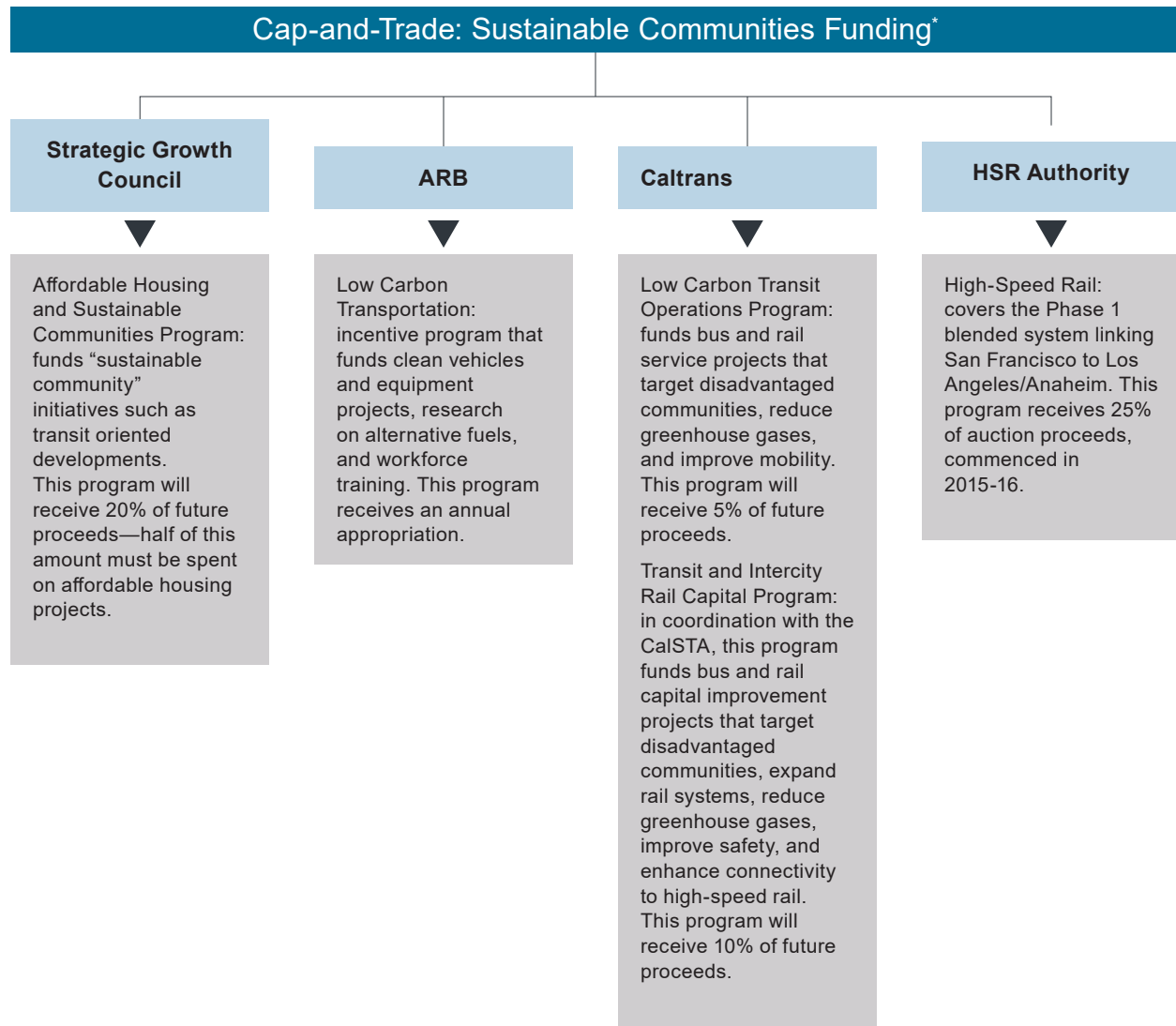
* See Rebuilding California website at <http://rebuildingca.ca.gov>

TRANSIT AND RAIL CAPITAL FUNDING: CHART 13



* In addition, Section 104(d)(2) of Federal Highway Act (Title 23 US Code) provides funding for railway/highway crossing hazard elimination in existing and potential high-speed rail corridors.

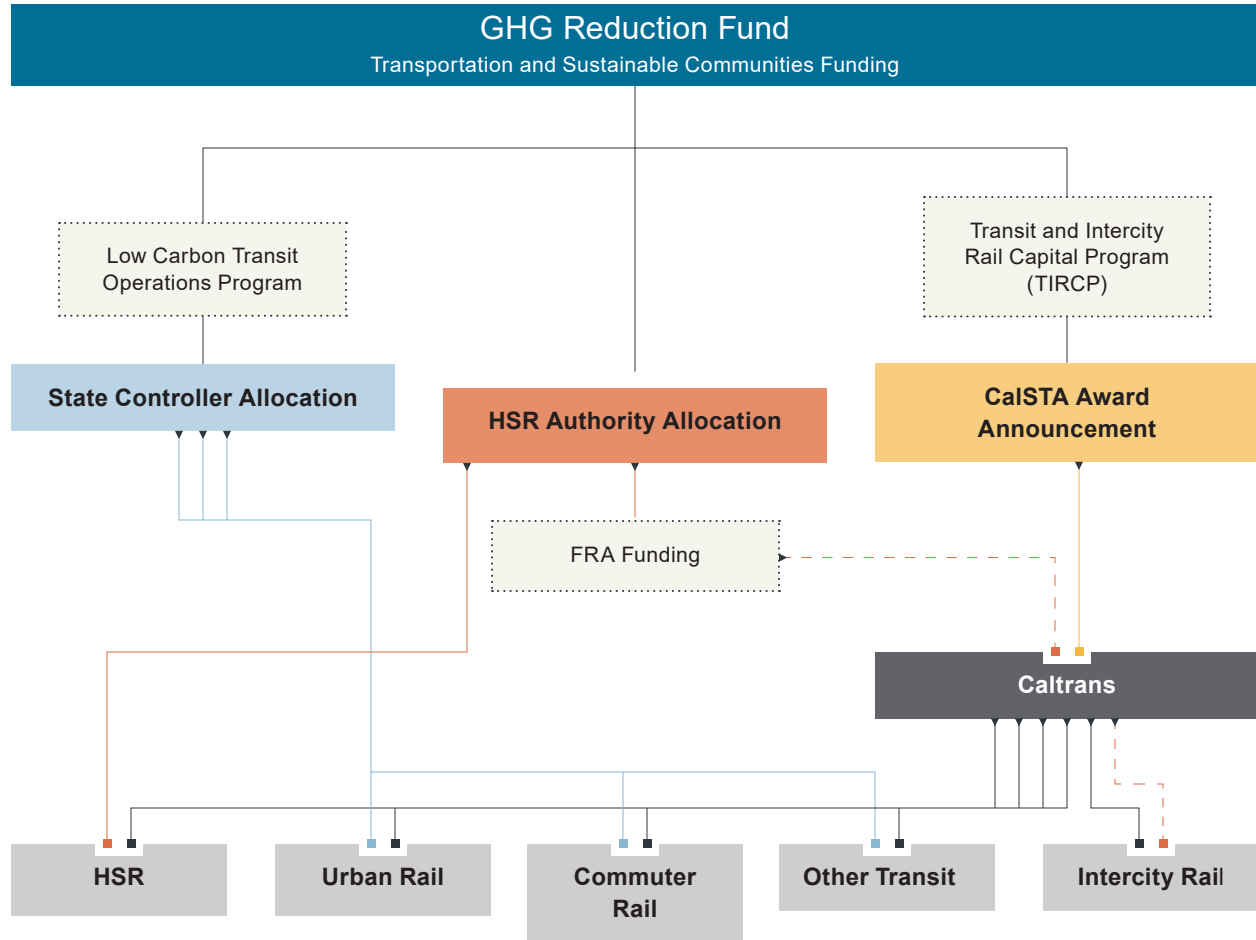
CAP-AND-TRADE: SUSTAINABLE COMMUNITIES FUNDING PROGRAMS: CHART 14



* The enactment of AB 32, the California Global Warming Solutions Act of 2006, requires the California Air Resources Board to establish a regulatory market-based program. Since 2013, this program sets a “cap” or limit on the amount of greenhouse gas emissions that electric and large industrial plants can produce. Effective January 1, 2015, fuel distributors and suppliers were subjected to the “cap.” The “cap” limitation is approximately reduced by 3% per year to reach the state’s 2020 greenhouse gas reduction target. The California Legislature and Governor appropriate the collected auction proceeds, known as the Greenhouse Gas Reduction Fund (GGRF), to State agencies for designated purposes. These appropriations are classified by three categories: 1) Transportation and Sustainable Communities Funding, 2) Clean Energy and Energy Efficiency Funding, and 3) Natural Resources and Waste Diversion. This chart only illustrates the Transportation and Sustainable Communities Funding. In addition, the remaining 40% is available for appropriation by state Legislature. Cap-and-Trade program was extended to 2030 on July 25, 2017 (AB 398, Chapter 135).

Please visit the California Air Resources Board’s website for more information at <http://ww2.arb.ca.gov/our-work/programs/>

CAP-AND-TRADE AND HIGH-SPEED RAIL FUNDING: CHART 15



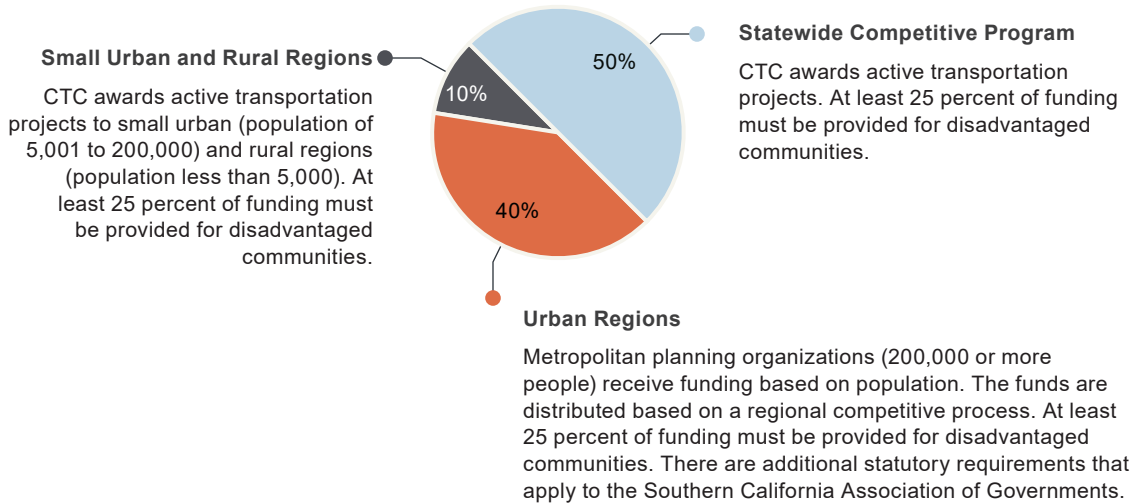
ACTIVE TRANSPORTATION PROGRAM: CHART 16

Revenue Sources*

- State Resources**
- » SHA
 - » RMRA (SB 1)**

- Federal Resources**
- » Federal Highway Account of the Highway Trust Fund
 - » Surface Transportation Block Grant
 - » Highway Safety Improvement Program
 - » Transportation Recreational Trails (non-motorized percentage appropriated to ATP and remaining to Department of Parks and Recreation)
 - » Other Federal Aid

ATP***
 SB 99, Chapter 359 (2013) and AB 101, Chapter 354 (2013)
 Funds non-infrastructure and infrastructure projects that encourage people to use active transportation modes.

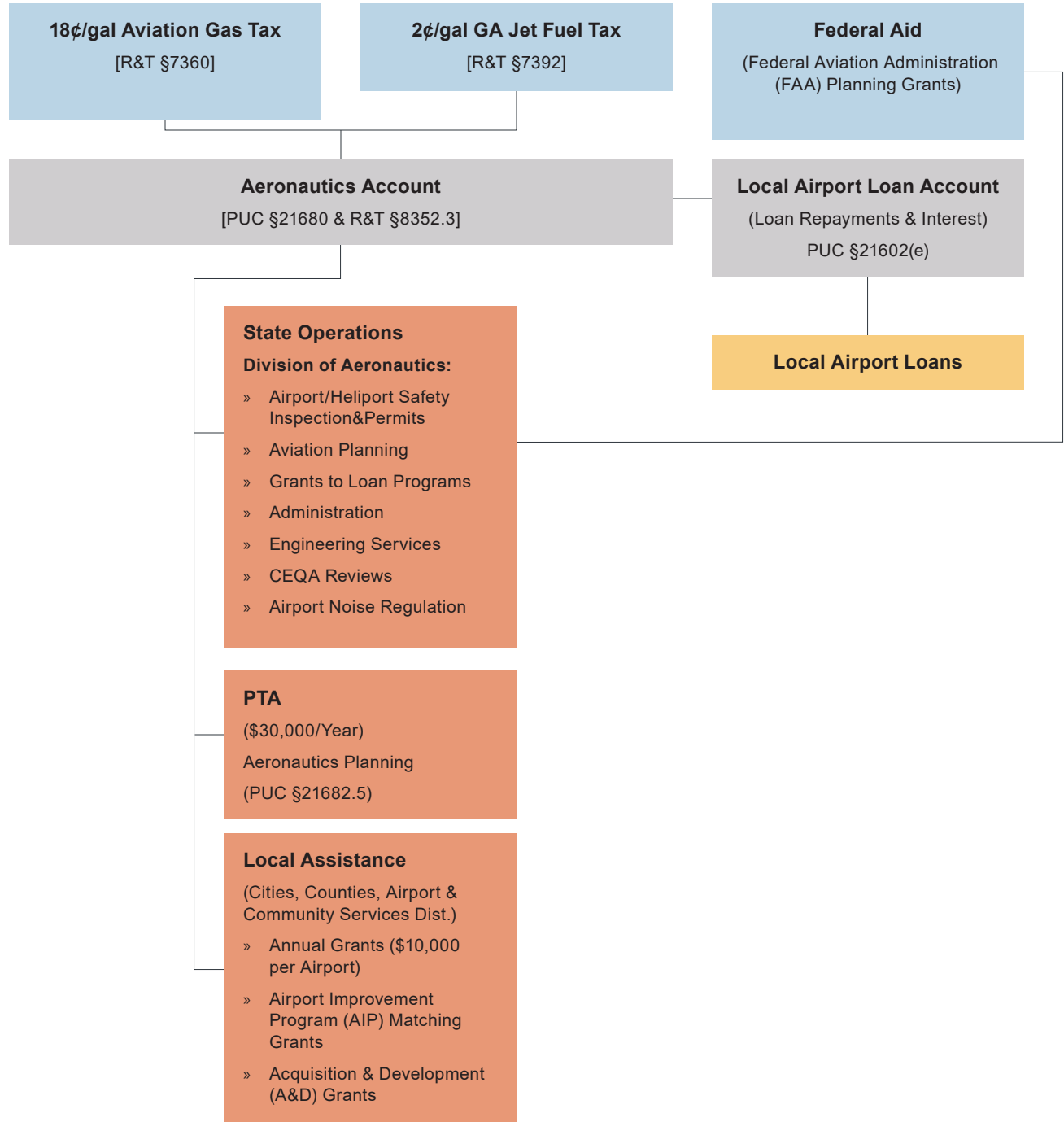


* Caltrans Active Transportation Program Fact Sheet. Retrieved from <https://dot.ca.gov/programs/local-assistance/fed-and-state-programs/active-transportation-program>

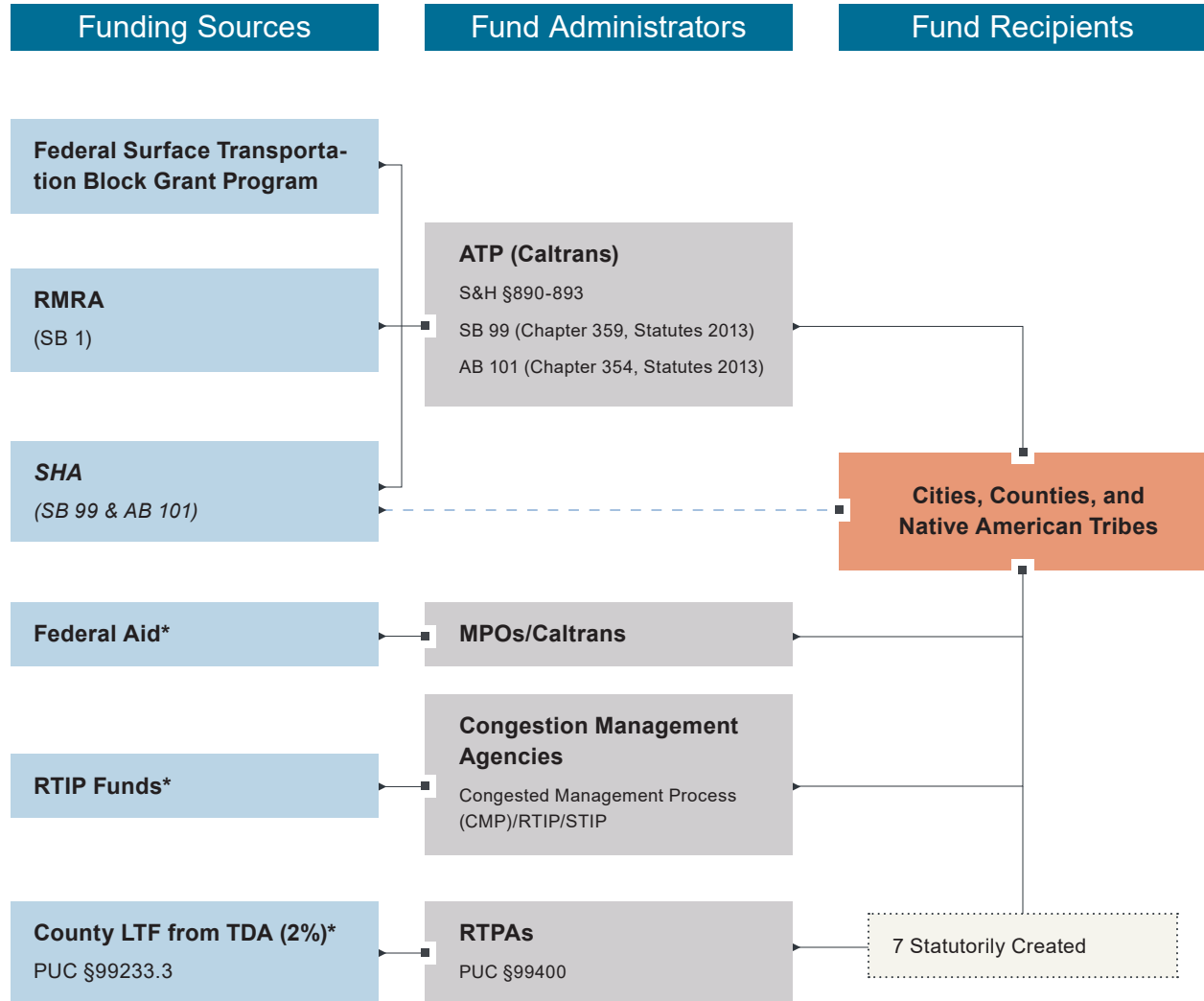
** See Road Repair & Accountability Act of 2017, Chapter 5. Retrieved from https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB1

*** California Transportation Commission. 2023. Active Transportation Program Guidelines. Retrieved from <https://catc.ca.gov/programs/active-transportation-program>

STATE GENERAL AVIATION FUNDING: CHART 17



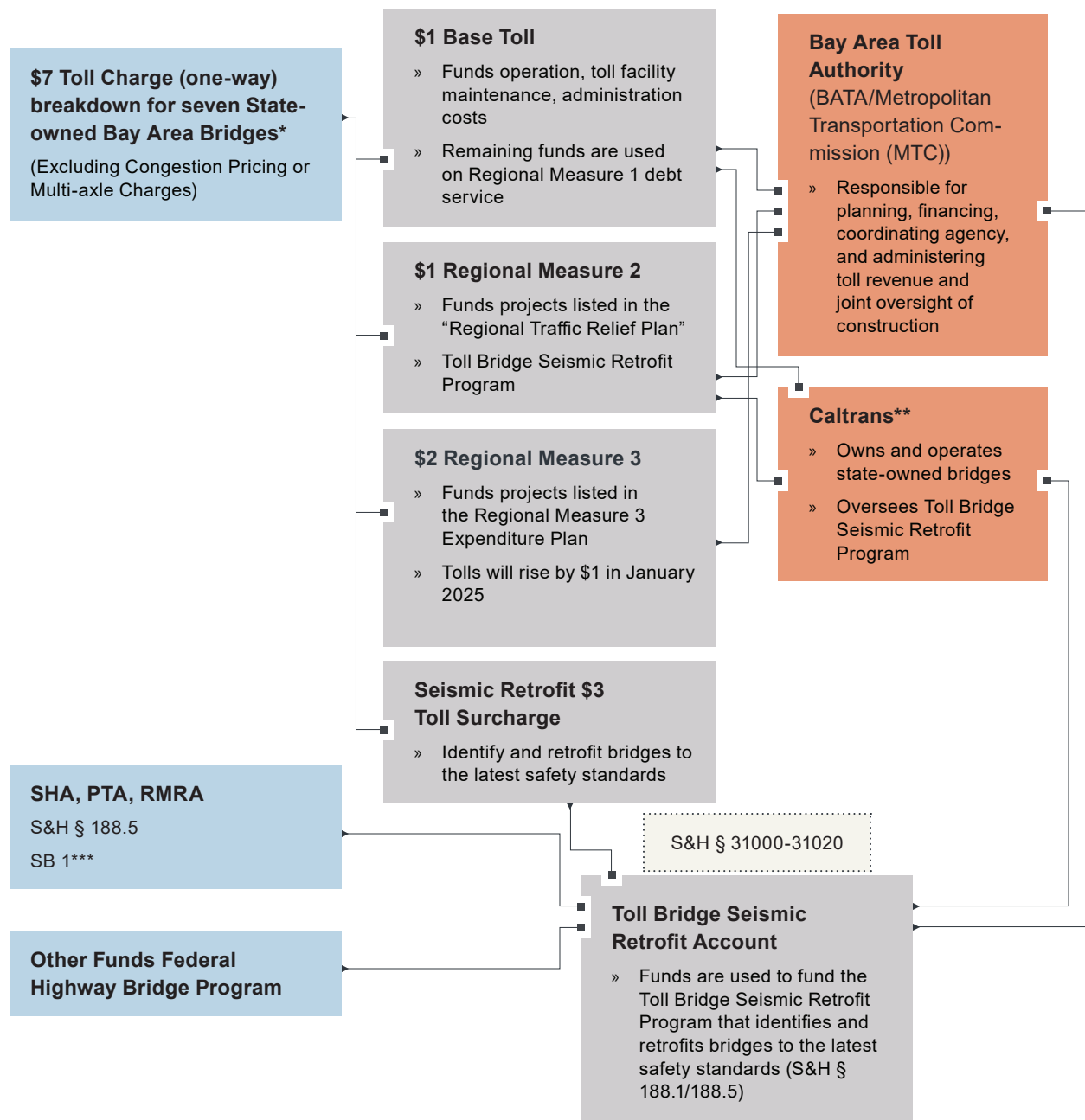
NON-MOTORIZED TRANSPORTATION FUNDING: CHART 18



* Bicycle/pedestrian projects are eligible for funding from federal programs: Surface Transportation Block Grant Program/Transportation Enhancement Activities, Better Utilizing Investments to Leverage Development Transportation Discretionary Grants, Associated Transit Improvement, Congestion Mitigation and Air Quality Improvement Program, Highway Safety Improvement Program, National Highway Performance Program/National Highway System, Surface Transportation Program, Recreational Trails Program, Safe Routes to School, Federal Lands Highway & Bridge programs, etc.

The State's Environmental Enhancement Mitigation program and county sales tax measures also provide funding for non-motorized transportation projects.

STATE TOLL BRIDGE & SEISMIC RETROFIT FUNDING: CHART 19

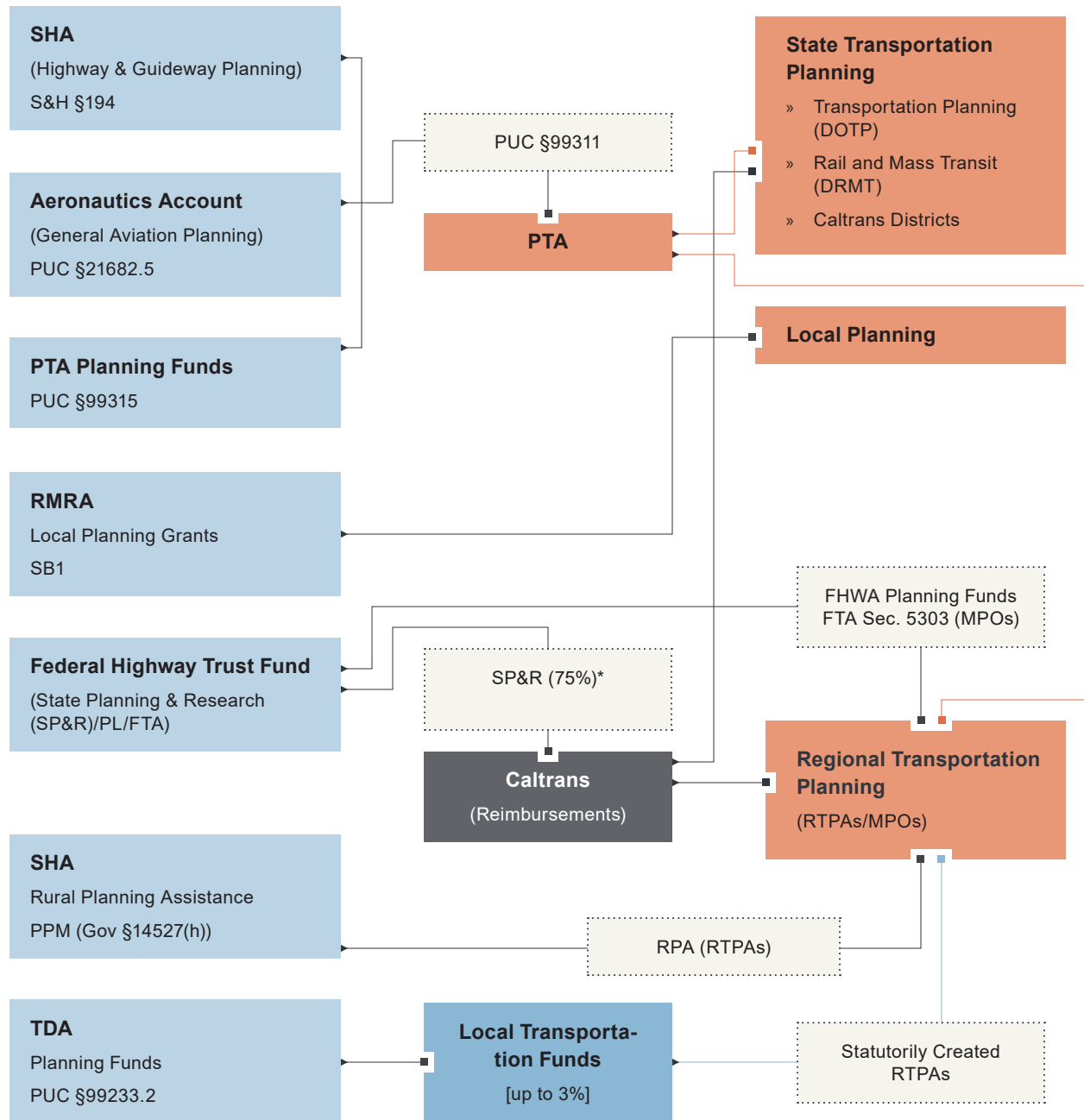


* San Francisco-Oakland weekday off-peak hours toll is \$6, peak hours is \$8, and weekends is \$7.

** Caltrans collects tolls and is responsible for the maintenance and capital improvements on all state-owned toll bridges (reimbursed by BATA). Assembly Bill 144 (Chapter 71, 2005) provided additional funding from BATA for the Toll Bridge Seismic Retrofit Program.

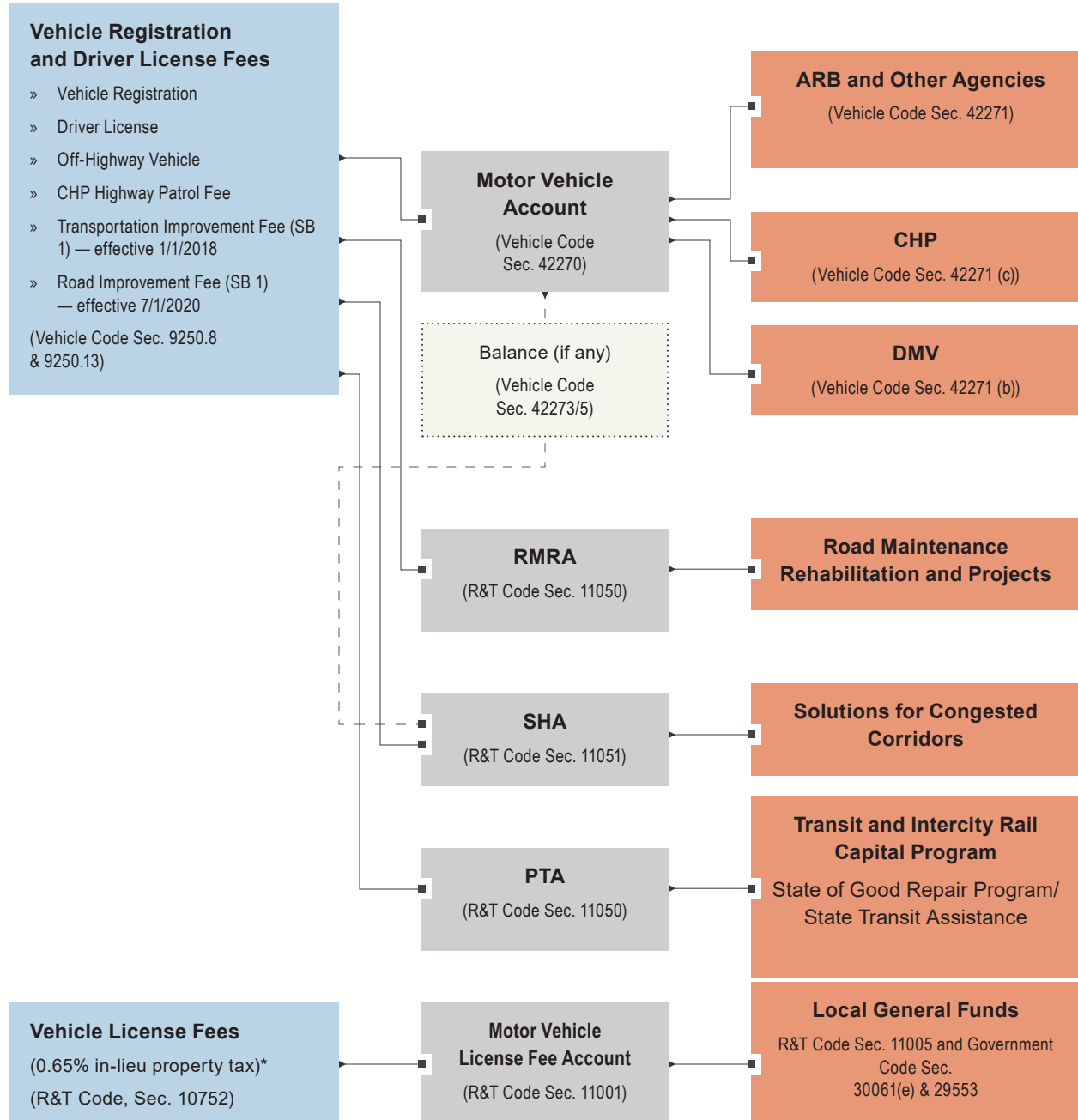
*** SB1 provides additional funding for bridges and culverts repair and maintenance under Road Maintenance and Rehabilitation Account.

TRANSPORTATION PLANNING FUNDS: CHART 20



* The remaining 25% of the SP&R funds are used for research.

MOTOR VEHICLE FEES: CHART 21



* In 1998, the Legislature began a series of reductions as stated in Chapter 322, Statutes of 1998 (Cardoza, AB 2797)— 2% vehicle license fee decreased to 0.65% — that became effective in January of 2005.

FEDERAL-AID HIGHWAY PROGRAMS: CHART 22

IIJA Federal FY 2022-2026

| Program | Description/Provisions |
|--|---|
| Bridge Investment Program (BIP) (§11118; 23 U.S.C. 124) | Provide grants, on a competitive basis, to improve bridge condition and the safety, efficiency, and reliability of the movement of people and freight over bridge. |
| Bridge Formula Program (IIJA Division J) | Provide funds to replace, rehabilitate, preserve, protect, and construct highway bridge. |
| Carbon Reduction Program (CRP) (§11403; 23 U.S.C. 175) | Provide funds for projects designed to reduce transportation emissions, defined as carbon dioxide emissions from on-road highway sources. |
| Congestion Mitigation & Air Quality (CMAQ) Improvement Program (§11115; 23 U.S.C. 149) | Provides a flexible funding source to State and local governments for transportation projects and programs to help meet the requirements of the Clean Air Act. Funding is available to reduce congestion and improve air quality for areas that do not meet the National Ambient Air Quality Standards for ozone, carbon monoxide, or particulate matter (nonattainment areas) and for former nonattainment areas that are now in compliance (maintenance areas). |
| Disadvantaged Business Enterprise Supportive Services Program (23 U.S.C. 104(a); 140(c)) | Provide funding resource to develop, conduct, and administer training programs and assistance programs in connection with any program under Title 23, United States Code, in order that minority business may achieve proficiency to compete, on an equal basis, for contracts and subcontracts. |
| Emergency Relief Program (§§11106, 11107, 11519; 23 U.S.C. 120(e), 125) | Provide funds for emergency repairs and permanent repairs on Federal-aid highways and roads, tribal transportation facilities, and roads on Federal lands that have suffered serious damage from natural disasters or catastrophic failure from external cause. |
| Federal Lands Access Program (FLAP) (§11113; 23 U.S.C. 201, 204) | Provide funds for projects on Federal Lands Access Transportation Facilities that are located on or adjacent to, or that provide access to Federal lands. |
| Federal Lands Transportation Program (FLTP) (§§11112, division J; 23 U.S.C. 201, 203) | Provide funds for projects on Federal lands transportation facilities, which are facilities within or adjacent to, or that provide access to Federal lands owned and maintained by the Federal government and appearing in the nation Federal Lands transportation inventory. |
| Ferry Boat Program (FBP) (§§11121, 11117, 71103(g)(1); 23 U.S.C. 147, 23 U.S.C. 129) | Provide funds for construction of ferry boats and ferry terminal facilities by ferry systems in the States, Puerto Rico, and U.S. territories. |

For more details: https://www.fhwa.dot.gov/bipartisan-infrastructure-law/fact_sheets.cfm

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FEDERAL-AID HIGHWAY PROGRAMS: CHART 22 (CONTINUED)

IJA Federal FY 2022-2026

| Program | Description/Provisions |
|--|--|
| <p>Highway Safety Improvement Program (HSIP) (§11111; 23 U.S.C. 148)</p> | <p>Aims to achieve a significant reduction in traffic fatalities and serious injuries on all public roads, including non-State-owned public roads and roads on tribal lands. The HSIP requires a data-driven, strategic approach to improving highway safety on all public roads that focuses on performance.</p> |
| <p>Metropolitan Planning Program (§11201; 23 U.S.C. 134)</p> | <p>Establish a cooperative, continuous, and comprehensive framework for making transportation investment decisions in metropolitan areas. Program oversight is a joint Federal Highway Administration/Federal Transit Administration responsibility.</p> |
| <p>National Culvert Removal, Replacement, and Restoration Grants (§21203, Division J; 49 U.S.C. 6703)</p> | <p>Provide funding for projects that would meaningfully improve or restore passage for anadromous fish.</p> |
| <p>National Electric Vehicle Infrastructure (NEVI) Formula Program (Division J, Title VIII, Highway Infrastructure Program heading)</p> | <p>Provide Funding to States to strategically deploy electric vehicle (EV) charging infrastructure and to establish an interconnected network to facilitate data collection, access, and reliability.</p> |
| <p>National Highway Freight Program (NHFP) (§11114; 23 U.S.C. 167)</p> | <p>Improve the efficient movement of freight on the National Highway Freight Network (NHFN) and support</p> <ul style="list-style-type: none"> • investing in infrastructure and operational improvements that strengthen economic competitiveness, reduce congestion, reduce cost of freight; • improving the safety, security, efficiency, and resiliency of freight transportation in rural and urban areas; • improving the state of good repair of the NHFN; • using innovation and advanced technology to improve NHFN safety, efficiency, and reliability; • improving the efficiency and productivity of the NHFN; • improving State flexibility to support multi-State corridor planning and address highway freight connectivity; • reducing the environmental impacts of freight movement on the NHFN. |
| <p>National Highway Performance Program (§11105; 23 U.S.C. 119)</p> | <p>Provides support for the condition and performance of the National Highway System (NHS), for the construction of new facilities on the NHS, and to ensure that investments of Federal-aid funds in highway construction are directed to support progress toward the achievement of performance targets established in a State's asset management plan for the NHS.</p> |

For more details: https://www.fhwa.dot.gov/bipartisan-infrastructure-law/fact_sheets.cfm

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FEDERAL-AID HIGHWAY PROGRAMS: CHART 22 (CONTINUED)

IJA Federal FY 2022-2026

| Program | Description/Provisions |
|---|--|
| National Significant Federal Lands and Tribal Projects Program (§11127; FAST Act § 1123) | Provide funding for the construction, reconstruction, and rehabilitation of nationally significant projects on Federal or Tribal lands. |
| Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) Formula Program (§11405; 23 U.S.C. 176(c)) | Provide fund to help make surface transportation more resilient to natural hazards, including climate change, sea level rise, flooding, extreme weather events, and other natural disasters through support of planning activities, resilience improvements, community resilience and evacuation routes, and at-risk coastal infrastructure. |
| Railway-Highway Crossings Program (§11108; 23 U.S.C. 130) | Provides funds for safety improvements to reduce the number of fatalities, injuries, and crashes at public railway-highway grade crossings. |
| Reconnecting Communities Pilot Program (§11509; Division J) | Provide grants, on a competitive basis, to restore community connectivity by removing, retrofitting, or mitigating highways or other transportation facilities that create barriers to community connectivity, including barriers to mobility, access, or economic development. |
| Safe Streets and Roads for All (§24112; Division J) | Provide a discretionary grant supporting local initiatives to prevent death and serious injury on roads and streets, commonly referred to as "Vision Zero" or "Toward Zero Deaths initiatives. |
| Surface Transportation Block Grant Program (§11109; 23 U.S.C. 133) | Promotes flexibility in State and local transportation decisions and provides flexible funding to best address State and local transportation needs. |
| Territorial and Puerto Rico Highway Program (§11126; 23 U.S.C. 165) | Provide funds for a highway program in the Commonwealth of Puerto Rico, allocate funds to assist the government of the U.S. territories in constructing and improving a system of arterial and collector highways and necessary inter-island connectors. |
| Transportation Alternatives (TA) (§11109; 23 U.S.C. 133(h)) | Provides set-aside funds for projects and activities that were previously eligible under the Transportation Alternatives Program under the Moving Ahead for Progress in the 21st Century Act. This encompasses a variety of smaller-scale transportation projects such as pedestrian and bicycle facilities, recreational trails, safe routes to school projects, etc. |

For more details: https://www.fhwa.dot.gov/bipartisan-infrastructure-law/fact_sheets.cfm

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FEDERAL-AID TRANSIT PROGRAMS: CHART 23

IIJA Federal FY 2022-2026

| Program | Description/Provisions |
|--|--|
| All Stations Accessibility (IIJA Division J) | Provides competitive federal grants to assist eligible entities in financing capital projects to upgrade the accessibility of legacy rail fixed guideway public transportation systems for people with disabilities. |
| Bus and Bus Facilities & Low and No Emission Bus (49 U.S.C. § 5339, IIJA § 30018, IIJA Division J) | Provides capital funding to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities. Provides funding through a competitive process to States and transit agencies to purchase or lease low or no emission transit vehicles that use advanced technologies to help improve air quality and control climate change. |
| Bus Testing (49 U.S.C. § 5318, IIJA § 30008) | Funds one bus testing facility for testing new bus models for maintainability, reliability, safety, performance, structural integrity, fuel economy, emissions, and noise. |
| Capital Investment Grants (49 U.S.C. § 5309, IIJA § 30005) | Continues the Fixed Guideway Capital Investment Grants support transit capital projects including new and expanded rapid rail, commuter rail, light rail, streetcars, bus rapid transit, and passenger ferries. |
| Electric or Low Emitting Ferry Pilot (IIJA § 71102, IIJA Division J) | Makes federal funding available to provide grants for the purchase of electric or low-emitting ferries and the electrification of or other reduction of emissions from existing ferries. |
| Emergency Relief (49 U.S.C. § 5324 / IIJA § 30011) | Funds activities for protecting, repairing, and/or replacing equipment and facilities that may suffer or have suffered serious damage as a result of an emergency, including natural disasters such as floods, hurricanes, and tornadoes. |
| Enhanced Mobility of Seniors and Individuals with Disabilities (49 U.S.C. § 5310, IIJA Division J) | Funds transportation services planned, designed, and carried out to meet the special transportation needs of seniors and individuals with disabilities in all areas – large urbanized (200,000 or more in population), small urbanized (50,000-199,999 in population), and rural (under 50,000 in population). |
| Expedited Project Delivery (FAST Act § 3005(b)) | Continues the Expedited Project Delivery (EPD) Pilot program which is intended to expedite the delivery of new fixed guideway capital projects, small starts projects, or core capacity improvement projects that utilize public-private partnerships. |
| Ferry Service for Rural Communities (IIJA § 71103, IIJA Division J) | Makes federal resources available to states to ensure basic essential ferry service is provided to rural areas. |
| Formula Grants for Rural Areas (49 U.S.C. § 5311 / IIJA § 30006) | Provides capital, planning, and operating assistance to states and federally recognized Indian tribes to support public transportation in rural areas with populations less than 50,000, where many residents often rely on public transit to reach their destinations. It also provides funding for state and national training and technical assistance through the Rural Transportation Assistance Program. |
| Innovative Coordinated Access & Mobility Pilot (FAST Act § 3006(b)) | Funds capital projects to improve coordination and enhance access and mobility to vital community services for older adults, people with disabilities, and people of low income. |

For more details, visit: <https://www.transit.dot.gov/funding/grants/fta-program-fact-sheets-under-bipartisan-infrastructure-law>

FEDERAL-AID TRANSIT PROGRAMS: CHART 23 (CONTINUED)

IIJA Federal FY 2022-2026

| Program | Description/Provisions |
|---|--|
| Joint Development (49 U.S.C. § 5302(3)(G) / IIJA § 30001) | Allows FTA grant recipients to use FTA capital grant program funds or FTA-funded real property for joint development. |
| Metropolitan & Statewide and Nonmetropolitan Planning (49 U.S.C. §§ 5303-5305, IIJA §§ 30002-30004) | Provides funding and procedural requirements for multimodal transportation planning in metropolitan areas through a cooperative, continuous, and comprehensive planning process. The result of this process includes long and short-range planning and programming of transportation investment priorities. |
| National Transit Database (NTD) (49 U.S.C. § 5335, IIJA § 30014) | Serves as a repository for financial data, operating statistics, safety events, and asset conditions from American transit systems. FTA uses NTD data to apportion funding to urbanized and rural areas in the United States, to inform decision makers at all levels of government, and for research purposes. FTA collects this data from approximately 3,000 transit operators (NTD reporters). |
| Public Transportation Innovation (49 U.S.C. § 5312, IIJA § 30007) | Funds projects that promote innovative business models and products to deliver high quality, seamless and equitable mobility options for all travelers. |
| Public Transportation Safety (49 U.S.C. § 5329 / IIJA § 30012) | Includes a national public transportation safety plan, a safety certification training program, a public transportation agency safety plan, and a State Safety Oversight (SSO) program. |
| State of Good Repair (49 U.S.C. § 5337, IIJA § 30016, IIJA Division J) | Provides financial assistance to transit agencies that operate fixed-guideway and high-intensity motorbus systems for the maintenance, replacement, and rehabilitation of capital assets, including competitive grants for rail rolling stock, as well as for the development and implementation of transit asset management plans. Ensure public transportation operates safely, efficiently, reliably and sustainably. |
| Technical Assistance and Workforce Development (49 U.S.C. § 5314) | Intends to: (1) Carry out technical assistance activities that enable more effective and efficient delivery of transportation services, foster compliance with federal laws, and improve public transportation service; (2) Develop standards and best practices for the transit industry; and (3) Address public transportation workforce needs through research, outreach, training and the implementation of a frontline workforce grant program, and conduct training and educational programs in support of the public transportation industry. |
| Transit-Oriented Development (TOD) Planning Pilot (MAP-21 § 20005(b), IIJA § 30009) | Provides funding for efforts associated with an eligible transit project for which the project sponsor will seek funding through FTA's Capital Investment Grants Program. TOD focuses growth around transit stations to create compact, mixed-use communities with easy access to jobs and services. |
| Transit Asset Management (49 U.S.C. § 5326) | Enables transit agencies to implement strategic approaches to monitoring, maintaining, and replacing transit assets. |
| Urbanized Area Formula Grants (49 U.S.C. § 5307, § 5340) | Provides funding to public transit systems in Urbanized Areas (UZA) for public transportation capital, planning, job access and reverse commute projects, as well as operating expenses in certain circumstances. |

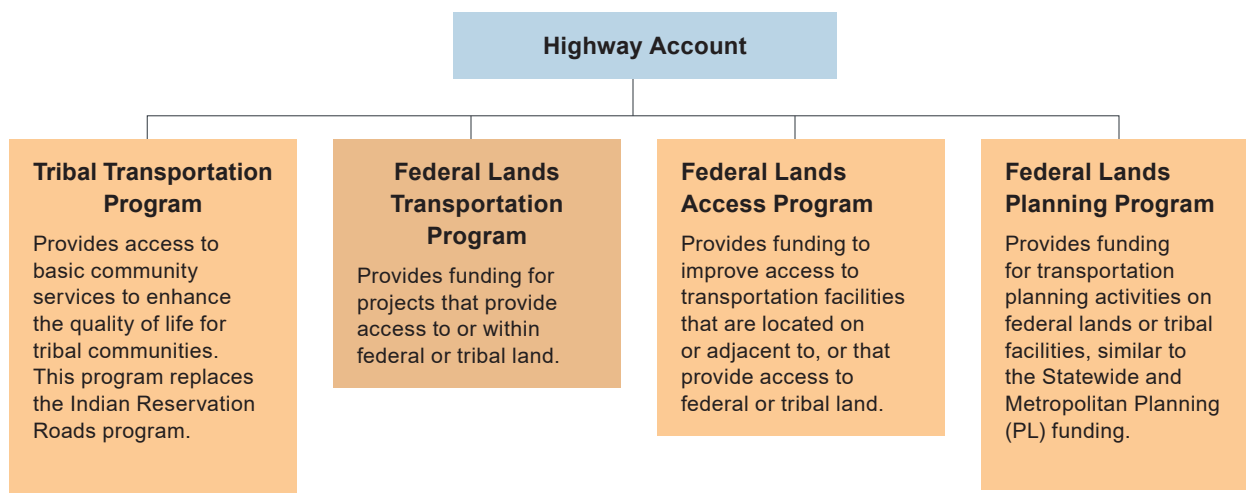
For more details: <https://www.transit.dot.gov/funding/grants/fta-program-fact-sheets-under-bipartisan-infrastructure-law>

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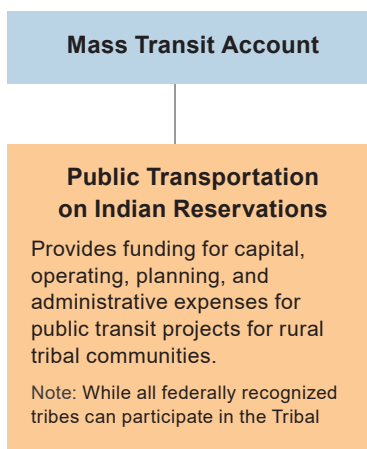
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TRIBAL GOVERNMENT TRANSPORTATION FUNDING: CHART 24

FHWA Programs



FTA Programs



Transportation Program (TTP), only those with a tribal transportation plan and a transportation improvement plan are eligible to receive TTP funds.

For more information on FHWA programs visit <https://highways.dot.gov/federal-lands/programs-tribal/finance>

For more information on the FTA program visit <https://www.transit.dot.gov/tribal-transit>

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SUMMARY OF STATE TRANSPORTATION INFRASTRUCTURE INVESTMENTS: CHART 25

| Category | Amount (in millions) Over Four - Year Period | Description/Provisions |
|-------------------------------------|---|---|
| Transit and Rail | \$7,700 General Fund | Support transit and rail infrastructure projects. Funding will be administered through the Transit and Intercity Rail Capital Program (TIRCP). |
| High-Speed Rail | \$4,200 Proposition 1A | Complete high-speed rail construction in the Central Valley. |
| Goods Movement and Ports | \$1,200 General Fund | Support port-specific projects that increase goods movement capacity on rail and roadways at port terminals, including railyard expansions, new bridges, and zero-emission modernization. |
| Active Transportation | \$1,000 General Fund | Support projects that encourage the increased use of active transportation and increase the safety and mobility of non-motorized users. |
| Grade Separation | \$350 General Fund | Support critical high priority grade separation safety improvements. |
| Climate Adaptation | \$200 General Fund | To identify transportation-related climate vulnerabilities, assist in developing and implementing projects to adapt infrastructure given climate change impacts. |
| Highways to Boulevards Pilot | \$150 General Fund | Establish the Reconnecting Communities: Highways to Boulevards Pilot Program in which underutilized highways are converted into multimodal corridors |
| Clean California | \$100 General Fund | Support the Clean California Program |

Source: California State Budget 2022-23

For more details, visit <https://ebudget.ca.gov/2022-23/pdf/Enacted/BudgetSummary/Transportation.pdf>.



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