

Department of Transportation

2012 STIP FE Draft Assumptions

Presented to the
California Transportation Commission
March 23, 2011

Assumptions Background

- Discussion of key assumptions
 - No Commission action required at this meeting
 - Importance & consequences
 - Department to work with Commission staff
 - Other assumptions

Assumptions Background

- Changes in law are unpredictable and often affect revenues after adoption of the FE
 - 2000 FE – AB 2928 created the TCRF & TIF
 - 2002 FE – AB 1750 partially suspended Prop 42
 - 2004 FE – SB 1099 fully suspended Prop 42
 - 2006 FE – Repayment of Prop 42 delayed
 - 2008 FE – Third appellate court ruling
 - 2010 FE – Fuel tax swap & Proposition 22

Objective of FE Assumptions

**BEGINNING
BALANCE**



**ANTICIPATED
REVENUES**



NON-PROGRAM COMMITMENTS

- Support
- Local Assistance
- Maintenance and Operations
- Other



EXISTING PROGRAM COMMITMENTS



**AVAILABLE FOR PROGRAMMING
(for next 5 years)**

**Assumptions
will affect
these
estimates**

Key Assumptions - Options

- Reenactment of the fuel tax swap
 - Recommendation: Fuel tax swap reenacted
 - All other options would require project delays in order to keep funding levels solvent
 - Likely to be resolved by May 2011 meeting
- Economic recovery & impact on revenues
 - Recommendation: Delayed recovery, then slow increase
 - State revenues for non-STIP: \$20.4B/FE period
 - State revenues for hwy STIP: \$ 3.0B/FE period

Key Assumptions - Options

- Federal revenues
 - Recommendation: 2008-09 actual level
\$3.0B of OA per year: \$15.2B/FE period
- Motor Vehicle Account transfers
 - Recommendation: No transfers over FE period
No transfers in at least the last ten years

Key Assumptions - Risks

- State Transit Assistance
 - Current law requires a 50 percent transfer of the sales tax on diesel revenues from the PTA
 - Current proposed budget displays a transfer equal to 75 percent
- Transportation loan repayments
 - Current law requires displaying the repayment according to statute
 - Budget action has delayed repayment in the past
 - Repayments not statutorily due until June

Key Assumptions - Risks

- Section 183.1 revenues
 - Current law requires transfer of prior year revenues to the Public Transportation Account over FE period
 - Current budget proposal requires a transfer to debt service in 2010-11 and 2011-12
 - Disposition uncertain over FE period
- Sales tax proposal through June 30, 2016
 - The 2012 FE will not include a sales tax extension over the FE period, unless enacted prior to adoption
 - Would raise \$1.9B over FE period

Next Steps

- Work with CTC staff
 - Incorporate changes and finalize assumptions
- Approve final assumptions at May 11-12 Commission meeting

- Remaining timeline:

Date	Objective
May 11-12	FE Assumptions approved by Commission.
June 22-23	Draft of FE presented to Commission.
August 10-11	Final FE presented to Commission for adoption.

- Adoption may be delayed due to pending legislation