

# Memorandum

*Making Conservation  
a California Way of Life*

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

Date: April 22, 2020

From: KC HANDREN   
Chief  
Division of Budgets

Subject: **FISCAL YEAR 2020-21 CALIFORNIA TRANSPORTATION FINANCING PACKAGE**

The California Transportation Financing Package is prepared annually and distributed by the Department of Transportation. The package summarizes the source and distribution of transportation funds at the state level and is based on the 2020-21 Governor's Proposed Budget. This package does not reflect the impacts that may occur as a result of the current COVID-19 pandemic.

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

- Chart A - "Source and Distribution of California State Motor Vehicle Fees and User Taxes"
- Chart B - "Transportation Bonds – 1A and 1B"
- Chart C - "Budgetary Flow of California State Fees and Taxes Designated for Transportation Purposes"
- Chart D - "Distribution of California Sales Tax Revenue"
- Chart E - "Motor Vehicle License Fee Distribution"
- Chart F - "State Transportation Revenues"
- Chart G - "Incremental Excise Tax Distribution"

Attachments

# CALIFORNIA TRANSPORTATION FINANCING SUMMARY

## FISCAL YEAR 2020-21

### BUDGET SUMMARY

On January 10, 2020, Governor Newsom released his 2020-21 Budget Proposal. This represents the initial step in the budgetary process that will ultimately lead to approval of the Budget Act in June of this year. The Governor's Budget proposes \$15.5 billion in expenditures for the California Department of Transportation (Caltrans), which reflects an increase of approximately \$832 million from the 2019-20 Enacted Budget.

The overall increase to Caltrans' budget reflects the Senate Bill 1 stabilization of excise tax rates and inflation-based adjustments to transportation taxes. The Governor's Proposal includes a decrease of approximately \$119 million in capital outlay expenditures and an increase in local assistance expenditures of approximately \$766 million. These projected expenditure changes reflect the ongoing outcomes of Senate Bill 1 program implementation. The proposal also includes changes to state operation expenditures due to increased Maintenance program workload related to litter abatement, and a funding shift from federal to state resources to more efficiently fund pavement projects. Positions are proposed to remain relatively unchanged.

The Governor's Budget aligns resources with transportation infrastructure needs. Highlighted 2020-21 Budget Change Proposals include:

- **Proposition 1B continuation**

Funding is proposed to continue the administration of the workload associated with Caltrans' responsibilities under Proposition 1B, the "Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006". The proposal reduces the current staffing over the next two years by approximately 12 positions and is consistent with recent historical workload reduction levels.

- **Interfund Transfer for Aeronautics Grant Program**

Funding proposal of \$2.5 million annually over the next four years to augment the Airport Improvement Program (AIP) Matching Grant Program. The AIP grants are used to fund safety, maintenance, operations and capital improvement projects at General Aviation or Reliever airports by serving as a portion of the local match required for federal AIP grants.

- **Transportation System Network Replacement**

A phase one funding proposal of \$5.4 million to develop, implement, and maintain a safety data system for public roadways that will meet federal mandates. The phase one funding is supported by the Caltrans Transportation Network System Replacement plan and California Department of Technology's Project Approval Lifecycle process.

- **Pedestrian and Bicyclist Safety Investigation**

A two-year funding proposal for 12 positions and \$2.2 million in State Highway Account funds. The proposal will augment the Pedestrian and Bicyclist Safety Investigation Programs and is consistent with the Federal Highway Safety Improvement Program (HSIP) goals. The Federal HSIP and annual safety performance goals provide the framework for achieving a Toward Zero Deaths goal.

- **ADA Infrastructure Program Funding**

A \$1 million permanent increase in State Highway Account funds to the Division of Traffic Operations to fund the Americans with Disabilities Act (ADA) infrastructure program. The funding will be used for consultant contracts to continue implementing and administering federal and state ADA requirements.

- **Litter Abatement**

A proposal for an increase phased in over four years with \$32 million in 2020-21 and increasing in future years through 2023-24. The increase in State Highway Account funds will address the increased workload in statewide litter abatement. Caltrans continues to provide a leadership role in litter abatement. However, litter is a statewide issue that requires involvement and cooperation between a variety of stakeholders from the community, private, and government sectors.

- **Highway Maintenance Project Funding**

The proposal is a \$96 million net-zero funding shift between federal and state funding. The fund conversion provides the Maintenance Program with greater flexibility to fund pavement projects without the need to get Federal Highway Administration approval.

- **Wildfire Litigation**

A proposed increase of \$1.7 million in State Highway Account funding for five years. The resources will provide legal services for wildfire litigation, a unique legal defense that includes a significant new case load. Wildfire litigation represents the largest potential liability that Caltrans has encountered because of the large number of plaintiffs and geographic areas damaged.

The California Transportation Financing Package illustrates the flow of specific dollars, from collection to distribution, and includes transportation funding financed by the issuance of general obligation bonds under the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B) and the High-Speed Passenger Train Bond Act of 2008 (Proposition 1A). Any changes made during the legislative process are not reflected in the package.

## **TRANSPORTATION FUNDS**

Transportation revenue is generated from user taxes and fees, and is deposited in separate funds. Within the funds are several accounts that help facilitate the accounting of all receipts and expenditures. An overview of the fund and account activity planned for 2020-21 is provided on the following pages. Please note, not all of the accounts listed are administered by Caltrans. The funds and accounts are:

### **Transportation Tax Fund**

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

### **State Transportation Fund**

- Advance Mitigation Account
- Aeronautics Account
- Local Airport Loan Account
- Motor Vehicle Account
- Public Transportation Account
- Road Maintenance and Rehabilitation Account
- State Highway Account
- Trade Corridor Enhancement Account
- Transportation Financing Subaccount

### **Other Funds**

- Greenhouse Gas Reduction Fund
- Historic Property Maintenance Fund
- State Route 710 Rehabilitation Account
- Traffic Congestion Relief Fund
- Transportation Debt Service Fund

## **Transportation Bonds**

- **Proposition 1B** – Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006
  - California Ports Infrastructure, Security, and Air Quality Improvement Account
  - Corridor Mobility Improvement Account
  - Trade Corridors Improvement Fund
  - Transportation Facilities Account
  - Public Transportation Modernization, Improvement and Service Enhancement Account
  - State-Local Partnership Program Account
  - Local Bridge Seismic Retrofit Account
  - Highway-Railroad Crossing Safety Account
  - Highway Safety, Rehabilitation, and Preservation Account
  - State Route 99 Account
- **Proposition 1A** – High-Speed Passenger Train Bond Fund of 2008

**TRANSPORTATION TAX FUND:****Highway Users Tax Account (0062)**

The Highway Users Tax Account (HUTA) receives transfers from the MVFA consisting of the net revenue (after statutory transfers) of diesel, gasoline and aviation fuel taxes. The proposed budget estimates that \$8,366,428,000 is available for distribution as follows:

<b>Highway Users Tax Account</b>	
Cities and Counties	\$1,125,504,000
Counties	369,535,000
Cities	248,403,000
State Parks and Recreation Fund	3,400,000
State Controller's Office	1,751,000
Supplemental Pension Payments	43,000
Statewide General Administrative Expenditures	105,000
Traffic Corridor Enhancement Account	322,814,000
Road Maintenance and Rehabilitation Account	2,135,492,000
Weight Fee Backfill	1,270,118,000
Balance to State Highway Account	2,889,263,000
Accumulated Balance	0
<b>Total</b>	<b>\$8,366,428,000</b>

**Motor Vehicle Fuel Account (0061)**

Revenues from taxes on gasoline, diesel, and aviation fuels are collected and deposited in the Motor Vehicle Fuel Account (MVFA). The proposed budget estimates that \$8,801,320,000 is available for distribution as follows:

<b>Motor Vehicle Fuel Account</b>	
Food and Agriculture Fund	\$67,398,000
Aeronautics Account	5,551,000
Department of Tax and Fee Administration	32,922,000
State Controller's Office	5,092,000
Supplemental Pension Payments	877,000
Statewide General Administrative Expenditures	3,253,000
Off-Highway Vehicle Trust Fund	60,120,000
State Parks and Recreation Fund	97,627,000
Harbors and Watercraft Revolving Fund	9,702,000
General Fund	152,350,000
Balance to Highway Users Tax Account	8,366,428,000
<b>Total</b>	<b>\$8,801,320,000</b>

**Motor Vehicle License Fee Account (0064)**

Motor Vehicle License fees and miscellaneous in-lieu fees are collected and deposited into the Motor Vehicle License Fee Account (see Chart E). The proposed budget estimates that \$779,534,000 is available for distribution as follows:

<b>Motor Vehicle License Fee Account</b>	
Local Revenue Fund 2011	\$749,030,000
Franchise Tax Board	7,716,000
Department of Motor Vehicles	20,479,000
State Controller's Office	17,000
Supplemental Pension Payments	440,000
Statewide General Administrative Expenditures	1,852,000
Accumulated Balance	0
<b>Total</b>	<b>\$779,534,000</b>

**STATE TRANSPORTATION FUND:****Advance Mitigation Account (2504)**

The Advance Mitigation Account was created to enhance communications between Caltrans and stakeholders in order to protect natural resources and to accelerate transportation infrastructure project delivery. The major revenue source is an annual appropriation from resources typically used for the SHOPP and the State Transportation Improvement Program (STIP). The proposed budget estimates that \$92,506,000 is available for distribution as follows:

<b>Advance Mitigation Account</b>	
Capital Outlay	\$30,000,000
Accumulated Balance	62,506,000
<b>Total</b>	<b>\$92,506,000</b>

**Aeronautics Account (0041)**

Excise taxes attributable to jet fuel and the distribution of motor vehicle fuel for use in propelling aircraft are transferred from the MVFA in the Transportation Tax Fund to the Aeronautics Account. The Aeronautics Account provides funding for grants to qualifying airports, for acquisition and development, and state dollars to local agencies to match federal funds for airport improvements. The proposed budget estimates that \$9,964,000 is available for distribution as follows:

<b>Aeronautics Account</b>			
	<b>State Funds</b>	<b>Federal Funds</b>	<b>Total Funds</b>
State Operations	\$4,378,000	\$456,000	\$4,834,000
Local Assistance	3,990,000	0	3,990,000
Public Transportation Account	30,000	0	30,000
Statewide General Administrative Expenditures	208,000	0	208,000
Accumulated Balance	902,000	0	902,000
<b>Total</b>	<b>\$9,508,000</b>	<b>\$456,000</b>	<b>\$9,964,000</b>

**Local Airport Loan Account (0052)**

The Local Airport Loan Account (LALA) is a subaccount of the Aeronautics Account. Monies deposited in the LALA represent payments of principal and interest received on loans made by Caltrans to local agencies for acquisition, construction, improvement, maintenance, and operation of local airports. The accumulated balance of this fund is used for future loans to local agencies. The proposed budget estimates that \$31,927,000 is available for distribution as follows:

<b>Local Airport Loan Account</b>	
Aeronautics Account	\$2,500,000
Local Assistance	117,000
Accumulated Balance	29,310,000
<b>Total</b>	<b>\$31,927,000</b>



**Motor Vehicle Account (0044)**

Motor vehicle registration, driver's license, and off-highway vehicle registration fees are collected and deposited into the Motor Vehicle Account. The proposed budget estimates that \$4,799,848,000 is available for distribution as follows:

<b>Motor Vehicle Account</b>	
State Highway Account	\$755,000
Motor Vehicle License Fee Account	905,000
General Fund	3,000
Off-Highway Vehicle Trust Fund	28,000
Environmental License Plate Fund	38,000
Secretary for Environmental Protection	2,213,000
Department of Justice	28,997,000
Judicial Branch	225,000
Energy Resources Conservation and Development Commission	192,000
California Highway Patrol	2,439,691,000
Department of Motor Vehicles	1,322,800,000
Department of Public Health	1,598,000
Commission on State Mandates	1,951,000
California State Transportation Agency	753,000
Air Resources Board	152,366,000
Franchise Tax Board	4,102,000
Department of Food and Agriculture	10,460,000
Office of Environmental Health Hazard Assessment	5,065,000
Department of Education	896,000
Supplemental Pension Payments	63,910,000
Statewide General Administrative Expenditures	208,470,000
Accumulated Balance	554,430,000
<b>Total</b>	<b>\$4,799,848,000</b>

**Public Transportation Account (0046)**

Resources in the Public Transportation Account (PTA) may only be used for transportation planning and mass transportation purposes. Due to the passage of Assembly Bills (AB) 6 and 9 of the Eighth Extraordinary Session of 2009-10 (Chapter 11, Statutes of 2010), Senate Bill 70 (Chapter 9, Statutes of 2010), and AB 105 (Chapter 6, Statutes of 2011), collectively known as the Fuel Tax Swap of 2010, the only remaining source of revenue for the PTA was the sales tax on diesel fuel. Due to the enactment of SB 1, a portion of the new TIF is transferred to the PTA. Additional resources are transferred into the PTA from the SHA for transportation planning purposes, and the Aeronautics Account for airport planning activities.

The accumulated balance in the table below represents resources available for future years, including commitments to existing projects and assets and liabilities from other departments that report on a modified accrual basis. The Governor's proposed budget estimates that \$2,944,503,000 is available for distribution as follows:

<b>Public Transportation Account</b>			
	<b>State Funds</b>	<b>Federal Funds</b>	<b>Total Funds</b>
State Operations	\$206,020,000	\$43,149,000	\$249,169,000
Local Assistance	890,167,000	166,057,000	1,056,224,000
Capital Outlay	21,193,000	32,382,000	53,575,000
Public Utilities Commission	8,448,000	0	8,448,000
State Controller's Office	19,000	0	19,000
California Transportation Commission	3,843,000	0	3,843,000
Supplemental Pension Payments Statewide General	1,963,000	0	1,963,000
Administrative Expenditures	3,987,000	0	3,987,000
University of California	980,000	0	980,000
State Transit Assistance (Local Assistance)	802,999,000	0	802,999,000
California State Transportation Agency	761,000	0	761,000
California State Transportation Agency (Local Assistance)	44,470,000	0	44,470,000
Cash Adjustment for Transportation Funds	-705,819,000	0	-705,819,000
Accumulated Balance	1,423,884,000	0	1,423,884,000
<b>Total</b>	<b>\$2,702,915,000</b>	<b>\$241,588,000</b>	<b>\$2,944,503,000</b>

**Road Maintenance and Rehabilitation Account (3290)**

The Road Maintenance and Rehabilitation Account (RMRA) was created as part of the Road Repair and Accountability Act of 2017, also known as SB 1. Pursuant to SB 1, the RMRA receives revenues attributable to increased fuel taxes, a portion of TIF and the new Road Improvement Fee (Zero-Emission Vehicles).

The resources made available through the RMRA will be used to address deferred maintenance and rehabilitation projects on the state highway system and the local streets and roads system. It will also fund allowable safety, rail, active transportation and trade corridor investments. After earmarks, the remaining revenues in the RMRA are divided evenly between state and local apportionments. The proposed budget estimates that \$4,530,888,000 will be available for distribution as follows:

<b>Road Maintenance and Rehabilitation Account</b>	
State Operations	\$765,744,000
Local Assistance	259,411,000
Capital Outlay	1,286,694,000
Cities and Counties	1,259,997,000
Department of Motor Vehicles	6,631,000
Air Resources Board	603,000
University of California	5,000,000
California State University	2,000,000
California Workforce Development Board (State Operations)	251,000
California Workforce Development Board (Local Assistance)	4,749,000
State Controller's Office	1,165,000
Statewide General Administrative Expenditures	10,751,000
State Highway Account	25,000,000
Accumulated Balance	902,892,000
<b>Total</b>	<b>\$4,530,888,000</b>

**State Highway Account (0042)**

The SHA is the largest transportation account and retains the bulk of resources available for the state's highway transportation system. The two major sources of revenue for the SHA are fuel taxes transferred from the HUTA, and reimbursements from the Federal Highway Trust Fund (FHTF) for federal-aid highway projects (see Chart A). Federal funds received by Caltrans come from federal fuel excise taxes that are deposited in the FHTF. The taxes are apportioned and allocated back to the state through the Federal Transportation Act and the federal budget. Each federal-aid highway project must be authorized, in advance, by the Federal Highway Administration. Additionally, federal funds must be obligated before the state can be reimbursed. Once the authorization process and obligation of funds are completed, the state can recover federal reimbursements based on the expenditures of federally-eligible projects.

The Weight Fee Swap of 2011 redirected all weight fees to the TDSF for transportation debt service payments and GF loans. In return, the SHA receives monthly backfill payments, from the incremental excise tax (formerly the price-based excise tax), equal to the sum of weight fees that were redirected from the account. Due to the enactment of SB 1, a portion of the new TIF is transferred to the SHA.

The accumulated balance in the following table represents resources available for future years, including commitments to existing projects, and assets and liabilities from other departments that report on a modified accrual basis. The proposed budget estimates that \$13,598,334,000 is available for distribution as reflected on the following page:

**State Highway Account**

	<b>State Funds</b>	<b>Federal Funds</b>	<b>Total Funds</b>
State Operations	\$3,137,795,000	\$897,670,000	\$4,035,465,000
Local Assistance	469,897,000	2,409,646,000	2,879,543,000
Capital Outlay	969,778,000	1,881,827,000	2,851,605,000
Unclassified	-	5,000,000	5,000,000
Public Transportation Account	25,046,000	-	25,046,000
Advance Mitigation Account	30,000,000	-	30,000,000
Environmental Enhancement and Mitigation	7,000,000	-	7,000,000
Air Resources Board	761,000	-	761,000
Secretary for Transportation Agency	2,264,000	-	2,264,000
California Transportation Commission	3,402,000	-	3,402,000
California Highway Patrol	85,970,000	-	85,970,000
Department of Motor Vehicles	8,348,000	-	8,348,000
Department of Conservation	12,000	-	12,000
Public Utilities Commission	8,130,000	-	8,130,000
University of California	1,000,000	-	1,000,000
Transportation Debt Service Fund	1,779,530,000	-	1,779,530,000
Interest Payments to Federal Government	2,000,000	-	2,000,000
Supplemental Pension Payments (State Operations)	61,582,000	-	61,582,000
Statewide General Administrative Expenditures (Pro Rata) (State Operations)	173,458,000	-	173,458,000
Cash Adjustment for Transportation Funds	-127,655,000	-	-\$127,655,000
Accumulated Balance	1,765,873,000	-	1,765,873,000
<b>Total</b>	<b>\$8,404,191,000</b>	<b>\$5,194,143,000</b>	<b>\$13,598,334,000</b>

**Trade Corridor Enhancement Account (3291)**

The Trade Corridor Enhancement Account (TCEA) was created as part of SB 1. The TCEA receives revenue from a portion of the increase to the diesel fuel excise tax authorized by SB 1. Funds in the account shall be available for expenditure upon appropriation by the Legislature for corridor-based freight projects nominated by local agencies and the state. The proposed budget estimates that \$845,238,000 will be available for distribution as follows:

<b>Trade Corridor Enhancement Account</b>	
State Operations	\$9,355,000
Local Assistance	197,020,000
Capital Outlay	448,199,000
Air Resources Board	605,000
Statewide General Administrative Expenditures	150,000
Accumulated Balance	189,909,000
<b>Total</b>	<b>\$845,238,000</b>

**Transportation Financing Subaccount (6801)**

The Transportation Financing Subaccount was created to receive the deposit of proceeds from the sale of tax-exempt or taxable notes, known as Grant Anticipation Revenue Vehicles (GARVEE). These notes were issued by the State Treasurer to finance selected large-scale federal transportation projects administered by Caltrans. The funds in the subaccount are attributable to the GARVEE bond sales from 2004 and 2008, and are continuously appropriated and available for use as directed by the California Transportation Commission.

<b>Transportation Financing Subaccount</b>	
Capital Outlay	\$1,000
Accumulated Balance	0
<b>Total</b>	<b>\$1,000</b>

**OTHER FUNDS:**

**Greenhouse Gas Reduction Fund (3228)**

The Greenhouse Gas Reduction Fund was created to advance the goals of the California Global Warming Solutions Act of 2006, which hopes to reduce greenhouse gas emissions and support long-term, transformative efforts to improve public health and develop a clean energy economy. Monies appropriated from the fund may be allocated for the purpose of reducing greenhouse gas emissions in the state through investments. The proposed budget estimates that \$779,000 is available to Caltrans for distribution as follows:

<b>Greenhouse Gas Reduction Fund</b>	
State Operations	\$779,000
Accumulated Balance	0
<b>Total</b>	<b>\$779,000</b>

**Historic Property Maintenance Fund (0365)**

The Historic Property Maintenance Fund provides funding for costs associated with the maintenance and operation of federally-designated or state historic properties that are owned by Caltrans and are located in a freeway right-of-way corridor. Revenues are derived from 50 percent of the rental receipts collected on these historic properties. The proposed budget estimates that \$2,881,000 is available for distribution as follows:

<b>Historic Property Maintenance Fund</b>	
State Operations	\$1,137,000
Accumulated Balance	1,744,000
<b>Total</b>	<b>\$2,881,000</b>

**State Route 710 Rehabilitation Account (2503)**

The State Route 710 Rehabilitation Account was created to repair surplus residential properties that will benefit citizens of low or moderate income subject to displacement. Revenues are derived from the sales of surplus residential property. The proposed budget estimates that \$2,500,000 is available for distribution as follows:

<b>State Route 710 Rehabilitation Account</b>	
State Operations	\$1,000,000
State Highway Account	1,000,000
Accumulated Balance	500,000
<b>Total</b>	<b>\$2,500,000</b>

**Traffic Congestion Relief Fund (3007)**

The Traffic Congestion Relief Fund provides funding for deferred maintenance on local streets and roads, and congestion relief projects. It provides additional transportation capacity in high growth areas of the state. The accumulated balance in the table below represents resources available for future years, including commitments to existing projects and assets and liabilities from other departments that report on a modified accrual basis. The proposed budget estimates that \$175,476,000 is available for distribution as follows:

<b>Traffic Congestion Relief Fund</b>	
State Operations	\$11,734,000
Cash Adjustment for Transportation Funds	11,823,000
Accumulated Balance	151,919,000
<b>Total</b>	<b>\$175,476,000</b>

**Transportation Debt Service Fund (3107)**

The TDSF was established for payment of debt service on bonds including those issued pursuant to the Clean Air and Transportation Improvement Act of 1990, the Passenger Rail and Clean Air Bond Act of 1990, the Seismic Retrofit Bond Act of 1996, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, and the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century. As part of the Weight Fee Swap, weight fees deposited into the SHA are subsequently transferred to the TDSF. The proposed budget estimates that \$1,779,530,000 is available for distribution as follows:

<b>Transportation Debt Service Fund</b>	
General Obligation Bonds	\$1,779,530,000
Accumulated Balance	0
<b>Total</b>	<b>\$1,779,530,000</b>



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

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

The 2020-21 proposed budget includes \$134 million for Proposition 1B bond programs and existing projects. This includes approximately \$96 million for Capital Outlay and nearly \$19 million for Local Assistance.

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

Bond funding of \$131,770,000 will be distributed from the Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 as follows:

<b>Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006</b>	
CA Ports Infrastructure, Security, and Air Quality Improvement Account	\$1,107,000
Corridor Mobility Improvement Account	12,278,000
Trade Corridors Improvement Fund	40,097,000
Transportation Facilities Account	13,070,000
Public Transportation Modernization, Improvement and Service Enhancement Account	11,420,000
State-Local Partnership Program Account	1,303,000
Local Bridge Seismic Retrofit Account	3,299,000
Highway-Railroad Crossing Safety Account	882,000
Highway Safety, Rehabilitation, and Preservation Account	21,384,000
State Route 99 Account	26,930,000
<b>Total</b>	<b>\$131,770,000</b>

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

The California Ports Infrastructure, Security, and Air Quality Improvement Account was established to fund infrastructure improvements along trade corridors, to reduce emissions from activities related to the movement of freight along California's trade corridors, and to fund port, harbor and ferry terminal security improvements. The proposed budget estimates that \$1,107,000 is available for distribution as follows:

<b>California Ports Infrastructure, Security, and Air Quality Improvement Account</b>	
Air Resources Board	\$1,107,000
<b>Total</b>	<b>\$1,107,000</b>

**Corridor Mobility Improvement Account (6055)**

The Corridor Mobility Improvement Account was established to fund performance improvements on the state highway system, or major access routes to the state highway system on the local road system that relieve congestion by expanding capacity, enhancing operations, or otherwise improving travel times within these high-congestion travel corridors. Projects are identified by Caltrans and regional or local transportation agencies and are allocated by the Commission. The proposed budget estimates that \$12,278,000 is available for distribution as follows:

<b>Corridor Mobility Improvement Account</b>	
State Operations	\$2,607,000
Capital Outlay	9,671,000
<b>Total</b>	<b>\$12,278,000</b>

**Trade Corridors Improvement Fund (6056)**

The Trade Corridors Improvement Fund was established to fund infrastructure improvements along federally-designated "Trade Corridors of National Significance" in the state or along other corridors within the state that have a high volume of freight movement, as determined by the Commission. The proposed budget estimates that \$40,097,000 is available for distribution as follows:

<b>Trade Corridors Improvement Fund</b>	
State Operations	\$5,461,000
Local Assistance	10,077,000
Capital Outlay	24,559,000
<b>Total</b>	<b>\$40,097,000</b>

**Transportation Facilities Account (6058)**

The Transportation Facilities Account was established to augment funding for projects included in the STIP (Government Code, Section 14525.5). The proposed budget estimates that \$13,070,000 is available for distribution as follows:

<b>Transportation Facilities Account</b>	
State Operations	\$587,000
Capital Outlay	12,483,000
<b>Total</b>	<b>\$13,070,000</b>

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

The Public Transportation Modernization, Improvement and Service Enhancement Account was established to fund intercity rail projects and commuter or urban rail operators, bus operators, waterborne transit operators, and other transit operators in California. The account is used for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or for rolling stock procurement, rehabilitation, or replacement. The proposed budget estimates that \$11,420,000 is available for distribution as follows:

<b>Public Transportation Modernization, Improvement and Service Enhancement Acct</b>	
State Operations	\$1,122,000
Capital Outlay	10,298,000
<b>Total</b>	<b>\$11,420,000</b>

**State-Local Partnership Program Account (6060)**

The State-Local Partnership Program Account provides dollar-for-dollar matching funds for eligible transportation projects nominated by applicant transportation agencies. The proposed budget estimates that \$1,303,000 is available for distribution as follows:

<b>State-Local Partnership Program Account</b>	
State Operations	\$1,303,000
<b>Total</b>	<b>\$1,303,000</b>

**Local Bridge Seismic Retrofit Account (6062)**

The Local Bridge Seismic Retrofit Account was established to provide the required match for federal Highway Bridge Replacement and Repair funds available to the state for seismic work on local bridges, ramps, and overpasses, as identified by Caltrans. The proposed budget estimates that \$3,299,000 is available for distribution as follows:

<b>Local Bridge Seismic Retrofit Account</b>	
State Operations	\$332,000
Local Assistance	2,967,000
<b>Total</b>	<b>\$3,299,000</b>

**Highway-Railroad Crossing Safety Account (6063)**

The Highway-Railroad Crossing Safety Account was established to fund the completion of high-priority grade separation and railroad crossing safety improvements pursuant to Chapter 10 (Sections 2450 - 2461) of Division Three of the Streets and Highways Code (SHC). A dollar-for-dollar match of non-state funds shall be provided for each project, and the limitation on maximum project costs in SHC, Section 2454(g), shall not be applicable to projects funded with this account. The proposed budget estimates that \$882,000 is available for distribution as follows:

<b>Highway-Railroad Crossing Safety Account</b>	
State Operations	\$282,000
Local Assistance	600,000
<b>Total</b>	<b>\$882,000</b>

**Highway Safety, Rehabilitation, and Preservation Account (6064)**

The Highway Safety, Rehabilitation, and Preservation Account was established to fund the SHOPP, traffic light synchronization, and other technology-based projects, in order to improve safety, operations, and the effective capacity of local streets and roads (Government Code, Section 14526.5). The proposed budget estimates that \$21,384,000 is available for distribution as follows:

<b>Highway Safety, Rehabilitation, and Preservation Account</b>	
State Operations	\$751,000
Local Assistance	4,883,000
Capital Outlay	15,750,000
<b>Total</b>	<b>\$21,384,000</b>

**State Route 99 Account (6072)**

The State Route 99 Account was established to provide funding for safety, operational enhancements, rehabilitation, or capacity improvements for the State Route 99 corridor that traverses approximately 400 miles of the state's central valley. The proposed budget estimates that \$26,930,000 is available for distribution as follows:

<b>State Route 99 Account</b>	
State Operations	\$3,992,000
Capital Outlay	22,938,000
<b>Total</b>	<b>\$26,930,000</b>

**PROPOSITION 1A – HIGH-SPEED PASSENGER TRAIN BOND FUND**

**High-Speed Passenger Train Bond Fund (6043)**

Proposition 1A, approved by voters in 2008, authorized \$9.95 billion in general obligation bonds to initiate the construction of a high-speed train system. The proposed budget includes \$492,145,000 for the Proposition 1A bond program as follows:

<b>High-Speed Passenger Train Bond Fund</b>	
Local Assistance	\$9,440,000
High-Speed Rail Authority	482,705,000
<b>Total</b>	<b>\$492,145,000</b>

**Attachments:**

Chart A: "Source and Distribution of California State Motor Vehicle Fees and User Taxes"  
Summarizes the source and distribution of the state motor vehicle and user taxes, and that of the State Highway Account.

Chart B: "Transportation Bonds"  
Shows sources and distribution of various bond funds for existing programs.

Chart C: "Budgetary Flow of California State Fees and Taxes Designated for Transportation Purposes"  
Shows the budgetary flow of state motor vehicle fees and fuel taxes in California, along with other fund sources that constitute the financing available to Caltrans, as displayed in the 2020-21 proposed Governor's Budget.

Chart D: "Distribution of California Sales Tax Revenue"  
Shows the distribution of sales tax revenues from gasoline and diesel fuel sales to the Public Transportation Account and the Transportation Investment Fund.

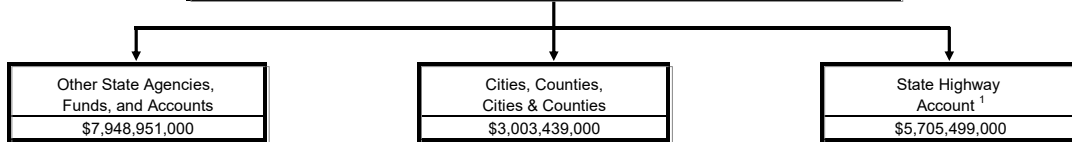
Chart E: "Motor Vehicle License Fee Distribution"  
Shows the distribution of revenues from motor vehicle license fees to the Motor Vehicle License Fee Account.

Chart F: "State Transportation Revenues"  
Shows the distribution of total transportation revenues from state motor vehicle fees and fuel taxes designated for transportation purposes.

Chart G: "Incremental Excise Tax Distribution"  
Shows the distribution of the incremental excise fuel tax for 2020-21 based on the proposed Governor's Budget.

**2020-21 Fiscal Year  
SOURCE AND DISTRIBUTION OF CALIFORNIA  
STATE MOTOR VEHICLE FEES AND USER TAXES**

FEES & USER TAXES:	
Motor Vehicle License Fees.....	\$778,529,000
Motor Vehicle Registration, Driver's License, .....	\$4,158,367,000
Off-Highway Registration	
Motor Vehicle Fuel Tax (Diesel).....	\$1,261,187,000
Motor Vehicle Fuel Tax (Gasoline and Jet Fuel).....	\$7,536,369,000
Motor Vehicle Registration (Weight Fees).....	\$1,270,118,000
Transportation Improvement Fee.....	\$1,642,420,000
Zero Emissions Vehicle Fee.....	\$10,899,000
<b>Total</b>	<b>\$16,657,889,000</b>



State Highway Account Resources:	
Reserves.....	\$2,546,409,000
Gasoline & Diesel Taxes.....	\$4,159,381,000
Motor Vehicle Weight Fees.....	\$1,270,118,000
Transportation Improvement Fee.....	\$250,000,000
Interest & Miscellaneous.....	\$279,938,000
Federal Reimbursement.....	\$5,194,143,000
Road Maintenance and Rehabilitation Account.....	\$25,000,000
Other .....	\$1,000,000
<b>Total Resources.....</b>	<b>\$13,725,989,000</b>

DEPARTMENT OF TRANSPORTATION			
State Operations:	Capital Outlay:	Local Assistance:	Unclassified:
Project Development and Other Capital Support.....	Right-of-Way Acquisition & Engineering, Construction & Management	Local Assistance.....	
Mass Trans. & Planning.....		Regional Planning.....	
Program Development.....			
Operations & Local Assist.....			
Maintenance.....			
Legal.....			
Office of Inspector General.....			
\$4,035,465,000	\$2,851,605,000	\$2,879,543,000	\$5,000,000

OTHER AGENCIES, ACCOUNTS AND FUNDS	
Advance Mitigation Account.....	\$30,000,000
Air Resources Board.....	\$761,000
Secretary for Transportation Agency.....	\$2,264,000
California Transportation Commission.....	\$3,402,000
California Highway Patrol.....	\$85,970,000
Department of Motor Vehicles.....	\$8,348,000
Department of Conservation.....	\$12,000
Environmental Enhancement and Mitigation Program Fund.....	\$7,000,000
Transportation Debt Service Fund.....	\$1,779,530,000
University of California.....	\$1,000,000
Interest Payments to Federal Government.....	\$2,000,000
Public Transportation Account.....	\$25,046,000
Public Utilities Commission.....	\$8,130,000
Supplemental Pension Payments.....	\$61,582,000
Statewide General Administrative Expenditures.....	\$173,458,000
\$2,188,503,000	

Reserve for Economic Uncertainties
\$1,765,873,000

<sup>1</sup> Includes resources that are transferred out for debt service.  
Note: Retail sales tax on diesel is not included.

# 2020-21 Fiscal Year TRANSPORTATION BONDS

## PROPOSITION 1B

<b>HIGHWAY SAFETY, TRAFFIC REDUCTION, AIR QUALITY, AND PORT SECURITY FUND OF 2006 (2660-6053) Government Code, Sections 8879.20 - 8879.37</b>	
Revenues (Proceeds from Sale of Bonds).....	\$131,770,000
Transfers:	
6054 - California Ports Infrastructure, Security, and Air Quality Improvement Account.....	-\$1,107,000
6055 - Corridor Mobility Improvement Account.....	-\$12,278,000
6056 - Trade Corridors Improvement Fund.....	-\$40,097,000
6058 - Transportation Facilities Account.....	-\$13,070,000
6059 - Public Transportation Modernization, Improvement and Service Enhancement Account.....	-\$11,420,000
6060 - State-Local Partnership Program Account.....	-\$1,303,000
6062 - Local Bridge Seismic Retrofit Account.....	-\$3,299,000
6063 - Highway-Railroad Crossing Safety Account.....	-\$882,000
6064 - Highway Safety, Rehabilitation, and Preservation Account.....	-\$21,384,000
6072 - State Route 99 Account.....	-\$26,930,000
<b>Total Resources.....</b>	<b>\$0</b>

## PROPOSITION 1A

<b>HIGH-SPEED PASSENGER TRAIN BOND FUND (2665-6043) Streets &amp; Highways Code, Sections 2704.04 - 2704.095</b>	
<b>Resources.....</b>	<b>\$492,145,000</b>
High-Speed Rail Authority	Local Assistance
<b>\$482,705,000</b>	<b>\$9,440,000</b>

<b>CA PORTS INFRASTRUCTURE, SECURITY, AND AIR QUALITY IMPROVEMENT ACCOUNT (3900-6054) Government Code, Section 8879.23(g)(c)</b>	
<b>Resources.....</b>	<b>\$1,107,000</b>
Air Resources Board	<b>\$1,107,000</b>

<b>STATE-LOCAL PARTNERSHIP PROGRAM ACCOUNT (2660-6060) Government Code, Section 8879.23(g)</b>	
<b>Resources.....</b>	<b>\$1,303,000</b>
State Operations	<b>\$1,303,000</b>

<b>CORRIDOR MOBILITY IMPROVEMENT ACCOUNT (2660-6055) Government Code, Section 8879.23(a)(1)</b>	
<b>Resources.....</b>	<b>\$12,278,000</b>
State Operations	Capital Outlay
<b>\$2,607,000</b>	<b>\$9,671,000</b>

<b>LOCAL BRIDGE SEISMIC RETROFIT ACCOUNT (2660-6062) Government Code, Section 8879.23(j)</b>	
<b>Resources.....</b>	<b>\$3,299,000</b>
State Operations	Local Assistance
<b>\$332,000</b>	<b>\$2,967,000</b>

<b>TRADE CORRIDORS IMPROVEMENT FUND (2660-6056) Government Code, Sections 8879.23(c)(1)(A) &amp; 8879.52</b>		
<b>Resources.....</b>	<b>\$40,097,000</b>	
State Operations	Local Assistance	Capital Outlay
<b>\$5,461,000</b>	<b>\$10,077,000</b>	<b>\$24,559,000</b>

<b>HIGHWAY-RAILROAD CROSSING SAFETY ACCOUNT (2660-6063) Government Code, Section 8879.23(j)(1)</b>	
<b>Resources.....</b>	<b>\$882,000</b>
State Operations	Local Assistance
<b>\$282,000</b>	<b>\$600,000</b>

<b>TRANSPORTATION FACILITIES ACCOUNT (2660-6058) Government Code, Section 8879.23(e)</b>	
<b>Resources.....</b>	<b>\$13,070,000</b>
State Operations	Capital Outlay
<b>\$587,000</b>	<b>\$12,483,000</b>

<b>HIGHWAY SAFETY, REHABILITATION, AND PRESERVATION ACCOUNT (2660-6064) Government Code, Section 8879.23(k)(1)</b>		
<b>Resources.....</b>	<b>\$21,384,000</b>	
State Operations	Local Assistance	Capital Outlay
<b>\$751,000</b>	<b>\$4,883,000</b>	<b>\$15,750,000</b>

<b>PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT (2660-6059) Government Code, Section 8879.23(f)(1)</b>	
<b>Resources.....</b>	<b>\$11,420,000</b>
State Operations	Capital Outlay
<b>\$1,122,000</b>	<b>\$10,298,000</b>

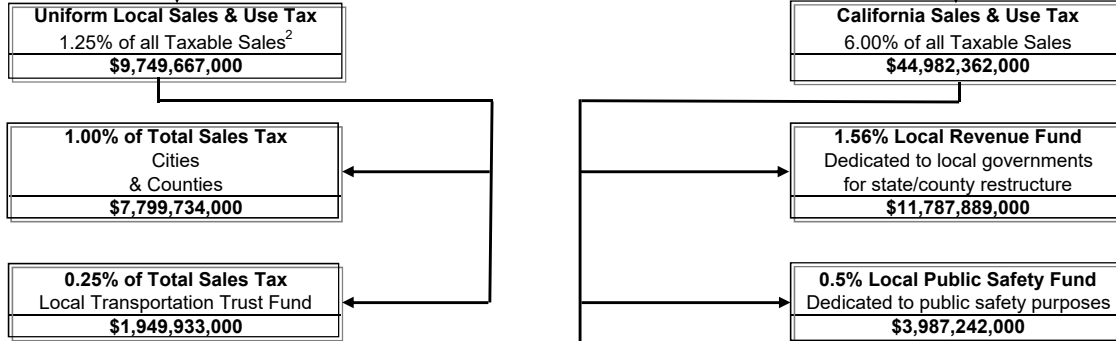
<b>STATE ROUTE 99 ACCOUNT (2660-6072) Government Code, Section 8879.23(b)</b>	
<b>Resources.....</b>	<b>\$26,930,000</b>
State Operations	Capital Outlay
<b>\$3,992,000</b>	<b>\$22,938,000</b>



**2020-21 Fiscal Year**  
**DISTRIBUTION OF CALIFORNIA SALES TAX REVENUE**  
 Dollar amounts are approximate and based on 2020-21 Governor's Proposed Budget  
 and 2020-21 Department of Finance sales tax forecasts

**TOTAL SALES TAX REVENUE**

<b>7.25% of all Taxable Sales<sup>1</sup></b>
Note: State sales tax is automatically reduced by 0.25% if the state reserve exceeds 3% of General Fund revenues excluding the revenues derived from the 0.25% sales and use tax rate.
<i>(Revenue and Taxation Code, Sections 6051, 6051.15, 6051.2, 6051.3-6051.45, 6051.5, 6201, 6201.15, 6201.2, 6201.3, 6201.5, 7202 &amp; 7203, and Section 35 &amp; 36, Article XIII of State Constitution)</i>
<b>\$54,732,029,000</b>



Retail Sales Tax Fund (Revenue & Taxation Code, Section 7101)		
Diesel Sales Tax <sup>1</sup>	Gasoline Sales Tax <sup>1</sup>	All Other Sales Tax
<b>\$964,441,000</b>	<b>\$0</b>	<b>\$28,242,790,000</b>

<b>Public Transportation Account</b>
<b>\$964,441,000</b>

<b>General Fund</b>
<b>\$28,242,790,000</b>

Public Transportation Account	
Resources:	
Diesel Sales Tax.....	\$964,441,000
Transportation Improvement Fee...	\$367,719,000
Investment Income.....	\$30,661,000
Reserves.....	\$1,315,018,000
State Highway Account.....	\$25,046,000
Aeronautics Account.....	\$30,000
Federal Trust Fund.....	\$241,588,000
	<b>\$2,944,503,000</b>

<b>State Transit Assistance</b> <i>(Public Utilities Code, Section 99313.6)</i>
<b>\$802,999,000</b>

<b>Department of Transportation</b> <i>(Public Utilities Code, Section 99310 et seq.)</i>
<b>\$2,077,033,000</b>

<b>Other Agencies</b> <i>(Public Utilities Code, Section 99315 and various Budget Act appropriations)</i>
<b>\$64,471,000</b>

<sup>1</sup> Total Sales and Use Tax collected on diesel is 13%. The Fuel Tax Swap (ABX8 6) enacted in March 2010, eliminated state sales tax on gasoline for transportation programs, and increased sales tax on diesel fuel by 1.75% beginning in 2014-15 pursuant to R&TC 6051.8(a). Senate Bill 1, enacted in April 2017, increased sales tax on diesel fuel by 4% beginning in November 2017 pursuant to R&TC 6051.8(b)  
<sup>2</sup> Counties may impose additional district taxes for special purposes (mass transit systems, schools, public safety projects, etc.).

Notes: Amounts may not sum to totals due to independent rounding.  
 Taxes imposed, collected and deposited into the State Fiscal Recovery Fund per R&TC 6051.5 have ceased, and the State Fiscal Recovery Fund, historically shown, has been removed from this chart.

**2020-21 Fiscal Year  
MOTOR VEHICLE LICENSE FEE DISTRIBUTION**

<p>MOTOR VEHICLE LICENSE FEE REVENUE*</p> <p>Revenue and Taxation Code, Sections 10752</p> <p>Vehicle License Fee</p> <p>0.65% of market value as determined by the Department of Motor Vehicles (annual amount).</p>
<p><b>\$3,104,186,000</b></p>

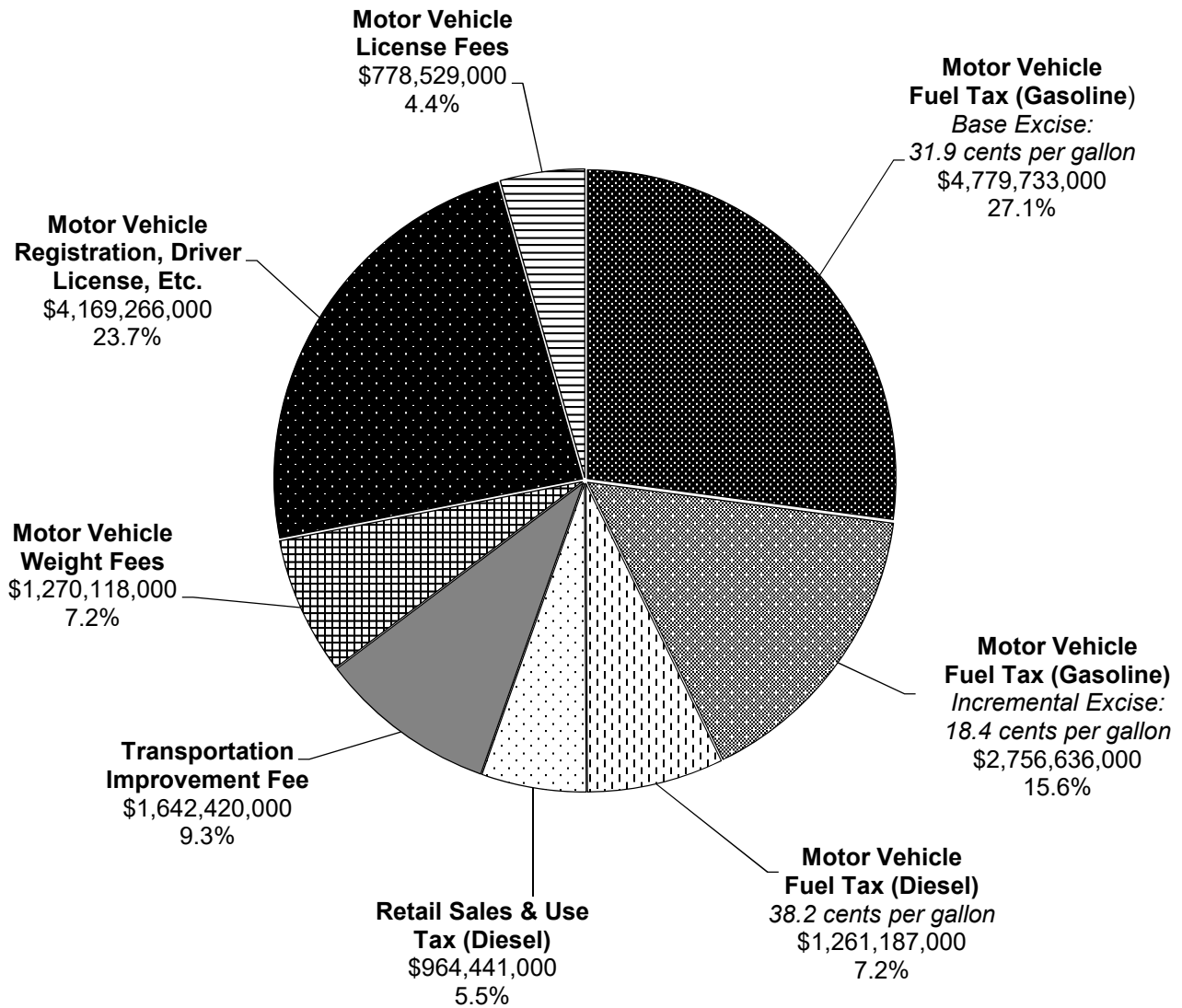
<p>MOTOR VEHICLE LICENSE FEE ACCOUNT</p>	
<p><b>Resources:</b></p>	
Reserves.....	\$0
25.1% of Vehicle License Fees.....	\$778,529,000
Investment Income.....	\$100,000
Motor Vehicle Account Transfers.....	\$905,000
Local Revenue Fund 2011 Transfers.....	-\$749,030,000
<b>Total Resources.....</b>	<b>\$30,504,000</b>
<p><b>Disbursements:</b></p>	
State Controller's Office.....	\$17,000
Franchise Tax Board.....	\$7,716,000
Department of Motor Vehicles.....	\$20,479,000
Supplemental Pension Payments.....	\$440,000
Statewide General Administrative Expenditures.....	\$1,852,000
<b>Total Disbursements.....</b>	<b>\$30,504,000</b>
Accumulated Balance.....	\$0

<p>LOCAL REVENUE FUND</p> <p>(Motor Vehicle License Fee portion only)</p>	
74.9% of Vehicle License Fees.....	\$2,325,657,000
<p><b>\$2,325,657,000</b></p>	

\* Distribution of Vehicle License Fee revenue revised to 25.1% / 74.9%  
(State / Local) split by Revenue and Taxation Code, Section 11001.5.

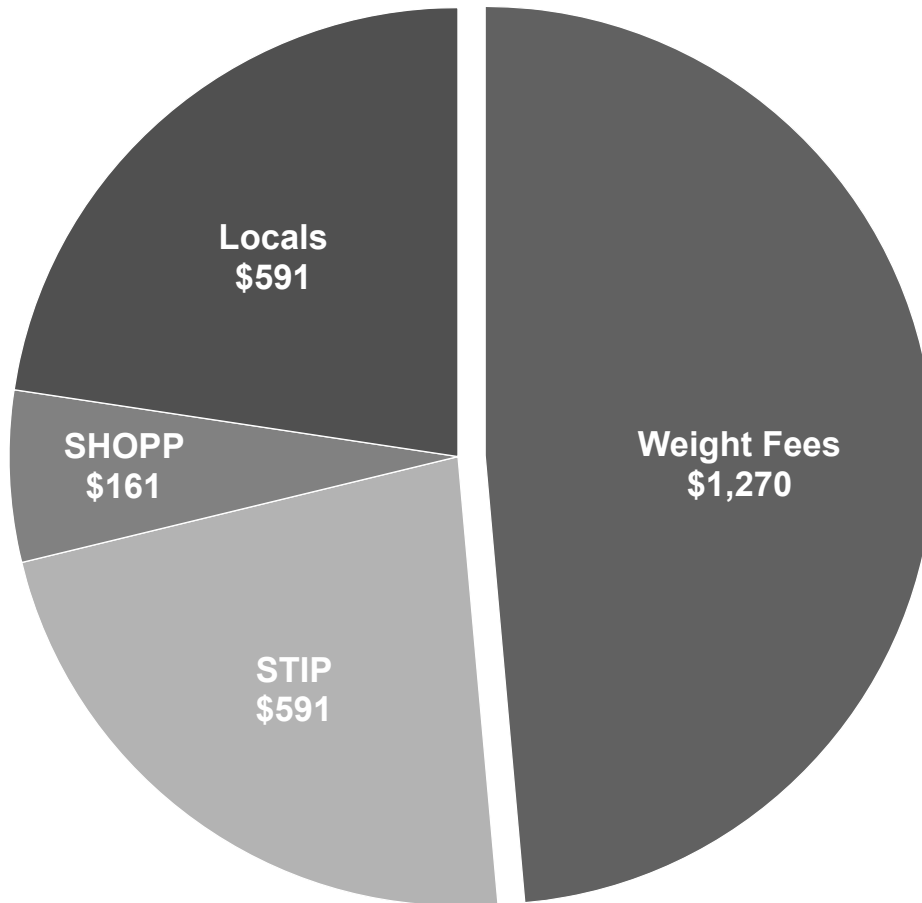
**2020-21 Fiscal Year  
STATE TRANSPORTATION REVENUES**  
From California State Motor Vehicle Fees and Taxes

**\$17.622 Billion  
Total Revenues**



**Notes:** Does not include funding from the various bond revenues.  
 Motor Vehicle Registration, Driver License, Etc. total includes Zero-Emission Vehicle Fees.  
 Motor Vehicle Fuel Tax (Gasoline) Base Excise Tax total includes Jet Fuel.  
 Motor Vehicle Fuel Tax (Diesel) total includes Use Fuel.  
 Weight Fees are transferred to the TDSF for transportation bond debt service, per Vehicle Code, Section 9400.4.

**2020-21 Fiscal Year  
INCREMENTAL EXCISE TAX DISTRIBUTION  
(\$ in millions)**



**\$2.6 Billion  
Rate: 18.4 cpg**

**Notes:** The dollar figures are based on revenue projections in the 2020-21 Governor's Proposed Budget and are subject to change.  
General Fund transfers are not displayed in the chart.