

Memorandum

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

Date: May 1, 2024

From: KEITH DUNCAN
Chief *Keith Duncan*
Division of Budgets

Subject: **FISCAL YEAR 2024-25 CALIFORNIA TRANSPORTATION FINANCING PACKAGE**

The California Transportation Financing Package is prepared annually and distributed by the California Department of Transportation Division of Budgets. The package summarizes and illustrates the source and distribution of transportation funds at the state level based on the 2024-25 Governor's Proposed Budget that was released on January 10, 2024.

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 2024-25

BUDGET SUMMARY

On January 10th, Governor Newsom released the proposed budget for the upcoming 2024-25 fiscal year, which represents the initial step in the budgetary process that will ultimately lead to approval of the Budget Act in June later this year. The proposed budget for the California Department of Transportation (Caltrans) is approximately \$17.5 billion, a decrease of over \$3 billion (15 percent) from the current 2023-24 enacted budget. A projected reduction in Capital Outlay and Local Assistance expenditures of approximately 25 percent and 19 percent, respectively, comprise most of the change from the current fiscal year. These reductions are attributed to the shifting of funds from the General Fund to outer years, a decrease in reimbursement authority, and stabilization of federal funding levels for funds that flow through Caltrans for California.

The proposed \$3 billion decrease to Caltrans' budget is spread across multiple areas. It includes a net increase of \$182 million in State Operations, due to a combination of the expected budgetary adjustments and increases from multiple Budget Change Proposals to support departmental operations. The decreases to both Capital Outlay (net decrease of \$2.1 billion) and Local Assistance (net decrease of \$1.1 billion) are largely attributed to General Fund funding solutions (shifting funds to outer fiscal years and reductions), a decreased need for reimbursement authority for work we perform for others in the upcoming budget year, as well as a stabilization of federal funding levels to account for known formula and anticipated discretionary and grant funding that is projected for the upcoming fiscal year.

Specific to transportation related revenues during the upcoming 2024-25 fiscal year, the Governor's Budget projects gross state gasoline and diesel excise tax collections of approximately \$7.8 billion and \$1.5 billion, respectively. These amounts represent a nominal decrease to gasolines excise collections and a 2.5 percent decrease to diesel excise collections compared to previously Enacted Budget projections for the current 2023-24 fiscal year. Compared to 2023-24, Transportation Improvement Fee projections for 2024-25 increased by seven percent to \$2.5 billion, while diesel sales tax decreased between the same periods by three percent to \$1.3 billion.

2024-25 Budget Change Proposals

The 2024-25 Governor's Budget includes multiple Caltrans Budget Change Proposals to support high priority departmental operations.

- **Equipment Fleet Replacement** – A proposed two-year request of \$279 million and 50 limited-term positions annually to continue replacing its aging fleet and installing zero emission vehicle infrastructure to meet state mandates and regulations.

- **California High Speed Rail Reimbursement Authority (CHSRA)** – A proposed two-year continuation of reimbursement authority of \$3 million and 11 limited-term positions for ongoing real property acquisition and management legal services provided to the CHSRA.
- **Transportation System Network Replacement (TSNR)** – A proposed one-time request of \$4.2 million and eight limited-term positions for year 4 project costs. The new enterprise TSNR safety data system will provide storage for required data, support advanced safety analysis and performance measures to improve roadway safety, reduce fatalities and injuries for all road users including pedestrians and bicyclists on all public roads, and support “Toward Zero Deaths” goal.
- **Wildfire Litigation** – A proposed four-year continuation of \$4.3 million annually for Wildfire Litigation costs which may include, but are not limited to, depositions, court reporters, reprographic services, aerial photography, jury consultants, trial support, and attorney fees.
- **Road Usage Charge Pilot (Senate Bill 339)** – A proposed two-year continuation of \$1 million annually and six limited-term positions to conduct a road charge revenue collection pilot to implement requirements of Senate Bill 339. The resources will enable continued research into the feasibility of transportation revenue from a fee charged per mile per vehicle travel (a road charge).
- **Transportation Infrastructure Workforce Funding** – A proposed \$50 million in authority over four years to invest in workforce development education and training in collaboration with the California Workforce Development Board and other partners.
- **Enterprise Data Storage Expansion** – A proposed one-time increase of \$12.8 million in FY 2024-25 and \$10.2 million permanently beginning in FY 2025-26 to continue expansion of data storage, protect and maintain equipment, and complete network infrastructure upgrades to enable efficient access to very large data sets at designated locations throughout the state.
- **Enterprise Data Governance Technology Solution Implementation** – A proposed one-time increase of \$7.7 million for equipment, software, and consulting services. These resources are needed to procure and implement a suite of enterprise data governance-related tools for data stewards and data custodians to provide documented, quality controlled, findable, and accessible data to consumers.
- **FI\$Cal Onboarding Planning** – A proposed one-year increase of \$13.5 million for 34 limited-term positions and professional consulting services, to support the transition and onboarding to the FI\$Cal system.
- **Continuation of Proposition 1B Administrative Support** – A proposed two-year extension of 11 positions, totaling \$1.7 million, to continue the administration and

workload associated with Caltrans' responsibilities under Proposition 1B, the "Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006".

- **Bridge and Tunnel Safety Inspections** – A proposed increase of \$6.6 million and 12 positions in FY 2024-25, plus an additional 16 positions in FY 2025-26 for a total of 28 positions, and \$8.5 million ongoing to address the requirements in the new National Bridge Inspection Standards and the new specifications for the National Bridge Inventory and address increased workload required by federally mandated safety inspections.
- **Culvert Inspection Program Statewide Crew Augmentation** – A proposed increase of 29 positions in FY 2024-25, an additional 21 positions in FY 2025-26 for a total of 50 positions, and \$8.1 million ongoing to meet the culvert inspection requirements outlined in the federal Infrastructure Investment and Jobs Act.
- **Administration Program Support** – A proposed permanent increase of 38 positions and \$4.7 million for administration support to adequately address increased workload requirements commensurate with departmental program growth and expanded Program requirements, responsibilities, and functions.
- **Equal Employment Opportunity Program (EEO) Support** – A proposed permanent increase of 10 positions and \$2.1 million for EEO support and to implement equity related actions, trainings, and departmental policies.
- **California Integrated Travel Project (Cal-ITP)** – A proposed permanent increase of 70 positions and \$26.3 million, phased over multiple years, for the California Integrated Mobility Program to institutionalize the Cal-ITP and to build a Data and Digital Services Division.
- **Distributed Programs Abolishment & Administration Fund Consolidation** – A proposed request to transition from a distributed Administration and Equipment Program to a centralized Administration and Equipment Program as well as to consolidate funding to the State Highway Account. This will have a net zero impact on the Programs.

Other Budget Proposals for Transportation

The proposed Budget includes adjustments to transportation infrastructure to account for a reduction in forecasted General Fund revenue. The Budget includes a reduction of more than \$1 billion from the General Fund, partially offset by proceeds into the Greenhouse Gas Reduction Fund, for a net reduction of \$200 million, which would impact the future cycle of the Active Transportation Program. The Budget also proposes a series of funding delays (or deferrals) across various programs, which are identified as not having a programmatic impact. The specific proposed solutions are:

- **Statewide, Regional, and Local Transit and Rail Projects (Competitive Grants)** – A delay of \$2.1 billion of General Fund funding to as late as 2027-28 to align the budget with planned expenditure schedules. This shift will have no programmatic impacts or result in delays to awarded projects.
- **Statewide, Regional, and Local Transit and Rail Projects (Formula Grants)** – A delay of \$1 billion of formula Transit and Intercity Rail Capital Program funds from 2024-25 to 2025-26, leaving \$1 billion for this program in 2024-25. This fund shift will have no programmatic impact.
- **Active Transportation Program** – A delay of \$400 million of General Fund funding from 2021-22 to 2024-25 and 2025-26 to align with expenditure schedules. This funding shift will not have programmatic impact or result in delays to awarded projects.
- **Highways to Boulevards (Reconnecting Communities)** – A delay of \$150 million of General Fund funding from 2021-22 to 2024-25 through 2026-27 to align funding with projected expenditure plans. This shift will have no programmatic impacts.
- **Port and Freight Infrastructure Program** – A delay of \$100 million of General Fund funding from 2021-22 to 2025-26 to align funding with projected expenditure plans. This shift will have not programmatic impacts or result in delays to awarded projects.
- **Vacant Position Savings** - The Department of Finance will work closely with departments and agencies to determine the appropriate reductions associated with vacant positions in 2024-25. Appropriations reduced through this process will revert to full funding levels in future budget years.
- **Telework Stipend Savings** - The state will negotiate with each bargaining unit for the elimination of the telework stipend first offered to state employees in 2021-22. The Budget includes estimated savings of \$51.2 million (\$25.6 million General Fund), assuming the stipend is eliminated beginning with the July 2024 pay period. The state will make every attempt to reach these savings through collective bargaining.
- **Payroll Deferral** - The Budget proposes to defer state employees' payroll costs from June 30, 2025, to July 1, 2025. Deferring one month of payroll, estimated at \$3.2 billion (\$1.6 billion General Fund), will shift the associated costs from 2024-25 to 2025-26. This budgetary solution will reduce costs in 2024-25 to address the projected budget deficit. The proposed solution will only be reflected in the state's accounting and will not affect the timing of payments issued to state employees.

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 into 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 2024-25 is provided on the following pages. Please note, not all 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 Motor Vehicle Fuel Account (MVFA) consisting of the net revenue (after statutory transfers) of diesel and gasoline fuel taxes. The proposed budget estimates that \$8,839,500,000 is available for distribution as follows:

Highway Users Tax Account	
Cities and Counties	\$1,155,043,000
Counties	396,982,000
Cities	288,928,000
State Parks and Recreation Fund	3,400,000
State Controller's Office	1,942,000
Supplemental Pension Payments	0
Statewide General Administrative Expenditures	132,000
Traffic Corridor Enhancement Account	385,086,000
Road Maintenance and Rehabilitation Account	2,259,884,000
Weight Fee Backfill	1,363,199,000
Balance to State Highway Account	2,984,904,000
Accumulated Balance	0
Total	\$8,839,500,000

Motor Vehicle Fuel Account (0061)

Revenues from excise taxes on gasoline, diesel, and aviation fuels are collected and deposited in the MVFA. The proposed budget estimates that \$9,327,615,000 is available for distribution as follows:

Motor Vehicle Fuel Account	
Food and Agriculture Fund	\$85,216,000
Aeronautics Account	6,473,000
Department of Tax and Fee Administration	36,677,000
State Controller's Office	5,724,000
Supplemental Pension Payments	730,000
Statewide General Administrative Expenditures	4,563,000
Off-Highway Vehicle Trust Fund	63,004,000
State Parks and Recreation Fund	102,612,000
Harbors and Watercraft Revolving Fund	14,483,000
General Fund	168,633,000
Balance to Highway Users Tax Account	8,839,500,000
Total	\$9,327,615,000

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 \$874,130,000 is available for distribution as follows:

Motor Vehicle License Fee Account	
Local Revenue Fund 2011	\$853,926,000
Franchise Tax Board	7,403,000
Department of Motor Vehicles	12,005,000
State Controller's Office	17,000
Supplemental Pension Payments	354,000
Statewide General Administrative Expenditures	425,000
Accumulated Balance	0
Total	\$874,130,000

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. Initial funding transfers were from the State Highway Account (SHA) of resources typically used for the State Highway Operation and Protection Program (SHOPP) and the State Transportation Improvement Program (STIP). The account is intended to be self-sustaining through acquisition and development of mitigation credits and reimbursement from transportation projects for use of those credits. The proposed budget estimates that \$131,143,000 is available for distribution as follows:

Advance Mitigation Account	
Capital Outlay	\$5,000,000
Accumulated Balance	126,143,000
Total	\$131,143,000

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 \$15,032,000 is available for distribution as follows:

Aeronautics Account			
	State Funds	Federal Funds	Total Funds
State Operations	\$4,627,000	\$467,000	\$5,094,000
Local Assistance	3,990,000	0	3,990,000
Public Transportation Account	30,000	0	30,000
Statewide General Administrative Expenditures	158,000	0	158,000
Accumulated Balance	5,760,000	0	5,760,000
Total	\$14,565,000	\$467,000	\$15,032,000

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 \$21,124,000 is available for distribution as follows:

Local Airport Loan Account	
Aeronautics Account	\$0
Local Assistance	3,320,000
Accumulated Balance	17,804,000
Total	\$21,124,000

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 \$5,063,635,000 is available for distribution as follows:

Motor Vehicle Account	
State Highway Account	\$4,375,000
Motor Vehicle License Fee Account	2,589,000
General Fund	166,000
Environmental License Plate Fund	220,000
Interest Transfer to Other Accounts	73,000
Secretary for Environmental Protection	2,418,000
Department of Justice	33,043,000
Judicial Branch	250,000
Energy Resources Conservation and Development Commission	236,000
California Public Employees' Retirement Fund	0
California Highway Patrol	3,008,601,000
Department of Motor Vehicles	1,341,876,000
Department of Public Health	1,723,000
Commission on State Mandates	1,869,000
California State Transportation Agency	1,822,000
Air Resources Board	177,653,000
Franchise Tax Board	3,929,000
Department of Food and Agriculture	11,957,000
Office of Environmental Health Hazard Assessment	5,463,000
Department of Education	1,150,000
Supplemental Pension Payments	74,479,000
Statewide General Administrative Expenditures	237,410,000
Accumulated Balance	152,333,000
Total	\$5,063,635,000

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. With the enactment of Senate Bill (SB) 1, the PTA also receives deposits of the Transportation Improvement Fee (TIF). Other resources include annual transfers from the SHA and the Aeronautics Account for planning cost.

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 \$3,839,126,000 is available for distribution as follows:

Public Transportation Account			
	State Funds	Federal Funds	Total Funds
State Operations	\$235,757,000	\$48,148,000	\$283,905,000
Local Assistance	366,294,000	215,400,000	581,694,000
Capital Outlay	24,035,000	15,000,000	39,035,000
Public Utilities Commission	9,994,000	0	9,994,000
State Controller's Office	19,000	0	19,000
California Transportation Commission	4,871,000	0	4,871,000
Supplemental Pension Payments	1,988,000	0	1,988,000
Statewide General Administrative Expenditures	5,535,000	0	5,535,000
University of California	980,000	0	980,000
State Transit Assistance (Local Assistance)	1,060,693,000	0	1,060,693,000
California State Transportation Agency (State Operations)	1,763,000	0	1,763,000
California State Transportation Agency (Local Assistance)	59,766,000	0	59,766,000
High-Speed Rail Authority	3,052,000	0	3,052,000
Office of the Inspector General			
Cash Adjustment for Transportation Funds	-39,365,000	0	-39,365,000
Accumulated Balance	1,825,196,000	0	1,825,196,000
Total	\$3,560,578,000	\$278,548,000	\$3,839,126,000

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 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 \$7,271,904,000 will be available for distribution as follows:

Road Maintenance and Rehabilitation Account	
State Operations	\$827,531,000
Local Assistance	378,237,000
Capital Outlay	576,746,000
Cities and Counties	1,695,185,000
Department of Motor Vehicles	9,942,000
University of California	5,000,000
California State University	2,000,000
State Controller's Office	683,000
Statewide General Administrative Expenditures	10,104,000
Air Resources Board	19,000
State Highway Account	25,000,000
Accumulated Balance	3,741,457,000
Total	\$7,271,904,000

State Highway Account (0042)

The SHA is the state's primary transportation account and retains a large portion of the resources available for the state's highway transportation system. The primary sources of revenue for the SHA are fuel taxes transferred from the HUTA, and reimbursements from the Federal Highway Trust Fund for federal-aid highway projects (see Chart A). Federal funds received by Caltrans come from federal fuel excise taxes paid by consumers at the pump. 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 Transportation Debt Service Fund (TDSF) for transportation debt service payments and General Fund 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.

Pursuant to SB 1, a portion of the TIF revenue is deposited in the SHA for the Solutions for Congested Corridors program. In addition, the SHA receives transfers from the RMRA to support the Freeway Service Patrol program.

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 \$13,659,183,000 is available for distribution as reflected on the following page:

State Highway Account

	State Funds	Federal Funds	Total Funds
State Operations	\$3,834,667,000	\$1,123,612,000	\$4,958,279,000
Local Assistance	483,210,000	2,826,018,000	3,309,228,000
Capital Outlay	960,741,000	2,504,206,000	3,464,947,000
Unclassified	0	5,000,000	5,000,000
Public Transportation Account	25,046,000	0	25,046,000
Environmental Enhancement and Mitigation	7,000,000	0	7,000,000
Air Resources Board	183,000	0	183,000
Secretary for Transportation Agency	5,685,000	0	5,685,000
California Transportation Commission	4,333,000	0	4,333,000
California Highway Patrol	113,049,000	0	113,049,000
Department of Motor Vehicles	8,795,000	0	8,795,000
Department of Conservation	12,000	0	12,000
Public Utilities Commission	9,459,000	0	9,459,000
University of California	1,000,000	0	1,000,000
Transportation Debt Service Fund	1,448,199,000	0	1,448,199,000
Interest Payments to Federal Government	3,500,000	0	3,500,000
Supplemental Pension Payments	51,172,000	0	51,172,000
Statewide General Administrative Expenditures	290,187,000	0	290,187,000
Cash Adjustment for Transportation Funds	-272,301,000	0	-272,301,000
Accumulated Balance	226,410,000	0	226,410,000
Total	\$7,200,347,000	\$6,458,836,000	\$13,659,183,000

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 \$1,342,857,000 will be available for distribution as follows:

Trade Corridor Enhancement Account	
State Operations	\$20,783,000
Local Assistance	185,093,000
Capital Outlay	344,081,000
Air Resources Board	9,000
Statewide General Administrative Expenditures	277,000
Accumulated Balance	792,614,000
Total	\$1,342,857,000

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.

Transportation Financing Subaccount	
Capital Outlay	\$0
Accumulated Balance	0
Total	\$0

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 \$907,000 is available to Caltrans for distribution as follows:

Greenhouse Gas Reduction Fund	
State Operations	\$907,000
Accumulated Balance	0
Total	\$907,000

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 \$1,296,000 is available for distribution as follows:

Historic Property Maintenance Fund	
State Operations	\$1,137,000
Accumulated Balance	159,000
Total	\$1,296,000

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 sale of surplus residential properties. The proposed budget estimates that \$2,091,000 is available for distribution as follows:

State Route 710 Rehabilitation Account	
State Operations	\$500,000
State Highway Account	391,000
Accumulated Balance	1,200,000
Total	\$2,091,000

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. The proposed budget estimates that \$27,050,000 is available for distribution as follows:

Traffic Congestion Relief Fund	
State Operations	\$492,000
Cash Adjustment for Transportation Funds	4,962,000
Accumulated Balance	21,596,000
Total	\$27,050,000

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 \$1,448,199,000 is available for distribution as follows:

Transportation Debt Service Fund	
General Obligation Bonds	\$1,448,199,000
Accumulated Balance	0
Total	\$1,448,199,000

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 2024-25 proposed budget includes \$51 million for Proposition 1B bond programs and existing projects. This includes over \$34 million for Capital Outlay and approximately \$9 million for Local Assistance.

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

Bond funding of \$50,606,000 will be distributed from the Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 as follows:

Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006	
California Ports Infrastructure, Security, and Air Quality Improvement Account	\$1,326,000
Corridor Mobility Improvement Account	559,000
Trade Corridors Improvement Fund	12,921,000
Transportation Facilities Account	758,000
Public Transportation Modernization, Improvement and Service Enhancement Account	3,582,000
State-Local Partnership Program Account	417,000
Local Bridge Seismic Retrofit Account	8,526,000
Highway-Railroad Crossing Safety Account	1,227,000
Highway Safety, Rehabilitation, and Preservation Account	5,827,000
State Route 99 Account	15,463,000
Total	\$50,606,000

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 \$1,326,000 is available for distribution as follows:

California Ports Infrastructure, Security, and Air Quality Improvement Account	
Air Resources Board	\$1,326,000
Total	\$1,326,000

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 \$559,000 is available for distribution as follows:

Corridor Mobility Improvement Account	
State Operations	\$559,000
Total	\$559,000

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 \$12,921,000 is available for distribution as follows:

Trade Corridors Improvement Fund	
State Operations	\$463,000
Capital Outlay	12,458,000
Total	\$12,921,000

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 \$758,000 is available for distribution as follows:

Transportation Facilities Account	
State Operations	\$424,000
Capital Outlay	334,000
Total	\$758,000

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 \$3,582,000 is available for distribution as follows:

Public Transportation Modernization, Improvement and Service Enhancement Account	
State Operations	\$705,000
Capital Outlay	2,877,000
Total	\$3,582,000

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 \$417,000 is available for distribution as follows:

State-Local Partnership Program Account	
State Operations	\$417,000
Total	\$417,000

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 \$8,526,000 is available for distribution as follows:

Local Bridge Seismic Retrofit Account	
State Operations	\$192,000
Local Assistance	8,334,000
Total	\$8,526,000

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 \$1,227,000 is available for distribution as follows:

Highway-Railroad Crossing Safety Account	
State Operations	\$76,000
Local Assistance	1,151,000
Total	\$1,227,000

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 \$5,827,000 is available for distribution as follows:

Highway Safety, Rehabilitation, and Preservation Account	
State Operations	\$452,000
Capital Outlay	5,375,000
Total	\$5,827,000

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 \$15,463,000 is available for distribution as follows:

State Route 99 Account	
State Operations	\$2,526,000
Capital Outlay	12,937,000
Total	\$15,463,000

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 \$35,109,000 for the Proposition 1A bond program as follows:

High-Speed Passenger Train Bond Fund	
High-Speed Rail Authority	\$35,109,000
Total	\$35,109,000

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 2024-25 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 2024-25 based on the proposed Governor's Budget.
- Chart H: "Senate Bill 1 Flow Chart"
Shows the flow of funds from new revenues and revenue adjustments established under Senate Bill 1.

**2024-25 Fiscal Year
SOURCE AND DISTRIBUTION OF CALIFORNIA
STATE MOTOR VEHICLE FEES AND USER TAXES**

FEES & USER TAXES:	
Motor Vehicle License Fees.....	\$871,177,000
Motor Vehicle Registration, Driver's License.....	\$4,731,426,000
Off-Highway Registration	
Motor Vehicle Fuel Tax (Diesel).....	\$1,490,245,000
Motor Vehicle Fuel Tax (Gasoline and Jet Fuel).....	\$7,822,974,000
Motor Vehicle Registration (Weight Fees).....	\$1,363,199,000
Transportation Improvement Fee.....	\$2,457,506,000
Road Improvement Fee (Zero Emission Vehicles).....	\$129,927,000
Total	\$18,866,454,000

Other State Agencies, Funds, and Accounts
\$9,344,014,000

Cities, Counties, Cities & Counties
\$3,536,138,000

State Highway Account ¹
\$5,986,302,000

State Highway Account Resources:	
Reserves.....	\$1,045,737,000
Gasoline & Diesel Taxes.....	\$4,348,103,000
Motor Vehicle Weight Fees.....	\$1,363,199,000
Transportation Improvement Fee.....	\$250,000,000
Interest & Miscellaneous.....	\$168,308,000
Federal Reimbursement.....	\$6,458,835,000
Road Maintenance and Rehabilitation Account.....	\$25,000,000
Total Resources	\$13,659,182,000

DEPARTMENT OF TRANSPORTATION					
State Operations:	Capital Outlay:	Local Assistance:	Unclassified:	Cash Adjustment for Transportation Funds:	
Project Development and Other Capital Support.....	Right-of-Way Acquisition & Engineering, Construction & Management	Local Assistance.....			
Mass Trans. & Planning.....					\$3,298,661,000
Program Development.....		Regional Planning.....			\$10,567,000
Safety, Operations & Local Assist.....					
Maintenance.....					
Legal.....					
Office of Inspector General.....					
Equipment Service.....					
Administration.....					
\$4,958,278,000		\$3,464,947,000	\$3,309,228,000	\$5,000,000	-\$272,301,000

OTHER AGENCIES, ACCOUNTS AND FUNDS	
Air Resources Board.....	\$183,000
Secretary for Transportation Agency.....	\$5,685,000
California Transportation Commission.....	\$4,333,000
California Highway Patrol.....	\$113,049,000
Department of Motor Vehicles.....	\$8,795,000
Department of Conservation.....	\$12,000
Environmental Enhancement and Mitigation Program Fund.....	\$7,000,000
Transportation Debt Service Fund.....	\$1,448,199,000
University of California.....	\$1,000,000
Interest Payments to Federal Government.....	\$3,500,000
Public Transportation Account.....	\$25,046,000
Public Utilities Commission.....	\$9,459,000
Supplemental Pension Payments.....	\$51,172,000
Statewide General Administrative Expenditures.....	\$290,187,000
Total	\$1,967,620,000

Reserve for Economic Uncertainties
\$226,410,000

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

2024-25 Fiscal Year TRANSPORTATION BONDS

PROPOSITION 1B

HIGHWAY SAFETY, TRAFFIC REDUCTION, AIR QUALITY, AND PORT SECURITY FUND OF 2006 (2660-6053) Government Code, Sections 8879.20 - 8879.37	
Revenues (Proceeds from Sale of Bonds).....	\$50,606,000
Transfers:	
6054 - California Ports Infrastructure, Security, and Air Quality Improvement Account.....	-\$1,326,000
6055 - Corridor Mobility Improvement Account.....	-\$559,000
6056 - Trade Corridors Improvement Fund.....	-\$12,921,000
6058 - Transportation Facilities Account.....	-\$758,000
6059 - Public Transportation Modernization, Improvement and Service Enhancement Account.....	-\$3,582,000
6060 - State-Local Partnership Program Account.....	-\$417,000
6062 - Local Bridge Seismic Retrofit Account.....	-\$8,526,000
6063 - Highway-Railroad Crossing Safety Account.....	-\$1,227,000
6064 - Highway Safety, Rehabilitation, and Preservation Account.....	-\$5,827,000
6072 - State Route 99 Account.....	-\$15,463,000
Total Resources.....	\$0

PROPOSITION 1A

HIGH-SPEED PASSENGER TRAIN BOND FUND (2665-6043) Streets & Highways Code, Sections 2704.04 - 2704.095	
Resources.....	\$35,109,000
High-Speed Rail Authority	
\$35,109,000	

CA PORTS INFRASTRUCTURE, SECURITY, AND AIR QUALITY IMPROVEMENT ACCOUNT (3900-6054) Government Code, Section 8879.23(g)(c)	
Resources.....	\$1,326,000
Air Resources Board	
\$1,326,000	

STATE-LOCAL PARTNERSHIP PROGRAM ACCOUNT (2660-6060) Government Code, Section 8879.23(g)	
Resources.....	\$417,000
State Operations	
\$417,000	

CORRIDOR MOBILITY IMPROVEMENT ACCOUNT (2660-6055) Government Code, Section 8879.23(a)(1)	
Resources.....	\$559,000
State Operations	
\$559,000	

LOCAL BRIDGE SEISMIC RETROFIT ACCOUNT (2660-6062) Government Code, Section 8879.23(i)	
Resources.....	\$8,526,000
State Operations	
\$192,000	
Local Assistance	
\$8,334,000	

TRADE CORRIDORS IMPROVEMENT FUND (2660-6056) Government Code, Sections 8879.23(c)(1)(A) & 8879.52	
Resources.....	\$12,921,000
State Operations	
\$463,000	
Capital Outlay	
\$12,458,000	

HIGHWAY-RAILROAD CROSSING SAFETY ACCOUNT (2660-6063) Government Code, Section 8879.23(j)(1)	
Resources.....	\$1,227,000
State Operations	
\$76,000	
Local Assistance	
\$1,151,000	

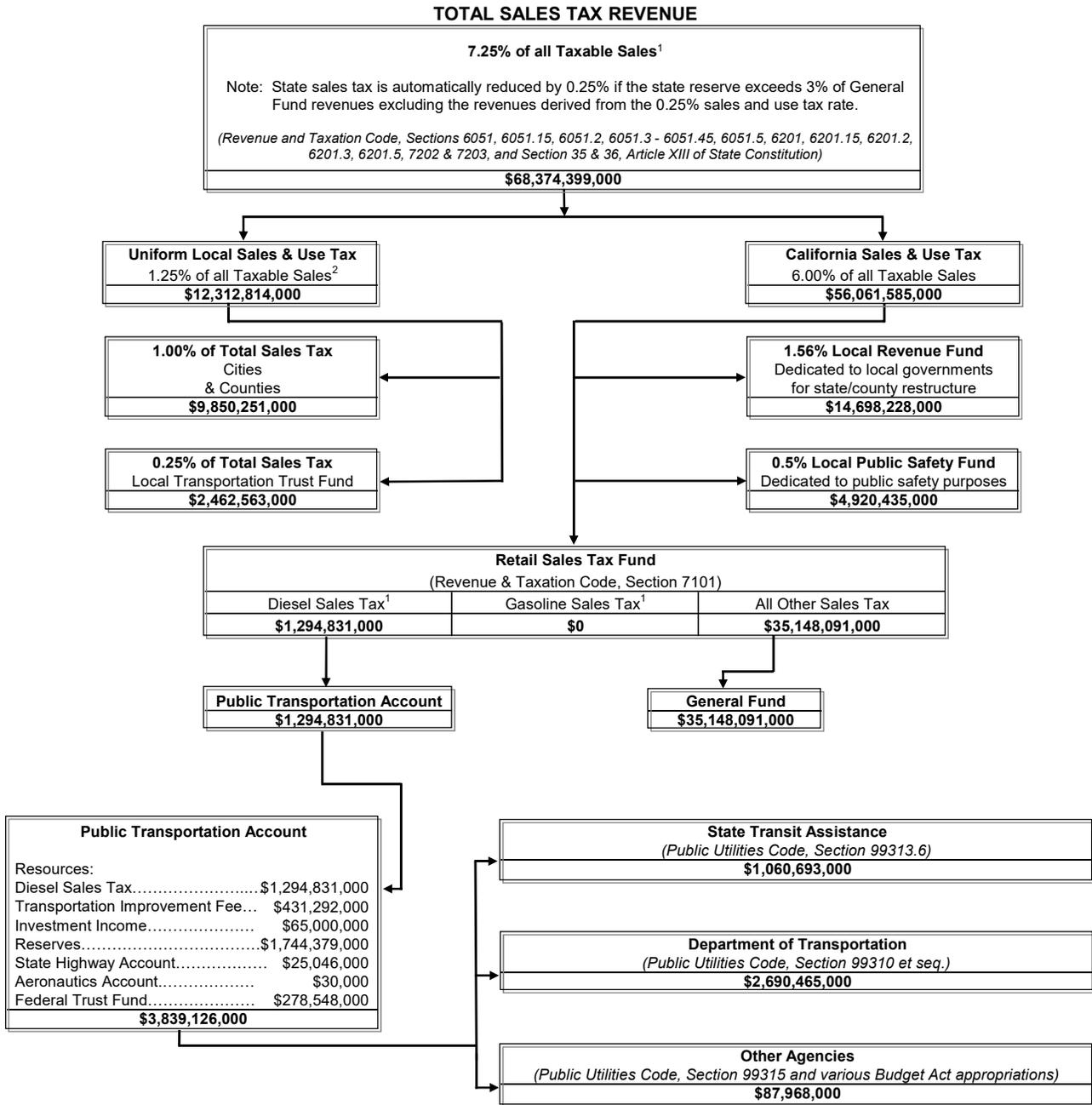
TRANSPORTATION FACILITIES ACCOUNT (2660-6058) Government Code, Section 8879.23(e)	
Resources.....	\$758,000
State Operations	
\$424,000	
Capital Outlay	
\$334,000	

HIGHWAY SAFETY, REHABILITATION, AND PRESERVATION ACCOUNT (2660-6064) Government Code, Section 8879.23(k)(1)	
Resources.....	\$5,827,000
State Operations	
\$452,000	
Capital Outlay	
\$5,375,000	

PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT (2660-6059) Government Code, Section 8879.23(f)(1)	
Resources.....	\$3,582,000
State Operations	
\$705,000	
Capital Outlay	
\$2,877,000	

STATE ROUTE 99 ACCOUNT (2660-6072) Government Code, Section 8879.23(b)	
Resources.....	\$15,463,000
State Operations	
\$2,526,000	
Capital Outlay	
\$12,937,000	

2024-25 Fiscal Year
DISTRIBUTION OF CALIFORNIA SALES TAX REVENUE
 Dollar amounts are approximate and based on 2024-25 Governor's Proposed Budget
 and 2024-25 Department of Finance sales tax forecasts



Note: Amounts may not sum to totals due to independent rounding.

¹ 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 (2017), increased sales tax on diesel fuel by 4% beginning in November 2017 pursuant to R&TC 6051.8(b). Total Sales and Use Tax collected on diesel is currently set at 13%.

² Counties may impose additional district taxes for special purposes (mass transit systems, schools, public safety projects, etc.)

**2024-25 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>\$3,281,592,000</p>

<p>LOCAL REVENUE FUND</p> <p>(Motor Vehicle License Fee portion only)</p>	
<p>74.9% of Vehicle License Fees¹.....</p>	<p>\$2,410,415,000</p>
<p>\$2,410,415,000</p>	

<p>MOTOR VEHICLE LICENSE FEE ACCOUNT</p>	
<p>Resources:</p>	
Reserves.....	\$0
Remainder of Vehicle License Fee.....	\$871,177,000
Investment Income.....	\$364,000
Motor Vehicle Account Transfers.....	\$2,589,000
Local Revenue Fund 2011 Transfers ²	-\$853,926,000
Total Resources.....	\$20,204,000
<p>Disbursements:</p>	
State Controller's Office.....	\$17,000
Franchise Tax Board.....	\$7,403,000
Department of Motor Vehicles.....	\$12,005,000
Supplemental Pension Payments.....	\$354,000
Statewide General Administrative Expenditures.....	\$425,000
Total Disbursements.....	\$20,204,000
Accumulated Balance.....	\$0

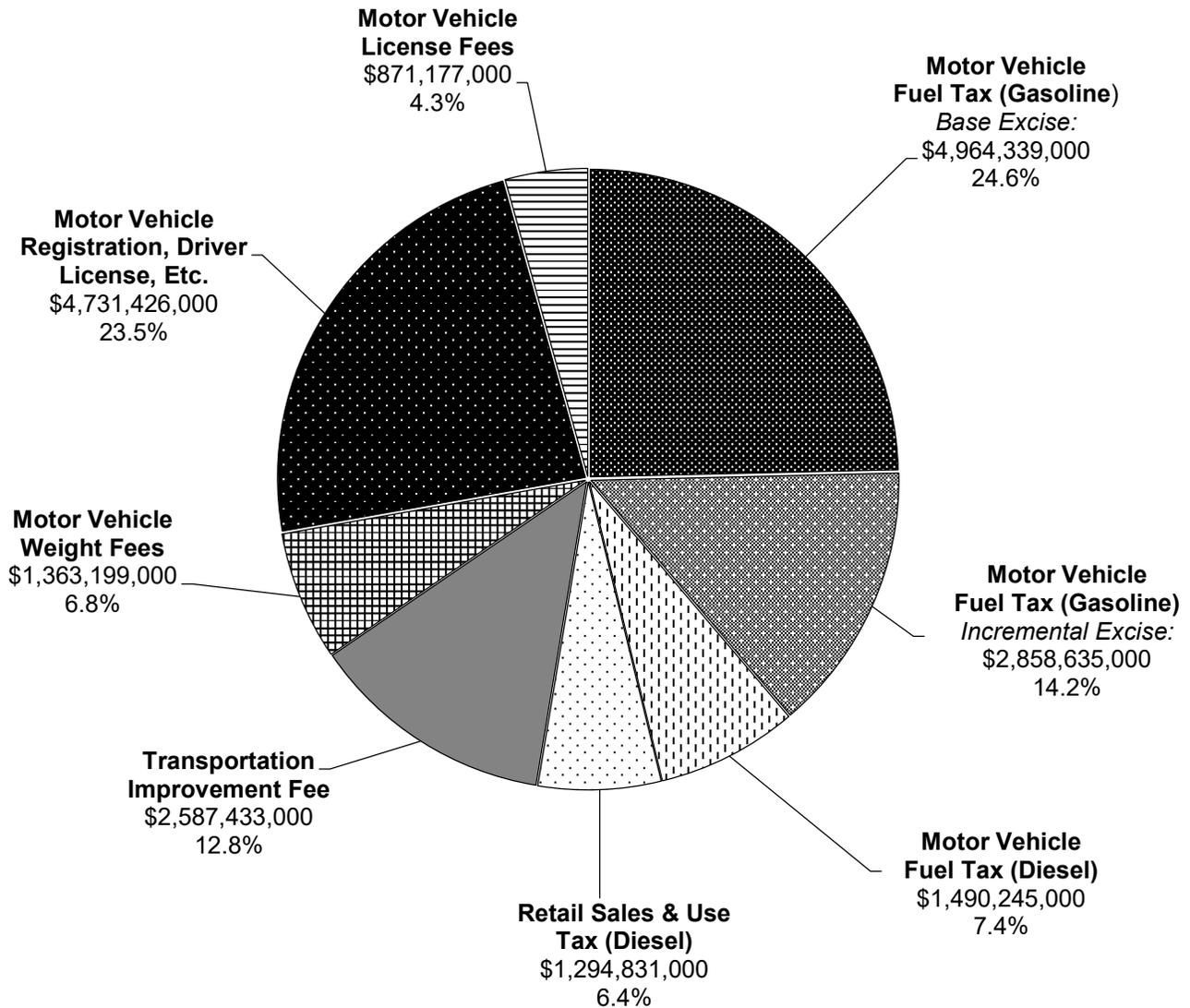
Dollars are as displayed in the 2024-25 Governor's Proposed Budget.

¹ Pursuant to Revenue and Taxation Code (RTC), Section 11001.5, 74.9% of Vehicle License Fee revenue is distributed to Local Revenue Fund.

² Pursuant to RTC, Section 11005, after administrative deductions, remaining balance is transferred to the Local Revenue Fund 2011.

2024-25 Fiscal Year
STATE TRANSPORTATION REVENUES
 From California State Motor Vehicle Fees and Taxes

\$20.161 Billion
Total Revenues



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

2024-25 Fiscal Year
INCREMENTAL EXCISE TAX DISTRIBUTION
(\$ in millions)



Total: \$2.7 Billion

Notes: Dollars are as displayed in the 2024-25 Governor's Proposed Budget.
Chart does not include transfers to the General Fund.