



TRANSPORTATION FUNDING IN CALIFORNIA 2025

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



Disclaimer

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

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Contents

■ California Transportation Funding in 2025

An Overview of the Transportation System	2	Transportation Funding Sources	7
The Transportation System's Decision Makers	4	Federal and State Transportation Programming	12

■ Charts and Tables

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

AN OVERVIEW OF THE TRANSPORTATION SYSTEM



California’s transportation network consists of streets, highways, railways, airports, seaports, bicycle routes, and pedestrian pathways. This network provides people and businesses the ability to access destinations and move goods, services, and information throughout the state. Construction, operation, and maintenance responsibilities are shared amongst state, regional, tribal, and local governments. Moreover, funding for these activities comes from federal, state, and local taxes, fees and assessments, private investments, and tribal investments. This collaborative effort results in a well-integrated transportation network that provides mobility for approximately 39 million people, while helping California sustain its position as the world’s fifth largest economy.

■ The State Highway System and Local Roadways and Streets

Over 27 million licensed drivers¹ in California travel hundreds of billions of miles, annually, on public roads throughout the state. The California Department of Transportation (Caltrans) is responsible for approximately 52,044 lane miles of interstate freeways and state routes known as the State Highway System (SHS). Caltrans also inspects hundreds of public and special use airports and heliports and maintains over 13,000 state-owned bridges. Metropolitan Planning Organizations (MPOs) and Regional Transportation Planning Agencies (RTPAs) are responsible for planning, coordinating, and financing local transportation projects. Regional agencies and local governments operate and maintain approximately 378,235 lane miles of public roads and streets.

■ Public Transit

Hundreds of transit operators serve people in California. The number of riders increased from 819 million in FY 2022-23 to more than 927 million in FY 2023-24. These operators provide services such as fixed-route buses, dial-a-ride programs, local and express commuter services, ferry, and paratransit. Local governments, regional agencies, tribal governments, and federal and state agencies operate or finance public bus or rail services as well as rural transit services to the general public throughout California. Commuter rail services such as Metrolink, Caltrain, and heavy rail systems like BART (Bay Area Rapid Transit) operate in large urban areas, servicing daily commuters and interregional travelers. In addition, local and regional transit agencies operate six light rail systems, providing regional service for daily commuters. Caltrans funds three

intercity routes—the Pacific Surfliner, the San Joaquins, and the Capitol Corridor. These three routes are managed by local joint power authorities.

California Roadways

	SHS	Local
Lane Miles	52,044.38	378,235.10
Total Annual Vehicle Miles of Travel (Billion)	183.43	132.13
Percent Annual Vehicle Miles of Travel	58.13%	41.87%

2023 California Public Road Data, Statistical Information derived from the Highway Performance Monitoring System (HPMS)

■ Other Modal Services

State, regional, local, tribal, and private entities operate and maintain airports, seaports, railways, ferry terminals, bicycle routes, and pedestrian pathways. These modes provide Californians options to travel long or short distances. California’s economy relies on the network to move people and goods through the air, water, rail, or roadway. In 2024, California exported \$183.34 billion in goods to more than 225 foreign economies. California’s top export markets included Mexico, Canada, China, Japan, and Taiwan². The exports from California in 2022 supported an estimated 582,000 jobs³. Final figure for jobs in 2024 could be comparable to previous years, considering the export values in the two years are almost similar.

1. <https://www.dmv.ca.gov/portal/news-and-media/dmv-statistics/>

2. <https://advocacy.calchamber.com/international/trade/trade-statistics/>

3. <https://ustr.gov/map/state-benefits/ca>

THE TRANSPORTATION SYSTEM'S DECISION MAKERS



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

■ Federal Level

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

The United States Department of Transportation (U.S.DOT) implements and enforces regulations and allocates funds

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

■ State Level

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

California State Legislature

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



California State Transportation Agency

CalSTA's mission is to "lead people-first transportation programs and policies to enhance safety, equity, climate action and economic prosperity for all Californians."

CalSTA oversees the Board of Pilot Commissioners, California Highway Patrol, CTC, Caltrans, Department of Motor Vehicles, New Motor Vehicle Board, High-Speed Rail Authority, and the Office of Traffic Safety. For more information visit: www.calsta.ca.gov.

California Transportation Commission

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

Caltrans

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

■ Tribal Governments

There are 109 federally recognized tribes, and many non-recognized tribes, located within the state that have transportation needs. Tribal governments establish plans and policies that are used to prioritize projects through

tribal transportation improvement plans, making them eligible for federal funding (Chart 24). Tribes often leverage funding by collaborating with the state, regional, or local planning agencies on projects of mutual interest through their planning processes, and long-range transportation planning documents.

■ Regional Level

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

Metropolitan and Regional Planning Organizations

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

Local Government Level

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

TRANSPORTATION FUNDING SOURCES



California's transportation network receives funding from federal, state, local, and tribal governments, and private revenue sources (Chart 1). Federal, state, and local revenues are collected through 1) user fees and taxes, 2) property access charges, and 3) subsidies. Regional and local governments provide half of California's transportation funding, whereas the federal and state governments each provide roughly a quarter of the remaining amount. Caltrans' Division of Budgets reports that the state's motor vehicle fees and taxes, alone, will generate approximately over \$20 billion in transportation revenues for FY 2025-26 (Chart F, 2025-26 California Transportation Financing Package). The passage of the Road Repair and Accountability Act (2017), also known as California Senate Bill 1 (SB 1), is expected to provide California over \$5 billion in transportation funding annually by increasing motor fuel tax rates and creating new fee mechanisms. SB 1 started adjusting for inflation in 2020⁴.

■ Federal Funds

Federal Fuel Excise Tax

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

- Approximately 85 percent of the HTF account goes into the Highway Account. FHWA appropriates funding to each state for specific purposes (Chart 22).
- The remaining 15 percent of the HTF account goes into the Transit Account. The FTA allocates this funding to regional agencies and local transit providers in each state for specific transit purposes (Chart 23).
- California receives most of its federal tax contributions through the FHWA apportionments. Under IIJA, California's apportionment for the federal fiscal year FFY 2024 is approximately \$5.72 billion for FHWA and \$2.01 billion for FTA⁵.

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

■ State Funds

State Fuel Excise Tax⁶

Beginning July 1, 2020, state fuel excise taxes are subject to annual inflation rate adjustments. The inflation adjusted rates for FY 2025-26 are 61.2¢/gallon on gasoline and 46.6¢/gallon on diesel fuel. State Fuel Excise Tax revenues (Chart 2) are shared between the State Highway Account (SHA) and the Road Maintenance & Rehabilitation Account (RMRA), and

Transportation Funding Sources

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

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

local entities, according to a statutory formula (Chart 4), while also backfilling the truck weight fee revenue.

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

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

5. <https://build.ca.gov/iija-by-the-numbers/>

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

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

- ◆ For FY 2025-26, the inflation-adjusted base gasoline excise tax is 23.3¢/gallon. This amount is split as follows: cities and counties receive approximately 36 percent of this revenue, while the remaining 64 percent goes to the SHA (Chart 2).
- ◆ The SB 1 portion of 15.5¢/gallon is deposited into the RMRA (Chart 2).
- ◆ The incremental excise tax (formerly known as the price-based excise tax) for FY 2025-26 is 22.4¢/gallon. This revenue is first used to backfill weight fees. Any remaining funds are allocated among local roadways (44 percent), new construction projects (STIP, 44 percent), and highway maintenance and rehabilitation (SHOPP, 12 percent).

For FY 2025-26, the state's diesel excise tax is 46.6¢/gallon (Chart 2) with 20.7¢ for the base and 25.9¢ pursuant to SB 1. These rates are adjusted annually for inflation.

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

Vehicle Taxes and Fees⁷

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

- ◆ The Transportation Improvement Fee charges vehicle owners an annual fee based on the current market value of a vehicle—for calendar year 2025, this fee ranges from \$32 to \$227—at the same time vehicle registration fees are due⁷. This fee is used to fund transportation related purposes and is adjusted annually for inflation on January 1, every year based on the California Consumer Price Index (Chart 3). Estimated revenue from the Transportation Improvement Fee for FY 2025-26 is about \$2.49 billion⁷.
- ◆ The Road Improvement Fee, effective July 1, 2020, charges electric vehicle owners an annual flat \$100 fee that will be adjusted for inflation. The adjusted rate for the calendar year 2025 is \$118. This fee only applies to electric vehicles with the model year 2020 and newer, at time of registration⁷. Fees are deposited

in the RMRA for various transportation-related purposes (Chart 3). Estimated revenue for FY 2025-26 is approximately \$182 million⁸.

State Sales Tax⁸

The California Department of Tax and Fee Administration (formerly the California Board of Equalization) collects state sales taxes on gasoline, diesel, aviation gas and jet fuel. A bulk of the sales tax on gasoline was eliminated on July 1, 2010, but a collection of 2.25 percent remains. Revenues generated from the sales tax on gasoline are allocated for non-transportation related purposes⁹.

A sales tax rate of 7.25 percent applies to jet fuel and is allocated for non-transportation related purposes. The state sales tax on diesel fuel is 13 percent, of which 10.5 percent is allocated for public transportation and transit purposes¹⁰ (Chart 7):

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

Truck Weight Fees¹¹

The state collects commercial vehicle fees based on weight, generating over \$1 billion a year. The California Department of Motor Vehicles (DMV) calculates weight fees based on the

7. <https://www.dmv.ca.gov/portal/vehicle-registration/registration-fees/>

8. <https://dot.ca.gov/programs/budgets>

9. <https://dot.ca.gov/programs/research-innovation-system-information/cal-trans-facts>

10. <https://www.cdtfa.ca.gov/formspubs/1504.pdf>

11. <https://www.dmv.ca.gov/portal/handbook/vehicle-industry-registration-procedures-manual-2/collection-and-payment-of-fees-and-penalties/weight-fees/>

gross weight of commercial vehicles. These fees are deposited into the SHA and then transferred to the Transportation Debt Service Fund to pay for transportation bond debt (Chart 6).

Proposition 1B Bonds

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

Motor Vehicle License and Other Fees

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

■ Local and Other Funds

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

Local Sales Tax Measures (Self-Help Counties)

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

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

Transportation Development Act (TDA) of 1971

The main purpose and priority of the TDA is to provide funding for public transportation. To meet this objective, the TDA created the Local Transportation Fund (LTF) in each county into which 0.25 cents of the state sales tax collected in that county is deposited. The TDA was amended in 1979 to create the State Transit Assistance



(STA) Program. The STA funds are generated from a statewide sales tax on motor vehicle diesel fuel (Charts 7 and 8).

Transit Fares

In FY 2023-24, more than \$1.03 billion¹² were provided from local transit systems in California through transit fares. This is an increase of 12 percent from FY 2022-23 transit fares.

Local General Funds and Other Local Funds

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

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

As mentioned, in addition to the excise tax increases (Chart 2), the Legislature created two new fees that generate additional revenues for California's transportation system (Chart 3) via the Transportation Improvement Fee (TIF) (effective January 1, 2018) and the Zero-Emission Vehicle Road Improvement Fee (RIF) (effective July 1, 2020). These two fees are adjusted annually for inflation. Starting January 1, 2025, TIF ranges from \$32 to \$227 and RIF is \$118 per vehicle. Consequently, SB 1 is expected to generate an average of \$5.4 billion annually towards state funding to repair California transportation infrastructure. For this "Building CA" investment, SB 1 is estimated to

12. https://bythenumbers.sco.ca.gov/Raw-Data/Transit-Operators-Raw-Data-for-Fiscal-Years-2022-2/bdqr-pszz/about_data



provide average annual revenues (of a 10-year period) of \$2.1 billion from gasoline excise tax, \$830 million from diesel excise tax, \$380 million from the diesel sales tax, \$70 million from the RIF, and \$2 billion from TIF⁹.

California's Road Charge Program

Aside from established transportation revenue mechanisms, current practices may need to be revised in the future because of emerging innovations (such as alternative energy vehicles). As more people turn to alternative-fuel vehicles, fuel tax revenues will decrease over time and impact the transportation network.

As California looks toward a future without gas-powered vehicles, it becomes necessary to think ahead and prepare an alternative funding mechanism to support our transportation network instead of the gas tax. The Road Charge Program has been researching an alternative revenue mechanism to provide a fair, transparent, and sustainable method to preserve and maintain our transportation infrastructure. Under a road charge, all drivers share roadway maintenance and repair costs based on what they actually use. Thus, a mileage-based user fee would be charged to drivers rather than the quantity of gas they purchase. This brings greater equity to transportation funding as everyone pays the same to use the road.

California's first pilot was required by Senate Bill (SB) 1077 (DeSaulnier, 2014). This nine-month pilot program had more than 5,000 vehicles participate and recorded over 37 million miles driven through six different recording and reporting methods (manual to high technology options).

In 2017, CalSTA submitted its findings and recommendations from this effort to the Legislature, the CTC, and the Road Charge Technical Advisory Committee. This first road charge study proved that the road charge revenue mechanism can be functional. More information about the road charge pilot can be found on <https://dot.ca.gov/programs/road-charge/final-report>.

Building on recommendations from the 2017 Final Report, Caltrans continues to engage in research on technology and user experience, impacts to disadvantaged communities, interoperability between states, impacts to rural communities, and much more. Caltrans has received multiple federal Surface Transportation System Funding Alternatives grants from the FHWA to continue the state's exploration of a road charge as a potential replacement for the gas tax. From January to June of 2021, California tested how road charge can work with four technologies: usage-based insurance, ridesharing, electric vehicle charging stations/ pay-at-the-pump systems, and autonomous vehicles. A comprehensive evaluation of this four-phase demonstration is now online. From April to September of 2023, the Public/ Private Roads Pilot gathered essential information for evaluating how a road charge program could address travel on and off public, private, and tribal roadways in California. It also explored the crossover between tolling and road charge and the opportunities to create an easy taxpayer experience and keep administrative costs down.

In 2021, the Legislature passed SB 339 (Weiner), tasking CalSTA with running a pilot that collects actual revenue from participants. The Road Charge Collection Pilot ran from August 2024 to January 2025. During these six months, participants paid road charges on the miles driven each month which were reported by one of the three options: a plug-in device, vehicle telematics, or odometer photograph. Participants also completed two surveys, one at the beginning of the Pilot and one at the end of the Pilot to provide their thoughts on the experience. As required by SB 339, CalSTA submitted a report to the Legislature in July 2024 on a potential administrative process for road charge implementation in California. The final report of the Road Charge Collection Pilot will be due to Legislature by December 2026. Additional information on past projects and ongoing pilot and research efforts can be found on <https://caroadcharge.com/projects>.

TRANSPORTATION PROGRAMMING



Federal and state governments allocate revenue by programming fund for policy initiatives assigned to transportation projects.

■ Federal Programming

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

Infrastructure Investment and Jobs Act (IIJA)

President Joe Biden signed into law the Infrastructure Investment and Jobs Act (IIJA) on November 15, 2021, allocating \$1.2 trillion (including \$550 billion in new spending) for transportation purposes over a five-year span (Federal FY 2022-2026). The IIJA is the largest long-term investment in the nation's infrastructure and focuses on making the U.S. economy more sustainable, resilient, and equitable. This is a historic investment that will modernize our roads, bridges, transit, rail, ports, airports, broadband, and drinking water and wastewater infrastructure. Under IIJA, California is estimated to receive guaranteed formula transportation funding over five years as follows¹³:

- ◆ \$28.2 billion for federal-aid highway and bridges apportioned programs;
- ◆ \$555 million to reduce transportation-related emissions;
- ◆ \$631 million to increase the resilience of the transportation system;
- ◆ \$179 million for safety program to improve driver behavior and reduce motor vehicle-related crashes;
- ◆ \$152.2 million to reduce commercial motor vehicle

crashes;

- ◆ \$384 million to support the expansion of electric vehicle charging network;
- ◆ \$10.3 billion to improve public transportation;
- ◆ \$1.5 billion for infrastructure development for airports;
- ◆ \$102 billion to modernize and expand passenger rail and improve freight rail efficiency and safety

The IIJA creates new discretionary programs (Safe Streets and Roads for All, Federal Aviation Administration Terminal Program, Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT), etc.) and expands existing competitive grant programs (RAISE, INFRA, etc.) between FY 2021-22 and FY 2025-26¹³. The passage of the IIJA resulted in several changes to programs that the FHWA and FTA administer (Charts 22 and 23). For additional information visit: <https://www.fhwa.dot.gov/bipartisan-infrastructure-law/>.

Inflation Reduction Act (IRA)

The Inflation Reduction Act (IRA), signed into law on August 16, 2022, provides over \$5 billion from the General Fund in FY 2022 for three new programs administered by FHWA (the Neighborhood Access and Equity Grant Program, the Low Carbon Transportation Materials Grants, and the Environmental Review Implementation Funds), with those funds available through September 30, 2026. For more information, visit:

<https://dot.ca.gov/programs/federal-liaison>.

In late January 2025, President Donald Trump issued an executive order directing the Office of Management and Budget to pause disbursements for federal funds, grants and awards related to climate, energy transition, and equity-focused programs¹⁴, including those funded through the IIJA and IRA. The National Electric Vehicle Infrastructure (NEVI) Formula program and unobligated funding for competitive grants were initially frozen¹⁵. A federal court

13. <https://www.transportation.gov/briefing-room/bipartisan-infrastructure-law-will-deliver-california>

14. <https://www.whitehouse.gov/presidential-actions/2025/01/unleashing-american-energy/>



in June 2025 issued a preliminary injunction lifting the freeze on NEVI for several states including California. The U.S.DOT issued a new guidance on the NEVI program on August 11, 2025 allowing the submission of State EV Infrastructure Deployment Plan within 30 days of the issuance of the Interim Final Guidance¹⁶. Meanwhile, the Federal Railroad Administration, under the direction of U.S. Transportation Secretary, revoked approximately \$4 billion in federal funding for California's high-speed rail project. State lawsuits remain active to restore access to these funds and resume halted projects.

■ State Programming

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

State Transportation Improvement Program (STIP)

The STIP funds new construction projects that add capacity to the transportation network. STIP consists of two components, Caltrans' Interregional Transportation Improvement Program (ITIP) and regional transportation planning agencies' Regional Transportation Improvement Program (RTIP). STIP funding is a mix of state and federal

taxes and fees (Chart 5). The projected capital allocation in STIP for FY 2024-25 is \$531.9 million⁹.

State Highway Operation and Protection Program (SHOPP)

This program provides funds for pavement rehabilitation, operation, and safety improvements on state highways and bridges. The projected capital allocation in SHOPP for FY 2024-25 is \$3.875 billion⁹.

Local Assistance Program

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

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

The PTA primarily supports the STA, intercity rail, and transit capital improvements. The STA program disburses funding to transportation entities based on a formula that

15. <https://democrats-appropriations.house.gov/trumps-unprecedented-funding-freeze-hits-communities-across-america>

16. <https://www.fhwa.dot.gov/environment/nevi/>

is dependent on an area's population and transit operator revenues. These entities then redistribute funding to transit operators within their region for purposes such as operating assistance, capital acquisition and improvement, and transit services (Chart 8).

Proposition 1B: Transportation Bonds

As mentioned previously, Proposition 1B projects focus on improving state highways and local roads, transit networks, passenger rail, freight mobility, and air quality. In partnership with the CTC, Caltrans is responsible for administering most of the Proposition 1B funds. Roughly 99 percent of Proposition 1B funding has been expended. Proposition 1B funds are used for the following purposes: SHOPP, Trade Corridors Improvement Fund program, State Route 99, intercity passenger rail, local transit, and seismic retrofitting of local bridges and overpasses (Chart 9). The projected capital allocation in FY 2024-25 is approximately \$87.5 million from Prop 1B bond⁹. For more information visit: <https://bondaccountability.dot.ca.gov/>.

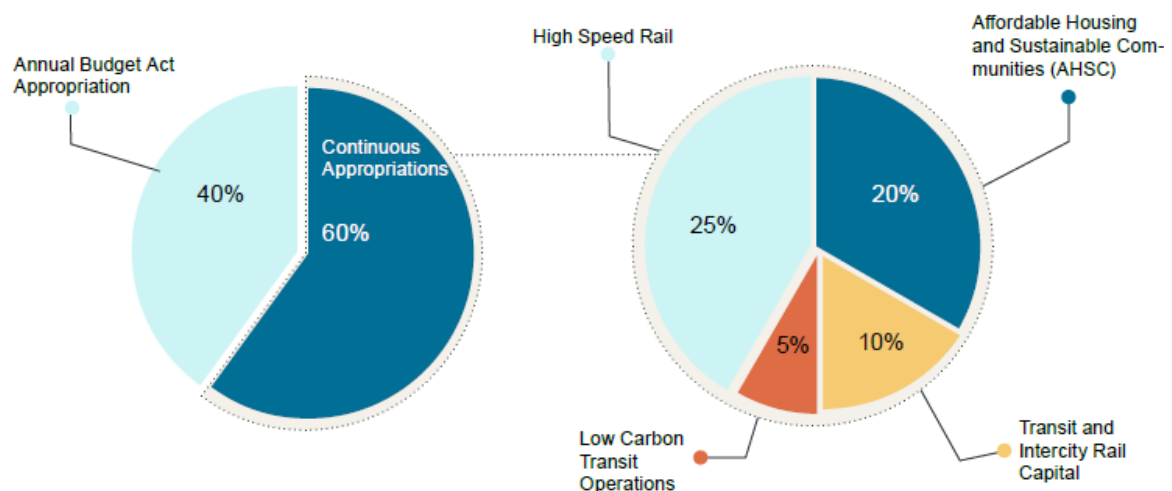
Cap-and-Invest (Former known as Cap-and-Trade)

The Program is doubled in stringency beginning in 2021 to achieve the state's 2030 Greenhouse Gas (GHG)

Reduction Target of at least 40 percent below 1990 levels. The California Air Resources Board (ARB) adopted "cap-and-trade" to meet this goal. This market mechanism policy places a "cap" on entities responsible for 85 percent of the state's GHG emissions, which is mandatory for entities that emit more than 25,000 metric tons of GHG emissions. This "cap" limits the amount allocated to each qualified entity. As part of the cap-and-trade program, ARB conducts quarterly auctions and sells emission allowances that generate billions of dollars in state revenue over multiple years. Proceeds from these auctions are deposited into the Greenhouse Gas Reduction Fund.

SB 862 (Pavley, 2014) appropriates revenue from the Greenhouse Gas Reduction Fund. This appropriation dedicates 60 percent of cap-and-trade revenue as continuous appropriations for High-Speed Rail (HSR) (Chart 15), Affordable Housing and Sustainable Communities, Transit and Intercity Rail Capital Program, and Low Carbon Transit Operations Program (Charts 14 and 15). The remaining 40 percent of funds is available for the Legislature to direct toward future objectives through annual budget act appropriation (Cap-and-Trade Revenue Allocation chart). SB 200 (2019) provides five percent of proceeds to the Safe and Affordable Drinking Water Fund, and SB 155 (2021) provides \$200 million annually to the Department of

SB 862: Cap-and-Trade Revenue Allocation*



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

* See Cap-and-Trade program on page 15 -- for update on revenue allocation

Forestry and Fire Protection. Under current law, about 65 percent of cap-and-trade revenue is continuously appropriated to certain projects and programs, with the last two changes having sunset dates in June 30, 2030 and June 30, 2029, respectively¹⁷.

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

In April 2025, Governor Newsom and legislative leaders announced their joint intention to extend the program to set the state on a clear path to achieve the 2045 carbon neutrality goal, provide greater market certainty, and attract stable, private investment for decades. A comprehensive expenditure plan is still in progress.

Active Transportation Program (ATP)

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

Transit and Intercity Rail Capital Program (TIRCP)

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

17. https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=39719.&lawCode=HSC



systems, and bus and ferry transit systems, to significantly reduce pollutant emissions, vehicle miles traveled, and congestion. AB 398 extended the Cap-and-Trade Program that supports the TIRCP from 2020 through 2030. SB 1 continues to provide a historic funding increase for transportation with funds directed to the TIRCP from the PTA for new programming. SB 125 (Chapter 54, Status of 2023) guides the distribution of \$4 billion in funding through TIRCP on a population-based formula to regional transportation planning agencies instead of through a program of projects, which will have the flexibility to use the money to fund transit operations or capital improvement. For more information, visit: <https://calsta.ca.gov/subject-areas/transit-intercity-rail-capital-prog>.

Low Carbon Transit Operations Program (LCTOP)

The LCTOP is part of the Transit, Affordable Housing, and Sustainable Communities Program established by SB 862 (Statutes of 2014). The LCTOP provides operating and capital assistance for transit agencies to reduce GHG emissions and improve mobility, with a priority on serving disadvantaged communities. For more information, visit: <https://dot.ca.gov/programs/rail/low-carbon-transit-operations-program-lctop>.

State of Good Repair (SGR) Program

Established under SB1, the SGR program provides funding annually to transit operators for eligible transit maintenance rehabilitation and capital projects in a dedicated effort to support local governments and agencies in their endeavors to repair, maintain, and rehabilitate the state's aging transit infrastructure system. In addition, the SGR Program provides funding to the smaller transit operators which may not have the resources to address

everyday repair and rehabilitation needs to their transit fleet, equipment, and facilities that other state and federal programs may not address. With an emphasis on “fix-it-first” projects, the SGR program has the specific goal of keeping existing transit systems in a state of good repair, focusing on the maintenance and rehabilitation of transit facilities and vehicles, and the acquisition of new, zero emission vehicles to replace the aging fleet elements that have reached end of their useful life. These investments will lead to cleaner transit vehicle fleets, increased reliability, increased safety, and the reduction of greenhouse gas emissions and other pollutants. For more information, visit: <https://dot.ca.gov/programs/rail/state-transit-assistance-state-of-good-repair>.

Zero Emission Vehicles

California transportation is dedicated to promoting innovation and embracing emerging technologies to improve transportation solutions, with a strong emphasis on environmental stewardship. To meet California's health-based air quality standards and emission reduction goals, cars and fuels must get as close as possible to zero emission. As of the first half of 2025, California surpassed 2.3 million zero-emission vehicles¹⁸ (ZEVs) sales and has been working hard toward the goal of 5 million ZEVs by 2030 and a carbon-neutrality infrastructure by 2045.

In order to achieve the carbon-neutrality infrastructure goal, the FY 2025-26 Transportation Financing Package planned to maintain \$1.1 billion over multiple years for the Zero-Emission Transit Capital Program¹⁹. This program will fund zero-emission vehicles and associated infrastructure or transit operations.

18. <https://www.energy.ca.gov/news/2025-07/over-100000-zevs-sold-california-second-quarter-2025>

19. <https://dot.ca.gov/programs/budgets>





Upcoming LA28 OLYMPICS²⁰

To support planning and preparation for the 2028 Olympic and Paralympic Games in Los Angeles, the Budget includes \$17.6 million one-time from SHA to support transportation project planning associated with the 2028 Olympic and Paralympic Games. This includes work on the Games Route Network, which will provide dedicated lanes for official Games vehicles.

The Budget Act of 2025 includes provisional language to allow Caltrans to spend up to \$20 million from the SHA for Games Route Network capital work in 2025-26 if capital needs are identified.

Tariffs and Transportation

California remained a dominant player in international trade in 2024, with total merchandise trade reaching \$675 billion²¹. The state retained its position as the largest importer and the second-largest exporter among U.S. states. However, the trade balance revealed a heavy dependence on foreign goods, with imports totaling 2.7 times the value of exports. This imbalance made the state particularly vulnerable to the effects of tariffs on imported products.

The imposition of federal policy was projected to significantly slow growth in the California economy. Most notably, broad-based tariffs had a significant impact in the downgrade to California economic and revenue forecasts. This combined with substantial costs for several core state programs led to an estimated shortfall in General Fund at \$11.8 billion in this fiscal year to balance the budget and provide for a prudent discretionary reserve²⁰.

While federal tariffs were intended to promote the

domestic industry, they may have an adverse effect on California's economy—particularly in sectors tied to international trade and freight transportation.

Assuming a 30 percent tariff on imports from China, 25 percent tariffs on goods from Mexico and Canada that fall outside USMCA provisions, and a 10 percent tariff on imports from the rest of the world, California is estimated to have a reduction in the values of imports between \$71.7 billion and \$173 billion²². This contraction in trade is expected to have far-reaching consequences across freight-related sectors. Specifically, reduced import volumes could lower GDP contributions from these sectors by approximately 0.7 percent to 1.6 percent²². Furthermore, job losses are estimated to range between 59,000 and 130,000 positions²², primarily due to decreased freight movement, weakened demand for imported goods, and ongoing shifts in global supply chains.

The potential of increased prices of everyday consumer goods²³ and the reduction in imported goods could not only curtail economic activity but also diminish freight and passenger volumes that generate revenue for transportation infrastructure. This could reduce port revenues and container fees, shrink sales tax collections on import goods, and lower fuel tax revenue. Consequently, these developments threaten the sustainability of transportation funding, which relies on trade, and could undermine California's long-term economic resilience unless mitigated by strategic policy adjustments.

20. <https://ebudget.ca.gov/budget/e/2025-26/BudgetSummary>

21. Source: U.S. Census Bureau, Foreign Trade Division

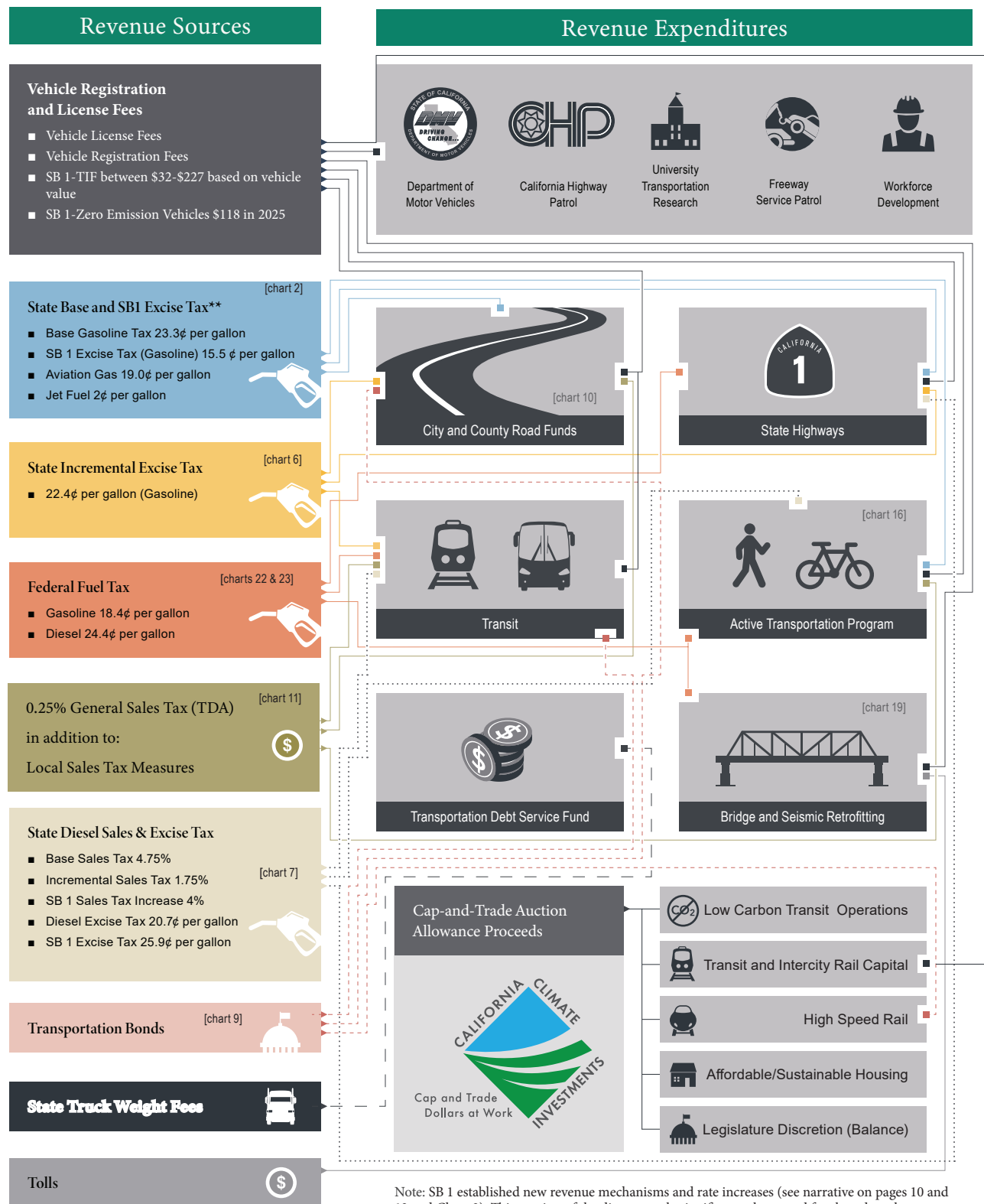
22. Source: Transportation Economics Branch, impact estimated using Import elasticity between -1.534 and -0.997, model using IMPLAN

23. *The impact of Tariffs on Inflation* - Federal Reserve Bank of Boston

TRANSPORTATION FUNDING CHARTS



A SIMPLIFIED OVERVIEW OF FY 2025-26 TRANSPORTATION FUNDING: CHART 1*



Note: SB 1 established new revenue mechanisms and rate increases (see narrative on pages 10 and 12 and Chart 3). This portion of the diagram only signifies newly created fees based on the passage of SB 1 (2017). Revenues from these fees are allocated to state entities and programs.

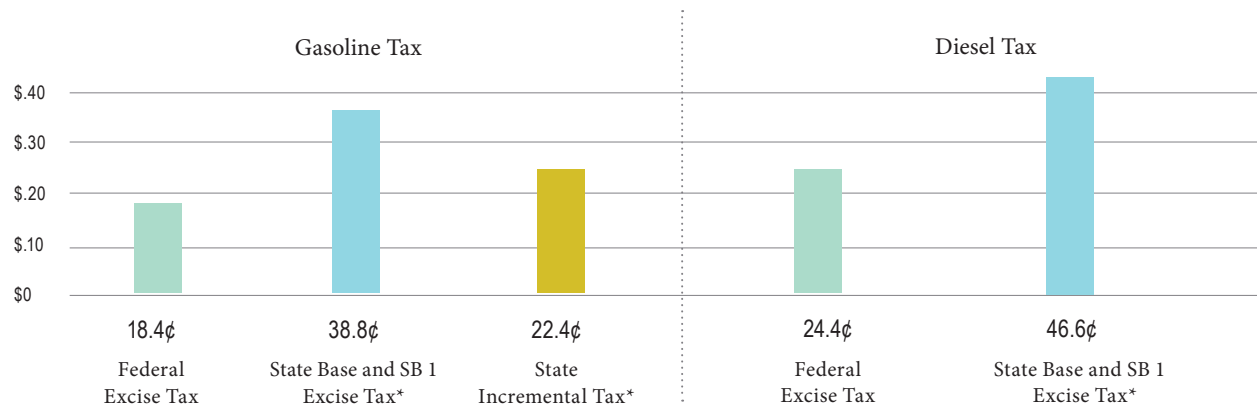
* This document includes some but not all budget and accounting information. For more information on budget or accounting see <https://dot.ca.gov/programs/budgets> and <http://www.ebudget.ca.gov>.

** State base excise tax also pays for the Aeronautics Account.

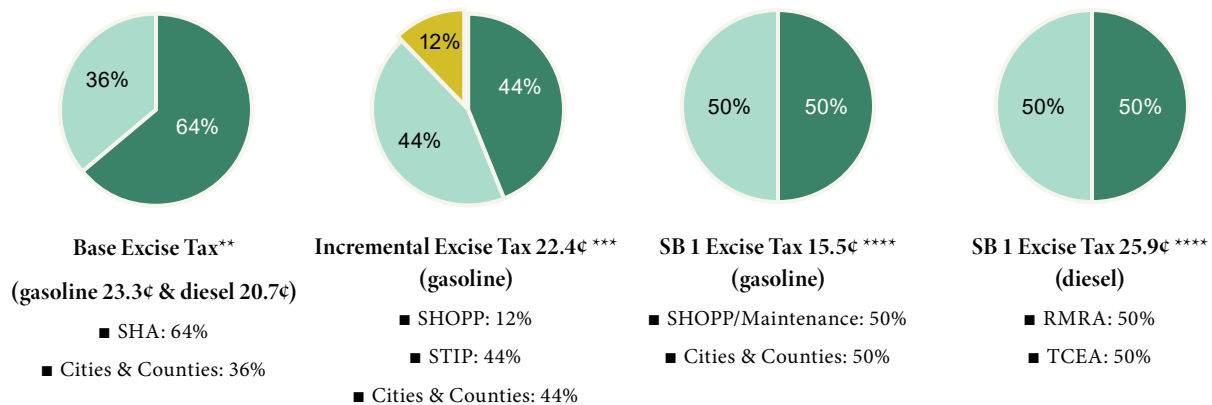
FUEL EXCISE TAX: CHART 2

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

FY 2025-26 Fuel Tax Per Gallon



Allocation



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

** The 64/36 split only applies to California's base excise tax on motor fuels: 1) 23.3¢ of the 38.8¢ state base and SB 1 excise tax on gasoline and 2) 20.7¢ of the 46.6¢ state base and SB1 excise tax on diesel.

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

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

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

Diesel Sales & Use Tax Revenues • \$3.53 billion over 10 years

Source: a 4 percent sales tax rate increase

Diesel Excise Tax Revenues • \$7.27 billion over 10 years

Source: a 20 cent increase & adding an annual inflationary adjustment to the combined diesel excise tax, starting 2020

PTA: to fund transit and intercity and commuter rail operating programs

RMRA: to fund prioritized road maintenance and rehabilitation projects

SHA: to fund highway projects

Trade Corridors Enhancement Account (TCEA): to fund trade corridor projects

New Excise Gas Tax Revenues • \$24.82 billion over 10 years

Source: a 12¢ base increase that occurred on 11/1/17; reset incremental excise tax to 17.3¢ by 7/1/19; and adding an annual inflationary adjustment to the combined gasoline excise tax, starting 2020

RMRA: to fund prioritized road maintenance and rehabilitation projects

SHA: to fund highway projects

Highway Users' Tax Account (HUTA): to fund regional transportation agencies for local streets and roads projects

TIF Revenues • \$16.35 billion over 10 years

Source: a registration fee increase implemented by SB 1 that ranges from \$32 to \$227 for 2025 that depends on market value of vehicle and includes an annual inflation adjustment beginning in 2020

RMRA: to fund prioritized road maintenance and rehabilitation projects

SHA: to fund projects that reduce congestion in highly traveled corridors

PTA: to fund Transit and Intercity Rail Capital program as well as State Transit Assistance programs

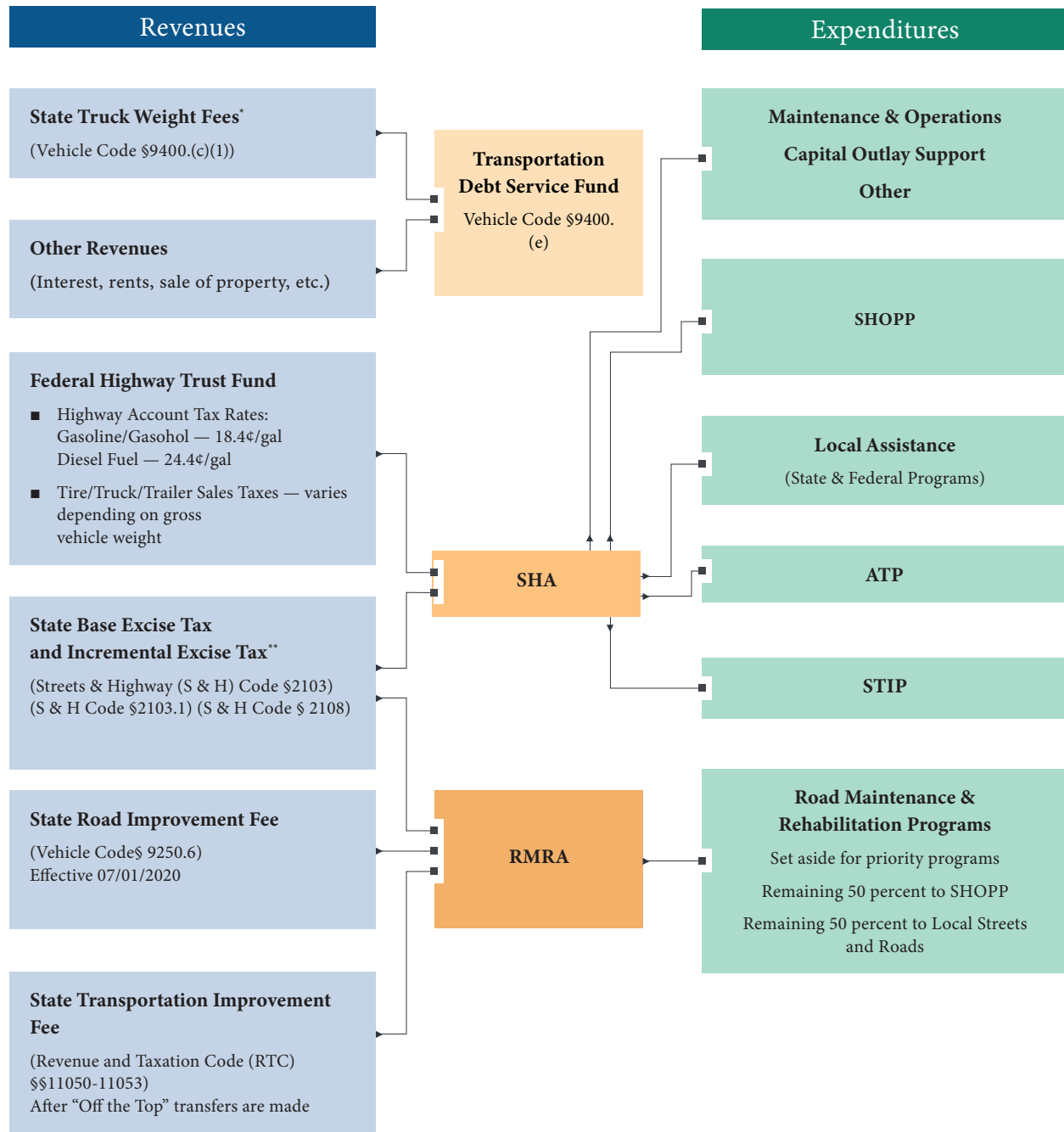
Road Improvement Fee Revenues • \$191 million over 10 years

Source: an annual \$100 registration fee will be applied to zero-emission vehicles (ZEV) model year 2020 or newer, starting 7/1/2020. Fees will be adjusted annually based on the California CPI starting January 2021

RMRA: to fund basic road maintenance, rehabilitation, critical safety projects and other transportation initiatives

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

STATE AND FEDERAL HIGHWAY FUNDING: CHART 4

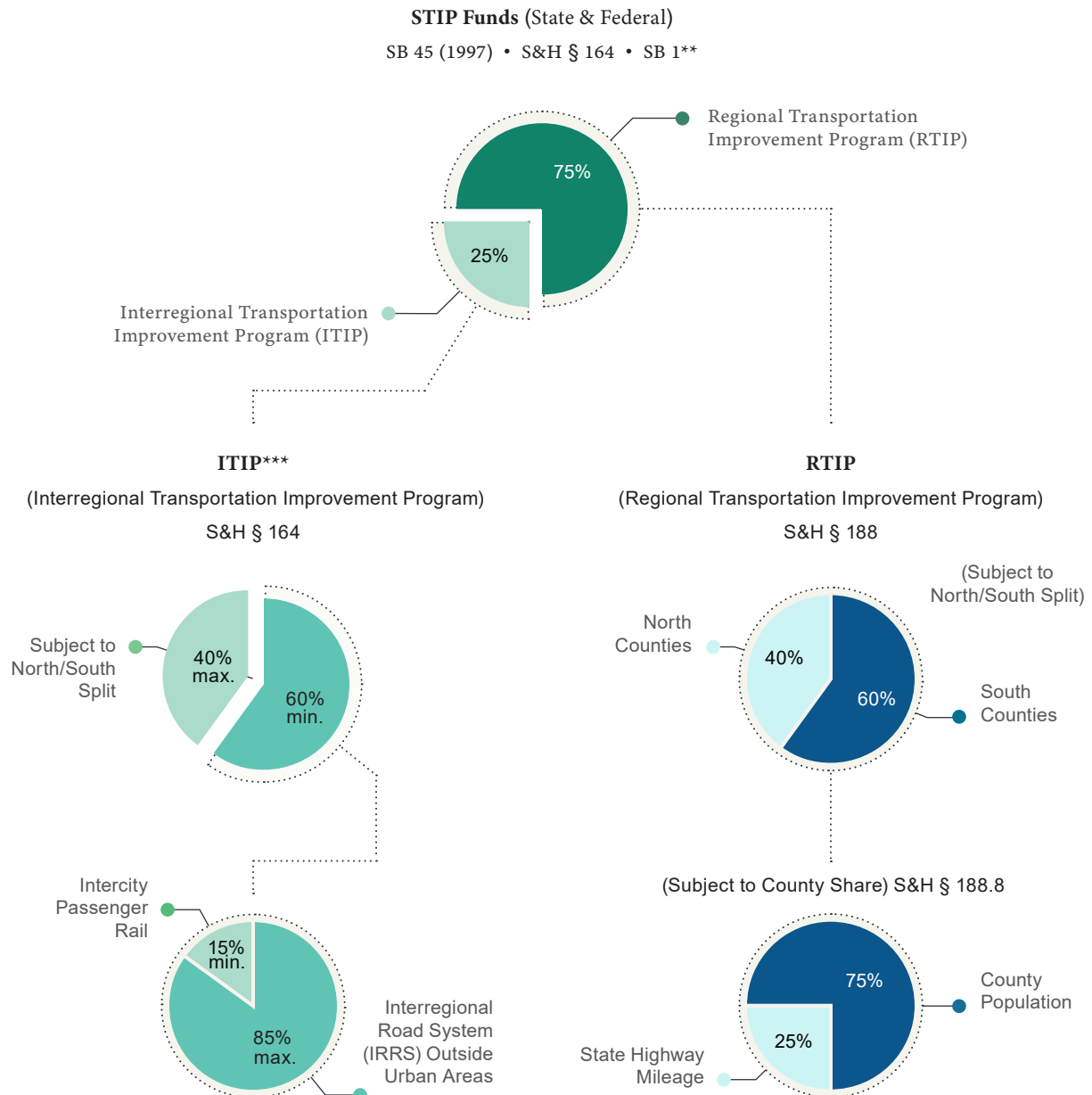


* Assembly Bill 105 (Fuel Tax Swap) directs revenues from the Truck Weight Fees to pay transportation bond debt service and loans to the General Fund.

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

STIP FUNDING DISTRIBUTION: CHART 5

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

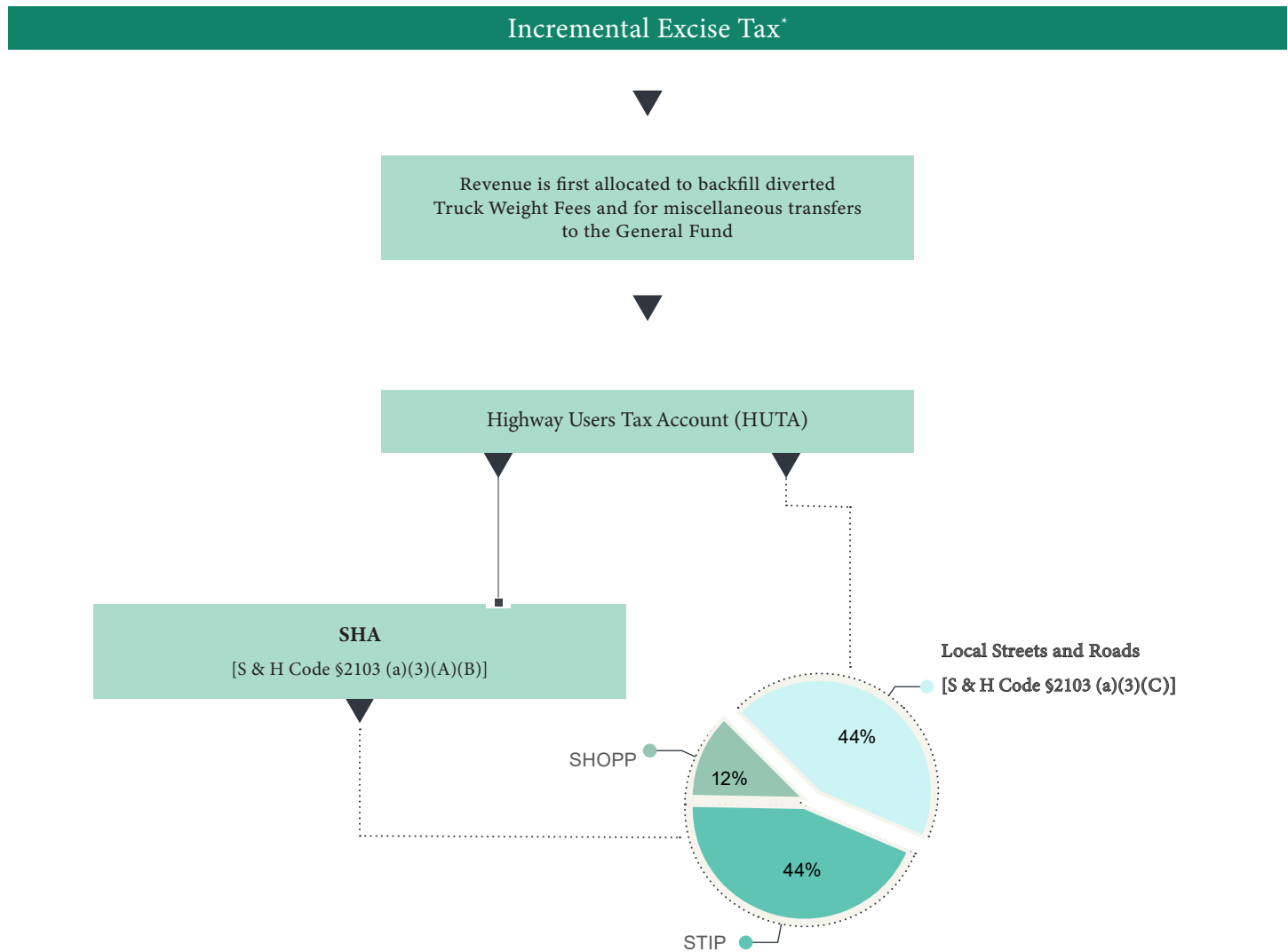


* The "split" is in reference to SB 45 (1997). It is geographically defined as: 60 percent of funds are allocated to 13 southern counties, while the remainder is allocated to the remaining 45 northern counties. For more information, visit https://lao.ca.gov/2000/051100_cal_travels/051100_cal_travels_decisions.html

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

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

INCREMENTAL EXCISE TAX: CHART 6

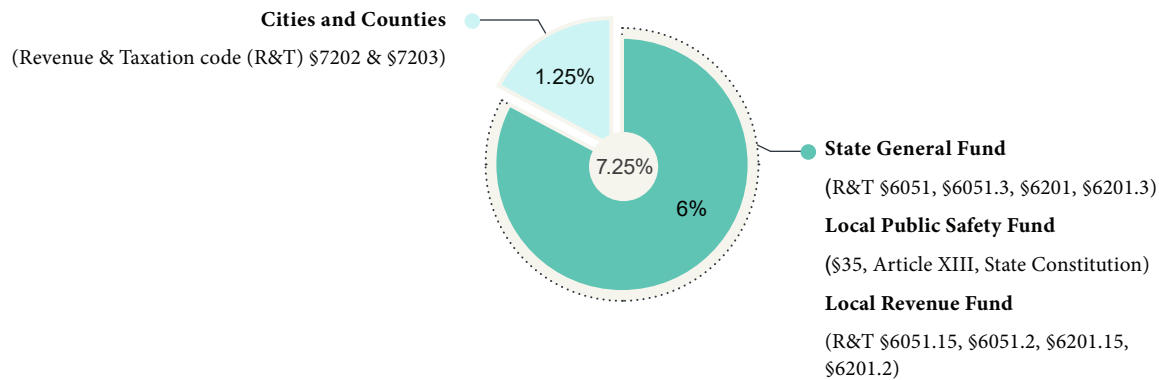


* The passage of SB 1 eliminates the fuel tax swap revenue neutrality adjustment made by the BOE. This rate is fixed at 17.3¢/gal effective 7/1/19 and adjusts for inflation every year after by the California Department of Tax and Fee Administration.

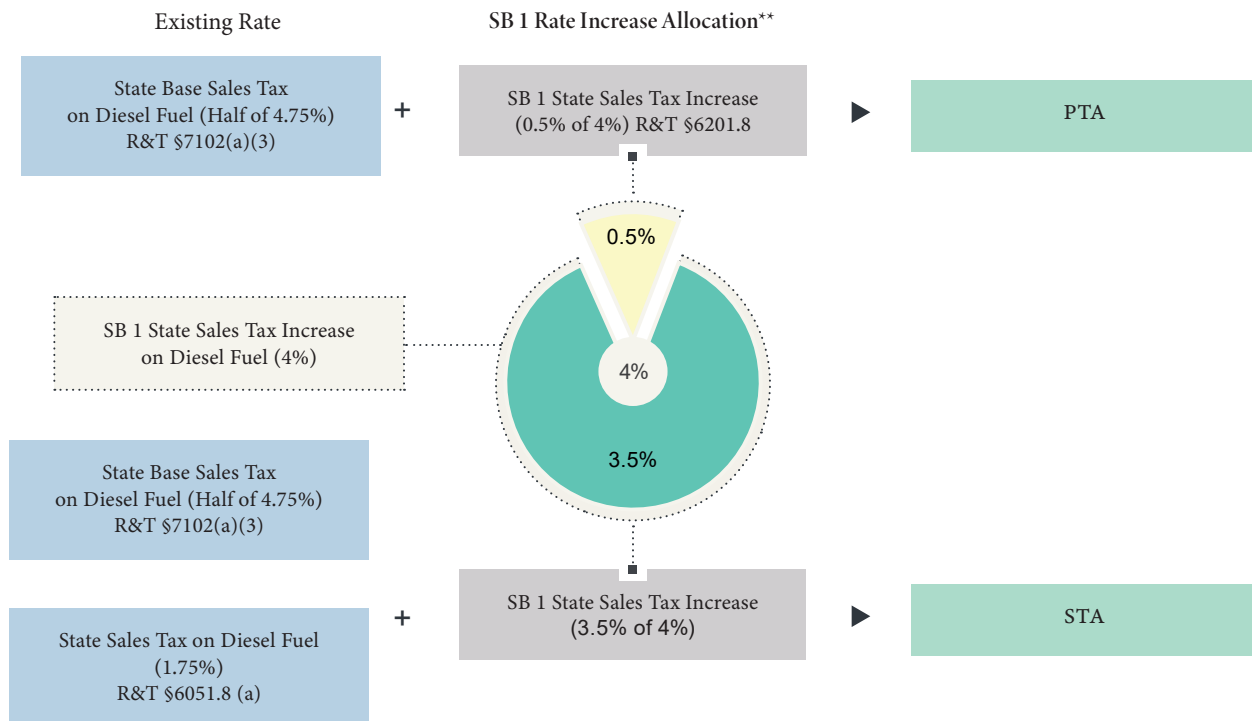
The allocation structure of AB 105 (2011) will remain in place. Truck weight fee revenues from the SHA can still be used to pay down transportation debt services and loans in the Transportation Debt Service Fund.

STATE SALES AND USE TAX RATE: CHART 7

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



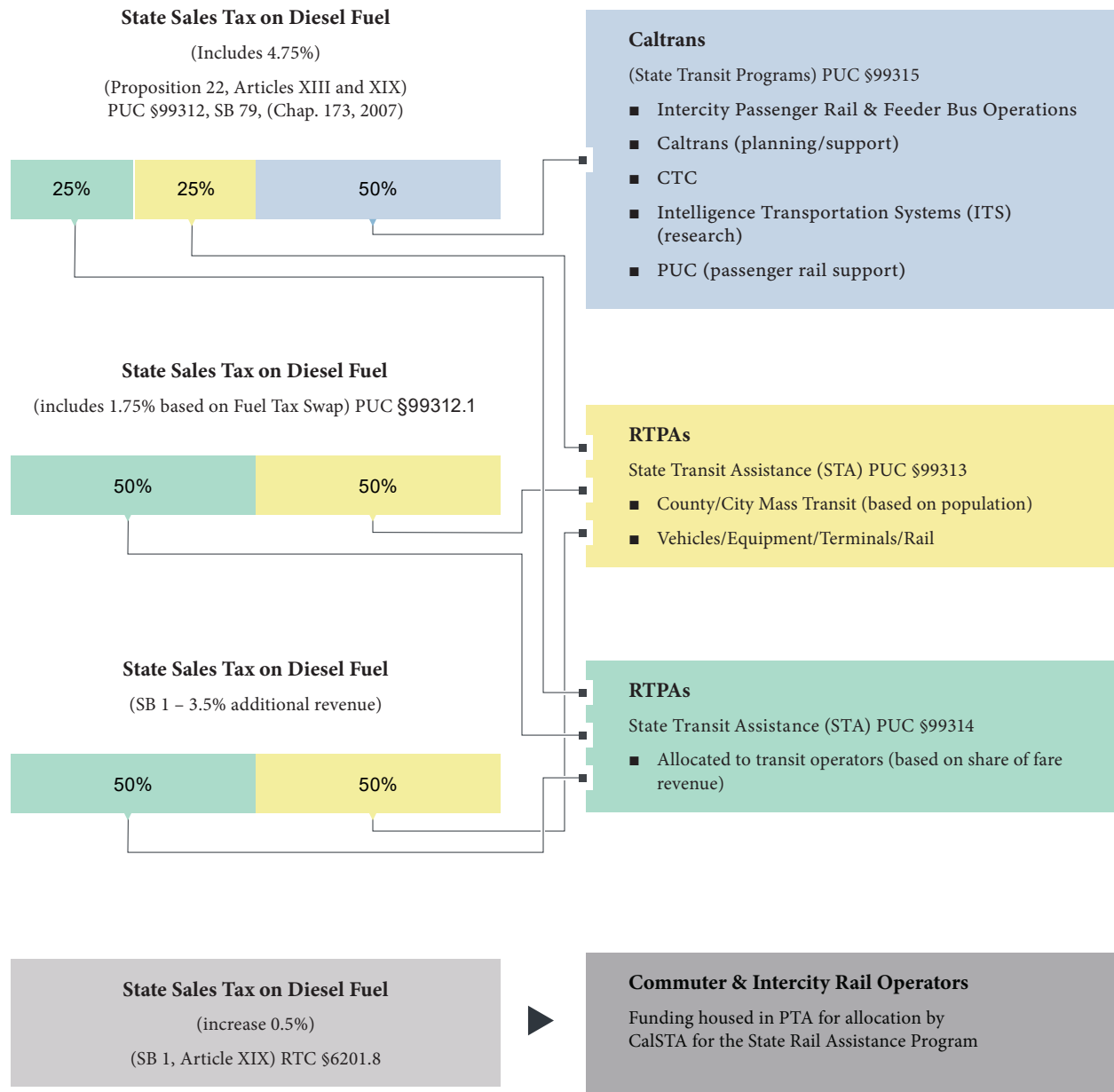
Statewide Diesel Fuel Sales Tax Rate Allocation (Available for Transportation)



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

** SB 1 increased the sales tax on diesel fuel by 4% on 11/1/17. PTA receives 0.5% for the State Rail Assistance Program and STA receives 3.5% of this SB 1 rate increase. Total Diesel Sales Tax rates is 13% as of 7/1/2024.

PUBLIC TRANSIT ACCOUNT (PTA) REVENUES: CHART 8



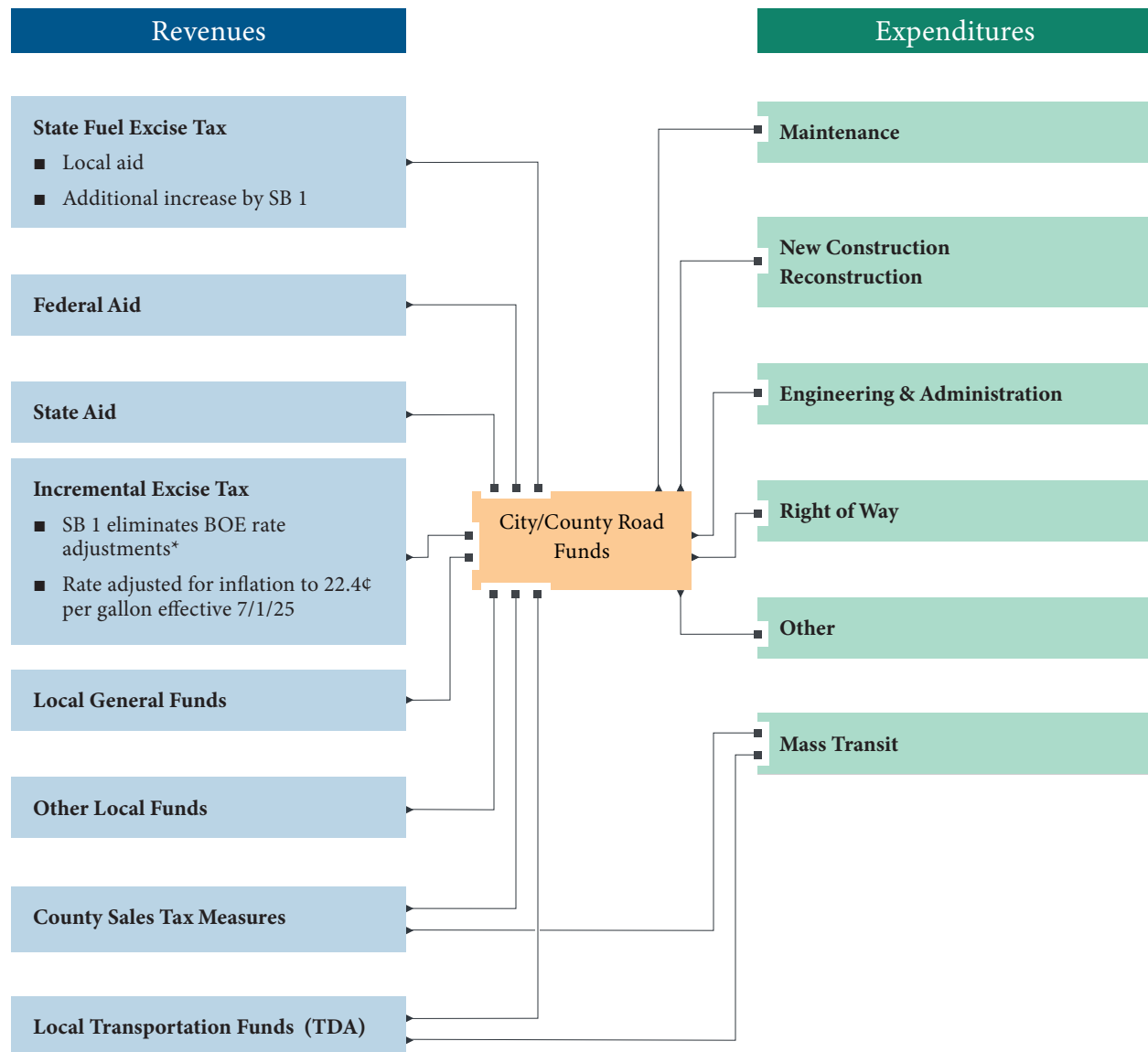
PROPOSITION 1B: CHART 9

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

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

For more information visit <https://bondaccountability.dot.ca.gov/>

LOCAL STREET AND ROAD FUNDING: CHART 10



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

- * Streets and Roads
- * Transit Operators
- * Transportation Planning Agencies
- * See Road Repair and Accountability Act of 2017 (SB 1)

COUNTY TRANSPORTATION SALES TAX MEASURES: CHART 11

Permanent 0.5% Sales Tax Transit Districts

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

"Self-Help" (Temporary 0.5% Taxes)

County	Duration	Estimated 2025 Revenues (in millions)
Alameda	2015-2045	\$438
Contra Costa	1989-2034	\$124
Fresno	1987-2027	\$138
Imperial	1990-2050	\$19
Los Angeles (1%)	Permanent	\$2,354
Los Angeles (Measure R, 0.5%)	2009-2039	\$1,177
Los Angeles (Measure M, 0.5%)	2017-Indefinite	\$1,177
Madera	1990-2027	\$15
Marin*	2019-2049	\$36
Merced	2017-2047	\$25
Monterey (.375%)	2017-2047	\$38
Napa (Measure U)	2018-2055	\$26
Orange	1991-2041	\$496
Riverside	1989-2039	\$319
Sacramento	1989-2039	\$196
San Benito**	2019-2049	\$13
San Bernardino	1990-2040	\$324
San Diego	1988-2048	\$446
San Francisco	1990-2053	\$125
San Joaquin	1991-2041	\$131
San Mateo (Measure A, SamTrans)	1989-2033	\$131
San Mateo (Measure W, .5%, San Mateo County Transit District)***	2019-2049	\$131
Santa Barbara	1990-2040	\$55
Santa Clara	1996-2036	\$315
Santa Clara (VTA 0.125%)	2013-2043	\$79
Santa Clara (VTA-Measure B, 0.5%)	2017-2047	\$315
Santa Cruz	2017-2047	\$27
Sonoma (0.25%)****	2005-2045	\$33
Sonoma-Marin (SMART 0.25%)	2009-2029	\$51
Stanislaus	2017-2042	\$71
Tulare	2007-2037	\$66
Total Estimated 2025 Revenue		\$8,891

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

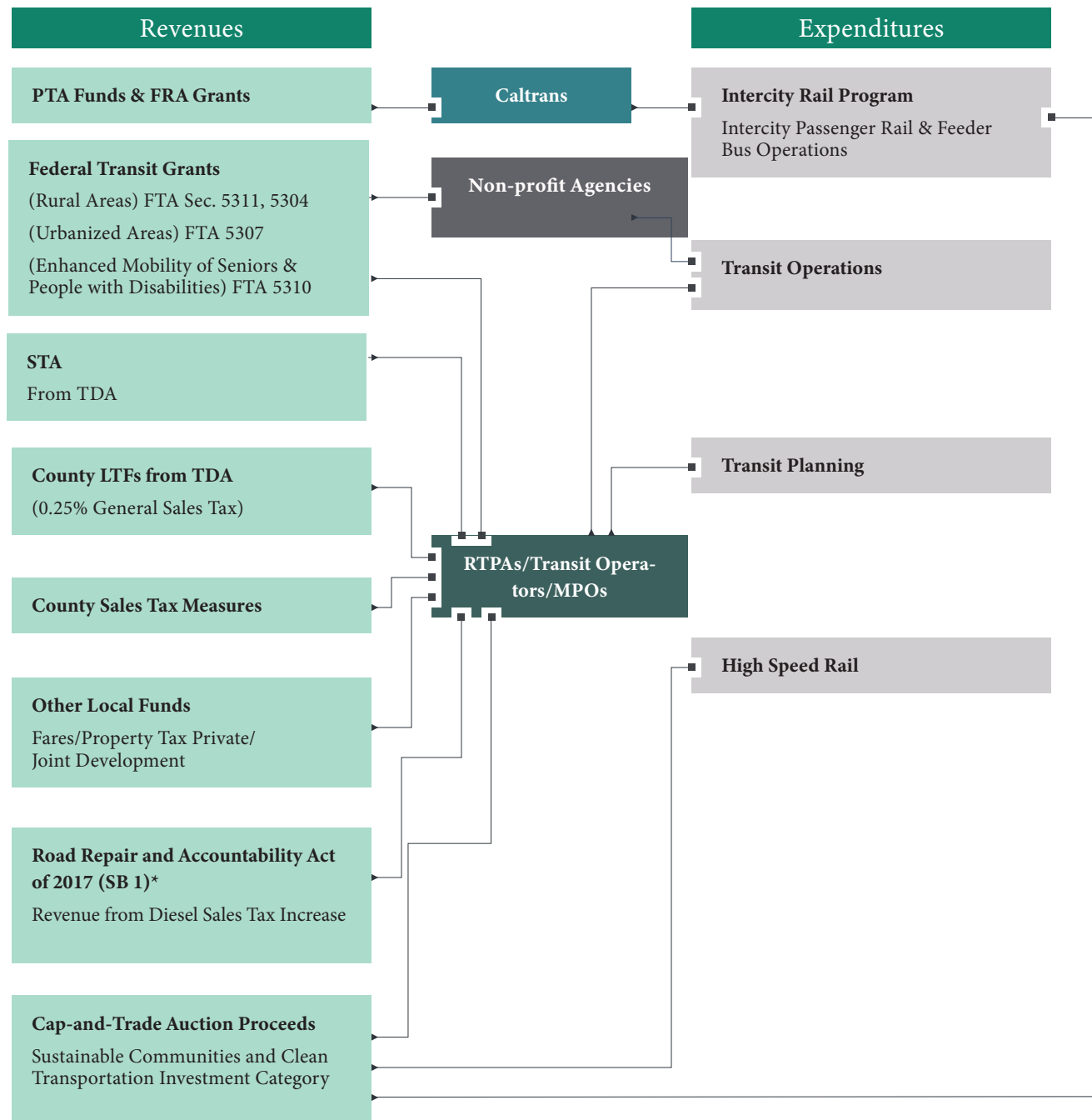
* Renewal of retail transaction of use (sales) tax. Original one-half cent tax passed in 2004 will expire in 2025. In November 2018, voters renewed this tax for another 30 years.

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

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

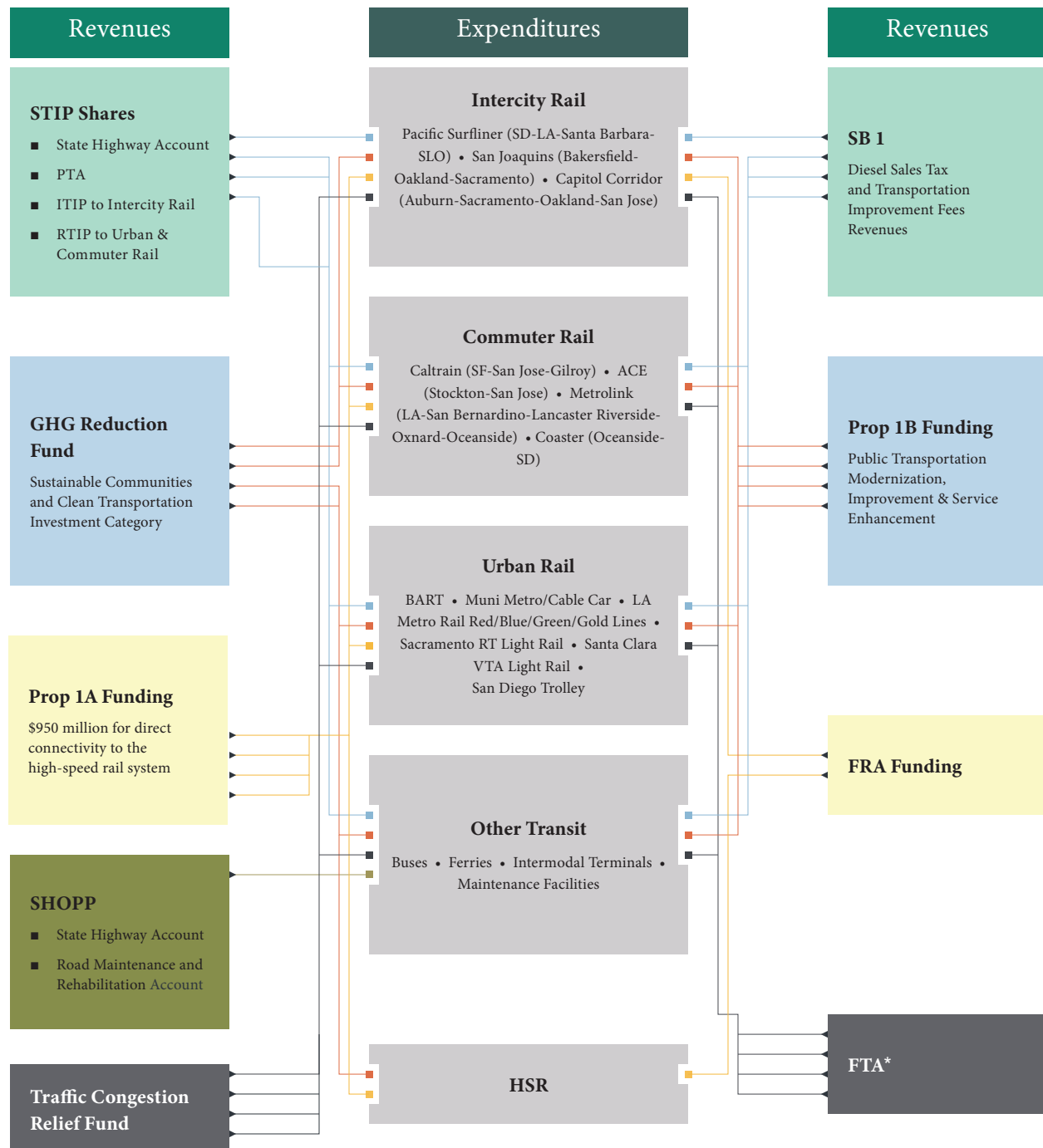
**** In November, 2020, voters renewed the current 1/4-cent sales tax dedicated to transportation through March 31, 2045.

TRANSIT AND RAIL OPERATIONS FUNDING: CHART 12



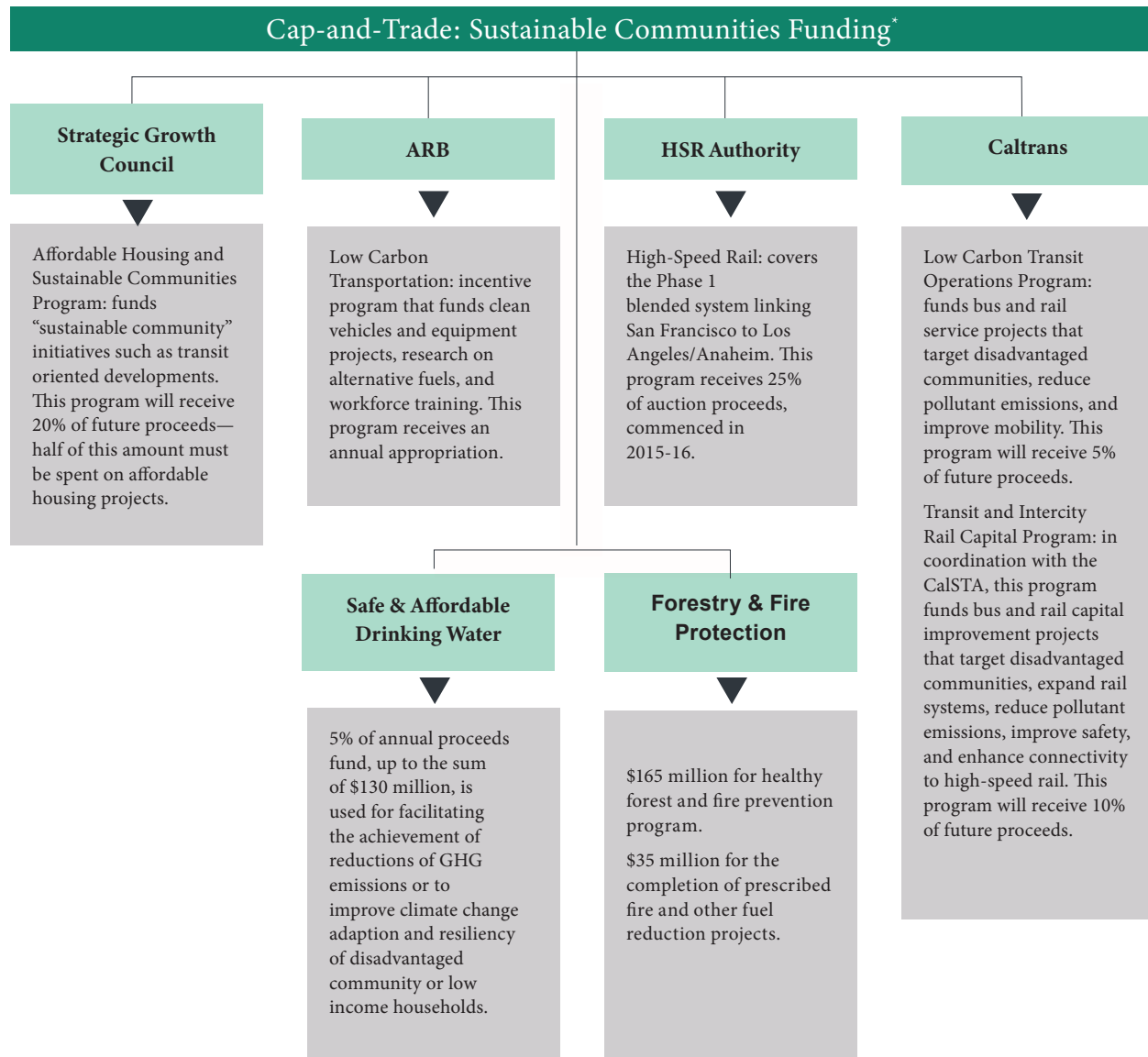
* See Building California website at <http://build.ca.gov>

TRANSIT AND RAIL CAPITAL FUNDING: CHART 13



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

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



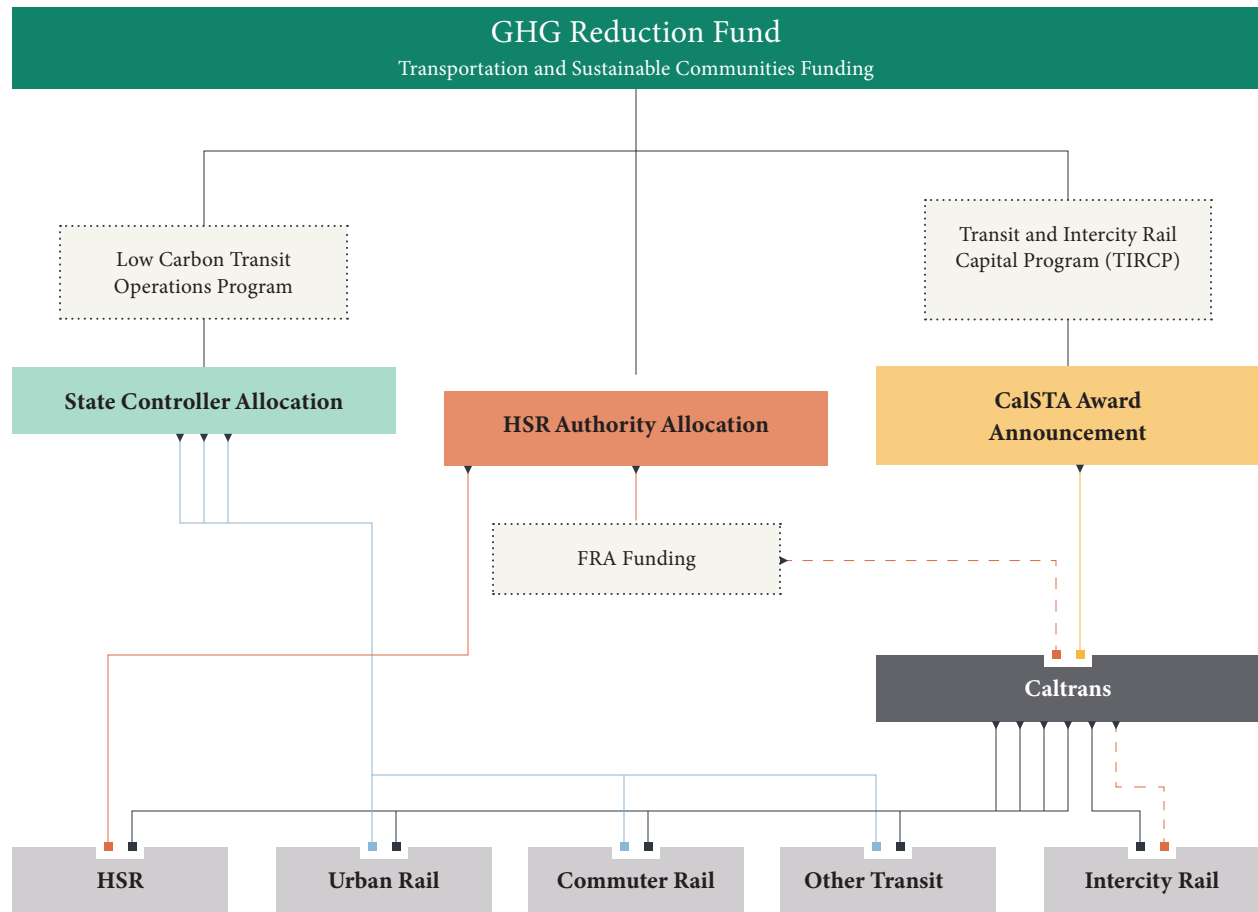
* The enactment of AB 32, the California Global Warming Solutions Act of 2006, requires the California Air Resources Board to establish a regulatory market-based program. Since 2013, this program sets a “cap” or limit on the amount of emissions that electric and large industrial plants can produce. Effective January 1, 2015, fuel distributors and suppliers were subjected to the “cap.” The “cap” limitation is approximately reduced by 3% per year to reach the state’s 2020 emission reduction target.

The California Legislature and Governor appropriate the collected auction proceeds, known as the Greenhouse Gas Reduction Fund to state agencies for designated purposes. These appropriations are classified by three categories: 1) Transportation and Sustainable Communities Funding, 2) Clean Energy and Energy Efficiency Funding, and 3) Natural Resources and Waste Diversion.

This chart only illustrates the Transportation and Sustainable Communities Funding. Five agencies receives approximately 65% of the proceed from each quarterly Cap-and-Trade auction through continuous appropriations. The remaining is available for appropriation by state Legislature. Cap-and-Trade program was extended to 2030 on July 25, 2017 (AB 398, Chapter 135).

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

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



ACTIVE TRANSPORTATION PROGRAM: CHART 16

Revenue Sources*

State Resources

- SHA
- RMRA (SB 1)**

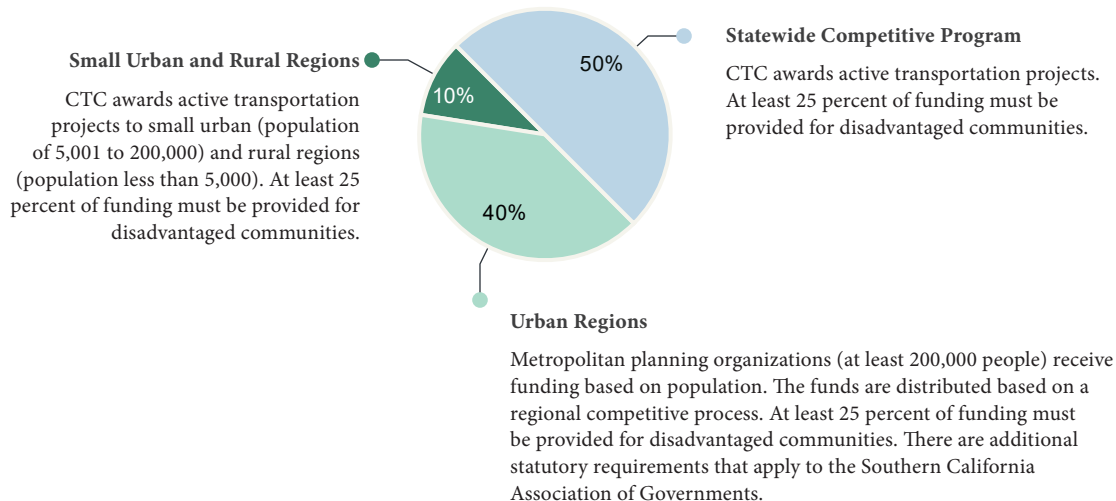
Federal Resources

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

ATP***

SB 99, Chapter 359 (2013) and AB 101, Chapter 354 (2013)

Funds non-infrastructure and infrastructure projects that encourage people to use active transportation modes.

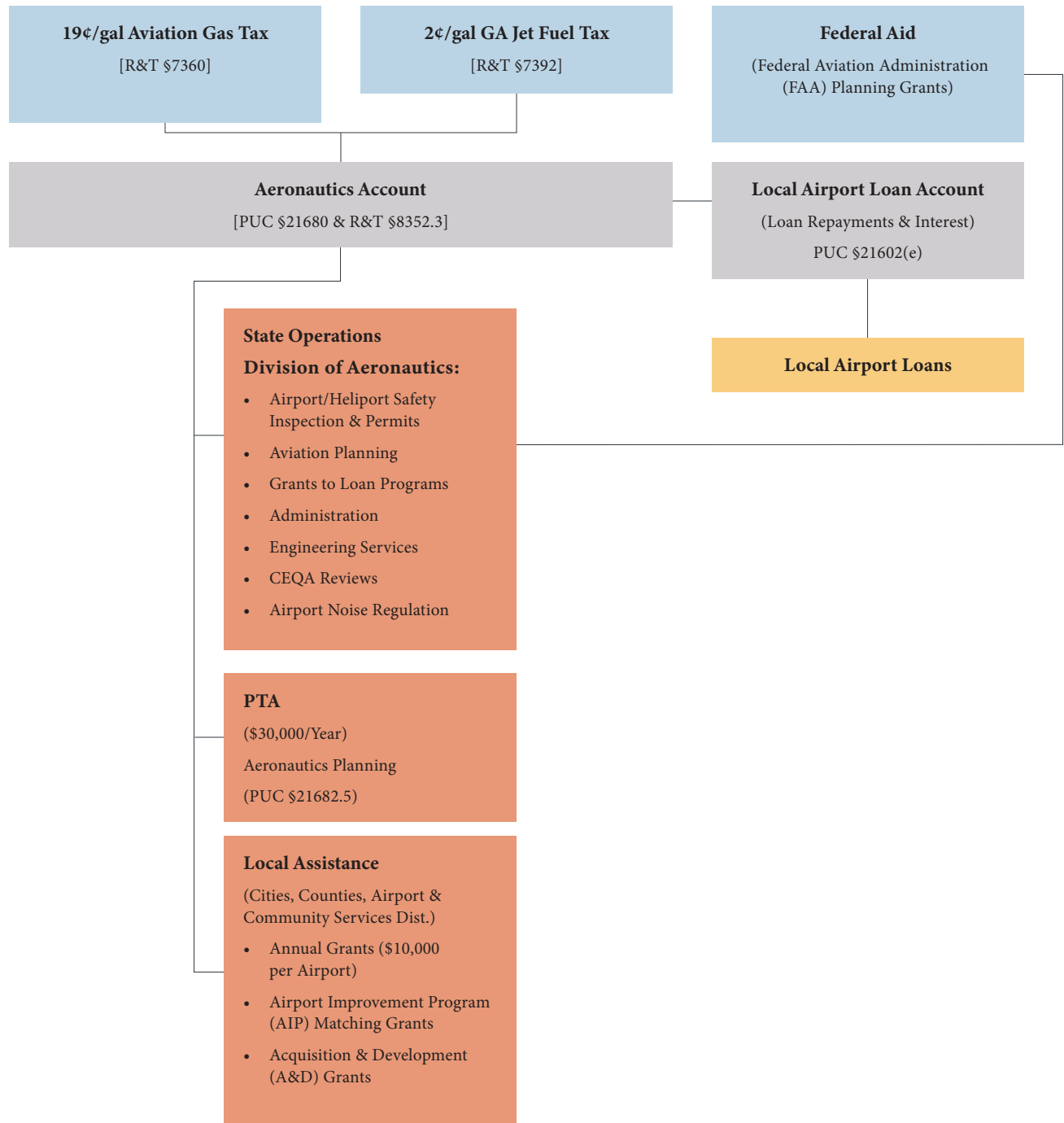


* Caltrans Active Transportation Program Fact Sheet. Retrieved from <https://dot.ca.gov/programs/local-assistance/fed-and-state-programs/active-transportation-program>

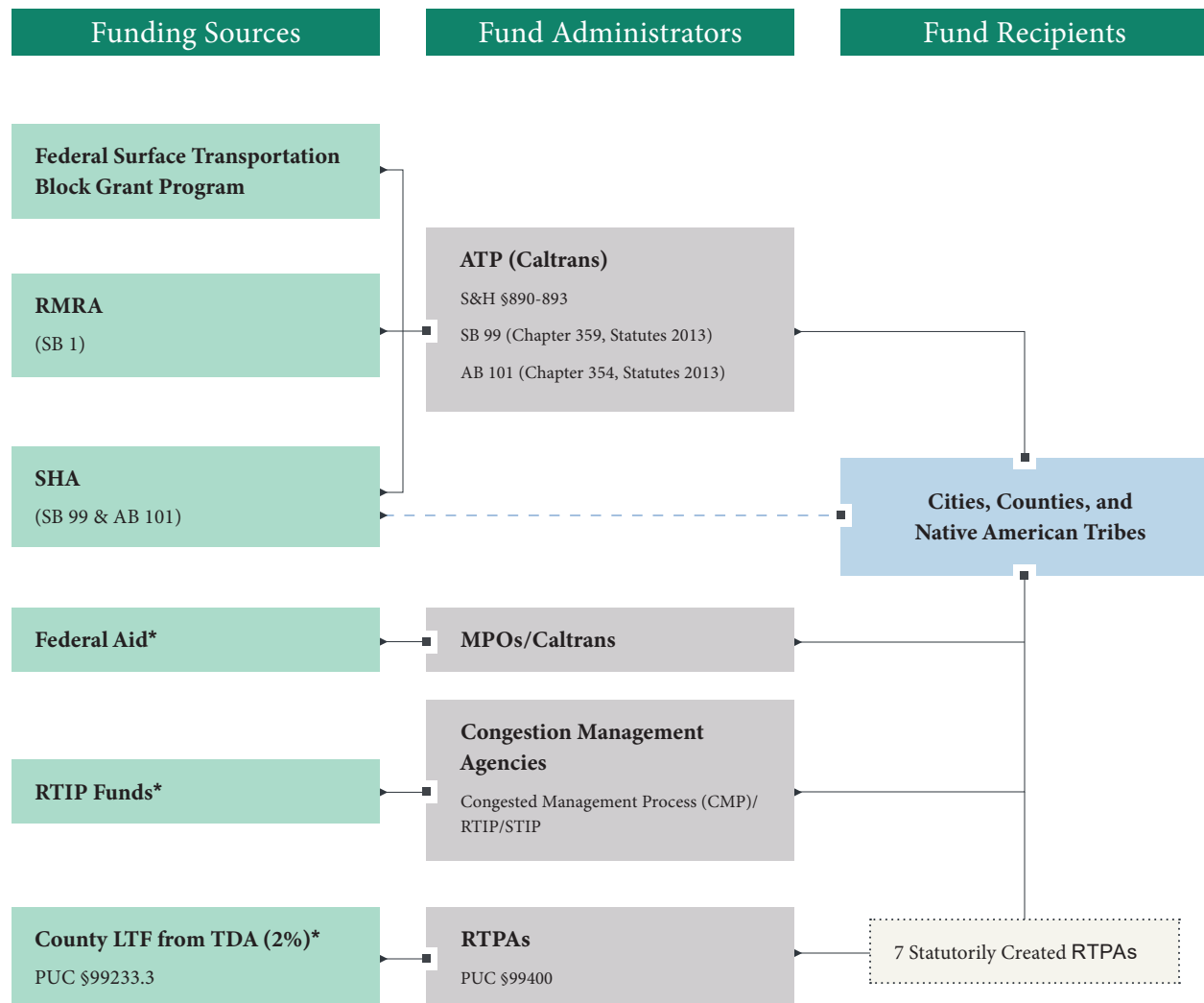
** See Road Repair & Accountability Act of 2017, Chapter 5. Retrieved from https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20170180SB1

*** California Transportation Commission. 2025 Active Transportation Program Guidelines. Retrieved from <https://catc.ca.gov/-/media/ctc-media/documents/programs/atp/2025-active-transportation-program-guidelines-final-adopted-a11y.pdf>

STATE GENERAL AVIATION FUNDING: CHART 17



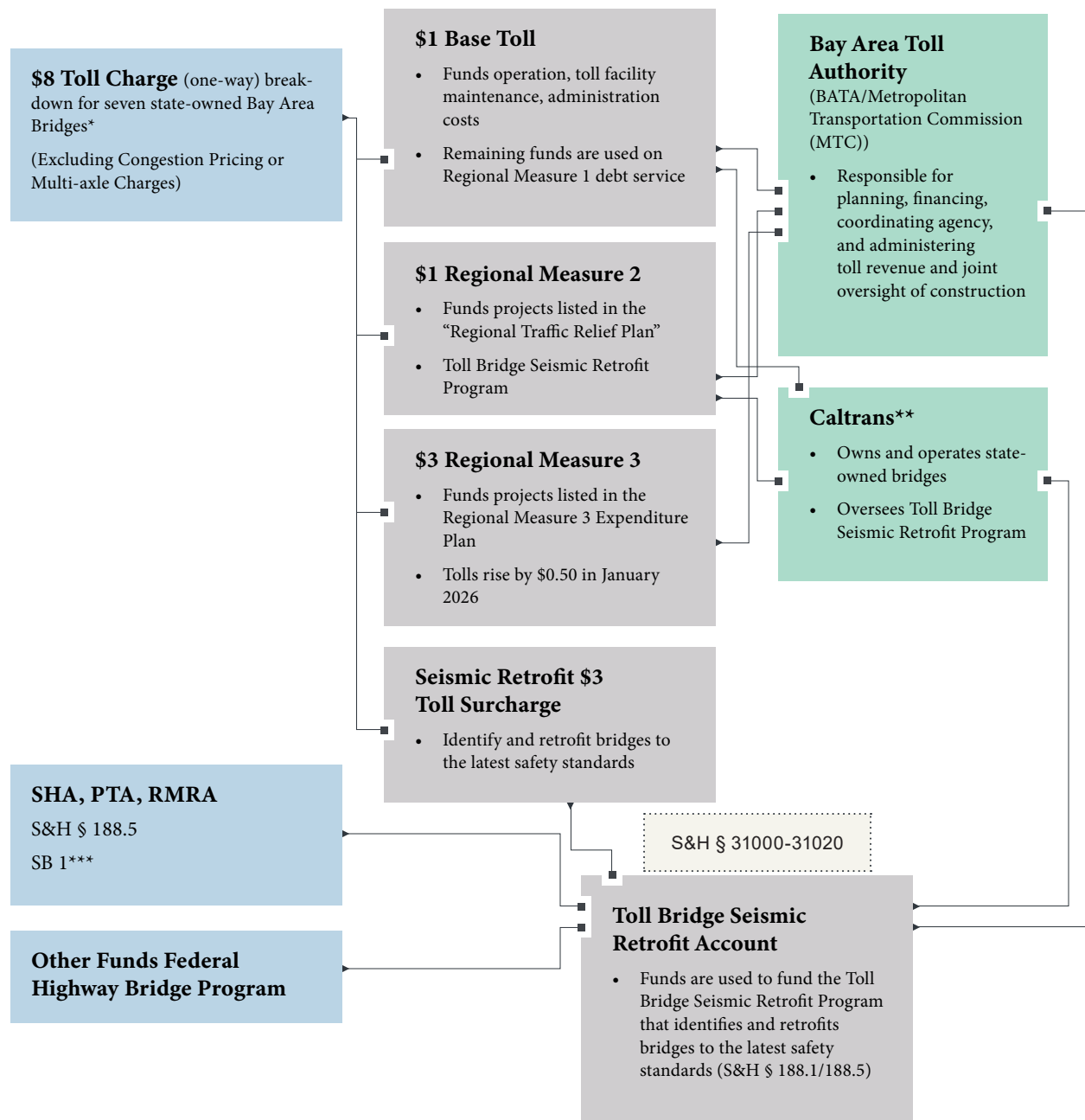
NON-MOTORIZED TRANSPORTATION FUNDING: CHART 18



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

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

STATE TOLL BRIDGE & SEISMIC RETROFIT FUNDING: CHART 19

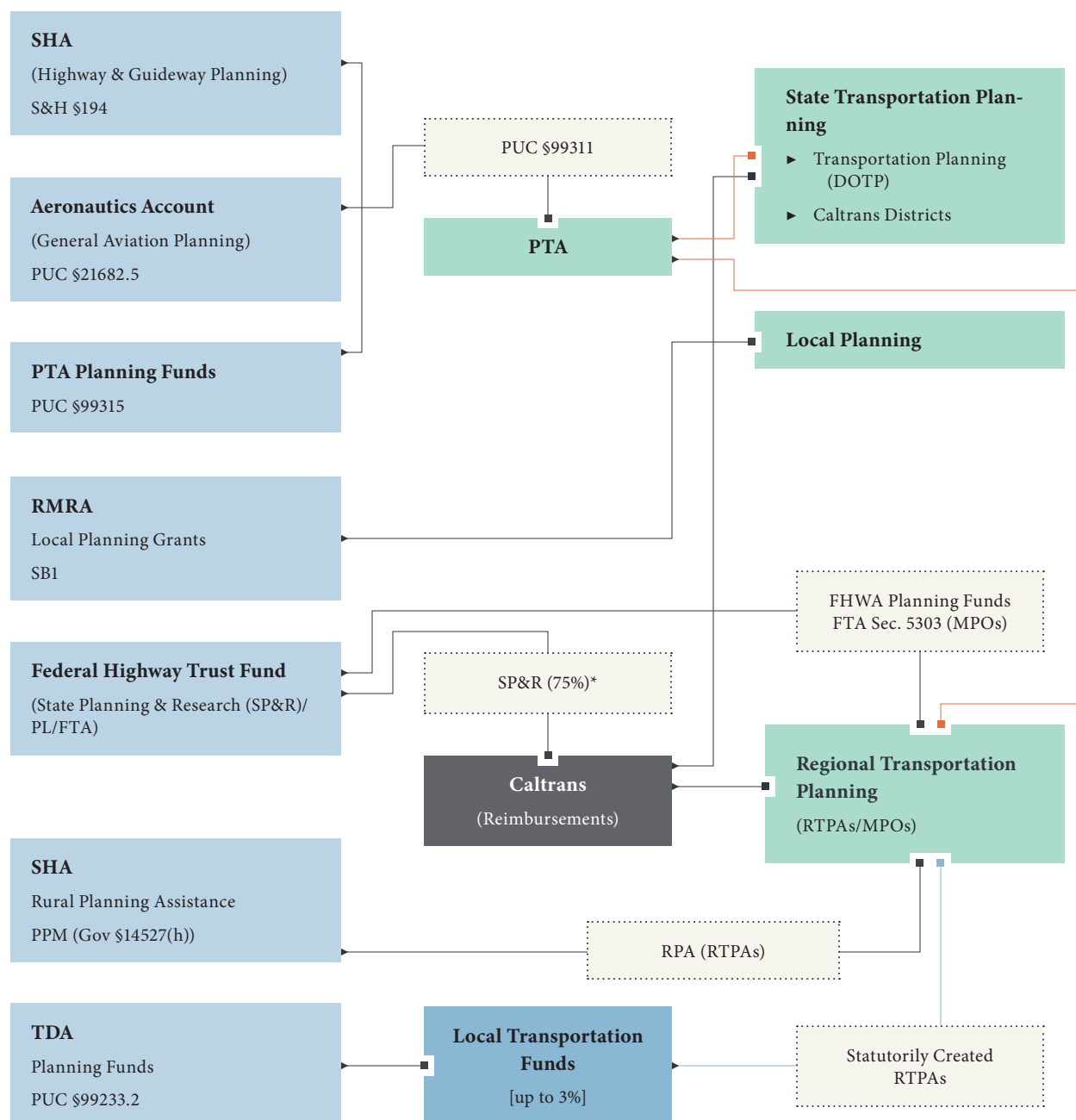


* San Francisco-Oakland weekday off-peak hours toll is \$7, peak hours is \$9, and weekends is \$8.

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

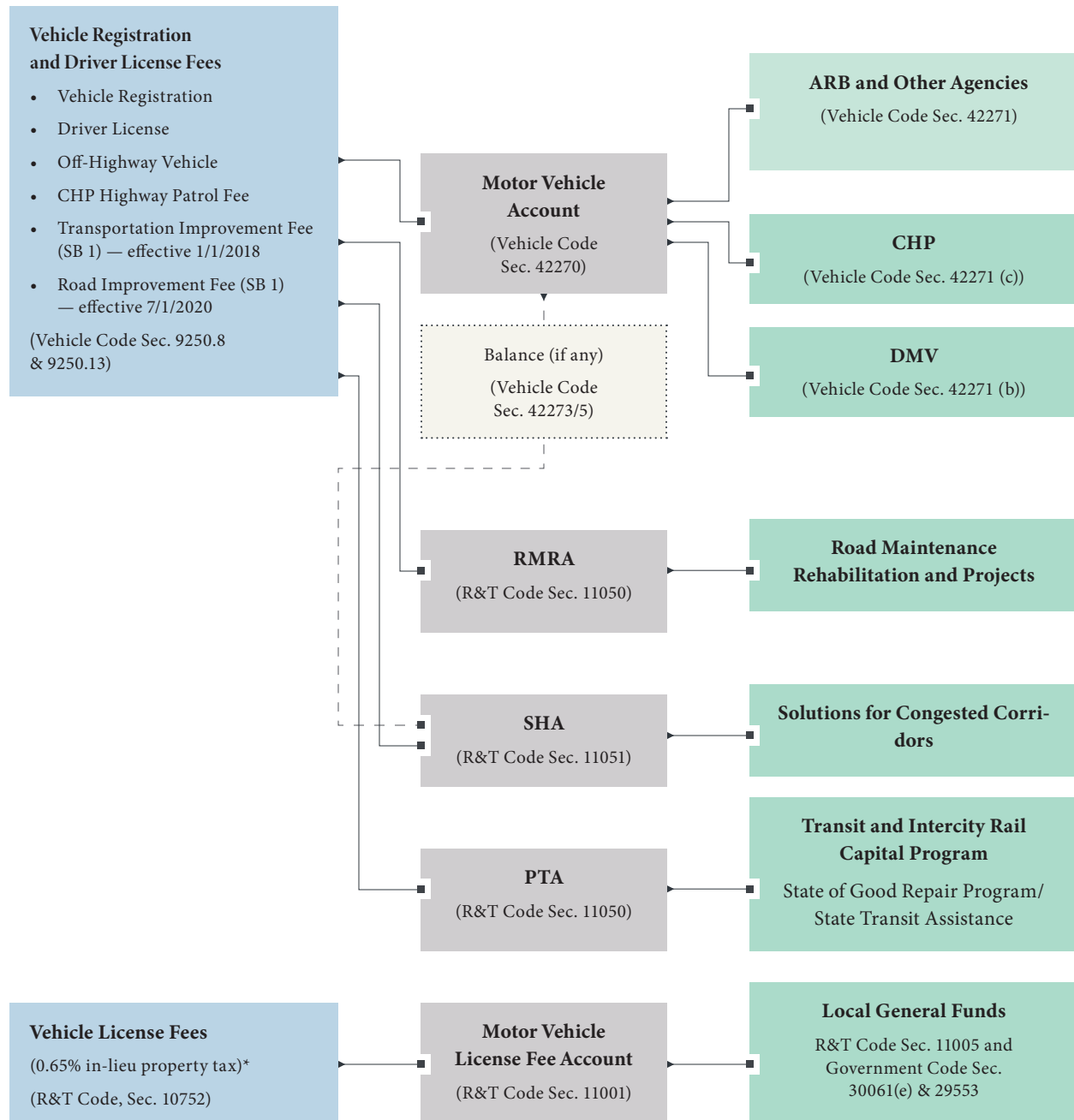
*** SB1 provides additional funding for bridges and culverts repair and maintenance under Road Maintenance and Rehabilitation Account.

TRANSPORTATION PLANNING FUNDS: CHART 20



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

MOTOR VEHICLE FEES: CHART 21



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

FEDERAL-AID HIGHWAY PROGRAMS: CHART 22

Program	Description
Advanced Digital Construction Management Systems (ADCMS) (§13006(a)(3)(D); 23 U.S.C. 503(c)(5))	Funds to promote, implement, deploy, demonstrate, showcase, support and document the application of advanced digital construction management systems, practices, performances, and benefits.
Advanced Transportation Technologies and Innovation (ATTAIN) (§13006(b); 23 U.S.C. 503(c)(4))	Provides competitive grants to deploy, install, and operate advanced transportation technologies to improve safety, mobility, efficiency, system performance, intermodal connectivity, and infrastructure return on investment.
Accelerated Innovation Deployment Demonstration (AID) (23 U.S.C.)	Provide competitive grants to support the pilot/ demonstration of innovations on projects, in areas such as planning, financing, operations, pavements, structures, materials, environment, and construction.
Active Transportation Infrastructure Investment Program (ATIIP) (IIJA § 11529)	Provides grants to construct safe and connected active transportation facilities in an active transportation network or active transportation spine. Fund is subject to the availability appropriations.
Bridge Investment Program (BIP) (§11118; 23 U.S.C. 124)	Provides grants, on a competitive basis, to improve bridge condition and the safety, efficiency, and reliability of the movement of people and freight over bridges.
Bridge Formula Program (BFP) (Division J, Title VIII, Highway Infrastructure Program heading, paragraph (1))	Provide funds to replace, rehabilitate, preserve, protect, and construct highway
Better Utilizing Investments to Leverage Development Grant Program (BUILD)	Provides grants for surface transportation infrastructure projects that will have a significant local or regional impact. This program is previously known as the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) and Transportation Investment Generating Economic Recovery (TIGER).
Charging and Fueling Infrastructure Grants Program (CFI) (§1401; 23 U.S.C. 151(f))	Provides grants to develop or deploy electric vehicle charging infrastructure and hydrogen, propane, and natural gas fueling infrastructure along alternative fuel corridors.
Congestion Relief Program (§11404(a); 23 U.S.C. 129(d))	Provides discretionary grants to advance innovative, integrated, and multimodal solutions to congest relief in the most congested metropolitan areas.
Emergency Relief Program (§§ 11106, 11107, 11519; 23 U.S.C. 120(e), 125)	Provides funds for emergency repairs and permanent repairs on Federal-aid highways and roads, tribal transportation facilities, and roads on Federal lands that the Secretary finds have suffered serious damage as a result of natural disasters or catastrophic failure from an external cause.

For more information, visit https://www.fhwa.dot.gov/infrastructure-investment-and-jobs-act/fact_sheets.cfm and https://www.fhwa.dot.gov/infrastructure-investment-and-jobs-act/grant_programs.cfm.

FEDERAL-AID HIGHWAY PROGRAMS: CHART 22 (Continued)

Program	Description
Federal Lands Access Program (FLAP) (§ 11113; 23 U.S.C. 201, 204)	Funds projects on Federal Lands Access Transportation Facilities that are located on or adjacent to, or that provide access to Federal lands.
Federal Lands Transportation Program (FLTP) (§§ 11112, Division J, Title VIII, Highway Infrastructure Program heading; 23 U.S.C. 201, 203)	Funds projects on Federal lands transportation facilities, which are facilities within or adjacent to, or that provide access to, Federal lands which are owned and maintained by the Federal government, and which appear in the national Federal Lands transportation inventory.
Highway Safety Improvement Program (HSIP) (§ 11111; 23 U.S.C. 148)	Funds to achieve significant reduction in traffic fatalities and serious injuries on all public roads, including non-State-owned public roads and roads on tribal land.
Highway Use Tax Evasion Program (HUTE) (§ 11120; 23 U.S.C. 143)	Grants which aim to identify, reduce, and/or eliminate evasion of fuel taxes at the Federal and State level.
Metropolitan Planning Program (MPP) (§ 11201; 23 U.S.C. 134)	Funds to establish a cooperative, continuous, and comprehensive framework for making transportation investment decisions in metropolitan areas.
National Culvert Removal, Replacement, and Restoration Grants (Culvert AOP Program) (§ 21203; Division J, Title VIII, National Culvert Removal, Replacement, and Restoration Grants heading; 49 U.S.C. 6703)	Provides funding for projects that would meaningfully improve or restore passage for anadromous fish.
National Highway Performance Program (NHPP) (§ 11105; 23 U.S.C. 119)	Provides support for the condition and performance of the National Highway System (NHS), provides support for the construction of new facilities on the NHS, and for activities to increase the resiliency of the NHS to mitigate the cost of damages from sea level rise, extreme weather events, flooding, wildfires, or other natural disasters.
Nationally Significant Federal Lands and Tribal Projects Program (NSFLTP) (§ 11127; FAST Act § 1123)	Provides funding for the construction, reconstruction, and rehabilitation of nationally significant projects on Federal or Tribal lands.
Nationally Significant Multimodal Freight and Highway Projects (INFRA)	Provides grants for multimodal freight and highway projects of national or regional significance.
National Infrastructure Project Assistance Program (MEGA)	Provides grants to surface transportation infrastructure that are too large or complex for traditional funding programs that will have a significant national or regional impact.
Pollinator-Friendly Practices on Roadsides and Highway Right-of-Way Grant Program (§ 11528; 23 U.S.C. 332)	Provides grants to carry out activities to benefit pollinators on roadsides and highway right-of-way, including the planting and seeding of native, locally appropriate grasses and wildflowers.

FEDERAL-AID HIGHWAY PROGRAMS: CHART 22 (Continued)

Program	Description
Prioritization Process Pilot Program (PPPP) (§ 11204; 11101(d)(2))	Provides funds to support data-driven approaches to planning that, on completion, can be evaluated for public benefit.
Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation Grants (PROTECT)	Provide grants for activities that enable communities to address vulnerabilities to current and future weather events, natural disasters, and changing conditions, and plan transportation improvements and emergency response strategies to address those vulnerabilities.
Railway-Highway Crossings Program (RHCP) (§ 11108; 23 U.S.C. 130)	Provides funds for safety improvements to reduce the number of fatalities, injuries, and crashes at public railway-highway grade crossings.
Reduction of Truck Emission at Port Facilities Grant Program (RTEPF)	Studies and provides grants to reduce idling at port facilities, including through the electrification of port operations.
Rural Surface Transportation Grant Program (§ 11132; 23 U.S.C. 173)	Provides funds for projects to improve and expand the surface transportation infrastructure in rural areas to increase connectivity, improve the safety and reliability of the movement of people and freight, and generate regional economic growth and improve quality of life.
Safe Streets and Roads for All (SS4A)	Provides grants to support local initiatives to prevent transportation-related death and serious injury on roads and streets.
Strategic Innovation for Revenue Collection	Provides funds to test the feasibility of a road usage fee and other user-based alternative revenue mechanisms.
Training and Education (§ 13007; 23 U.S.C. 502, 504)	Promotes and supports national transportation programs and activities.
Transportation Alternatives (§ 11109; 23 U.S.C. 133(h))	Provides set-aside funds for projects and activities that were previously eligible under the Transportation Alternatives Program under the Moving Ahead for Progress in the 21st Century Act. This encompasses smaller-scale transportation projects such as pedestrian and bicycle facilities, safe routes to school projects, community improvements, etc.
Tribal Transportation Program (TTP) (§ § 11118, 11128, 14004, 14008; 23 U.S.C. 201-202; MAP-21 §1123)	Provides safe and adequate transportation and public road access to and within Indian reservations, Indian lands, and Alaska Native Village communities
Wildlife Crossings Pilot Program (WCPP) (§11123(b); 23 U.S.C. 171)	Provides discretionary grants for projects that seek to achieve a reduction in the number of wildlife-vehicle collisions and improved habitat connectivity for terrestrial and aquatic species.

FEDERAL-AID TRANSIT PROGRAMS: CHART 23

Program	Description
All Stations Accessibility Program* (IIJA Division J)	Provides competitive federal grants to assist eligible entities in financing capital projects to upgrade the accessibility of legacy rail fixed guideway public transportation systems for people with disabilities.
Bus and Bus Facilities Program (49 U.S.C. § 5339, IIJA § 30018, IIJA Division J)	Makes funds available to state, designated recipients, and local governmental entities that operate fixed route bus service to replace, rehabilitate, and purchase buses and related equipment and to construct bus-related facilities including technological changes or innovations to modify low-or-no-emission vehicles or facilities. Funding is provided through formula allocations and competitive grants. Two subprograms provide competitive grants for buses and bus facility projects, including one that supports low and zero-emission vehicles.
Bus Testing Program (49 U.S.C. § 5318, IIJA § 30008)	Supports a national bus testing facility to test new bus models for maintainability, reliability, safety, performance, structural integrity, fuel economy, emissions, and noise.
Capital Investment Grants Program (CIG) (49 U.S.C. § 5309, IIJA § 30005)	Supports transit capital projects, including new and expanded rapid rail, commute rail, light rail, streetcars, bus rapid transit, and passenger ferries.
Electric or Low Emitting Ferry Pilot Program* (IIJA § 71102, IIJA Division J)	Provides grants to purchase electric or low emitting ferries and the electrification of or other reduction of emissions from existing ferries.
Emergency Relief Program (49 U.S.C. § 5324, IIJA § 30011)	Supports activities for protecting, repairing, and/or replacing equipment and facilities that have suffered damage as a result of an emergency, including natural disasters such as floods, hurricanes, and tornadoes.
Enhanced Mobility of Seniors and Individuals with Disabilities (49 U.S.C. § 5310, IIJA Division J)	Supports transportation services to meet the special transportation needs of seniors and individuals with disabilities in all areas: large urbanized, small urbanized, and rural.
Expedited Project Delivery (FAST Act § 3005(b))	Expedites the delivery of new fixed guideway capital projects, small starts projects, or core capacity improvement projects that use public-private partnerships.
Ferry Service for Rural Communities* (IIJA § 71103, IIJA Division J)	Supports states to ensure basic essential ferry service is provided to rural areas.

*New program established under the IIJA

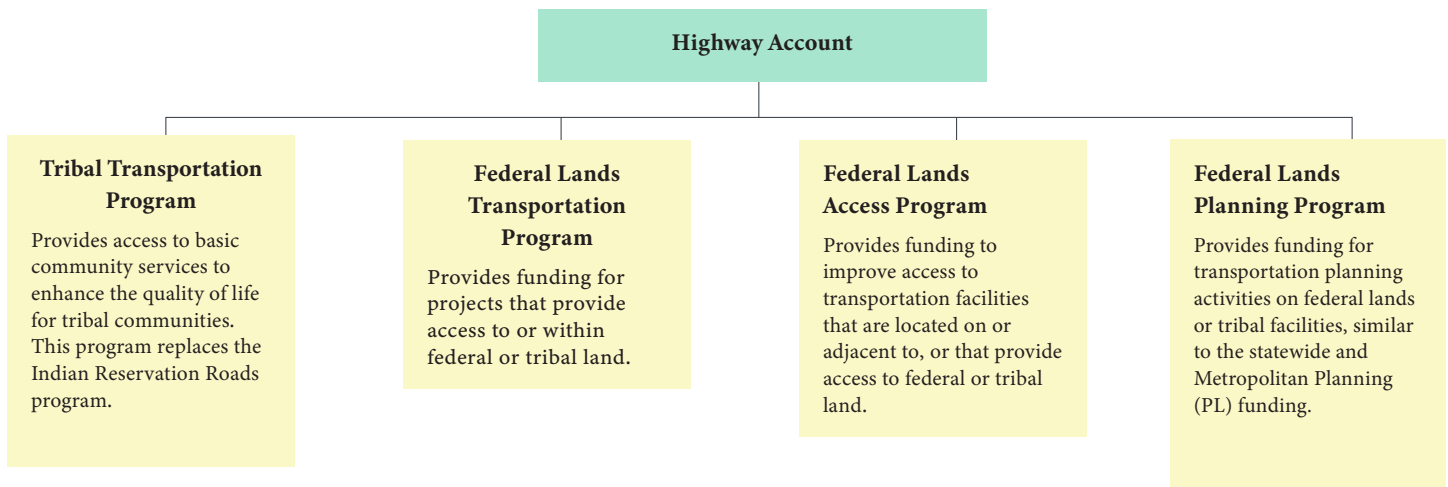
For more detail, visit <https://www.transit.dot.gov/funding/grants/fta-program-fact-sheets-under-infrastructure-investment-and-jobs-act>

FEDERAL-AID TRANSIT PROGRAMS: CHART 23 (CONTINUED)

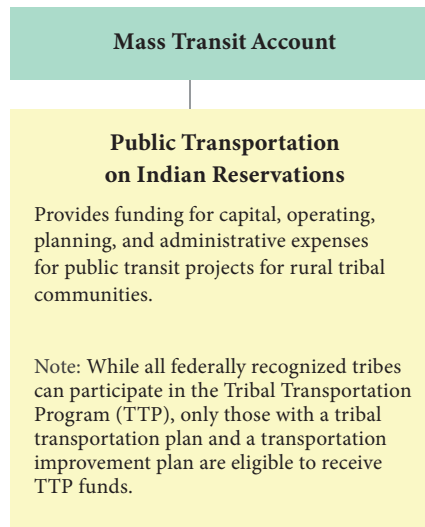
Program	Description
Innovative Coordinated Access & Mobility (FAST Act § 3006(b))	Provides funds for capital projects to improve coordination and enhance access and mobility services for older adults, people with disabilities, and people of low income.
Metropolitan, Statewide & Non-Metropolitan Planning (49 U.S.C. §§ 5303-5305, IIJA §§ 30002-32004)	Supports planning programs that provide funding and set procedural requirements for multimodal transportation planning in metropolitan areas and states that result in long-range plans and short-range programs of transportation investment priorities.
Formula Grants for Rural Areas (49 U.S.C. § 5311, IIJA § 30006)	Provides capital, planning, and operating assistance to states and federally recognized Indian tribes to support public transportation in rural areas with populations less than 50,000, where many residents often rely on public transit to reach their destinations. It also provides funding for state and national training and technical assistance through the Rural Transportation Assistance Program.
Public Transportation Safety Program (49 U.S.C. § 5329, IIJA § 30012)	Includes a national public transportation safety plan, a safety certification training program, a public transportation agency safety plan, and a State Safety Oversight (SSO) program.
State of Good Repair and Rail Vehicle Replacement Program* (49 U.S.C. § 5337, IIJA § 3001, IIJA Division J)	Provides financial assistance to transit agencies that operate fixed-guideway and high-intensity bus systems for the maintenance, replacement, and rehabilitation of capital assets, including competitive grants for replacement of rail rolling stock.
Technical Assistance and Workforce Development Program (49 U.S.C. § 5314)	Continues without change the technical assistance, standards development, and workforce development programs.
Pilot Program for Transit-Oriented Development Planning (MAP-21 § 20005(b), IIJA § 30009)	Provides funding for transit-oriented development planning associated with a transit project for which the project sponsor will seek funding through FTA's Capital Investment Grant Program.
Transit Asset Management (49 U.S.C. § 5326)	Enables transit agencies to implement strategic approaches to monitoring, maintaining, and replacing transit assets.
Public Transportation Innovation (49 U.S.C. § 5312, IIJA § 30007)	Awards funding to advance innovative public transportation research and development.
Urbanized Area Formula Grants (49 U.S.C. § 5307, § 5340)	Provides support to urbanized areas and states for transit capital and operating assistance in urbanized areas and for transportation-related planning.

TRIBAL GOVERNMENT TRANSPORTATION FUNDING: CHART 24

FHWA Programs



FTA Programs



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

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



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