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Financial Plan

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Introduction

Transportation funding has undergone significant transformation from relying on federal and state funds, to increased dependence on local funds over the past 25 years. In general, federal and state formula funding programs had not increased as fast as the inflationary increases in construction, operating, and maintenance costs and the increases in demand for new facilities. However, recently the federal government has made efforts to mediate COVID related revenue declines in transportation funding. Locally the region has utilized various financing options to implement regionally significant projects to maintain a state of good repair and provide new multimodal solutions.

Revenue Sources

State and federal planning regulations require the development of a Revenue Constrained plan. Such a plan is based on current and reasonably available sources and levels of federal, state and local transportation revenue, projected out to the year 2045. Chapter 3, the Financial Element, identifies major Federal, State, regional, and local funding sources anticipated being available during the life of the plan. A full list and description of funding sources is included in this appendix.

Federal Revenues

On December 5, 2015, President Obama signed into law a new five-year transportation authorization bill for FY 2016-2020, entitled Fixing America's Surface Transportation Act (FAST Act). The FAST Act built off of efforts made in 2012's Moving Ahead for Progress in the 21st Century (MAP-21). Both the FAST Act and MAP-21 consolidated several funding programs into a few core sources in an effort to create a streamlined, performance-based and multimodal program to address the challenges facing the U.S. transportation system. The FAST Act was extended through September 30, 2021, as part of the Continuing Appropriations Act, 2021, and other Extensions Act. The FAST Act, through legislation, may be extended or replaced with a new transportation reauthorization bill.

Federal revenue sources for the region totals approximately \$2 billion, 15.1 percent of the region's total forecast revenue through 2045. The region qualifies for federal revenue from 19 different programs. However, just four of these programs constitute approximately 60 percent of all federal revenue: the Highway Bridge Program, FEMA funding for emergency road repairs, the FAA Airport Improvement Program, and the Surface Transportation Block Grant/Regional Surface Transportation Program. The federal revenue sources are detailed below.

Better Utilizing Investments to Leverage Development (BUILD)

- Total Revenue: \$35M
- Assumption: Based on jurisdiction estimates.

Bus and Bus Facilities Discretionary Program (FTA 5339b)

- Total Revenue: \$81.3M
- Assumption: based on previous years grant awards

Bus and Bus Facilities Formula Program (FTA 5339)

- Total Revenue: \$33M
- Assumption: Population based transit formula program for bus and bus facilities.

Coronavirus Aid, Relief, and Economic Security (CARES) Act 5311

- Total Revenue: \$3.6M
- Assumption: Temporary population based formula fund supplement.

Enhanced Mobility of Seniors & Individuals with Disabilities (FTA 5310)

- Total Revenue: \$15.9M
- Assumption: Population based formula funds.

FAA Airport Improvement Program (AIP)

- Total Revenue: \$272.8M
- Assumption: Average annual FAA grants from previous years.

Federal Rail Program

- Total Revenue: \$10M
- Assumption: Expected FRA apportionment for proposed services.

Federal Lands Access Program (FLAP)

- Total Revenue: \$19.5M
- Assumption: Based on expected Federal grant award.

FEMA/CALEMA/ER - Emergency Road Repair Funding

- Total Revenue: \$297.8M
- Assumption: Average received in recent years for emergency repairs on local roads.

Fixed Guideway Capital Investments Grants (FTA 5309)

- Total Revenue: \$41.8M
- Assumption: Based on current competitive discretionary grant applications or average awards over previous 4-year period.

Highway Bridge Program (HBP)

- Total Revenue: \$365.1M
- Assumption: Average of 10 years, per programmed projects in MTIP.

Highway Safety Improvement Program (HSIP)

- Total Revenue: \$96.2M

- Assumption: HSIP apportionment forecasted from FHWA and factoring the annual average of the HSIP funds received during previous years period.

Metropolitan Planning (FTA 5303)

- Total Revenue: \$0.27M
- Assumption: Population based formula funds.

Rural Area Formula Grants (FTA 5311)

- Total Revenue: \$50.2M
- Assumption: Population based transit formula funds for non-urbanized areas.

Surface Transportation Block Grant

- Total Revenue: \$262M
- Assumption: STBG apportionment forecast summary.

Statewide Planning (FTA 5304)

- Total Revenue: \$4.7M
- Assumption: State-based planning funds awarded to the region based on population.

Small Transit Intensive Cities (FTA 5307c)

- Total Revenue: \$71.2M
- Assumption: Formula funds set aside for operations or transit capital based on performance metrics.

State of Good Repair Grants (FTA 5337)

- Total Revenue: \$56.3M
- Assumption: Based on previous year grant awards.

Urbanized Area Formula Program (FTA 5307)

- Total Revenue: \$284.9
- Assumption: Population based transit formula funds for urbanized areas.

State Revenues

State revenue sources for the region totals approximately \$5.2 billion, 34 percent of the region's total forecast revenue through 2045. The region qualifies for state revenue from 17 different programs. However, just one of these programs constitute approximately 68 percent of all state revenue: SHOPP funding. The state revenue sources are detailed below.

Active Transportation Program

- Total Revenue: \$249.4M
- Assumption: Based on estimated awards and historical averages.

Affordable Housing & Sustainable Communities

- Total Revenue: \$10M
- Assumption: Projected grant award for projects over the life of the Plan.

Airport Improvement Program Match

- Total Revenue: \$1.3M
- Assumption: Average annual of past eight years for each county.

California Aid to Airports Program

- Total Revenue: \$1.3M
- Assumption: Based on previous years apportionment.

California Public Utilities Commission (CPUC) Access for All Program

- Total Revenue: \$3.0M
- Assumption: Expected grant awards.

Freeway Service Patrol

- Total Revenue: \$12M
- Assumption: Based on previous years average funding.

Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP)

- Total Revenue: \$15.0M
- Assumption: Expected grant awards.

Low Carbon Transit Operations Program (LCTOP)

- Total Revenue: \$38.8M
- Assumption: Expected grant awards based on previous years averages.

SAFE

- Total Revenue: \$17.2M
- Assumption: Average annual historical funding.

Senate Bill 1 (SB1) Competitive Programs

- Total Revenue: \$372M

Assumption: Expected grant awards from SB1 Trade Corridor Enhancement Program (TCEP), Solutions for Congestion Corridors Program (SCCP), and SB1 LPP Competitive funds.

Senate Bill 1 (SB1) Local Partnership Program (LPP)

- Total Revenue: \$41.5

- Assumption: Based on expected formula allocation from SB1 LPP funds.

Senate Bill 1 (SB1) State Transit Assistance (STA) State of Good Repair (SOGR)

- Total Revenue: \$42.7
- Assumption: Based on expected grant awards.

State Highways Operation and Protection Program (SHOPP)

- Total Revenue: \$3,050.9M
- Assumption: Projected apportionment from CTC includes Road Maintenance Rehabilitation Account (RMRA) SB1 SHOPP funds.

State Transportation Improvement Program (STIP)

- Total Revenue: \$304.8M
- Assumption: Average of 5-year apportionment from CTC.

State Transit Assistance

- Total Revenue: \$228.5M
- Assumption: Apportionment from CTC for STA and STA State of Good Repair funding.

Transit and Intercity Rail Capital Program (TIRCP)

- Total Revenue: \$143.3M
- Assumption: Expected grant awards.

Regional Revenues

The regional revenue sources are detailed below.

AB 2766

- Total Revenue: \$30.4M
- Assumption: Expected grant awards.

Local Revenues

At over \$6.7 billion, local revenues constitute approximately 51 percent of all transportation funding for the Monterey Bay Area in the MTP/SCS. Recently local transportation sales tax measures have generated significant funding for local transportation systems through TAMC's Measure X (2016), SCCRTC's Measure D (2016), and SBtCOG's Measure G (2018). These funding measures constitute approximately 20 percent of all local transportation revenues. The local revenue sources are detailed below.

City Transportation Sales Taxes

- Total Revenue: \$104.8M

- Assumption: Based on average designated for transportation projects in annual city budgets.

City/County General Fund

- Total Revenue: \$689.4M
- Assumption: Based on local jurisdictions calculations.

Developer Fees

- Total Revenue: \$120.3M
- Assumption: Based on local jurisdictions calculations.

Gas Tax/Gas Tax Replacement

- Total Revenue: \$1,405M
- Assumption: Projected apportionment from CTC which includes major increases from SB 1.

Lease Revenues

- Total Revenue: \$6.9M
- Assumption: Based on historical averages.

Local Airport Revenues

- Total Revenue: \$125.5M
- Assumption: Based on local jurisdictions budgets.

Local Transportation Fund (LTF)/Transportation Development Act (TDA)

- Total Revenue: \$642.9M
- Assumption: Historical annual average and estimates. Formerly known as TDA.

Local Transportation Sales Tax

- Total Revenue: \$1,368.5M
- Assumption: Based on projection of funds generated by Measure D (Santa Cruz County), Measure X (Monterey County), and a sales tax in San Benito County beginning in 2020.

Miscellaneous Local Revenues

- Total Revenue: \$651.3M
- Assumption: Various.

Tolls

- Total Revenue: \$146.3M
- Assumption: Based on estimated future toll revenues.

Transit Fares and Non-Fare Revenue

- Total Revenue: \$706.6M
- Assumption: Based on past and projected farebox recovery data from the transit operators.

Transit Sales Tax

- Total Revenue: \$749.8M
- Assumption: Based on estimated sales tax revenues.