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Financial Plan

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 stabilized its funding programs and the state has provided new robust funding programs to attempt to meet the financial demands of our transportation network. 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 2040. 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, 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.

Federal revenue sources for the region total just over \$1.2 billion, 13.1 percent of the region's total forecast revenue through 2040. The region qualifies for federal revenue from 17 different programs. However, just four of these programs constitute over 60 percent of all federal revenue: the Surface Transportation Block Grant, the Urbanized Area Formula Program (Section 5307), the Bus and Bus Facilities Discretionary Program and the Highway Bridge Program. The federal revenue sources are detailed below.

Surface Transportation Block Grant

- Total Revenue: \$1218M
- Assumption: STBG apportionment forecast summary.

Highway Bridge Program (HBP)

- Total Revenue: \$209.9M
- Assumption: Annual average of awarded project list from FFY 12 to FFY 15.

Highway Safety Improvement Program (HSIP)

- Total Revenue: \$108.2M
- Assumption: HSIP apportionment forecasted from FHWA and factoring the annual average of the HSIP funds received during the last 5-year period.

FEMA/CALEMA/ER - Emergency Road Repair Funding

- Total Revenue: \$65.2M
- Assumption: Average received in recent years for emergency repairs on local roads

High Risk Rural Roads

- Total Revenue: \$14.3M
- Assumption: Based on projected apportionment from FHWA

Metropolitan Planning (FTA 5303)

- Total Revenue: \$.238M
- Assumption: Population based formula funds.

Statewide Planning (FTA 5304)

- Total Revenue: \$2.74M
- Assumption: State-based planning funds awarded to the region.

Urbanized Area Formula Program (FTA 5307)

- Total Revenue: \$224.2M

- Assumption: Population based transit formula funds for urbanized areas.

Small Transit Intensive Cities (FTA 5307c)

- Total Revenue: \$69.2M
- Assumption: Formula funds set aside for operations or transit capital based on performance metrics.

Fixed Guideway Capital Investments Grants (FTA 5309)

- Total Revenue: \$15.0M
- Assumption: New Starts funding for TAMC commuter transit project.

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

- Total Revenue: \$14M
- Assumption: Population based formula funds.

Rural Area Formula Grants (FTA 5311)

- Total Revenue: \$44.3M
- Assumption: Population based transit formula funds for nonurbanized areas.

Bus and Bus Facilities Discretionary Program (FTA 5339b)

- Total Revenue: \$82.5M
- Assumption: based on previous years grant awards

Bus and Bus Facilities Formula Program (FTA 5339)

- Total Revenue: \$23.9M
- Assumption: Population based transit formula program for bus and bus facilities.

State of Good Repair Grants (FTA 5337)

- Total Revenue: \$16.5M
- Assumption: Based on previous year grant awards.

FAA Airport Improvement Program (AIP)

- Total Revenue: \$80.8M
- Assumption: Average annual FAA grants from FYY 10 to FFY 15.

Federal Rail Program

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

Federal Lands Access Program (FLAP)

- Total Revenue: \$6M
- Assumption: Based on Federal grant award.

State Revenues

Funding from State programs received a major infusion of resources with the passage of the Road Repair and Accountability Act or more commonly known as SB 1. SB 1 increases gasoline and diesel fuel taxes, increases registration fees and provides a loan repayment from the State's general fund to provide over \$5.2 billion per year statewide. This new funding source along with established State revenue programs total over \$2.7 billion, or 29.4 percent of the region's total forecast revenue for the life of the plan. Nearly 80 percent of this funding comes from two programs, which include a combination of funds from the federal and state highway trust fund accounts (fuel taxes and weight fees) – SHOPP funding and the State Transportation Improvement Program (STIP). The state revenue sources are detailed below.

State Highways Operation and Protection Program (SHOPP)

- Total Revenue: \$1,978.2M (\$715M from SB 1)
- Assumption: Projected apportionment from CTC which includes major increases from SB 1.

State Transportation Improvement Program (STIP)

- Total Revenue: \$323M

- Assumption: Projected apportionment from CTC (Regional Share: \$241.8M, Interregional Share: \$81.2M).

Low Carbon Transit Operations Program (LCTOP)

- Total Revenue: \$18.4M
- Assumption: Expected grant awards based on previous years funds.

Airport Improvement Program Match

- Total Revenue: \$1.32M
- Assumption: Average annual of past eight years for each county.

Active Transportation Program

- Total Revenue: \$207M
- Assumption: Based on SB 1 increase in statewide competitive program

California Aid to Airports Program

- Total Revenue: \$1.1M
- Assumption: Based on previous years apportionment

Freeway Service Patrol

- Total Revenue: \$10.6M
- Assumption: Based on funding received between FY 12 to FY 16 for Monterey and Santa Cruz Counties.

SAFE

- Total Revenue: \$15M
- Assumption: Average annual historical funding.

State Transit Assistance

- Total Revenue: \$251.3M (\$118.3M from SB 1)
- Assumption: Apportionment from CTC which includes major increases from SB 1.

Affordable Housing & Sustainable Communities

- Total Revenue: \$32M
- Assumption: Projected grant award for several projects over the life of the Plan.

State Local Partnership Program (SLPP)

- Total Revenue: \$13.2M
- Assumption: Based on obligated funding.

Senate Bill 1 (SB1) Other Programs

- Total Revenue: \$85.8M
- Assumption: Expected Grant Awards

Regional Revenues

The regional revenue sources are detailed below.

AB 2766

- Total Revenue: \$31M
- Assumption: Annual average based on FY 13 to FY 16 grant awards.

Local Revenues

At \$5.5 billion, local revenues constitute over 56 percent of all transportation funding for the Monterey Bay Area in the MTP/SCS. The local revenue sources are detailed below.

City Transportation Sales Taxes

- Total Revenue: \$74.3M
- Assumption: Based on average designated for transportation projects in annual city budgets.

City/County General Fund

- Total Revenue: \$274.4M
- Assumption: Based on local jurisdictions calculations.

Local Airport Revenues

- Total Revenue: \$101.4M
- Assumption: Based on local jurisdictions budgets.

Miscellaneous Local Revenues

- Total Revenue: \$339.5M
- Assumption: Various.

Transportation Development Act

- Total Revenue: \$552.4M
- Assumption: Historical annual average and county auditor estimates for FY16

Gas Tax (Highway User Tax)

- Total Revenue: \$1,189M (\$487M from SB1)
- Assumption: Projected apportionment from CTC which includes major increases from SB1.

Transit Fares and Non-Fare Revenue

- Total Revenue: \$637M
- Assumption: Based on past and projected farebox recovery data from the transit operators.

Transit Sales Tax

- Total Revenue: \$661.9M
- Assumption: Based on local transit operator's budgets.

Developer Fees

- Total Revenue: \$493M
- Assumption: Based on local jurisdictions calculations.

Local Transportation Sales Tax

- Total Revenue: \$1,036M
- 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.

Lease Revenues

- Total Revenue: \$7.6M
- Assumption: Based on local jurisdictions calculations.

Tolls

- Total Revenue: \$185.3M
- Assumption: Based on local jurisdictions calculations.

**Valley Transportation Authority/
Council of San Benito County
Governments**

- Total Revenue: \$215M
- Assumption: Based project budget