



2016 STIP Fund Estimate Final Assumptions

Presented to the
California Transportation Commission

May 28, 2015

2016 Fund Estimate Assumptions

- **Approval Needed for FE Assumptions**
 - Government Code, Section 14524 (d)
- **Direct Impact on STIP/SHOPP Program Capacity**
- **May Revision & Final Budget Act**
- **State Transportation Funding Proposals**
- **Federal Act Status**

Section One: Options

● Economic Recovery and Impact on Revenues

- Update: Revenue projections updated in order to account for annual transfers into the General Fund under the Motor Vehicle Fuel Tax Law. These revenues are generated from the sale of fuel for off-highway use and effectively decrease the total price-based excise tax revenue available for distribution to STIP and SHOPP.
- Update: Percentage of base excise tax revenue allocated to the state updated to account for the new diesel excise tax rate of 13 cents per gallon.
- **Department recommends Alternative C:**
 - Total Non-STIP = \$15.9 billion over the FE period.
 - Total STIP = \$2.6 billion over the FE period.

Section One: Options (continued)

● Federal Revenues

- Update: Removed escalation to FFY 2013-14 OA prior to the FE period.
- **Department recommends Alternative B:**
 - Base-year OA equal to 2013-14 level of \$3.24 billion, escalated 1.4% annually, consistent with funding adjustment from the FFY 2012-13 SAFETEA-LU authorization to MAP-21.
 - \$16.9 billion in OA over the entire FE period.

● Motor Vehicle Account (MVA) Transfers

- No change from draft.
- **Department recommends Alternative A:**
 - Assume the Controller will transfer \$10 million from the MVA to the SHA over the FE period.

Section Two: Significant Issues

● No Changes to the Section at this time

- Multiple funding proposals will directly impact transportation resources.
 - Statute requires that the FE be based on current state and federal guidelines for estimating revenues.
- Should any budgetary action require the Department to update the assumptions between now and subsequent presentations, the Department will inform the Commission staff and present the changes during the upcoming Commission meetings.

Section Three: Minor Assumptions

● State Highway Account

- Update: STIP Commitments (SHA 21) – The Department adjusted the Price Index for Selected California Construction Items escalator to 4.5 percent due to incorporating 2014 calendar year data into the 20-year average.
- Update: SHOPP Commitments (SHA 28) – The Department adjusted the Price Index for Selected California Construction Items escalator to 4.5 percent due to incorporating 2014 calendar year data into the 20-year average.
- Update: Active Transportation Program (SHA 29) – Reference to the Environmental Enhancement and Mitigation Program has been removed from the ATP description. The assumption was also reworded to include that ATP funding is consistent with the adopted 2015 ATP FE.

Next Steps

- **Approve Assumptions**
- **Draft FE presented to Commission in June 2015**
 - Any updates to assumptions will be discussed.
- **Final FE scheduled for August 2015 meeting**
 - Adoption may be delayed up to 90 days by the Commission.