

# Memorandum

*Serious drought.  
Help Save Water!*

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

**Date:** April 1, 2014

**From:**   
STEVEN KECK  
Chief  
Division of Budgets

**Subject:** **2014-15 CALIFORNIA TRANSPORTATION FINANCING PACKAGE**

The California Transportation Financing Package is prepared annually and distributed by the Department of Transportation (Caltrans). The package summarizes the source and distribution of transportation funds at the state level from the 2014-15 Governor's Proposed Budget, including funding from the issuance of bonds under the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006.

The details are presented in the attached "California Transportation Financing Summary" and in the following charts:

- Chart A - "Source and Distribution of California State Motor Vehicle Fees and User Taxes"
- Chart B - "Statutory Allocation of Transportation Funding"
- Chart C - "Budgetary Flow of California State Fees and Taxes Designated for Transportation Purposes"
- Chart D - "Distribution of California Sales Tax Revenue"
- Chart E - "Motor Vehicle License Fee Distribution"
- Chart F - "Chart of Transportation Revenues"

Attachments

## **CALIFORNIA TRANSPORTATION FINANCING SUMMARY FISCAL YEAR 2014-15**

In January of each year, the Governor presents a proposed budget to the Legislature that contains the Administration's estimate of available revenue and a recommended expenditure plan. The California Transportation Financing package for Fiscal Year 2014-15 outlines and charts the flow of the state's transportation resources based on the Governor's proposed budget of January 2014.

The 2014-15 Governor's Budget proposes a \$10.9 billion budget for the Department of Transportation (Caltrans). The package illustrates the flow of specific dollars from collection to distribution and includes transportation funding financed by the issuance of general obligation bonds under the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Bond Act). Any changes made during the legislative process are not reflected in the proposed budget.

Highlights of the 2014-15 proposed budget:

- **Early Repayment of General Fund Loans**
  - The Budget proposes \$351 million in General Fund loan repayments. Of the total to be repaid, \$337 million will be used to provide near-term maintenance improvements to the existing state highway system and local streets and roads. The state highway funds will be used for pavement, mobility, bridge projects, and drainage system rehabilitation projects that will improve safety and operational efficiency.
- **Clean Transportation**
  - The Budget proposes \$50 million in Cap and Trade resources for rail modernization for the following activities: modernization and system integration (including high speed rail); public transit with connectivity to rail; expanded transit and ridership programs; and other transit infrastructure.
- **Proposition 1B Capital Funding**
  - The Budget proposes \$963 million in bond funds. The funding includes \$793 million to support local transit operators, \$160 million for intercity rail, and \$10 million for local bridge retrofitting projects. Additionally, budget bill language has been included to account for cost savings that Caltrans has generated in its administrative management of the bond program. It is estimated \$113 million will be available for state highway projects from the identified cost savings.
- **Zero Base Budget Review – Capital Outlay Support**
  - Recommendations were developed to improve the estimating and accountability of the Capital Outlay Support Program's project-direct workload. These changes include improvements to project budgeting, creating an improved methodology for use of flexible resources, and additional streamlining.
- **Zero Base Budget Review – Aeronautics Program**
  - The Budget proposes a one-time transfer of \$4 million from the Local Airport Loan Account to the Aeronautics Account to fund grants for General Aviation airports, which leverage federal funding for airport improvements. This will fund 55 additional local airport improvement projects across the state.

- **Basis of Reporting – Cash Funds**

- To promote greater transparency, the Budget includes a new financial reporting method for five Caltrans funds: the State Highway Account, the Public Transportation Account, the Transportation Congestion Relief Fund, the Transportation Deferred Investment Fund, and the Transportation Investment Fund. The new reporting method combines the fund's true ending cash balance with any outstanding assets and liabilities from other departments that report on a modified accrual basis, in order to determine the ending fund balance. As a result, the fund balances reported in the proposed Budget are not the actual cash balances for the five Caltrans funds.

Transportation revenue is generated from user taxes and fees, and is deposited in separate funds. Within the funds are several accounts that help facilitate the accounting of all receipts and expenditures. An overview of the fund and account activity planned for 2014-15 is provided in the following pages. The funds and accounts are:

- **Transportation Tax Fund (TTF)**

- Highway Users Tax Account
- Motor Vehicle Fuel Account
- Motor Vehicle License Fee Account

- **State Transportation Fund (STF)**

- Aeronautics Account
- Bicycle Transportation Account
- Local Airport Loan Account
- Local Transportation Loan Account
- Motor Vehicle Account
- Pedestrian Safety Account
- Public Transportation Account
- State Highway Account
- Transportation Financing Subaccount

- **Other Funds**

- Greenhouse Gas Reduction Fund
- Historic Property Maintenance Fund
- Traffic Congestion Relief Fund
- Transportation Debt Service Fund
- Transportation Deferred Investment Fund
- Transportation Investment Fund

**Transportation Bond (Proposition 1B) - Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006**

- California Ports Infrastructure, Security, and Air Quality Improvement Account
- Corridor Mobility Improvement Account
- Trade Corridors Improvement Fund
- Transportation Facilities Account
- Public Transportation Modernization, Improvement and Service Enhancement Account
- State-Local Partnership Program Account
- Local Bridge Seismic Retrofit Account
- Highway-Railroad Crossing Safety Account
- Highway Safety, Rehabilitation, and Preservation Account
- Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account
- State Route 99 Account

**Transportation Bond (Proposition 1A) – High-Speed Passenger Train Bond Fund**

## TRANSPORTATION TAX FUND:

### Motor Vehicle Fuel Account (0061)

Monies from the Diesel Fuel Tax, and Motor Vehicle Fuel Taxes on gasoline and aviation fuel, are collected and deposited in the Motor Vehicle Fuel Account (MVFA). The budget estimates that \$5,548,937,000 is available in the account for distribution by law in the following manner:

<b>Motor Vehicle Fuel Account</b>	
Agriculture Fund	\$38,597,000
Off-Highway Vehicle Trust Fund	52,994,000
Aeronautics Account	5,278,000
Harbors and Watercraft Revolving Fund	26,246,000
State Board of Equalization	27,782,000
State Controller's Office	4,622,000
Financial Information System for California	26,000
State Parks and Recreation Fund	26,649,000
General Fund	139,661,000
Balance to Highway Users Tax Account	5,227,082,000
<b>Total</b>	<b>\$5,548,937,000</b>

### Highway Users Tax Account (0062)

The Highway Users Tax Account (HUTA) receives transfers from the MVFA consisting of the net revenue of diesel, gasoline and aviation fuel taxes. The proposed budget includes \$337 million in early General Fund loan repayments to the HUTA. The proposed budget estimates that \$5,564,082,000 is available in the HUTA for distribution in the following manner:

<b>Highway Users Tax Account</b>	
Cities and Counties	\$1,199,463,000
Counties	339,205,000
Cities	219,191,000
State Parks and Recreation Fund	3,400,000
State Controller's Office	1,622,000
Financial Information System for California	1,000
Weight Fee Backfill	957,500,000
Balance to State Highway Account	2,843,700,000
Accumulated Balance	0
<b>Total</b>	<b>\$5,564,082,000</b>

**Motor Vehicle License Fee Account (0064)**

The Motor Vehicle License fees and miscellaneous in-lieu fees are collected and deposited into the Motor Vehicle License Fee Account (see Chart E). The fees are based on 1.65 percent of market value as determined by the Department of Motor Vehicles. One percent is diverted to the General Fund. The proposed budget estimates that \$522,023,000 is available in the account for distribution as follows:

<b>Motor Vehicle License Fee Account</b>	
Franchise Tax Board	\$5,655,000
Department of Motor Vehicles	19,251,000
Local Revenue Fund 2011	497,081,000
State Controller's Office	17,000
Financial Information System for California	18,000
Accumulated Balance	1,000
<b>Total</b>	<b>\$522,023,000</b>

**STATE TRANSPORTATION FUND:****Aeronautics Account (0041)**

Excise taxes attributable to jet fuel and the distribution of motor vehicle fuel for use in propelling aircraft are transferred from the MVFA in the Transportation Tax Fund to the Aeronautics Account. Funding from the Aeronautics Account provides for grants to qualifying airports, acquisition and development, and state dollars to local agencies to match federal funds for airport improvements. The proposed budget estimates that \$10,461,000 is available for distribution as follows:

<b>Aeronautics Account</b>			
	<b>State Funds</b>	<b>Federal Funds</b>	<b>Total Funds</b>
State Operations	\$3,790,000	\$437,000	\$4,227,000
Local Assistance	5,990,000	-	5,990,000
Public Transportation Account	30,000	-	30,000
Financial Information System for California	4,000	-	4,000
Accumulated Balance	210,000	-	210,000
<b>Total</b>	<b>\$10,024,000</b>	<b>\$437,000</b>	<b>\$10,461,000</b>

**Bicycle Transportation Account (0045)**

The Bicycle Transportation Account (BTA) previously received transfers from the HUTA in the Transportation Tax Fund to design and develop bicycle transit systems to achieve the functional commuting needs of employees, students, business people, and shoppers. With the enactment of the Active Transportation Program, the remaining assets and liabilities of the BTA will be transferred to the State Highway Account (SHA). No additional funds will be transferred to the BTA. The proposed budget estimates that \$3,383,000 is available for distribution as follows:

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<b>Bicycle Transportation Account</b>	
Local Assistance	\$0
Accumulated Balance	3,383,000
<b>Total</b>	<b>\$3,383,000</b>

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**Local Airport Loan Account (0052)**

The Local Airport Loan Account (LALA) is a subaccount of the Aeronautics Account. Monies deposited in the LALA represent payments of principal and interest received on loans made by Caltrans to local agencies for acquisition, construction, improvement, maintenance, and operation of local airports. The accumulated balance of this fund is used for future loans to local agencies. The proposed budget estimates that \$20,243,000 is available for distribution as follows:

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<b>Local Airport Loan Account</b>	
Aeronautics	\$4,000,000
Local Assistance	1,490,000
Local Assistance (Loan Repayments)	-2,840,000
Accumulated Balance	17,593,000
<b>Total</b>	<b>\$20,243,000</b>

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**Local Transportation Loan Account (2501)**

The Local Transportation Loan Account was created in 2002 for the management of federal funds for loans to local entities. Resources for transportation loans from the Federal Trust Fund are transferred to this account. The proposed budget estimates that \$4,022,000 is available for distribution as follows:

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<b>Local Transportation Loan Account</b>	
Accumulated Balance	\$4,022,000
<b>Total</b>	<b>\$4,022,000</b>

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**Motor Vehicle Account (0044)**

Motor vehicle registration, driver's license, and off-highway vehicle registration fees are collected and deposited in the Motor Vehicle Account. The proposed budget estimates that \$3,496,117,000 is available in the account to support the following:

<b>Motor Vehicle Account</b>	
General Fund	\$70,902,000
State Highway Account	238,000
Motor Vehicle License Fee Account	125,000
Environmental License Plate Fund	25,000
State Controller's Office	0
Other Transfers	10,000
Secretary for Transportation Agency	2,549,000
Department of Justice	25,594,000
Judicial Branch	195,000
Franchise Tax Board	3,011,000
Air Resources Board	128,101,000
Department of Motor Vehicles	1,027,450,000
California Highway Patrol	1,867,150,000
Secretary of Environmental Protection	1,827,000
State Mandates	2,604,000
Energy Resources Conservation and Development Commission	140,000
Environmental Health Hazard Assessment	4,064,000
Department of Public Health	1,611,000
Department of Food and Agriculture	7,345,000
Prefunding Health and Dental Benefits for Annuitants	30,836,000
Financial Information System for California	1,594,000
Office of Traffic Safety	0
Accumulated Balance	320,746,000
<b>Total</b>	<b>\$3,496,117,000</b>

**Pedestrian Safety Account (2500)**

Grants are provided to local agencies with high pedestrian injury or fatality rates to fund projects that increase safety, such as traffic calming measures, intersection safety improvements, and crosswalk construction or improvements. It is expected that the General Fund will repay a \$1.7 million loan in 2014-15. The proposed budget estimates that \$2,006,000 is available for distribution as follows:

<b>Pedestrian Safety Account</b>	
Accumulated Balance	\$2,006,000
<b>Total</b>	<b>\$2,006,000</b>

**Public Transportation Account (0046)**

Funds in the Public Transportation Account (PTA), a trust fund, may only be used for transportation planning and mass transportation purposes. Due to the passage of Assembly Bills (AB) 6 and 9 of the eighth extraordinary session of 2009-10 (Chapter 11, Statutes of 2010), Senate Bill 70 (Chapter 9, Statutes of 2010), and AB 105 (Chapter 6, Statutes of 2011), collectively known as the Fuel Tax Swap of 2010, the only remaining source of revenue for the PTA is the sales tax on diesel fuel. The passage of AB 105 also implemented an additional tax on diesel, which is 1.75 percent in addition to the 4.75 percent sales tax for 2014-15. In response to the increase of sales tax on diesel fuel, the excise tax on diesel was reduced to maintain revenue neutrality.

Additional resources are transferred into the PTA from the SHA for transportation planning and the Aeronautics Account for airport planning activities. Prior to 2009-10, miscellaneous revenues that are not subject to Article XIX of the State Constitution were deposited into the PTA from the SHA. From fiscal year 2010-11 through 2012-13, these revenues were diverted to the TDSF to offset General Fund debt service costs on specified general obligation transportation bonds. Commencing in 2013-14 and beyond, this offset is permanent.

The accumulated balance in the table below represents resources available for future years, including commitments to existing projects and assets and liabilities from other departments that report on a modified accrual basis. Resources estimated at \$1,155,745,000 available in the PTA are proposed for distribution in the following manner:

<b>Public Transportation Account</b>			
	<b>State Funds</b>	<b>Federal Funds</b>	<b>Total Funds</b>
State Operations	\$171,564,000	\$35,828,000	\$207,392,000
Local Assistance	41,080,000	134,930,000	176,010,000
Capital Outlay	12,125,000	6,970,000	19,095,000
Public Utilities Commission Secretary for Transportation Agency	5,964,000 6,000	-	5,964,000 6,000
State Controller's Office California Transportation Commission	19,000 1,554,000	-	19,000 1,554,000
University of California State Transit Assistance (Local Assistance)	980,000 373,091,000	-	980,000 373,091,000
High Speed Rail Bond Adjustment for Cash Accounting of Expenditures (Local Assistance)	29,316,000 32,342,000	-	29,316,000 32,342,000
Adjustment for Cash Accounting of Expenditures (Capital Outlay)	4,772,000	-	4,772,000
Accumulated Balance	305,204,000	-	305,204,000
<b>Total</b>	<b>\$978,017,000</b>	<b>\$177,728,000</b>	<b>\$1,155,745,000</b>

**State Highway Account (0042)**

The SHA is the primary funding source for the state's highway transportation system. The two major sources of funding for the SHA are the balance of fuel taxes transferred from the HUTA and reimbursements from the Federal Trust Fund for federal-aid highway projects (see Chart A). The Weight Fee Swap diverted all weight fees to the General Fund for debt service payments and loans. In return, the SHA receives monthly backfill payments equal to the sum of weight fees that were redirected from the account.

Federal funds received by Caltrans come from federal fuel excise taxes that are deposited in the Federal Highway Trust Fund. The taxes are apportioned and allocated back to the state through the Federal Transportation Act and the federal budget. Each federal-aid highway project must be authorized in advance by the Federal Highway Administration, and federal funds must be obligated before the funds can flow back to the state. Once the authorization process and obligation of funds are completed, the state can recover federal reimbursements based on the monthly expenditures of federal-aid projects.

The accumulated balance in the table below represents resources available for future years, including commitments to existing projects and assets and liabilities from other departments that report on a modified accrual basis. Resources estimated at \$10,386,943,000 are available from all sources to support the following:

<b>State Highway Account</b>			
	<b>State Funds</b>	<b>Federal Funds</b>	<b>Total Funds</b>
State Operations	\$2,533,854,000	\$762,261,000	\$3,296,115,000
Local Assistance	194,599,000	1,712,104,000	1,906,703,000
Capital Outlay	390,509,000	2,123,620,000	2,514,129,000
Unclassified	-	5,000,000	5,000,000
Public Transportation Account	25,046,000	-	25,046,000
Earthquake Risk Reduction Fund	1,000,000	-	1,000,000
Environmental Enhancement and Mitigation Fund	7,000,000	-	7,000,000
Equity Claims of CA Victim Compensation and Government Claims	-	-	0
Transportation Congestion Relief Fund	-	-	0
California Transportation Commission	877,000	-	877,000
California Highway Patrol	62,780,000	-	62,780,000
Department of Motor Vehicles	8,545,000	-	8,545,000
Department of Conservation	12,000	-	12,000
Financial Information System for California	45,000	-	45,000
General Fund	-	-	0
Public Utilities Commission	3,963,000	-	3,963,000
Transportation Debt Service Fund	1,122,115,000	-	1,122,115,000
Interest Payments to Federal Government	1,000,000	-	1,000,000
Prefunding Health & Dental Benefits for Annuitants	1,032,000	-	1,032,000
Adjustment for Cash Accounting of Expenditures (Local Assistance)	158,721,000	-	158,721,000
Adjustment for Cash Accounting of Expenditures (Capital Outlay)	-69,037,000	-	-69,037,000
Accumulated Balance	1,341,897,000	-	1,341,897,000
<b>Total</b>	<b>\$5,783,958,000</b>	<b>\$4,602,985,000</b>	<b>\$10,386,943,000</b>

### **Transportation Financing Subaccount (6801)**

The Transportation Financing Subaccount was created to receive the deposit of proceeds from the sale of tax-exempt or taxable notes, known as Grant Anticipation Revenue Vehicles (GARVEE). These notes were issued by the State Treasurer to finance selected large-scale federal transportation projects administered by Caltrans. The funds in the subaccount are attributable to the GARVEE bond sales from 2004 and 2008, and are continuously appropriated and available for use as directed by the California Transportation Commission (CTC). The proposed budget a \$1,000 placeholder, but no new GARVEE issuances are expected in 2014-15.

<b>Transportation Financing Subaccount</b>	
Capital Outlay	\$1,000
Accumulated Balance	0
<b>Total</b>	<b>\$1,000</b>

**OTHER FUNDS:**

**Greenhouse Gas Reduction Fund (3228)**

The Greenhouse Gas Reduction Fund was created to facilitate the achievement of reductions of greenhouse gas emissions in the state. Moneys appropriated from the fund may be allocated for the purpose of reducing greenhouse gas emissions in this state through investments. The proposed budget estimates \$50,000,000 for Caltrans to distribute as follows:

<b>Greenhouse Gas Reduction Fund</b>	
State Operations	\$419,000
Local Assistance	49,580,000
Capital Outlay	1,000
Accumulated Balance	0
<b>Total</b>	<b>\$50,000,000</b>

**Historic Property Maintenance Fund (0365)**

The Historic Property Maintenance Fund provides funding for costs associated with the maintenance and operation of federally-designated or state historic properties that are owned by Caltrans and are located in a freeway right-of-way corridor. Revenues are derived from 50 percent of the rental receipts collected on these historic properties. The proposed budget estimates that \$1,718,000 is available for distribution as follows:

<b>Historic Property Maintenance Fund</b>	
State Operations	\$1,637,000
Financial Information System for California	1,000
Accumulated Balance	80,000
<b>Total</b>	<b>\$1,718,000</b>

**Traffic Congestion Relief Fund (3007)**

The Traffic Congestion Relief Fund (TCRF) provides funding for deferred maintenance on local streets and roads, and congestion relief projects. It provides additional transportation capacity in high growth areas of the state. The accumulated balance in the table below represents resources available for future years, including commitments to existing projects and assets and liabilities from other departments that report on a modified accrual basis. The proposed budget estimates that \$121,211,000 is available for distribution as follows:

<b>Traffic Congestion Relief Fund</b>	
State Operations	\$6,637,000
Local Assistance	39,039,000
Capital Outlay	38,142,000
Adjustment for Cash Accounting of Expenditures (Local Assistance)	15,549,000
Adjustment for Cash Accounting of Expenditures (Capital Outlay)	20,000,000
Accumulated Balance	1,844,000
<b>Total</b>	<b>\$121,211,000</b>

**Transportation Investment Fund (3008)**

Proposition 42, which passed in March 2002, added Article XIXB to the California Constitution, which made permanent the transfer of the sales tax on gasoline to the Transportation Investment Fund (TIF) for transportation purposes. However, with the elimination of sales tax on gasoline due to the Fuel Tax Swap of 2010, the revenue stream for the TIF was eliminated. The accumulated balance in the table below represents resources available for future years, including commitments to existing projects and assets and liabilities from other departments that report on a modified accrual basis. The proposed budget estimates that \$68,046,000 is available for distribution as follows:

<b>Transportation Investment Fund</b>	
Adjustment for Cash Accounting of Expenditures (Local Assistance)	3,418,000
Adjustment for Cash Accounting of Expenditures (Capital Outlay)	6,831,000
Accumulated Balance	57,797,000
<b>Total</b>	<b>\$68,046,000</b>

**Transportation Deferred Investment Fund (3093)**

The Transportation Deferred Investment Fund (TDIF) was established to receive loan repayments from the General Fund equal to the amounts that were not transferred from the General Fund to the TIF in 2003-04 and 2004-05, that would otherwise have been available for the transportation programs. The accumulated balance in the table below represents resources available for future years, including commitments to existing projects and assets and liabilities from other departments that report on a modified accrual basis. The proposed budget estimates that \$133,230,000 is available for distribution as follows:

<b>Transportation Deferred Investment Fund</b>	
Traffic Congestion Relief Fund	\$83,012,000
Adjustment for Cash Accounting of Expenditures (Local Assistance)	0
Adjustment for Cash Accounting of Expenditures (Capital Outlay)	0
Accumulated Balance	50,218,000
<b>Total</b>	<b>\$133,230,000</b>

**Transportation Debt Service Fund (3107)**

The Transportation Debt Service Fund (TDSF) was established for payment of debt service on bonds including debt service on bonds issued pursuant to the Clean Air and Transportation Improvement Act of 1990, the Passenger Rail and Clean Air Bond Act of 1990, the Seismic Retrofit Bond Act of 1996, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, and the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century. As part of the Weight Fee Swap, weight fees deposited into the SHA are subsequently transferred to the TDSF. The proposed budget estimates that \$1,122,115,000 is available for distribution as follows:

<b>Transportation Debt Service Fund</b>	
General Obligation Bond Debt Service Expenditures	\$1,122,115,000
<b>Total</b>	<b>\$1,122,115,000</b>

**PROPOSITION 1B – HIGHWAY SAFETY, TRAFFIC REDUCTION, AIR QUALITY, AND PORT SECURITY BOND ACT OF 2006**

Proposition 1B, approved by voters in November 2006 authorized the issuance of \$19.925 billion in state general obligation bonds under the Bond Act. The objectives of the Bond Act are to improve transportation, air quality, and port security through the creation of new transportation accounts and programs, and by providing new funding for existing programs.

The proposed budget includes \$1.8 billion for Proposition 1B bond programs in 2014-15. The \$1.8 billion includes \$471 million for Capital Outlay and \$916 million for Local Assistance. The Governor’s Budget did not include new proposed Proposition 1B appropriations for the 2014-15 year.

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

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund was established to fund the mobility, safety and air quality improvements described in the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Bond funding of \$1,809,156,000 will be deposited into the Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund, and distributed as follows:

<b>Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund</b>	
CA Ports Infrastructure, Security, and Air Quality Improvement Account	\$240,000,000
Corridor Mobility Improvement Account	109,090,000
Trade Corridors Improvement Fund	262,754,000
Transportation Facilities Account	18,857,000
Public Transportation Modernization, Improvement and Service Enhancement Account	926,808,000
State-Local Partnership Program Account	57,775,000
Local Bridge Seismic Retrofit Account	12,601,000
Highway-Railroad Crossing Safety Account	13,365,000
Highway Safety, Rehabilitation, and Preservation Account	55,967,000
Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account	0
State Route 99 Account	111,939,000
<b>Total</b>	<b>\$1,809,156,000</b>

**California Ports Infrastructure, Security, and Air Quality Improvement Account (6054)**

The California Ports Infrastructure, Security, and Air Quality Improvement Account was established to fund infrastructure improvements along trade corridors, emission reductions from activities related to the movement of freight along California’s trade corridors, and port, harbor and ferry terminal security improvements.

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<b>California Ports Infrastructure, Security, and Air Quality Improvement Account</b>	
Air Resources Board	\$240,000,000
<b>Total</b>	<b>\$240,000,000</b>

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**Corridor Mobility Improvement Account (6055)**

The Corridor Mobility Improvement Account was established to fund performance improvements on the state highway system, or major access routes to the state highway system on the local road system that relieve congestion by expanding capacity, enhancing operations, or otherwise improving travel times within these high-congestion travel corridors. Projects are identified by Caltrans and regional or local transportation agencies and are allocated by the CTC.

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<b>Corridor Mobility Improvement Account</b>	
State Operations	\$108,946,000
Local Assistance	0
Capital Outlay	0
California Transportation Commission	144,000
<b>Total</b>	<b>\$109,090,000</b>

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**Trade Corridors Improvement Fund (6056)**

The Trade Corridors Improvement Fund was established to fund infrastructure improvements along federally-designated “Trade Corridors of National Significance” in the state and along other corridors within the state that have a high volume of freight movement, as determined by the CTC.

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<b>Trade Corridors Improvement Fund</b>	
State Operations	\$9,578,000
Local Assistance	53,494,000
Capital Outlay	199,542,000
California Transportation Commission	140,000
<b>Total</b>	<b>\$262,754,000</b>

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**Transportation Facilities Account (6058)**

The Transportation Facilities Account was established to augment funding for the State Transportation Improvement Program (STIP) (Government Code Section 14525.5).

<b>Transportation Facilities Account</b>	
State Operations	\$18,727,000
Local Assistance	0
Capital Outlay	0
California Transportation Commission	130,000
<b>Total</b>	<b>\$18,857,000</b>

**Public Transportation Modernization, Improvement and Service Enhancement Account (6059)**

The Public Transportation Modernization, Improvement and Service Enhancement Account was established to fund intercity rail projects and commuter or urban rail operators, bus operators, waterborne transit operators, and other transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or for rolling stock procurement, rehabilitation, or replacement.

<b>Public Transportation Modernization, Improvement &amp; Service Enhancement Acct</b>	
State Transit Assistance (Local Assistance)	\$823,949,000
State Operations	1,097,000
Capital Outlay	101,726,000
California Transportation Commission	36,000
<b>Total</b>	<b>\$926,808,000</b>

**State-Local Partnership Program Account (6060)**

The State-Local Partnership Program Account provides dollar-for-dollar matching funds for eligible transportation projects nominated by applicant transportation agencies.

<b>State-Local Partnership Program Account</b>	
State Operations	\$1,211,000
Local Assistance	0
Capital Outlay	56,498,000
California Transportation Commission	66,000
<b>Total</b>	<b>\$57,775,000</b>

**Local Bridge Seismic Retrofit Account (6062)**

The Local Bridge Seismic Retrofit Account was established to provide the required match for federal Highway Bridge Replacement and Repair funds available to the state for seismic work on local bridges, ramps, and overpasses, as identified by Caltrans.

<b>Local Bridge Seismic Retrofit Account</b>	
State Operations	\$395,000
Local Assistance	12,200,000
California Transportation Commission	6,000
<b>Total</b>	<b>\$12,601,000</b>

**Highway-Railroad Crossing Safety Account (6063)**

The Highway-Railroad Crossing Safety Account was established to fund the completion of high-priority grade separation and railroad crossing safety improvements pursuant to Chapter 10 (Sections 2450 through 2461) of Division Three of the Streets and Highways Code, except that a dollar-for-dollar matching of nonstate funds shall be provided for each project, and the limitation on maximum project cost in Streets and Highways Code Section 2454, subdivision (g) shall not be applicable to projects funded with this account.

<b>Highway-Railroad Crossing Safety Account</b>	
State Operations	\$399,000
Local Assistance	12,943,000
California Transportation Commission	23,000
<b>Total</b>	<b>\$13,365,000</b>

**Highway Safety, Rehabilitation, and Preservation Account (6064)**

The Highway Safety, Rehabilitation, and Preservation Account was established to fund the State Highway Operation and Protection Program, traffic light synchronization, and other technology-based projects, to improve safety, operations, and the effective capacity of local streets and roads. (Government Code Section 14526.5)

<b>Highway Safety, Rehabilitation, and Preservation Account</b>	
State Operations	\$3,971,000
Local Assistance	12,954,000
Capital Outlay	38,982,000
California Transportation Commission	60,000
<b>Total</b>	<b>\$55,967,000</b>

**Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account (6065)**

The Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account was established to fund improvements to transportation facilities that will assist in reducing local traffic congestion and further deterioration of roads, improving traffic flows, or increasing traffic safety. Usage of funds may include, but not be limited to, street and highway pavement maintenance; rehabilitation, installation, construction, and reconstruction of necessary associated facilities such as drainage and traffic control devices; maintenance, rehabilitation, installation, construction, and reconstruction of facilities that expand ridership on transit systems; safety projects to reduce fatalities; or as a local match to obtain state or federal transportation funds for similar purposes.

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<b>Local Streets &amp; Road Improvement, Congestion Relief, &amp; Traffic Safety Account</b>	
Department of Finance	\$0
<b>Total</b>	<b>\$0</b>

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**State Route 99 Account (6072)**

The State Route 99 Account was established to provide funding for safety, operational enhancements, rehabilitation, or capacity improvements for the State Route 99 corridor that traverses approximately 400 miles of the central valley of the state.

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<b>State Route 99 Account</b>	
State Operations	\$37,637,000
Capital Outlay	74,302,000
<b>Total</b>	<b>\$111,939,000</b>

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**PROPOSITION 1A – HIGH SPEED PASSENGER TRAIN BOND FUND**

**High-Speed Passenger Train Bond Fund (6043)**

Proposition 1A, approved by voters in 2008, authorized \$9.95 billion in general obligation bonds to initiate the construction of a high-speed train system that connects the San Francisco Transbay Terminal to Los Angeles Union Station and Anaheim, and links the state’s major population centers, including Sacramento, the San Francisco Bay Area, the Central Valley, Los Angeles, the Inland Empire, Orange County, and San Diego. The proposed budget includes \$107,226,000 million for the Proposition 1A bond program in 2014-15.

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<b>High-Speed Passenger Train Bond Fund</b>	
Local Assistance	\$31,360,000
Capital Outlay	46,550,000
High Speed Rail Authority	29,316,000
<b>Total</b>	<b>\$107,226,000</b>

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Attachments:

- Chart A: "Source and Distribution of California State Motor Vehicle Fees and User Taxes"  
Summarizes the source and distribution of the state motor vehicle and user taxes, and that of the State Highway Account.
- Chart B: "Statutory Allocation of Transportation Funding"  
Shows sources and allocation of funding for the STIP and other programs (non-STIP).
- Chart C: "Budgetary Flow of California State Fees and Taxes Designated for Transportation Purposes"  
Shows the budgetary flow of state motor vehicle fees and highway user taxes in California, along with other fund sources that constitute the financing available to Caltrans, as displayed in the FY 2014-15 proposed Governor's Budget.
- Chart D: "Distribution of California Sales Tax Revenue"  
Shows the distribution of sales tax revenues from gasoline and diesel fuel sales to the Public Transportation Account and the Transportation Investment Fund.
- Chart E: "Motor Vehicle License Fee Distribution"  
Shows the distribution of revenues from Motor Vehicle License Fees to the Motor Vehicle License Fee Account.
- Chart F: "Chart of Transportation Revenues"  
Shows the distribution of total transportation revenues from state motor vehicle fees and highway user taxes designated for transportation purposes.

**2014-15 Fiscal Year  
SOURCE AND DISTRIBUTION OF CALIFORNIA  
STATE MOTOR VEHICLE FEES AND USER TAXES \***

FEES & USER TAXES:	
Motor Vehicle License Fees.....	\$521,797,000
Motor Vehicle Registration, Driver's License, Off-Highway Registration.....	\$3,008,536,000
Motor Vehicle Fuel Tax (Diesel).....	\$333,721,000
Motor Vehicle Fuel Tax (Gasoline and Jet Fuel).....	\$5,210,386,000
Motor Vehicle Registration (Weight Fees).....	\$957,500,000
<b>Total</b>	<b>\$10,031,940,000</b>

Other State Agencies, Funds, and Accounts
\$3,752,381,000

Cities, Counties, Cities & Counties
\$1,757,859,000

State Highway Account Account
\$4,521,700,000

State Highway Account Resources:	
Reserves.....	\$832,161,000
Gasoline & Diesel Taxes.....	\$3,564,200,000
Truck Weight Fees.....	\$957,500,000
Interest & Miscellaneous.....	\$430,097,000
Federal Reimbursement.....	\$4,602,985,000
<b>Total Resources.....</b>	<b>\$10,386,943,000</b>

DEPARTMENT OF TRANSPORTATION				
State Operations:		Highway & Rail Capital Outlay:	Local Assistance:	Unclassified:
Project Development and Other Capital Support.....	\$1,243,307,000	Right-of-Way Acquisition & Engineering, Construction & Management	Local Assistance.....	\$1,894,703,000
Mass Trans. & Planning.....	\$75,641,000		Regional Planning.....	\$12,000,000
Program Development.....	\$75,480,000			
Operations & Local Assist.....	\$277,846,000			
Maintenance.....	\$1,501,114,000			
Admin., Legal, Equip.....	\$122,727,000			
<b>Total</b>	<b>\$3,296,115,000</b>		<b>\$2,514,129,000</b>	<b>\$1,906,703,000</b>

OTHER AGENCIES, ACCOUNTS AND FUNDS	
California Transportation Commission.....	\$877,000
State Controller.....	\$0
California Highway Patrol.....	\$62,780,000
Department of Motor Vehicles.....	\$8,545,000
Department of Conservation.....	\$12,000
Equity Claims of CA Victim Compensation.....	\$0
Earthquake Risk Reduction Fund.....	\$1,000,000
Environmental Enhancement and Mitigation Program Fund.....	\$7,000,000
Transportation Debt Service Fund.....	\$1,122,115,000
Transportation Congestion Relief Fund.....	\$0
Interest payments to Federal Government.....	\$1,000,000
Prefunding Health and Dental Benefits for Annuitants.....	\$1,032,000
Public Transportation Account.....	\$25,046,000
Financial Information System for California.....	\$45,000
Public Utilities Commission.....	\$3,963,000
General Fund.....	\$0
<b>Total</b>	<b>\$1,233,415,000</b>

Adjustment for Cash Accounting of Expenditures (Local Assistance):
\$158,721,000

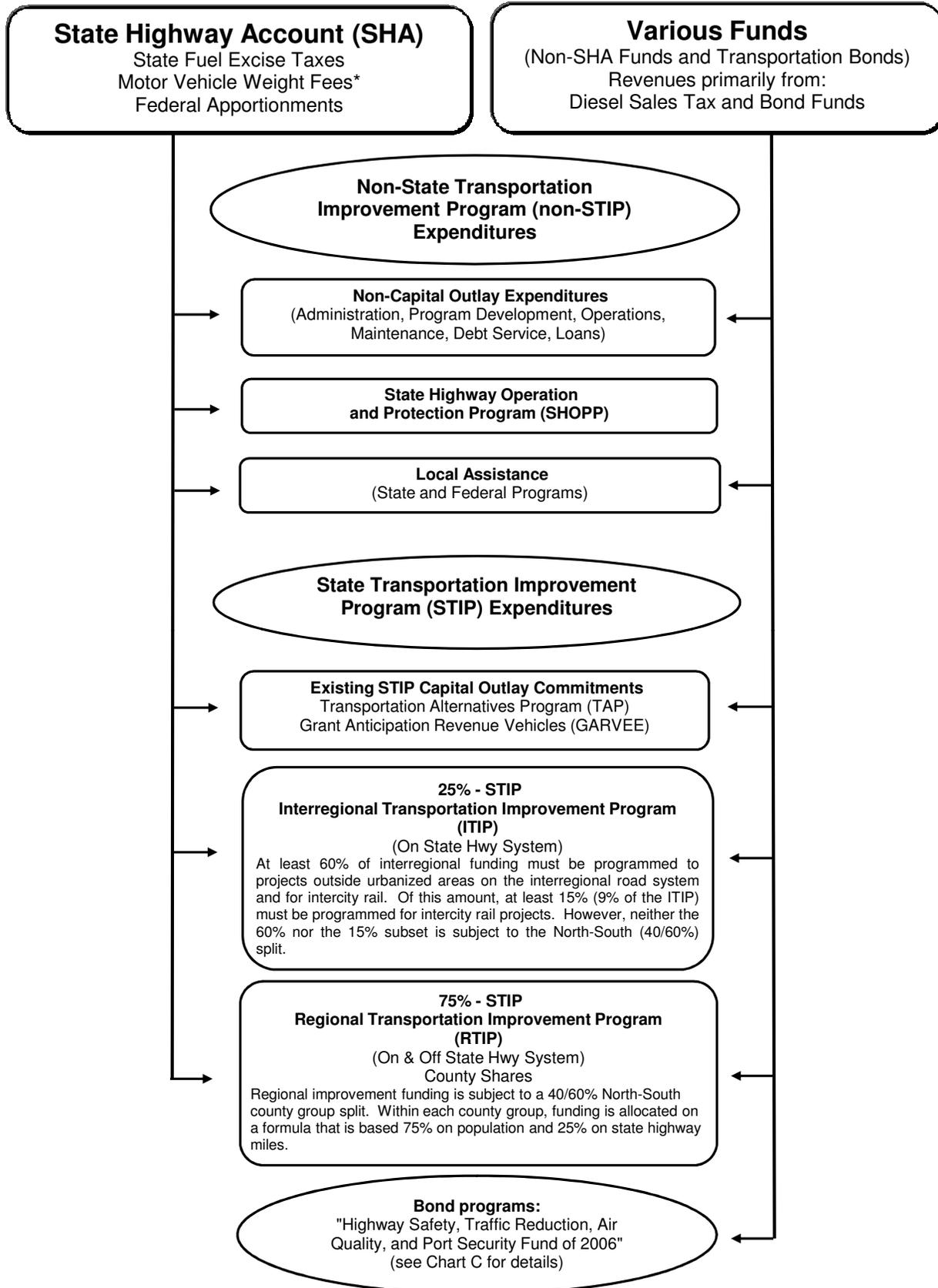
Adjustment for Cash Accounting of Expenditures (Capital Outlay):
-\$69,037,000

Reserve for Cash Outlays in Advance of Federal Reimbursements:
\$1,341,897,000

**CHART A  
January 2014**

\* Retail sales tax on Diesel is not included.

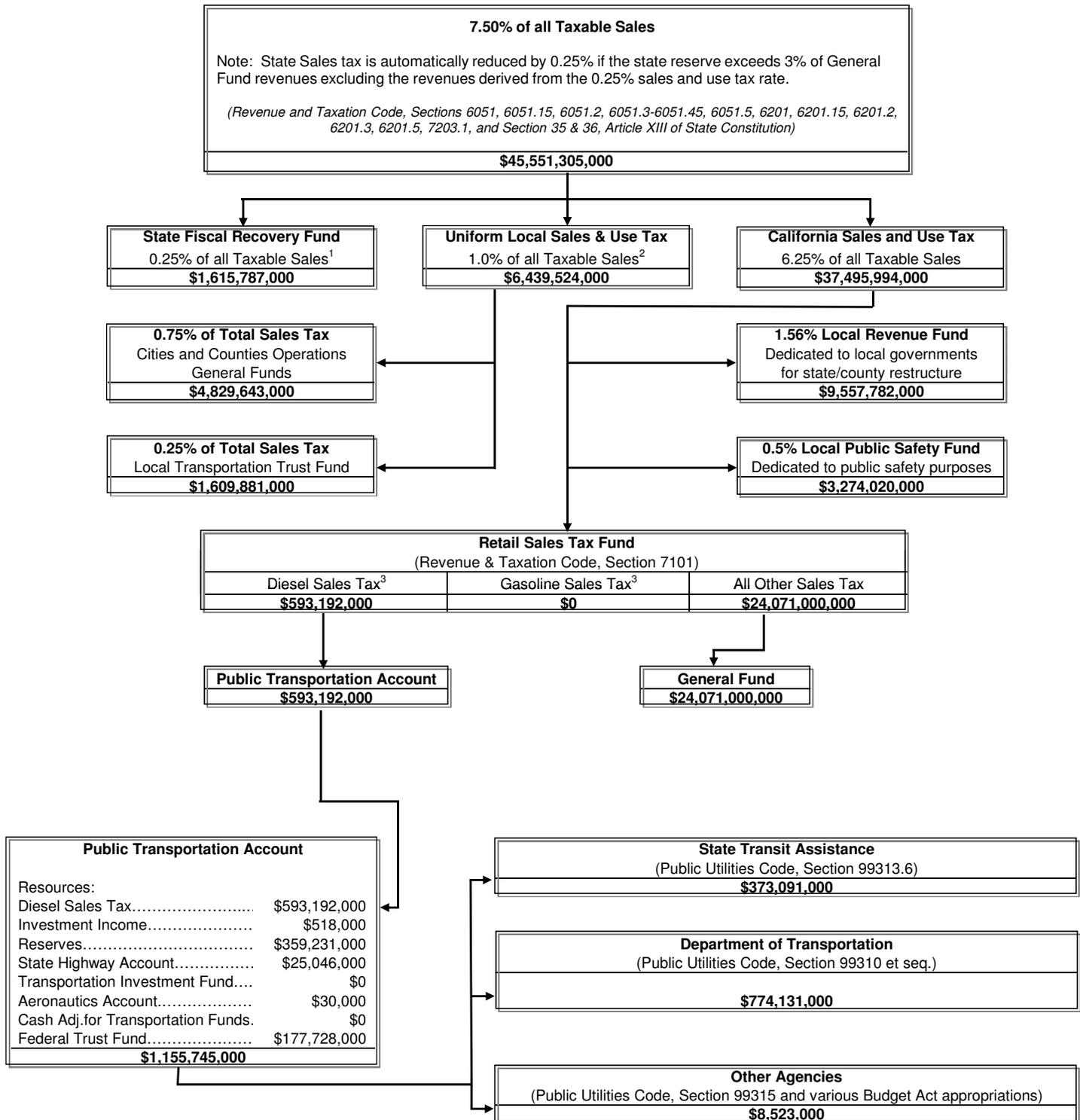
**2014-15 Fiscal Year  
STATUTORY ALLOCATION OF TRANSPORTATION FUNDING**



\* Motor Vehicle Weight Fees are immediately transferred to the the TDSF for transportation bond debt services, Per VC Sect. 9400.4.

**2014-15 Fiscal Year**  
**DISTRIBUTION OF CALIFORNIA SALES TAX REVENUE**  
 Dollar amounts are approximate and based on 2014-15 Governor's Budget  
 and 2014-15 Department of Finance sales tax forecasts

**TOTAL SALES TAX REVENUE**



<sup>1</sup> Proposition 57, passed by California voters on March 2, 2004, decreased the general purpose sales and use tax rate for local governments from 1.0% to 0.75% to fund the State Fiscal Recovery Fund, and also provided that property tax revenues be used to offset, or recover, this 0.25% reduction in sales and use tax revenues. The property tax offset itself is not displayed in this chart.

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

<sup>3</sup> The Fuel Tax Swap enacted in March 2010 (AB X8 6), eliminated state sales tax on gasoline for transportation programs and increased sales tax on diesel fuel by 1.75% for 2014-15.

Note: All amounts are rounded independently - totals may not add to detail.

**2014-15 Fiscal Year  
MOTOR VEHICLE LICENSE FEE DISTRIBUTION**

<p>MOTOR VEHICLE LICENSE FEE REVENUE* Revenue &amp; Taxation Code, Section 10752</p> <p>Vehicle License Fee 0.65% of market value as determined by the Department of Motor Vehicles (annual amount).</p>
<p><b>\$2,093,171,000</b></p>

<p>MOTOR VEHICLE LICENSE FEE ACCOUNT</p> <p><b>Resources:</b></p>												
<table> <tr> <td>Reserves.....</td> <td align="right">\$1,000</td> </tr> <tr> <td>25.10% of Vehicle License Fees.....</td> <td align="right">\$521,797,000</td> </tr> <tr> <td>Investment Income.....</td> <td align="right">\$100,000</td> </tr> <tr> <td>Motor Vehicle Transfers.....</td> <td align="right">\$125,000</td> </tr> <tr> <td>Local Revenue Fund Transfers.....</td> <td align="right">(\$497,081,000)</td> </tr> <tr> <td><b>Total Resources.....</b></td> <td align="right"><b>\$24,942,000</b></td> </tr> </table>	Reserves.....	\$1,000	25.10% of Vehicle License Fees.....	\$521,797,000	Investment Income.....	\$100,000	Motor Vehicle Transfers.....	\$125,000	Local Revenue Fund Transfers.....	(\$497,081,000)	<b>Total Resources.....</b>	<b>\$24,942,000</b>
Reserves.....	\$1,000											
25.10% of Vehicle License Fees.....	\$521,797,000											
Investment Income.....	\$100,000											
Motor Vehicle Transfers.....	\$125,000											
Local Revenue Fund Transfers.....	(\$497,081,000)											
<b>Total Resources.....</b>	<b>\$24,942,000</b>											
<p><b>Disbursements:</b></p> <table> <tr> <td>State Controller's Office.....</td> <td align="right">\$17,000</td> </tr> <tr> <td>Franchise Tax Board.....</td> <td align="right">\$5,655,000</td> </tr> <tr> <td>DMV.....</td> <td align="right">\$19,251,000</td> </tr> <tr> <td>FISCAL.....</td> <td align="right">\$18,000</td> </tr> <tr> <td><b>Total Disbursements.....</b></td> <td align="right"><b>\$24,941,000</b></td> </tr> <tr> <td>Accumulated Balance.....</td> <td align="right">\$1,000</td> </tr> </table>	State Controller's Office.....	\$17,000	Franchise Tax Board.....	\$5,655,000	DMV.....	\$19,251,000	FISCAL.....	\$18,000	<b>Total Disbursements.....</b>	<b>\$24,941,000</b>	Accumulated Balance.....	\$1,000
State Controller's Office.....	\$17,000											
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FISCAL.....	\$18,000											
<b>Total Disbursements.....</b>	<b>\$24,941,000</b>											
Accumulated Balance.....	\$1,000											

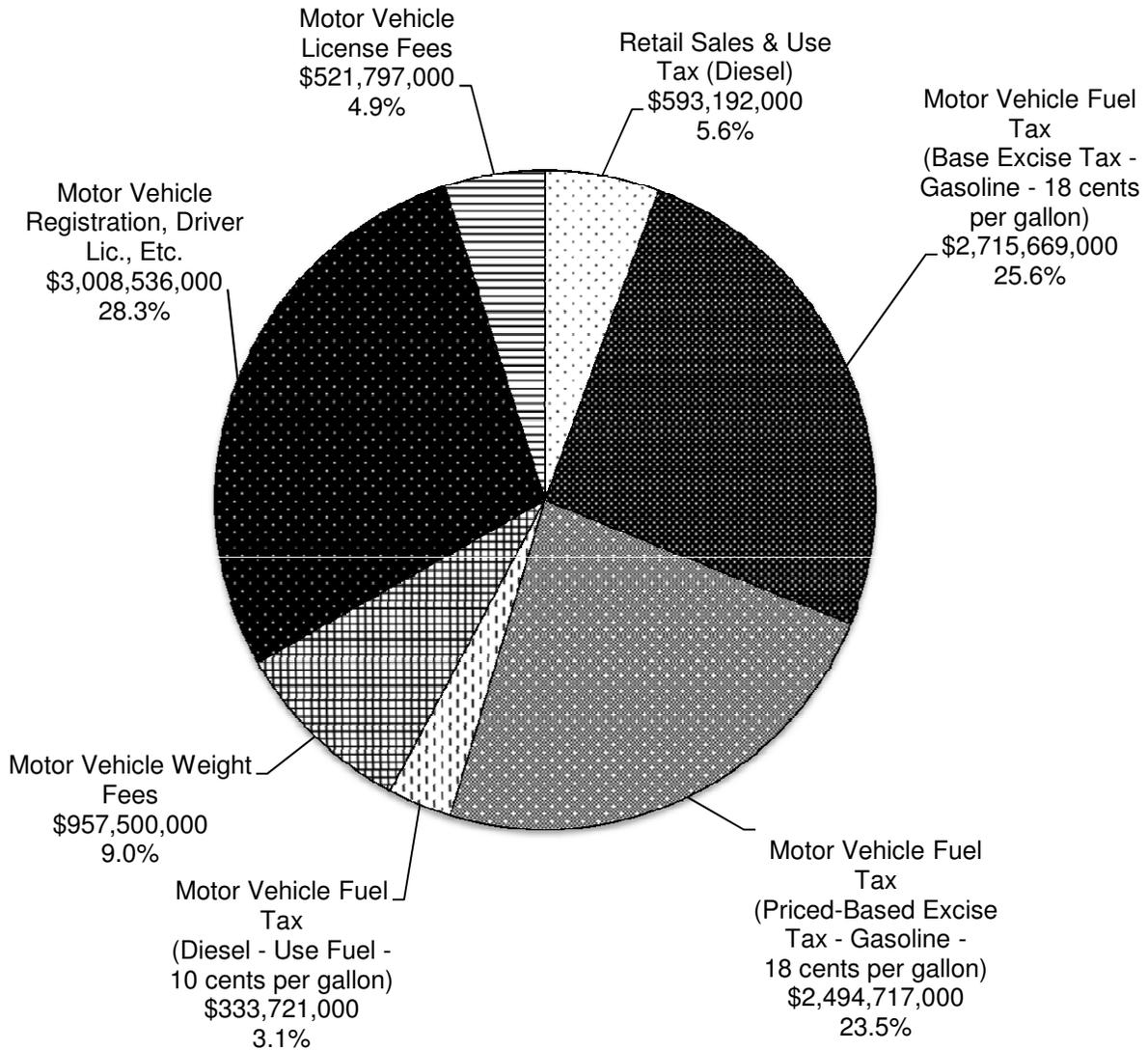
<p>LOCAL REVENUE FUND (Motor Vehicle License Fee portion only)</p>		
<table> <tr> <td>74.90% of Vehicle License Fees.....</td> <td align="right">\$1,571,374,000</td> </tr> </table>	74.90% of Vehicle License Fees.....	\$1,571,374,000
74.90% of Vehicle License Fees.....	\$1,571,374,000	
<p><b>\$1,571,374,000</b></p>		

\* Distribution of Vehicle License Fee revenue revised to 25.10% / 74.90% (State / Local) split by Revenue & Taxation Code, Section 11001.5. Distribution is not exactly 25.10% / 74.90% split due to uncleared collections, timing, and refund activity.

Note: Chart C displays only the amount of License Fee Revenue that flows into the Motor Vehicle Account.

**2014-15 FISCAL YEAR  
CHART OF TRANSPORTATION REVENUES**  
From California State Motor Vehicle Fees and Taxes

**\$10.625B Total Revenues**



**Note:**

Does not include funding from the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006.

Motor Vehicle Weight Fees are immediately transferred to the the TDSF for transportation bond debt services, Per VC Sect. 9400.4.