

APPENDIX I – REVENUE PROJECTION AND ASSUMPTIONS

Stanislaus Council of Governments
2022 Regional Transportation Plan/Sustainable Communities Strategy

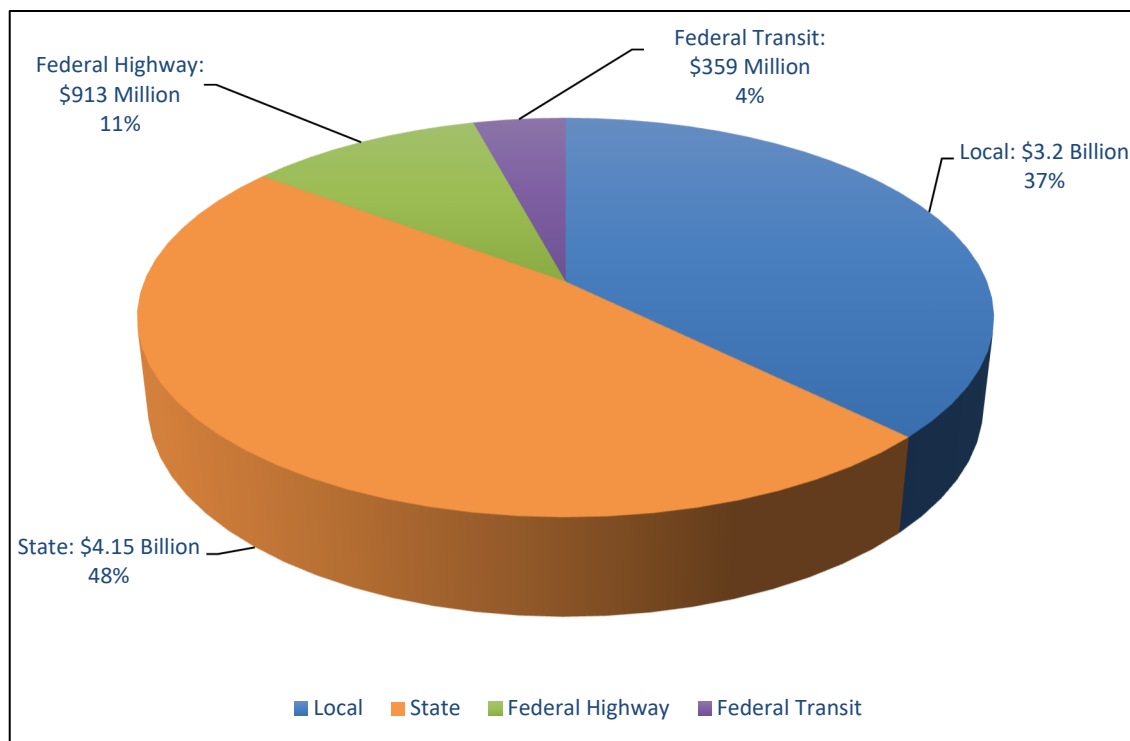
APPENDIX I – REVENUE PROJECTION AND ASSUMPTIONS

The 2022 StanCOG Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) financial forecasts provide revenue projections for StanCOG member agencies through 2046. Revenue forecasts were developed through meetings and coordination efforts with StanCOG’s member agencies and Caltrans. These revenue projections satisfy federal requirements to achieve a financially constrained RTP whereby total project Capital Improvement Program (CIP) project costs are accounted for through available and expected funding across the life of the program. The 2022 StanCOG RTP/SCS financial revenue forecast estimates approximately **\$8.671 billion** in available funding through fiscal year 2046.

The RTP provides projections for local, state, and federal funds and distinguishes between formula and competitive funding sources. Formula funds are systematic and were projected based on previous funding cycles specific to each member agency. Competitive funding, such as grant programs, are less certain and were based on past performance by StanCOG’s member agencies, program applicability, and an assumed capture rate based on Stanislaus County’s proportion of state maintained centerline miles of roadway. In addition to funding sources listed in the 2018 RTP/SCS, the 2022 StanCOG RTP/SCS financial revenue forecasts includes several new funding sources: Infrastructure for Rebuilding America (INFRA) discretionary grant program, Rebuilding American Infrastructure with Sustainability and Equity (RAISE) discretionary grant program, and authorizations from the Bipartisan Infrastructure Law (BIL).

Forecast estimates are specified for local, state, and federal funding sources, as shown in the following figure.

Figure 1 – Revenue Sources



The local, state, and federal funding sources are described in detail in the following sections. *(Note: A 3% annual revenue growth rate increase was assumed for various revenue sources to approximate future increases in funds, and to reflect inflation increases. In addition, 3% annual growth rate is representative of historical growth rates.)*

Local Revenues

Local Funding (Development Impact Fees/Local General Fund) and State Gas Tax Funding

Local General Fund monies, collected through city-wide taxes, and Development Impact Fee monies, collected during the development process, are used to improve local road systems within each jurisdiction. StanCOG maintains funding estimates from these sources for fiscal years 2021/2022 to 2045/2046. Gas Tax monies were estimated based on information provided by the State Controller for fiscal Year 2020/2021. *Assumption:* Gas tax estimates for fiscal year 2020/2021 and future years are based on a 3% annual increase. In total, the region anticipates approximately **\$1.179 million** from these sources through the year 2046.

Transit Fares

This source consists of fares collected by the region's transit operators (Stanislaus Regional Transit Authority (StanRTA) and Turlock Transit combined). *Assumption:* Revenues are estimated assuming a 3% annual increase based on actual revenues from fiscal year 2019/2020. In total, the region anticipates approximately **\$109.426 million** from these funds through the year 2046.

Local Transportation Fund (LTF)

LTF is a portion of the Transportation Development Act (TDA) dollars derived from a one-quarter percent statewide general sales tax imposed for transportation purposes. LTF funds are deemed local because they are not subject to state appropriation or apportionment. StanCOG administers the LTF funds and forecasts revenue based on projections provided by the State and past receipts.

TDA law allows local agencies to use LTF funds on local streets and roads, provided that all unmet transit needs that are found "reasonable to meet" are funded. If there are funds remaining, they can be used for local road projects.

Assumption: Revenues are estimated assuming a 3% annual increase based on actual revenues from fiscal year 2019/2020. The region anticipates approximately **\$733.458 million** for LTF funds, and **\$17.08 million** allocated for non-motorized LTF projects, through the year 2046.

Measure L Funds

Measure L (Local Roads First) is a half-cent sales tax referendum passed in November 2016 by the voters of Stanislaus County to increase funding for needed transportation improvements in the county. 65% of Measure L revenue was apportioned directly to local agencies on a formula basis for the following purposes: 50% Local Streets and Roads (\$699,131,628); 10% Traffic Management (\$139,826,326); and 5% Bike and Pedestrian (\$69,913,163) improvements. The other 35% of Measure L was applied to regional needs, including: 28% for 16 priority capital improvements (\$236,544,000); and, 7% for regional transit providers (\$59,136,000). As the Local Transportation Authority (LTA) for the Stanislaus region, StanCOG apportions local Measure L funds to its member agencies on a formula basis. StanCOG also coordinates with its member agencies to implement the regional program of projects as defined in StanCOG's Measure L Expenditure Plan.

Measure L Funds were provided for the following categories: Local Streets and Roads, Traffic Management, Bike and Pedestrian Improvements, Regional Projects, and Transit Providers. Estimates were taken from the StanCOG Measure L Expenditure Plan, which estimates that the measure will generate approximately \$38 million per year based on the half-cent sales tax for an estimated total of nearly \$960 million over the course of the measure's lifetime.

State Revenues

State Highway Operations and Protection Program (SHOPP)

Biennially, Caltrans is required to prepare a SHOPP for expenditure of transportation funds for major capital improvements necessary to preserve and protect the State highway system. Funding for fiscal years 2021/2022 to 2025/2026 reflect Stanislaus County totals for the Caltrans 2020 and 2022 SHOPP allocations. *Assumption:* Funding for fiscal year 2026/2027 was estimated as an average of the prior four years; future years are estimated based on a 3% annual increase. The region anticipates approximately **\$1.180 billion** from these funds through year 2046.

State Transportation Improvement Program (STIP)

The California Transportation Commission (CTC) programs an available amount of STIP funds to local programs after funds are dedicated to State programs. STIP funds are distributed 75% to the Regional Improvement Program (RIP) and 25% to the state Interregional Improvement Program (IIP) discretionary account. STIP funding through fiscal year 2022/2023 is based on STIP apportionments as reported by CTC. *Assumption:* Funding for STIP/RIP for fiscal year 2024/2025 was estimated as an average of fiscal years 2018/2019, 2020/2021, and 2022/2023; every other future year is estimated based on a 3% annual increase. The region anticipates approximately **\$262 million** from these funds through year 2046. STIP/IIP funding for fiscal year 2024/2025 is estimated as an average of the prior three cycles cycle; every future fourth year is estimated based on a 3% annual increase. The region anticipates approximately **\$106 million** from these funds through year 2046.

Public Transportation Account (PTA)

StanCOG does not anticipate receiving PTA funds through year 2046, given that the 2022 STIP Fund Estimate indicates a negative program capacity for the PTA.

State Transit Assistance (STA)

STA is a portion of the Transportation Development Act (TDA) dollars derived from the statewide general sales tax on diesel fuel. These funds are available only for transportation planning and mass transportation operating and capital purposes. Half of the STA funds are allocated to Regional Transportation Agencies (RTPA) and the other half to transit agencies.

STA funding for fiscal years 2021/2022 is based on STA apportionments as provided by StanCOG.

Assumption: Funding for fiscal year 2022/2023 and future years is estimated based on a 3% annual increase. The region anticipates approximately **\$181 million** from these funds through year 2046.

Highway Maintenance (HM)

Assumption: Funding for fiscal year 2020/2021 through 2030/2031 is estimated based on a 2% (or \$12.838 million) capture rate of the \$641.9 million in total funds available annually through Caltrans' 2021 State Highway System Management Plan (SHSMP). The funding for fiscal year 2031/2032 is estimated based on a 50% jump compared to the prior 10 year average; future years are estimated based on a 3% annual increase. The region anticipates approximately **\$417.2 million** from these funds through year 2046.

Aviation Funding

Federal aviation related funds were derived from user charges, such as taxes on aviation fuels, taxes on civil aircraft, and a surcharge on air passenger fares. Although funding for aviation comes from both State and federal sources, the State administers the distribution of funds and therefore revenue estimates were shown under the State category.

Funding estimates for fiscal years 2021/2022 to 2030/2031 are based on allocated funds through Caltrans' 2020 California Aviation System Plan (CASP) Capital Improvement Plan (CIP). *Assumption:* Funding for fiscal year 2031/2032 is estimated as an average of the prior year of state apportionments, and increased using a 3% escalation to 2046. The region anticipates approximately \$39.2 million from federal funds and \$1.9 million from State funds through year 2046.

Active Transportation Program (ATP) (Competitive)

ATP funding for fiscal years 2021/2022 and 2022/2023 is estimated based on ATP Cycle 5 and Cycle 5 Statewide and Metropolitan Planning Organization components. Funding for fiscal years 2023/2024 and 2024/2025 is estimated based on ATP Cycle 5 Statewide and Metropolitan Planning Organization components. *Assumption:* Funding for fiscal year 2025/2026 is estimated assuming a 3% annual increase of the average of the previous eight years. Future years are estimated based on a 3% annual increase. The region anticipates approximately **\$82.8 million** from these funds through year 2046.

SB1

The State Legislature passed Senate Bill 1 in 2017, increasing several transportation related taxes and fees while creating the Road Maintenance and Rehabilitation Program to address deferred maintenance on the State highway system and the local street and road system. SB1 funding provides both formula and competitive funding to new and existing programs, including the following: Local Streets and Roads, State Rail Assistance, State Transit Assistance, Transit and Intercity Rail Capital Project, Trade Corridor Enhancement Program, Solutions for Congested Corridors, and Sustainable Communities Planning Grant. Formula and competitive funds are estimated based on available California State Association of Counties (CSAC) information provided by StanCOG. Competitive funds are estimated based on historical capture rates and capture rate estimates based on county centerline miles. In addition, SB1 funding is isolated from other gas tax subvention funds given that it reflects a significant influx of new revenue and includes a competitive grant component. The region anticipates approximately **\$1.896 billion** from SB1 funds through year 2046.

SB 132

The State Assembly passed Senate Bill 132, which contains almost \$1 billion in district-specific road and rail projects in Stanislaus, Merced, and Riverside counties. Senate Bill 132 provides \$500 million for projects. The measure includes \$400 million in transportation funds for the extension of the Altamont Corridor Express to Modesto, Ceres, and Merced; a commuter rail line between the Bay Area and Central Valley; and \$100 million for a parkway project at the UC Merced campus. SB 132 funding was based on San Joaquin Regional Rail Commission project delivery options, which estimates a total of \$183.427 million total allocated to Stanislaus County over 10 years. *Assumption:* Annual funding is estimated based on an equal allocation of total project funds over the 10-year period between fiscal year 2017/2018 and 2026/2027. The region anticipates approximately **\$110 million** from these funds through year 2046.

Federal Revenues

Federal Transit Funding Programs

Federal Transit Administration Section 5307 (Urbanized Formula Program)

This program provides grants for Urbanized Areas (50,000-plus population) for public transportation capital investments, and operating expenses in areas under 200,000 in population from the Mass Transit Account of the Highway Trust Fund (HTF). *Assumption:* Funding for fiscal year 2021/2022 and future years is estimated based on a 3% annual increase.

Federal Transit Administration Section 5311 (Non-Urbanized Transit)

Under this section, funds were provided to non-urbanized transit systems—of which Stanislaus County Transit (StaRT) was one—on a formula basis for capital and operating expenses. Twenty percent of Section 5311 funds were distributed through a new tier-based formula based on land area. The remaining 80 percent of funds was allocated by the existing formula based on population. *Assumption:* Funding for fiscal year 2021/2022 and future years is estimated based on a 3% annual increase.

Section 5339 Bus and Bus Facilities

This program provides capital funding to replace, rehabilitate and purchase buses and related equipment, and to construct bus-related facilities. *Assumption:* Funding for fiscal year 2021/2022 and future years is estimated based on a 3% annual increase.

Sections 5307, 5311, and 5339 provide a combined total of approximately **\$338.934 million** for the region through year 2046.

Federal Transit Administration Section 5303 (Metropolitan Planning)

This program was intended to provide funding and procedural requirements for multimodal transportation planning in metropolitan areas and states. Funding estimates for fiscal year 2021/2022 is based on FTA apportionments. *Assumption:* Funding for fiscal year 2022/2023 is estimated using the average of the low and high estimated allocations provided by Caltrans. Funding for fiscal year 2023/2024 is based on the average of the prior two years and increased by 3%. Future years are estimated based on a 3% annual increase. The region anticipates approximately **\$8.946 million** from these funds through year 2046.

Federal Transit Administration Section 5310 (Enhanced Mobility)

This program was intended to enhance mobility for seniors and persons with disabilities by providing funds for programs to serve the special needs of transit-dependent populations beyond traditional public transportation services and Americans with Disabilities Act (ADA) complementary paratransit services. Funding estimates for fiscal year 2021/2022 is based on FTA apportionments. *Assumption:* Funding for fiscal year 2022/2023 and future years is estimated based on a 3% annual increase. The region anticipates approximately **\$11.864 million** from these funds through year 2046.

Congestion Mitigation and Air Quality Improvement Program (CMAQ)

The CMAQ provides funding for projects and programs in air quality nonattainment areas for ozone, carbon monoxide (CO), and particulate matter (PM-10, PM-2.5) which reduce transportation-related emissions. Projects that reduce vehicle miles of travel (VMT), focus on non-auto modes, and were included in existing or proposed planning documents were the most successful in obtaining funding. Funding estimates for fiscal years 2021/2022 to 2025/2026 are based on federal apportionments as reported by Caltrans. *Assumption:* Funding for fiscal year 2026/2027 and future years is estimated based on a 2% average annual increase). The region anticipates approximately **\$236.4 million** from these funds through year 2046

Surface Transportation Block Grant Program (STBGP)

The STBG program provides flexible funding for projects on any Federal-Aid highway, bridges on public roads, transit capital projects, and intra-city and inter-city bus terminals and facilities on a formula basis. Funding estimates for fiscal years 2021/2022 to 2025/2026 are based on federal apportionments as reported by Caltrans. *Assumption:* Apportionments for 2021/2022-2025/2026 have been adjusted to account for the BIL. The rate of the statewide impact of the BIL was applied to prior estimates. Funding for fiscal year 2026/2027 and future years is estimated based on a 2% average annual increase). The region anticipates approximately **\$268.4 million** from these funds through year 2046.

Highway Safety Improvement Program (HSIP)

This program allows states to target funds to their most critical safety needs. The BIL provides \$15.6 billion nationally between fiscal years 2021/2022 and 2025/2026, of which California is estimated to receive approximately \$1.37 billion during that period. *Assumption:* Fiscal year 2021/2022 through 2026/2027 is based on the CalSTA BIL apportionments with an assumed capture rate of 2% for Stanislaus based on historical averages. For fiscal year 2027/2028 the average of the prior 5 years was escalated by 3%. Future years are estimated on a 3% average annual increase. The region anticipates approximately **\$167.45 million** from these funds through year 2046.

Highway Bridge Program (HBP)

HBP provides for construction and maintenance of bridges that were not on the State Highway System, such as bridges on rural minor collectors and local roads. Funding estimates were provided by Caltrans through fiscal year 2024/2025. *Assumption:* Funding for fiscal year 2025/2026 is estimated based on an average of Caltrans HBP funding between fiscal years 2021/2022 and 2024/2025 and projected in future years based on a 3% escalation rate. The region anticipates approximately **\$156.52 million** from these funds through year 2046.

Railway-Highway Crossings (USC 130)

The focus of this program is to reduce the number of fatalities and injuries at public highway-rail grade crossings through the elimination of hazards and/or the installation and upgrade of protective devices crossings. Fiscal year 2021/2022 funding is estimated based on the proportion of STBGP funds (1.2%) allocated to Stanislaus County jurisdictions of the total available funds for the state of California (\$16.722 million) and escalated by 3% per year. The region anticipates approximately **\$4.398 million** from these funds through year 2046.

Infrastructure for Rebuilding America (INFRA) (23 U.S.C. 117)

INFRA (known statutorily as the Nationally Significant Multimodal Freight & Highway Projects) awards competitive grants for multimodal freight and highway projects of national or regional significance to improve the safety, efficiency, and reliability of the movement of freight and people in and across rural and urban areas. The BIL authorized \$7.25 billion for the INFRA program from fiscal year 2021/2022 through 2025/2026. *Assumption:* StanCOG assumed **two awards of \$20 million** over the life of the RTP. !

Rebuilding American Infrastructure with Sustainability and Equity (RAISE) (Formerly BUILD/TIGER)

The RAISE Discretionary Grant program provides investments in road, rail, transit and port projects that have a significant local or regional impact and meet achieve national objectives. The BIL authorized \$1.5 billion in RAISE grants. *Assumption:* StanCOG assumed **two awards of \$20 million** over the life of the RTP. !