



Draft Assumptions for the 2024 State Transportation Improvement Program Fund Estimate

Presented to the
California Transportation Commission

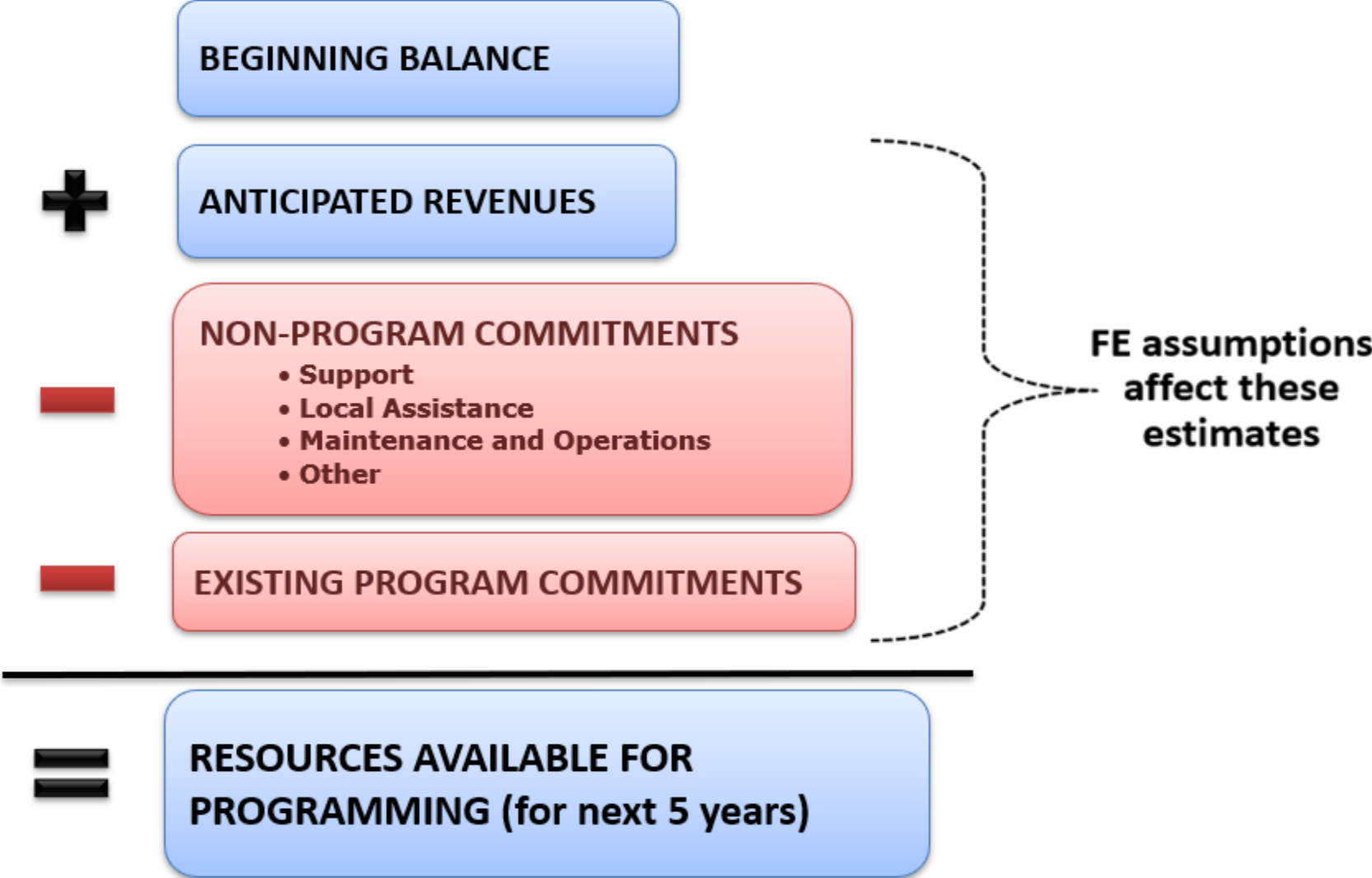
Assumptions Background

- **Discussion of Options & Significant Issues**
 - No Commission action required at this meeting
 - Establishes revenue levels during the Fund Estimate (FE) period
 - Subsequent legislation & budgetary changes could impact final assumptions
 - Authority to postpone adoption

Components of the Draft Assumptions

- **Section One - Options**
 - Outlines the major revenue-based assumptions, offering alternatives for the Commission's review and input/recommendation
- **Section Two – Significant Issues**
 - Details assumptions which may impact capacity over the FE period if the current law changes
- **Section Three – Assumptions**
 - Provides a list of individual assumptions that impact the FE

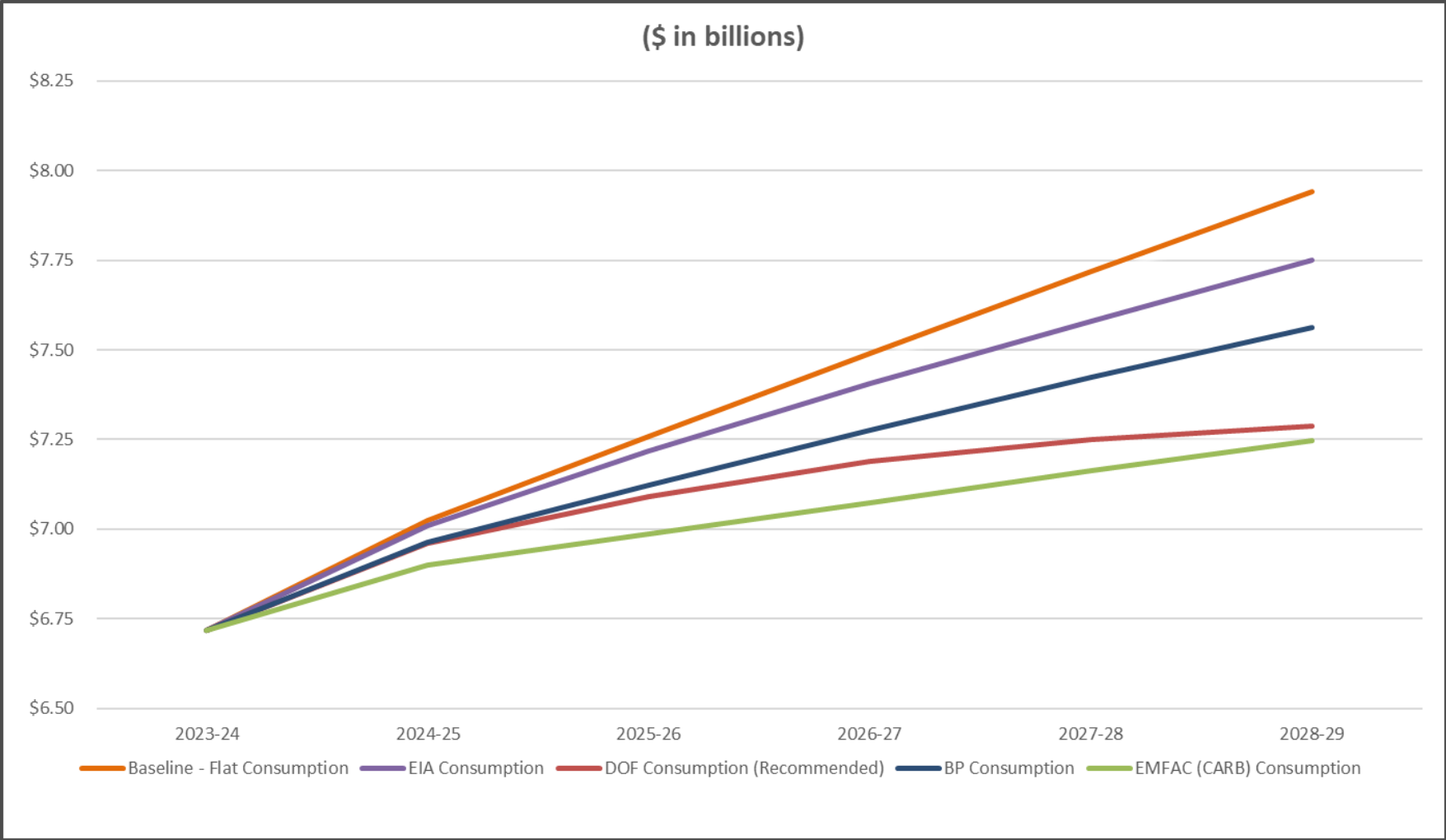
Cash Flow Methodology



Key Assumptions - Options

- **Economic & ZEV Impact on Revenues (Fuel Consumption Projections)**
 - Projections derived from numerous sources
 - Reflect gross revenue from base and incremental excise taxes over the FE period
 - Alternative A: Zero-Growth Baseline = \$37.4 billion
 - Alternative B: Energy Information Administration = \$37 billion
 - Alternative C: Department of Finance = \$35.8 billion
 - Alternative D: British Petroleum (BP) = \$36.3 billion
 - Alternative E: California Air Resources Board (CARB) EMFAC System = \$35.4 billion
- **Caltrans Recommends Alternative C (Department of Finance Projections)**
 - Specific to California
 - Analyzes fuel types individually

Projected Gross Revenue Collection



Key Assumptions - Options

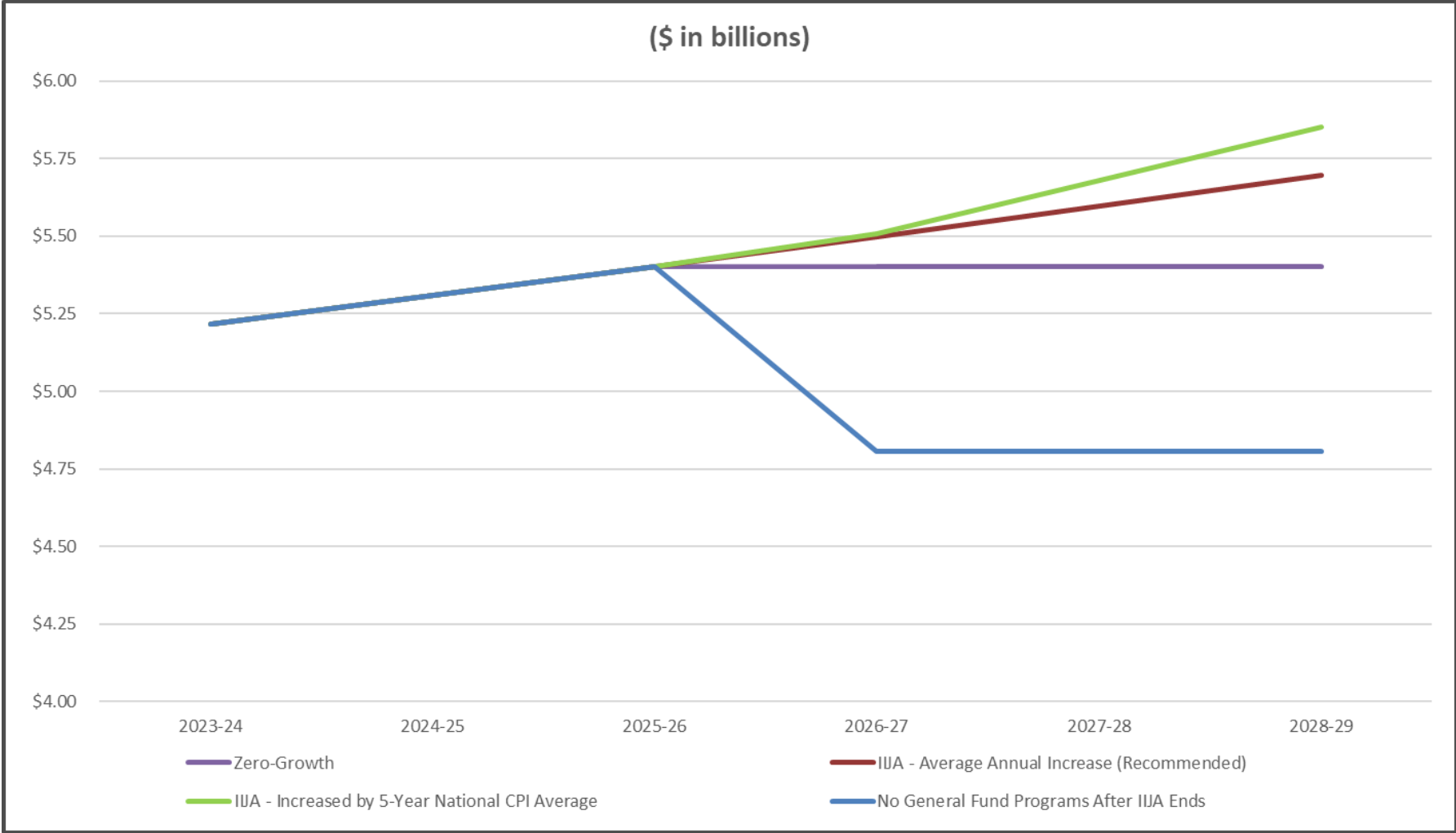
- **Federal Revenues**

- Alternative A = \$26.9 billion in Obligation Authority (OA)
- Alternative B = \$27.5 billion in OA
- Alternative C = \$27.7 billion in OA
- Alternative D = \$25.1 billion in OA

- **Caltrans Recommends Alternative C**

- Escalated annually using the federal apportionments inflation rate during the entire IJA (1.8%)

Projected Federal Funding



Key Assumptions - Significant Issues

- **State Transit Assistance**

- Approximately 73 percent of revenues from sales tax on diesel are transferred to State Transit Assistance or State Rail Assistance
 - Revenue estimates contingent upon diesel fuel price volatility

- **Section 183.1 Revenues**

- Law requires Section 183.1 revenues be transferred to the Transportation Debt Service Fund

- **Senate Bill 1 and Senate Bill 132**

- Senate Bill 132 commits SHA and PTA resources for specific projects

Legislative Uncertainty

- **Changes in Law Often Affect Revenues After Adoption of the Fund Estimate**
 - Assumptions and methodology cannot account for changes in law that occur subsequent to adoption of the FE
 - Each of the last ten Fund Estimates have been impacted by legislation occurring during the development process
 - Potential 2024 FE issues:
 - Disposition of Transportation Funding at the State Level
 - Changes in Federal Funding
 - Stronger regulations to drive and increase Zero-Emission Vehicles sales

Next Steps

- **Work with Commission Staff**
 - Incorporate feedback and finalize assumptions
- **Final Assumptions Approved During the May Commission Meeting**
- **Remaining Timeline:**

Date	Objective
May 17	FE Assumptions approval by Commission
June 28	Draft FE presented to Commission
August 16	Proposed adoption of Final FE by Commission

Questions

