

MEMORANDUM

TAB 42

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 27-28, 2024

From: STEVEN KECK, Chief Financial Officer

Reference Number: 4.3, Information Item – ***YELLOW MEETING HANDOUT***

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Division of Budgets

Subject: **DRAFT 2024 TRADE CORRIDOR ENHANCEMENT PROGRAM FUND ESTIMATE**

SUMMARY:

The California Department of Transportation (Department) is presenting to the California Transportation Commission (Commission) the Draft 2024 Trade Corridor Enhancement Program (TCEP) Fund Estimate, as an Information Item, at the Commission's June 2024 meeting. The Department will continue to work with Commission staff to finalize the 2024 TCEP Fund Estimate, which is scheduled to be presented for adoption at the Commission's August 2024 meeting.

BACKGROUND:

The 2024 TCEP Fund Estimate capacity is based on requirements within Senate Bill 1 (SB 1) (Statutes of 2017), along with the Federal Highway Administration and Commission staff. The program, as articulated in SB 1 and implemented pursuant to SB 103 (statutes of 2017), is a statewide competitive grant program which provides funding for infrastructure improvements on federally designated Trade Corridors of National and Regional Significance, on California's portion of the National Highway Freight Network, as identified in California Freight Mobility Plan, and along other corridors that have a high volume of freight movement. TCEP also supports the goals of the National Highway Freight Program, the California Freight Mobility Plan, and the guiding principles in the California Sustainable Freight Action Plan. The program contributes to the freight system's economic activity or vitality, relieves freight congestion, improves the safety, security, or resilience of the freight system, implements technology, or reduces adverse community or environmental impacts of the system.

The Department has consulted with Commission staff during the development of the Draft 2024 TCEP Fund Estimate. State resources are based on the Department of Finance's diesel excise tax revenue estimates and federal funding is based on the enacted Infrastructure Investment and Jobs Act. The Department will continue to work with Commission staff

"Provide a safe and reliable transportation network that serves all people and respects the environment."

between now and the August 2024 Commission meeting to update information and make any necessary changes to finalize the 2024 TCEP Fund Estimate to be presented for adoption.

Attachment

- Draft 2024 TCEP Fund Estimate

“Provide a safe and reliable transportation network that serves all people and respects the environment.”

DRAFT

**TRADE CORRIDOR ENHANCEMENT PROGRAM (TCEP)
FUND ESTIMATE
(\$ millions)**

	2025-26	2026-27	2-Year Total
RESOURCES			
STATE RESOURCES			
Trade Corridor Enhancement Account ¹	\$405	\$413	\$817
Previously Programmed Resources	0	0	0
State Resources Subtotal	\$405	\$413	\$817
FEDERAL RESOURCES			
National Highway Freight Program ^{2,3}	\$126	\$128	\$254
Previously Programmed Resources	0	0	0
Federal Resources Subtotal	\$126	\$128	\$254
TOTAL RESOURCES	\$531	\$541	\$1,071
Prior Commitments ⁴	(\$171)	\$0	(\$171)
NET RESOURCES AVAILABLE	\$360	\$541	\$900

Note: Individual numbers may not add to total due to independent rounding.

TCEP projects must be compliant with Streets and Highways Code Section 2192.

¹ Amounts provided by the Department of Finance and includes adjustments for inflation.

² Federal Resource dollars are representative of obligation authority and are estimated California apportionments under the Infrastructure Investment and Jobs Act (IIJA) including reductions for post-apportionment set-asides, penalties, and sequestration. Fiscal Year 2026-27 is escalated using the average inflationary rate over the entire IIJA funding period (1.7%).

³ California may use up to 30% of the National Highway Freight Program funds on freight and/or freight rail projects.

⁴ Includes pending and allocated commitments in excess of prior cycle programming, offset by anticipated savings.