Budget and Allocation Capacity Update

Presented to the

California Transportation Commission

Division of Budgets
55% of 2019-20 Capacity Allocated Through March 2020

$7.1 Billion Allocation Capacity

<table>
<thead>
<tr>
<th>Program</th>
<th>Allocated</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SHOPP$^1$</td>
<td>$2,769</td>
<td>82%</td>
</tr>
<tr>
<td>STIP$^1$</td>
<td>$234</td>
<td>60%</td>
</tr>
<tr>
<td>TIRCP</td>
<td>$340</td>
<td>25%</td>
</tr>
<tr>
<td>LPP</td>
<td>$112</td>
<td>34%</td>
</tr>
<tr>
<td>SCCP</td>
<td>$197</td>
<td>59%</td>
</tr>
<tr>
<td>TCEP</td>
<td>$89</td>
<td>12%</td>
</tr>
<tr>
<td>Other$^2$</td>
<td>$194</td>
<td>32%</td>
</tr>
</tbody>
</table>

1. Includes authorized changes and rescissions through March totaling -$233 million for the SHOPP and $5 million for STIP. Amounts may not sum to totals due to independent rounding.
2. Other represents Aero, ATP and Bonds.
G-12 Progress Report through March (2019-20)

- G-12’s represent delegated authority to make adjustments (increases or decreases) to project funding.
- Through March 2020, Caltrans has processed the following changes:
  - SHOPP: Approximately $47 million in increases from 108 projects, and $280 million in savings from 191 projects.
  - STIP: Approximately $13 million in increases from 7 projects, and $9 million in savings from 3 projects.

<table>
<thead>
<tr>
<th>Program</th>
<th># of Adjustments</th>
<th>Net Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Increases</td>
<td>Increase Total</td>
</tr>
<tr>
<td>SHOPP¹</td>
<td>108</td>
<td>$46,989,710</td>
</tr>
<tr>
<td>STIP²</td>
<td>7</td>
<td>$13,477,900</td>
</tr>
<tr>
<td>TOTAL</td>
<td>115</td>
<td>$60,467,610</td>
</tr>
</tbody>
</table>

Note: Totals may not add due to rounding

¹Includes SHOPP G-12s, Proposition 1B Bond G-12s (SHOPP Augmentation) adjustments & rescissions.
²Includes STIP G-12 and Proposition 1B Bond G-12 (TFA) adjustments.
³Includes net zero adjustments for Total.
May Revise - COVID-19 Impacts to California Economy

- Last week, Governor Newsom discussed California’s Stage 2 reopening, directed at lower-risk workplaces to begin rebuilding California’s economy
- Economic forecasts reflect that COVID-19 economic impacts will continue through FY 2020-21 and beyond
- Governor’s May Revise Budget (expected May 14)
  - May Revise incorporates revenue and expenditure adjustments to the Governor’s Budget released this past January, based on the latest economic forecasts
  - Estimated decrease of over $40 billion to the California General Fund revenue, and deficit of $54.3 billion
May Revise - COVID-19 Impacts on Transportation

- Reduced consumption of gasoline and diesel throughout the state
  - Gasoline consumption more heavily impacted than diesel
  - Diesel prices have dropped, affecting sales tax revenue
  - Caltrans continuously monitors transportation resources, expenditures, and the status of allocations

- Current estimated reduction in transportation revenue approximately $1.5 billion over four years
  - Official Department of Finance estimates and details about funds and timing will be released with the May Revise
Looking Ahead – Positive Outlook

• Projected revenue loss, while substantial, is partially mitigated by several positive factors:
  - Healthy balances in main transportation accounts
  - More than $228 million in G-12 Savings through March
  - Likely competitive future bidding environment
  - Potential Federal Stimulus Package(s)

• Caltrans is not anticipating a need to immediately delay projects
  - Transportation projects contribute to economic recovery
  - Solid financial position allows more deliberate planning
Upcoming Events

● June:
  ■ Draft 2020-21 allocation capacity based on May Revise revenue impacts
  ■ Adoption of State Budget

● August:
  ■ Final allocation capacity for 2020-21
  ■ Potential funding increase due to Federal August Redistribution

● September:
  ■ Federal Fixing America’s Surface Transportation (FAST) Act set to expire
    ○ Uncertainty about whether a new Act will be in place prior to expiration
Questions