Effects of COVID-19 on County Transportation Funding

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Transportation Funding: COVID Impacts

- Total state fuel tax revenue reductions of approximately $1.5 billion
- $487 million lost to cities and counties

<table>
<thead>
<tr>
<th>Transportation Funding Source</th>
<th>2019-20 May Revision</th>
<th>Difference from January</th>
<th>2020-21 May Revision</th>
<th>Difference from January</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gasoline Excise</td>
<td>$6,604</td>
<td>-$565</td>
<td>$6,990</td>
<td>-$543</td>
</tr>
<tr>
<td>Diesel Excise</td>
<td>$1,197</td>
<td>-$12</td>
<td>$1,134</td>
<td>-$127</td>
</tr>
<tr>
<td>Weight Fees</td>
<td>$1,165</td>
<td>-$61</td>
<td>$1,139</td>
<td>-$131</td>
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<tr>
<td>Diesel Sales</td>
<td>$943</td>
<td>+$27</td>
<td>$578</td>
<td>-$386</td>
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<tr>
<td>Transportation Improvement Fee (TIF)</td>
<td>$1,725</td>
<td>+$190</td>
<td>$1,727</td>
<td>+$85</td>
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<tr>
<td>Road Improvement Fee</td>
<td>$1</td>
<td>+$1</td>
<td>$10</td>
<td>-$1</td>
</tr>
</tbody>
</table>

*dollars in millions*
County Formula Transportation Funds

- $246 million reduction to counties as compared to January 2020 estimates

- Highway Users Tax Account (HUTA)
  - $70 million reduction to counties in 2019-20
  - $60 million reduction to counties in 2020-21

- Road Maintenance and Rehabilitation Account (RMRA)
  - $59 million reduction in 2019-20
  - $57 million reduction in 2020-21
Ongoing Uncertainty

• How long do revenue reductions last?

• Are there permanent changes to travel behavior?

• Fee-based revenue streams more stable than fuel-based revenue streams
County Stimulus Priorities

• Backfill HUTA and RMRA losses by formula

• Maintain fix-it-first strategy

• Prioritize local bridge funding
  • Nearly $400 million in shovel-ready or nearly-ready local bridge projects in California

• Prioritize local safety projects
  • Local agencies could put out approximately $200 million in short lead-time/“quick-build” safety improvement projects
Questions?

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