

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: December 5-6, 2024

From: STEVEN KECK, Chief Financial Officer

Reference Number: 3.5, Information Item

Prepared By: Keith Duncan, Chief
Division of Budgets

Subject: **FISCAL YEAR 2024-25 – FIRST QUARTER – FINANCE REPORT**

SUMMARY:

The California Department of Transportation (Department) will present the Fiscal Year 2024-25 Finance Report for the first quarter to the California Transportation Commission (Commission) at its December 5-6, 2024 meeting, as an informational item.

BACKGROUND:

The purpose of the quarterly Finance Report is to provide the Commission with the status of capital allocations versus capacity and to report any trends or issues that may require action by the Department or the Commission regarding transportation funding policy, allocation capacity, or forecast methodology to ensure the efficient and prudent management of transportation resources.

Attachment

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



Department of Transportation Quarterly Finance Report

First Quarter 2024-25

Department of Transportation
Division of Budgets

The purpose of the Quarterly Finance Report is to provide the California Transportation Commission (Commission) with the status of capital allocations versus capacity and to report any trends or issues that may require action by the California Department of Transportation (Department) or Commission regarding transportation funding policy, allocation capacity, or forecast methodology to ensure the efficient and prudent management of transportation resources. Below is the schedule of dates for the development of prior and future Quarterly Finance Reports.

California Department of Transportation
Quarterly Finance Report
Schedule of Reports

Fiscal Year 2024-25

2023-24 Q4

Close of Quarter6/30/24
Quarterly Report to Commission Staff8/30/24
Presented to Commission.....10/17/24

2024-25 Q1

Close of Quarter9/30/24
Quarterly Report to Commission Staff11/15/24
Presented to Commission.....12/5/24

2024-25 Q2

Close of Quarter12/31/24
Quarterly Report to Commission Staff2/15/25
Presented to Commission.....3/20/25

2024-25 Q3

Close of Quarter3/31/25
Quarterly Report to Commission Staff5/15/25
Presented to Commission.....6/26/25

Fiscal Year 2025-26

2024-25 Q4

Close of Quarter6/30/25
Quarterly Report to Commission Staff8/30/25
Presented to Commission.....10/16/25

Department of Transportation

Quarterly Finance Report

First Quarter 2024-25

EXECUTIVE SUMMARY

2024-25 Capital Allocations vs. Capacity Summary through September 30, 2024 (\$ in millions)

	SHOPP ¹	STIP ¹	AERO	LPP	SCCP	TCEP	ATP	TIRCP	BONDS	TOTAL
Allocation Capacity	\$5,392	\$811	\$4	\$401	\$390	\$877	\$1,156	\$3,166	\$66	\$12,262
Total Votes	1,476	99	3	0	0	56	2	74	0	1,710
Adjustments²	-2	0	0	0	0	0	0	0	0	-2
Remaining Capacity	\$3,918	\$712	\$1	\$401	\$390	\$821	\$1,154	\$3,092	\$66	\$10,555

Note: Amounts may not sum to totals due to independent rounding.

¹Proposition 1B Bonds included in totals for 2024-25.

²Adjustments include authorized project increases and decreases pursuant to the Commission's G-12 process.

Through the first quarter of fiscal year 2024-25, the Commission has allocated approximately \$1.7 billion toward 178 projects. Adjustments were negative \$2 million, leaving approximately \$10.6 billion (86 percent) in remaining allocation capacity across multiple programs.

The Department's main accounts referenced in Appendix C ended the first quarter with fund balances that were generally higher than forecast, with the exception of the State Highway Account and Public Transportation Account. The Road Maintenance and Rehabilitation Account and Trade Corridor Enhancement Account ended the first quarter with fund balances that were higher than forecast due to expenditures coming in lower than projected. Conversely, the fund balances in the State Highway Account and Public Transportation Account were below forecast due to adjustments, which represent timing differences between the Department's accounting system and the SCO's accounting system, that were lower than projected.

For 2024-25, the effective fuel excise tax rates increased by 1.7 cents per gallon on gasoline, from 57.9 cents to 59.6 cents, and by 1.3 cents per gallon on diesel, from 44.1 cents to 45.4 cents. This is due to the statutory annual inflation adjustment, which was calculated at approximately 3.2 percent by the California Department of Finance.

On September 26, 2024, the President approved a Continuing Resolution to keep the federal government operating through December 20, 2024. Federal fiscal year 2025 represents the fourth year of the Infrastructure Investment and Jobs Act, enacted in November 2021. Year four formula funds total \$5.8 billion for California. States will have access to a prorated portion of the year four funds at 2024 levels through December 20, while Congress continues negotiations to fully fund the federal government through the remainder of 2025.

STATE BUDGET OUTLOOK

The Governor signed the initial 2024-25 Budget Act (Assembly Bill [AB] 107, Chapter 22, Statutes of 2024), as well as multiple legislature-approved supplemental budget and trailer bills between late June and early July that delivered a budget that is balanced over the next two fiscal years while maintaining investments in core programs. Historic reserves and responsible budgeting in recent years enable the state to maintain fiscal stability amid fluctuation in revenues.

The Enacted Budget addresses a projected \$46.8 billion shortfall of General Fund revenues through a balanced package of solutions, including spending reductions of \$16 billion. The state has taken several measures to manage General Fund revenue volatility in recent budget cycles, including setting aside a record amount of reserves, focusing most of the surplus on one-time and near-term spending instead of potentially unsustainable long-term and ongoing obligations, and paying down tens of billions of dollars of the state's long-term debt.

Specific to transportation related revenues for the 2024-25 fiscal year, the Enacted Budget projects gross state gasoline and diesel excise tax collections of approximately \$7.96 billion and \$1.52 billion, respectively. These amounts represent an increase from the previous projections of \$7.82 billion and \$1.49 billion included in the proposed Governor's Budget that was released on January 10, 2024. Transportation Improvement Fee projections increased from \$2.46 billion in the Governor's Budget to \$2.49 billion, and diesel sales tax decreased, from \$1.29 billion to \$1.28 billion between the Governor's Budget and the Enacted Budget.

The Enacted Budget maintains \$13.1 billion of the \$13.8 billion from the General Fund for transportation that align with the state's climate goals that were approved as part of the 2022 Budget Act when there were surplus General Fund revenues. This Budget includes \$675 million in General Fund reductions, \$1.5 billion in fund shifts, and \$1.8 billion in spending delays across various programs, as part of the balanced budget that was agreed upon by the Governor and Legislature.

- **Active Transportation Program** – A reduction of \$600 million of General Fund funding from the 2021-22 budget appropriation, with \$200 million being restored (\$100 million in fiscal year 2024-25 and \$100 million in fiscal year 2025-26 from the General Fund). This restoration ensures \$650 million of the original \$1.05 billion is appropriated, which is in addition to the program's base annual funding of approximately \$280 million.
- **Statewide, Regional, and Local Transit and Rail Projects - Competitive Grants** – The Budget shifts \$507 million from the General Fund to the Greenhouse Gas Reduction Fund (GGRF) over the next several years, to ensure the Transit and Intercity Rail Capital Program (TIRCP) competitive program is fully funded for its most recent cycle of projects.
- **Statewide, Regional, and Local Transit and Rail Projects - Formula Grants** – A delay of \$1 billion of formula TIRCP funds from 2024-25 to 2025-26, leaving \$1 billion for this program in 2024-25. Additionally, the Budget shifts \$839 million from General Fund to the GGRF. This ensures the original funding commitment to support local transit agencies address the fiscal cliff being experienced as ridership revenue returns to pre-pandemic levels.
- **Reconnecting Communities – Highways to Boulevards pilot program** – A reduction of \$75 million to the Highways to Boulevards pilot program, as well as a shift of \$75 million from the General Fund to the GGRF. This maintains \$75 million of the original investment for the pilot program.

- **Zero Emission Transit Capital Program** – A delay of \$690 million in program funds across the multiple years through 2027-28. This ensures the original funding commitment to support local transit agencies.

After the passage of the Budget Act of 2024 in late June, the accompanying transportation trailer bill (AB 173) was also signed by the Governor Newsom in early July and included items such as:

- Appropriates \$100 million in fiscal year 2024-25 from the General Fund to support the Active Transportation Program.
- Requires coordination by California State Transportation Agency (Agency) with the Department and the Commission to identify available funding in state transportation programs that may be used to support grade separation projects that were previously awarded funding under specified transportation programs but had that funding reverted pursuant to the Budget Act of 2024 and require to report to the Legislature on any funding that may be identified for impacted grade separation projects.
- Expands the accountability and reporting requirements for the formula based TIRCP funding by all recipients of the funds by submitting updated annual regional short-term financial plans and updated transit operator data to the Agency in order to receive moneys governed by the accountability program in fiscal years 2025-26, 2026-27 and 2027-28.
- Authorizes the Agency to issue a letter of no prejudice to applicants for the Port and Freight Infrastructure Program, which would allow an applicant to expend its own moneys on a project or any component of a project in the approved program of projects, subject to future reimbursement from program moneys for eligible expenditures if certain conditions are met.

STATE HIGHWAY OPERATION AND PROTECTION PROGRAM (SHOPP)

Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
SHA	\$150	\$293	\$7	\$300	-\$150
FTF	2,450	921	-5	916	1,534
RMRA	2,792	262	-4	258	2,534
Proposition 1B	0	0	0	0	0
Total	\$5,392	\$1,476	-\$2	\$1,474	\$3,918

Notes: Amounts may not sum to totals due to independent rounding.
\$ in millions

The Commission allocated approximately \$1.5 billion toward 102 SHOPP projects in the first quarter. Adjustments totaled negative \$2 million, leaving approximately \$3.9 billion (73 percent) in remaining allocation capacity.

State Highway Account (SHA). In the first quarter of 2024-25, net allocations for SHA SHOPP projects totaled \$300 million, resulting in an overallocation of \$150 million. This is offset by available capacity in other SHOPP funds. SHA SHOPP funds are primarily derived from a percentage of the base excise taxes on gasoline and diesel, in addition to backfilled weight fee revenue.

Federal Trust Fund (FTF). Net allocations totaling approximately \$916 million were committed toward federally eligible SHOPP projects in the first quarter. This leaves \$1.5 billion in remaining allocation capacity.

Road Maintenance and Rehabilitation Account (RMRA). Net allocations of \$258 million have been committed toward SHOPP projects through the first quarter, leaving approximately \$2.5 billion in remaining allocation capacity. Senate Bill (SB) 1 requires a fixed portion of revenue in the RMRA to be set-aside first for certain programs, the remaining balance is split equally between state and local projects.

Proposition 1B. No Proposition 1B SHOPP projects were allocated in the first quarter.

The Department will continue to monitor SHOPP resources and advise the Commission of any concerns or changes.

STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)

Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
SHA	\$406	\$52	\$0	\$51	\$355
FTF	200	47	0	47	153
PTA	205	0	0	0	205
Proposition 1B STIP	0	0	0	0	0
Total	\$811	\$99	\$0	\$99	\$712

Notes: Amounts may not sum to totals due to independent rounding.
\$ in millions

Capital Allocations vs. Capacity

The Commission allocated approximately \$99 million toward 33 STIP projects in the first quarter, leaving approximately \$712 million (88 percent) in remaining capacity.

Outlook for Funding & Allocations

SHA. In the first quarter, net allocations for SHA STIP projects were \$51 million, leaving approximately \$355 million in remaining allocation capacity. Revenue derived from the incremental portion of the state excise tax on gasoline is the primary funding source of state funds for the STIP.

FTF. Net allocations totaling \$47 million were committed toward federally eligible STIP projects in the first quarter, leaving \$153 million in remaining allocation capacity.

Public Transportation Account (PTA). There were no PTA STIP allocations in the first quarter.

Proposition 1B. There were no Proposition 1B STIP allocations in the first quarter.

Recommendations

The Department will continue to monitor STIP resources and advise the Commission of any concerns or changes.

AERONAUTICS (AERO) PROGRAM

Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
AERO Account	\$3.9	\$2.5	\$0	\$2.5	\$1.4
Total	\$3.9	\$2.5	\$0	\$2.5	\$1.4

Notes: Amounts may not sum to totals due to independent rounding.
\$ in millions

Capital Allocations vs. Capacity

The Commission allocated a lump-sum of \$2.5 million toward the Airport Improvement Program for 2024-25. During the first quarter, the Department sub-allocated approximately \$560,000 toward eight projects. There were no Acquisition & Development actions in the first quarter.

Outlook for Funding & Allocations

The 2024 AERO Account Fund Estimate was adopted by the Commission at the August 2023 meeting. In 2019-20, the Department, in collaboration with the Department of Finance developed a budget change proposal to request \$10 million over 4-years in transfers from the Local Airport Loan Account (LALA) to support the AIP matching grant through fiscal year 2023-24. Beginning fiscal year 2024-25, the AERO Account will no longer receive an annual \$2.5 million dollar transfer of funds from LALA.

Recommendations

The Department will continue to monitor AERO resources and advise the Commission of any changes or issues.

LOCAL PARTNERSHIP PROGRAM (LPP)

Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
RMRA	\$401	\$0	\$0	\$0	\$401
Total	\$401	\$0	\$0	\$0	\$401

Notes: Amounts may not sum to totals due to independent rounding.
\$ in millions

Capital Allocations vs. Capacity

One LPP project allocation and two allocation amendments were approved by the Commission in the first quarter totaling -\$415,000. Remaining allocation capacity is approximately \$401 million (100 percent).

Outlook for Funding & Allocations

Final guidelines for the 2024 LPP, which cover fiscal years 2025-26 and 2026-27, were adopted by the Commission during the August 2024 meeting. The two-year program includes a total of \$452 million in funding split between the Formulaic and Competitive programs. The 2024 LPP Formulaic Funding Distribution was adopted by the Commission at the August 2024 meeting.

Recommendations

The Department will continue to monitor LPP resources and advise the Commission of any changes or issues.

SOLUTIONS FOR CONGESTED CORRIDORS PROGRAM (SCCP)

Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
SHA	\$390	\$0	\$0	\$0	\$390
Total	\$390	\$0	\$0	\$0	\$390

Notes: Amounts may not sum to totals due to independent rounding.
\$ in millions

Capital Allocations vs. Capacity

There were no allocations to SCCP projects during the first quarter. Remaining capacity is \$390 million.

Outlook for Funding & Allocations

Guidelines for the 2024 cycle of the SCCP were adopted by the Commission at the August 2024 meeting. The 2024 SCCP will provide two years of funding in fiscal years 2025-26 and 2026-27 totaling approximately \$481 million.

Recommendations

The Department will continue to monitor SCCP resources and advise the Commission of any changes or issues.

TRADE CORRIDOR ENHANCEMENT PROGRAM (TCEP)

Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
TCEA	\$753	\$56	\$0	\$56	\$697
FTF	124	0	0	0	124
Total	\$877	\$56	\$0	\$56	\$821

Notes: Amounts may not sum to totals due to independent rounding.
\$ in millions

Capital Allocations vs. Capacity

The Commission allocated \$56 million toward four TCEP projects during the first quarter. Remaining capacity is \$821 million (94 percent).

Outlook for Funding & Allocations

The 2024 TCEP Guidelines and Fund Estimate, which cover fiscal years 2025-26 and 2026-27, were both adopted by the Commission at the August 2024 meeting. The 2024 TCEP will provide two years of funding in fiscal years 2025-26 and 2026-27 totaling approximately \$900 million.

Recommendations

The Department will continue to monitor TCEP resources and advise the Commission of any changes or issues.

ACTIVE TRANSPORTATION PROGRAM (ATP)

Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
SHA	\$425	\$0	\$0	\$0	\$425
FTF	325	-5	0	-5	330
RMRA	334	7	0	7	327
General Fund	72	0	0	0	72
Total	\$1,156	\$2	\$0	\$2	\$1,154

Notes: Amounts may not sum to totals due to independent rounding.
\$ in millions

Capital Allocations vs. Capacity

The Commission allocated \$2 million toward 11 ATP projects in the first quarter, leaving approximately \$1.2 billion (100 percent) in remaining allocation capacity.

Outlook for Funding & Allocations

The Fund Estimate and guidelines for the 2023 ATP were adopted by the Commission at the March 2022 meeting. The sixth cycle of the ATP cover fiscal years 2024-25 through 2026-27. In June 2022, Governor Newsom approved AB 180, which amended the Budget Act of 2021 and appropriated \$1.05 billion in a one-time General Fund augmentation for ATP. This additional funding was captured in the Amended 2023 ATP Fund Estimate adopted by the Commission at the August 2022 meeting. The 2025 ATP guidelines and Fund Estimate were adopted by the Commission at the March 2024 meeting. The seventh cycle of the ATP cover fiscal years 2025-26 through 2028-29. In June 2024, the Governor signed the Budget Act of 2024 and accompanying trailer bill reducing the \$1.05 billion augmentation by \$600 million but restored \$100 million in each of fiscal years 2024-25 and 2025-26 (for a total of \$200 million being restored). An Amended 2025 ATP Fund Estimate, which reflect these changes in state funds, was adopted by the Commission at the August 2024 meeting.

Recommendations

The Department will continue to monitor ATP resources and advise the Commission of any changes or issues.

TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM (TIRCP)

Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
Cap-and-Trade	\$1,717	\$22	\$0	\$22	\$1,695
PTA	1,046	28	0	28	1,018
General Fund	403	25	0	25	379
Total	\$3,166	\$74	\$0	\$74	\$3,092

Notes: Amounts may not sum to totals due to independent rounding.
\$ in millions

Capital Allocations vs. Capacity

During the first quarter, the Commission has allocated \$74 million toward 25 TIRCP projects. This leaves approximately \$3.1 billion (98 percent) in remaining allocation capacity. The Altamont Corridor Express (ACE) Expansion – Lathrop to Merced project, which is not allocated by the Commission and not displayed in the table above, did not have allocations in the first quarter.

TIRCP projects are typically very large capital projects with a combination of various funding sources in addition to TIRCP funding. The projects require several years to develop and bring to allocation. The complexity of bringing together multiple fund sources for projects can also impact the timing of project allocations. Remaining capacity is due to multi-year funding commitments for programmed projects, including the ACE Train Expansion project.

Outlook for Funding & Allocations

The TIRCP receives approximately 10 percent of the annual proceeds earned by the state through Cap-and-Trade auctions. Annual proceeds are determined by the number of state-owned emission allowances sold at quarterly auctions held in August, November, February, and May. The TIRCP also receives more stable funding through Transportation Improvement Fee (TIF) revenue deposited in the PTA. The TIF is index to inflation and adjusted each year in January.

Recommendations

TIRCP revenues are subject to change, dependent in-part on sales at Cap-and-Trade auctions. The Department will monitor the program and, if necessary, will recommend modifications to the Commission.

PROPOSITION 1A & 1B BONDS

Fund	Allocation Capacity	Allocations to Date	Remaining Capacity
Proposition 1A	\$51	\$0	\$51
CMIA	0	0	0
TCIF	0	0	0
Intercity Rail	3	0	3
Local Bridge Seismic	11	0	11
Grade Separations ¹	0	0	0
Traffic Light Synchronization	0	0	0
Route 99	0	0	0
Short-Line Railroad	1	0	1
Total	\$66	\$0	\$66

Notes: Amounts may not sum to totals due to independent rounding.
\$ in millions

¹Highway-Railroad Crossing Safety Account (HRCSA)

Capital Allocations vs. Capacity

There were no allocations to Proposition 1A & 1B Bonds projects during the first quarter. Remaining capacity is \$66 million.

Outlook for Funding & Allocations

In the first quarter of 2024-25, the Department received no upfront proceeds for either Proposition 1A or Proposition 1B from the sale of General Obligation (GO) bonds. The State Treasurer's Office did not issue Commercial Paper (CP) from July 2024 to September 2024.

Through the first quarter, the Department has been issued approximately \$2.8 billion in CP for Proposition 1A and Proposition 1B projects, of which all but \$527 million has been refunded with GO bond proceeds.

Proposition 1B authority is available for allocation in fiscal year 2024-25, plus estimated authority in future years. These amounts largely consist of authority for the use of potential savings consistent with the Proposition 1B savings policy adopted by the Commission in January 2014. Original allocations are nearly complete for all programs except the Local Bridge Seismic Retrofit Account program, which will continue to make original allocations for several more years. A remaining amount of \$51 million is available for allocation on Proposition 1A connectivity projects.

Recommendations

The Department will continue to monitor Bond resources and advise the Commission of any concerns or changes.

APPENDICES

Appendix AAllocation Capacity and Assumptions

Appendix B Authorized Changes

Appendix C Cash Forecasts

**Forecast Methodology
State Highway Account
Public Transportation Account
Traffic Congestion Relief Fund
Road Maintenance and Rehabilitation Account
Trade Corridor Enhancement Account**

Appendix D Federal Emergency Relief Projects

Appendix E Transportation Loans

Status of Outstanding Transportation Loans, as of September 30, 2024

APPENDIX A – ALLOCATION CAPACITY AND ASSUMPTIONS

2024-25 Final Allocation Capacity By Fund and Program (\$ in millions)

Fund	SHOPP	STIP	AERO	LPP	SCCP	TCEP	ATP	TIRCP	BONDS	TOTAL
SHA	\$150	\$406	\$0	\$0	\$390	\$0	\$425	\$0	\$0	\$1,371
FTF	2,450	200	0	0	0	124	325	0	0	3,099
RMRA	2,792	0	0	401	0	0	334	0	0	3,527
TCEA	0	0	0	0	0	753	0	0	0	753
PTA	0	205	0	0	0	0	0	1,046	0	1,251
AERO	0	0	4	0	0	0	0	0	0	4
General Fund	0	0	0	0	0	0	72	403	0	476
Cap and Trade	0	0	0	0	0	0	0	1,717	0	1,717
Proposition 1A Bonds ¹	0	0	0	0	0	0	0	0	51	51
Proposition 1B Bonds ¹	0	0	0	0	0	0	0	0	15	15
Total Capacity	\$5,392	\$811	\$4	\$401	\$390	\$877	\$1,156	\$3,166	\$66	\$12,262

Note: Amounts may not sum to totals due to independent rounding.

¹Subject to bond sales.

The 2024-25 allocation capacity of approximately \$12.3 billion is based by program on the following:

- The SHOPP SHA, FTF, and RMRA allocation capacities are based on:
 - The 2024-25 Enacted Budget revenue and expenditure estimates,
 - The 2024 STIP Fund Estimate federal receipts and August Redistribution estimates,
 - The SHA prudent cash balance of \$415 million,
 - 2023-24 carryover allocation capacity,
 - SB 1 projections provided by the Department of Finance (DOF)
- The STIP SHA, FTF, and PTA allocation capacities are based on:
 - The 2024-25 Enacted Budget revenue and expenditure estimates,
 - The 2024 STIP Fund Estimate federal receipts and August Redistribution estimates,
 - The SHA prudent cash balance of \$415 million,
 - The PTA prudent cash balance of \$300 million,
 - 2023-24 carryover allocation capacity
- The AERO capacity is based on the 2024 AERO Program Fund Estimate, and 2024-25 Enacted Budget revenue and transfers.
- The LPP capacity is based on the statutory allocation of \$200 million from the RMRA, and approximately \$201 million in carryover capacity.
- The SCCP capacity is based on the statutory allocation of \$250 million from the SHA, and approximately \$140 million in carryover capacity.
- The TCEP capacity is based on the 2024-25 Enacted Budget revenue, estimated Federal funds and 2023-24 carryover capacity.

- The ATP capacity is based on the Amended 2023 ATP Fund Estimate. The ATP capacity also incorporates the following assumptions:
 - State and federal resources are forecasted to remain stable,
 - SB 1 statutory allocation of \$100 million from RMRA,
 - 2023-24 carryover allocation capacity,
 - Net reduction of \$500 million in state funds resulting from changes in the Budget Act, which includes the restoration of \$100 million in General Fund for 2024-25.
- The TIRCP capacity is based on following assumptions:
 - 2024-25 Enacted Budget revenue in the PTA,
 - Projected Cap-and-Trade proceeds,
 - 2023-24 TIRCP carryover allocation capacity,
 - Reduction due to delays in funding resulting from changes in the Budget Act.
- Bond capacity is based on remaining bond authority, budget authority, and any administrative costs.
 - Proposition 1A and 1B capacities are based on the 2024-25 Enacted Budget and includes 2023-24 remaining authority. The bond capacities are also dependent on the sale of sufficient bonds for funding.
 - Allocation capacities for the Highway-Railroad Crossing Safety Account (HRCSA), SHOPP, State Route 99, and TCIF are a result of project close-out and administrative savings.
 - Capacities for Inter-City Rail and the Local Bridge Seismic Retrofit Account (LBSRA) are based on the allocation of originally programmed projects.

APPENDIX B – AUTHORIZED CHANGES

2024-25 Authorized Changes Summary through August 31, 2024 (\$ in millions)

Program	Increase Count	Increase \$	Decrease Count	Decrease \$	Total Count ³	Net \$ Change
SHOPP ¹	24	\$24.6	21	-\$26.7	45	-\$2.2
STIP ²	0	0	1	-0.2	1	-0.2
TOTAL	24	\$24.6	22	-26.9	46	-2.3

Note: Amounts may not sum to totals due to independent rounding.

¹Includes SHOPP G-12s, Proposition 1B Bond G-12s (SHOPP Augmentation) adjustments.

²Includes STIP G-12 and Proposition 1B Bond G-12 (TFA) adjustments.

³May include net zero adjustments.

Summary of Authorized Changes

SHOPP. The Department processed 24 project increases, totaling \$24.6 million (average of \$1 million per authorization). The Department also processed 21 project decreases, totaling negative \$26.7 million (average of negative \$1.3 million per authorization). The net change of the 45 allocation adjustments represent a savings of approximately \$2.2 million during the first quarter.

STIP. The Department has processed one project decrease for a savings of \$170,400.

Background

Commission Resolution G-22-12, which amends Resolution G-19-12, (Resolution G-12) allows for the Director of the Department to adjust project allocations within specific limits. It is intended that the Director's approved "decreases" will offset the Director's approved "increases." These authorized changes are known as G-12 authority. This delegation of authority greatly reduces the volume of financial transactions submitted to the Commission and increases the efficiency of the Department in processing changes. The Resolution G-12 requires that the Department report on all project capital outlay allocation changes made under this delegation to the Commission's Executive Director on a monthly basis. The Department provides a detailed, project by project, report to Commission staff each month.

APPENDIX C – CASH FORECASTS – FORECAST METHODOLOGY

Methodology and Assumptions

The 24-month cash forecasts for the SHA, PTA, TCRF, RMRA and TCEA are used by the Department to estimate and monitor the cash balance of transportation funds, to determine the level of allocations that can be supported, and to prepare for low or high cash periods. Variances are identified and reported to management and the Commission. If necessary, adjustments are made to capital allocation levels, funding policy, or forecast methodology.

The 2024-25 cash forecasts were based on the following assumptions:

- State Operations projections are based on historical trends and assumes an approximately 2.9 percent increase each year, based on the DOF's Price Letter.
- Includes the most current expenditure projections available for Right-of-Way, SHOPP and STIP.
- Capital Outlay and Local Assistance expenditures are based on actual and projected Commission allocations using historical and seasonal construction patterns.
- Monthly adjustments are differences between the Department's accounting system and the State Controller's Office (SCO). These adjustments include short-term loans made to the General Fund (GF), short-term loan repayments, Plans of Financial Adjustments, funds transferred in and out, and reimbursements.
- Annually adjusted contributions to the Transportation Revolving Account.

SHA

- Capacity levels established in the most recent STIP Fund Estimates encouraged the expeditious planning and delivery of projects. The cash balance is anticipated to reflect the ongoing project delivery over the 24-month period and beyond.
- SB 1 provided significant increases to revenue to fund capital outlay transportation programs such as SHOPP.
- Weight fee and excise tax revenue projections provided by the DOF.
- All other revenues are based on historical trends.
- Continued monthly transfers of weight fee revenues to the Transportation Debt Service Fund (TDSF).
- Prudent cash balance of \$415 million.

PTA

- PTA balances reflect the ongoing Transit and Intercity Rail Capital Program (TIRCP) projects, which are typically large, include other funding sources in addition to PTA, and require several years to develop and bring forward for allocation. Consequently, there is a lag before TIRCP projects result in significant cash outflows. Minor fluctuations to the cash balance are expected until TIRCP project spending accelerates, which is anticipated to occur beyond the 24-month period.
- Projected TIRCP programming estimates by the Department's Planning and Modal Program.
- Revenue projections provided by the DOF.
- Prudent cash balance of \$300 million.

TCRF

- No further allocation capacity is available due to cessation of the Traffic Congestion Relief Program pursuant to SB 1. Programmed projects will continue to expend over the 24-month period based on historical patterns.
- Prudent cash balance of \$5 million.

RMRA

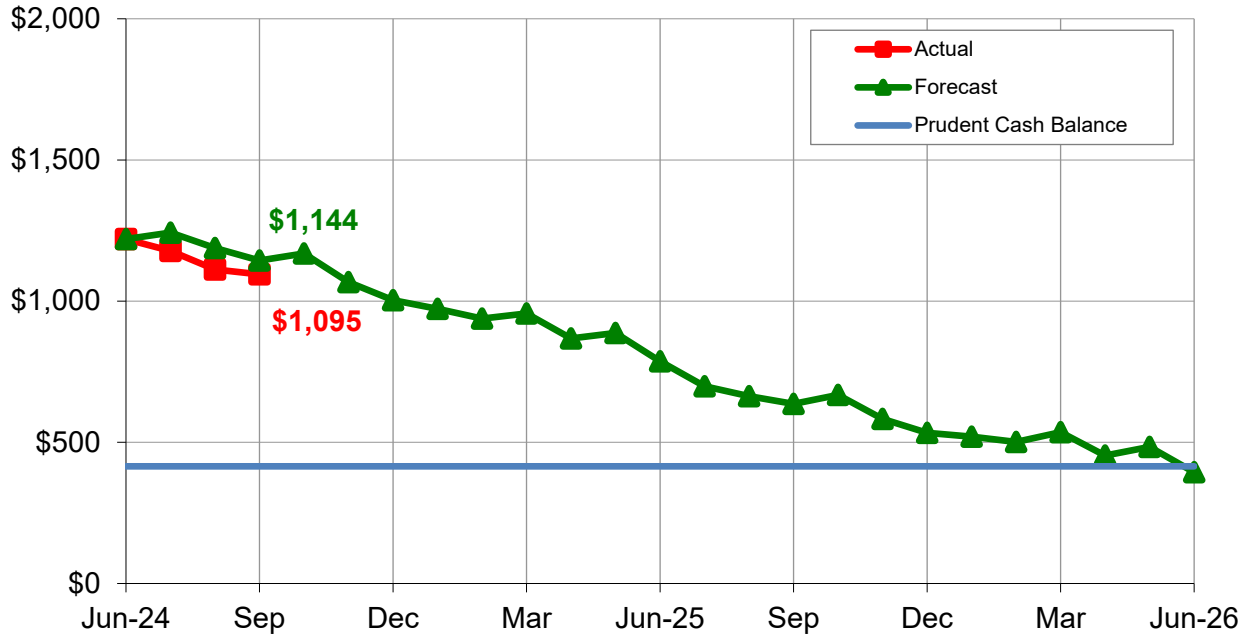
- Capacity levels established in the most recent STIP Fund Estimates accelerated the development and planned delivery of projects, many of which will enter phases requiring increased spending during the 24-month period.
- SB 1 provided significant increased revenue to support new and more recently adopted transportation programs in addition to providing additional funding for programs such as SHOPP.
- Includes projected allocations of emergency SHOPP projects.
- Revenue projections based on data provided by the DOF.
- Prudent cash balance of \$400 million.

TCEA

- Represents state funding for the TCEP, which was created through the passage of SB 1. Programming and allocation capacity are based on the anticipated receipt of revenue each fiscal year, which is expected to result in an increased cash balance over the 24-month period.
- Revenue projections provided by the DOF.
- Forecasted expenditures are based on historical spending patterns.
- Prudent cash balance of \$50 million.

Appendix C – Cash Forecasts – State Highway Account

State Highway Account (SHA) 24-Month Cash Forecast (\$ in millions)



Year-to-Date SHA Summary

The SHA ending cash balance through the first quarter was approximately \$1.1 billion, \$49 million (4 percent) below forecast. The variance is primarily due to adjustments that were lower than forecast. Revenues totaled \$425 million, \$19 million (4 percent) below forecast. Transfers, which primarily comprise of incoming transfers of excise tax revenue, totaled \$715 million, \$41 million (6 percent) above forecast. Expenditures totaled approximately \$1.4 billion, \$3 million above forecast. Adjustments, which represent timing differences between the Department's accounting system and the SCO's accounting system, were \$91 million.

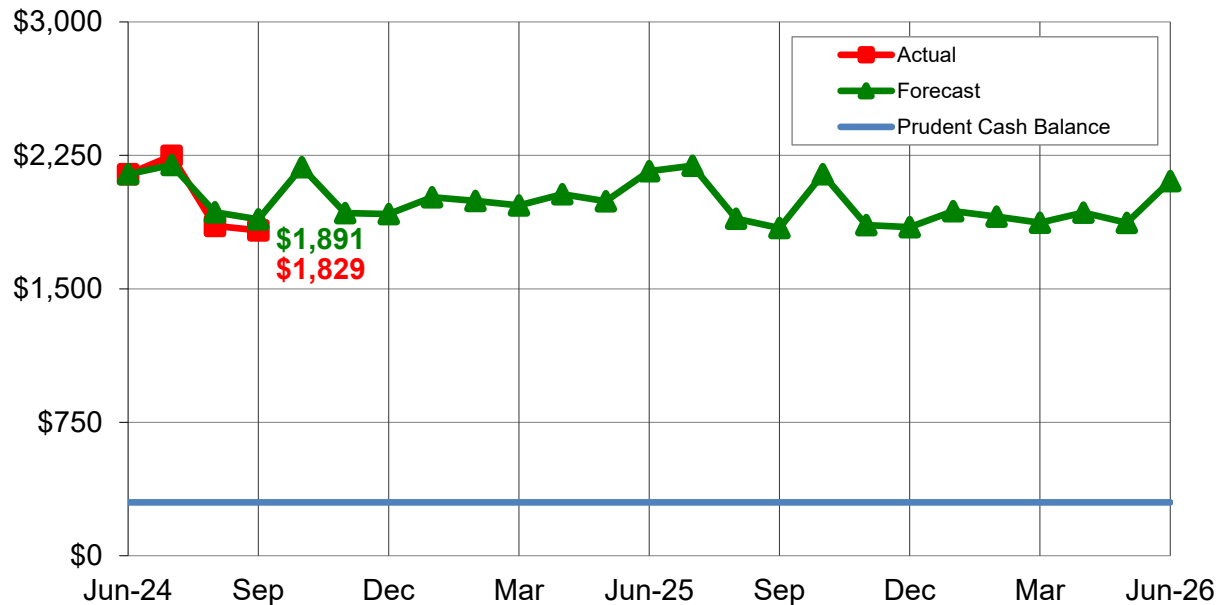
Year-to-Date Reconciliation (\$ in millions)

	Forecast	Actual	Difference	%
Beginning Cash Balance	\$1,220	\$1,220	N/A	
Revenues	443	425	-19	
Transfers	674	715	41	
Expenditures	-1,358	-1,355	3	
Adjustments	165	91	-74	
Ending Cash Balance	\$1,144	\$1,095	-\$49	-4%

Notes: Amounts may not sum to totals due to independent rounding.

Appendix C – Cash Forecasts – Public Transportation Account

Public Transportation Account (PTA) 24-Month Cash Forecast (\$ in millions)



Year-to-Date PTA Summary

The PTA ending cash balance through the first quarter was approximately \$1.8 billion, \$62 million (3 percent) below forecast. The variance is primarily due to adjustments, which represent timing differences between the Department's accounting system and the SCO's accounting system, that were lower than forecast. Revenues totaled approximately \$137 million, \$2 million (2 percent) above forecast. Transfers totaled \$25 million in the first quarter. Expenditures were \$385 million, \$81 million (17 percent) below forecast. Adjustments were negative \$93 million in the first quarter.

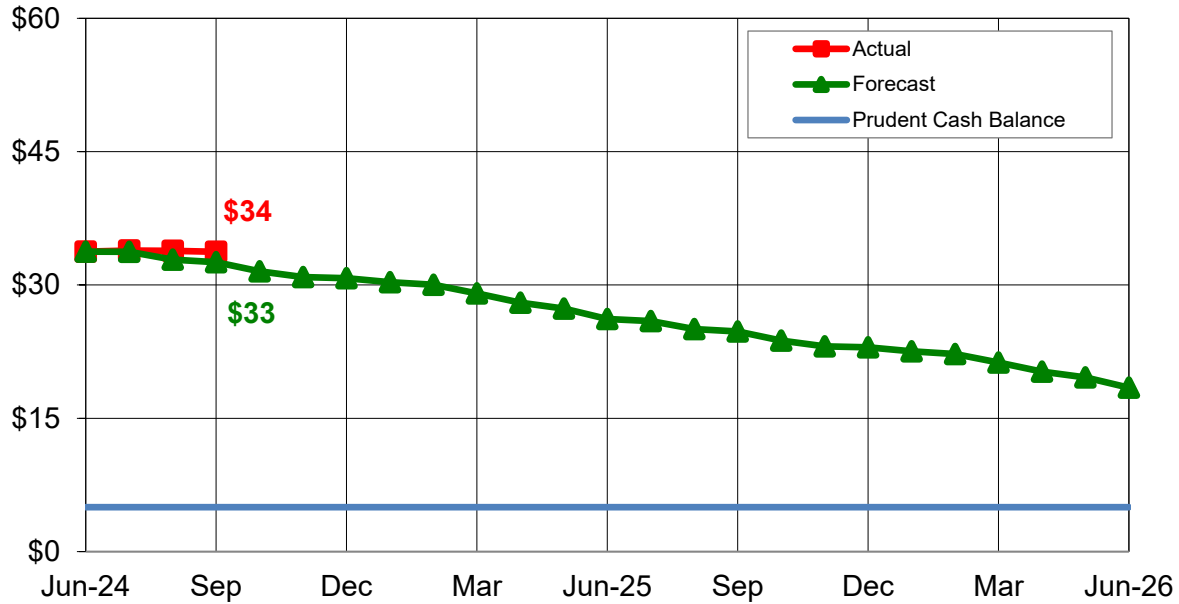
Year-to-Date Reconciliation (\$ in millions)

	Forecast	Actual	Difference	%
Beginning Cash Balance	\$2,144	\$2,144	N/A	
Revenues	135	137	2	
Transfers	23	25	3	
Expenditures	-466	-385	81	
Adjustments	55	-93	-148	
Ending Cash Balance	\$1,891	\$1,829	-\$62	-3%

Notes: Amounts may not sum to totals due to independent rounding.

Appendix C – Cash Forecasts – Traffic Congestion Relief Fund

Traffic Congestion Relief Fund (TCRF) 24-Month Cash Forecast (\$ in millions)



Year-to-Date TCRF Summary

The TCRF ending cash balance through the first quarter was \$34 million, \$1 million (4 percent) above forecast. Expenditures were \$1 million below forecast. Adjustments, which represent timing differences between the Department's accounting system and the SCO's accounting system, were zero.

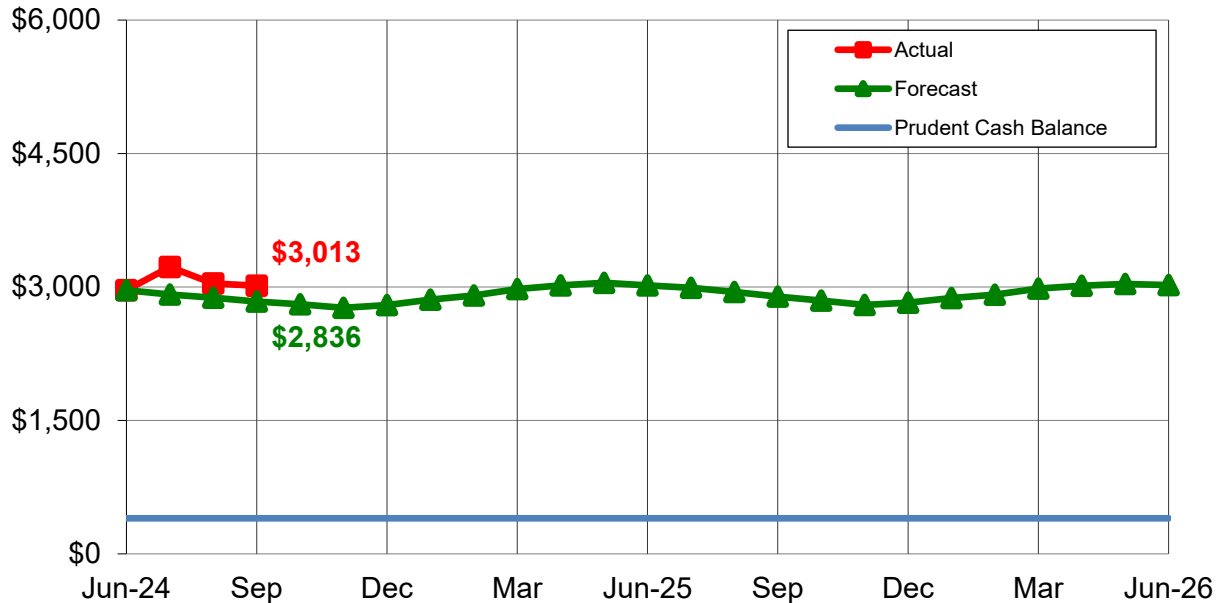
Year-to-Date Reconciliation (\$ in millions)

	Forecast	Actual	Difference	%
Beginning Cash Balance	\$34	34	N/A	
Revenues	0	0	0	
Transfers	0	0	0	
Expenditures	-1	0	1	
Adjustments	0	0	0	
Ending Cash Balance	33	34	1	4%

Note: Amounts may not sum to totals due to independent rounding.

Appendix C – Cash Forecasts – Road Maintenance and Rehabilitation Account

Road Maintenance and Rehabilitation Account (RMRA) 24-Month Cash Forecast (\$ in millions)



Year-to-Date RMRA Summary

The RMRA ending cash balance through the first quarter was approximately \$3 billion, \$177 million (6 percent) above the forecast. The variance is primarily due to expenditures that were lower than forecast. Revenues totaled approximately \$520 million, \$16 million (3 percent) above forecast. Transfers totaled \$603 million, \$34 million (6 percent) above forecast. Expenditures were \$1 billion, \$172 million (15 percent) below forecast. Adjustments, which represent timing differences between the Department's accounting system and the SCO's accounting system, were negative \$72 million through in first quarter.

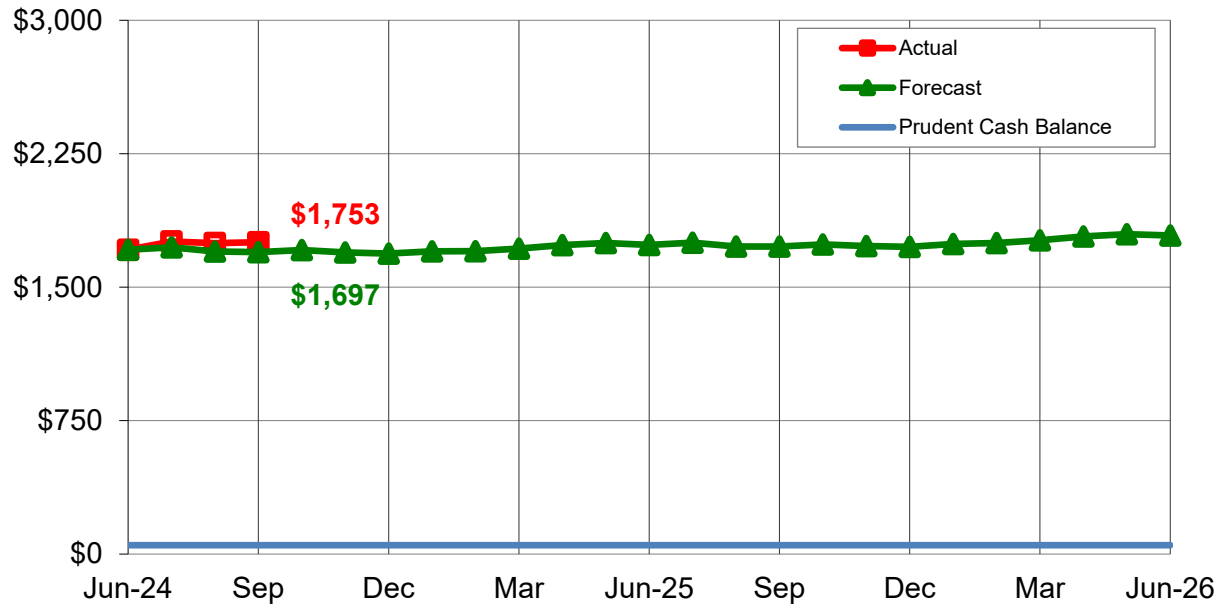
Year-to-Date Reconciliation (\$ in millions)

	Forecast	Actual	Difference	%
Beginning Cash Balance	\$2,965	\$2,965	N/A	
Revenues	504	520	16	
Transfers	569	603	34	
Expenditures	-1,175	-1,003	172	
Adjustments	-27	-72	-45	
Ending Cash Balance	\$2,836	\$3,013	\$177	6%

Notes: Amounts may not sum to totals due to independent rounding.

Appendix C – Cash Forecasts – Trade Corridor Enhancement Account

Trade Corridor Enhancement Account (TCEA) 24-Month Cash Forecast (\$ in millions)



Year-to-Date TCEA Summary

The TCEA ending cash balance through the first quarter was approximately \$1.8 billion, \$55 million (3 percent) above the forecast balance. The variance is due to expenditures that were lower than forecast. In the first quarter, revenues totaled \$18 million, \$4 million (24 percent) above the forecast. Transfers, which are deposits of diesel excise tax revenue, were \$104 million, \$5 million (5 percent) above the forecast. Expenditures were \$80 million, \$49 million (38 percent) below forecast. Adjustments, which represent the timing differences between the Department's accounting system and the SCO's accounting system, were zero.

Year-to-Date Reconciliation (\$ in millions)

	Forecast	Actual	Difference	%
Beginning Cash Balance	\$1,710	\$1,710	N/A	
Revenues	15	18	4	
Transfers	98	104	5	
Expenditures	-129	-80	49	
Adjustments	3	0	-2	
Ending Cash Balance	\$1,697	\$1,753	\$55	3%

Notes: Amounts may not sum to totals due to independent rounding.

APPENDIX D – FEDERAL EMERGENCY RELIEF PROJECTS

The Federal Highway Administration (FHWA) Emergency Relief Program allocates \$100 million on an annual basis to fund repairs and reconstruction of eligible highway damage resulting from declared disasters nationwide. Congress has periodically provided additional funds for the program through supplemental appropriations. The table below represents the remaining Emergency Relief (ER) funding need for approved California disasters. The need for the next 0-6 months is the basis for the formal request of ER funding made to the FHWA. Columns for “Total Federally Eligible Cost of Event” and “ER Funds Previously Allocated” have been included to reflect standard reporting submitted to the FHWA.

EVENT (\$ in thousands)	Total Federal Eligible Cost of Event	ER Funds Previously Allocated	Net Allocation Needs Next 0-6 Months	Net Allocation Needs Beyond 6 Months
CA06-1 December 2005 Statewide Storms	\$587,487	\$578,139	\$9,349	\$0
CA15-2 December 2014 Statewide Storm Damage	\$102,275	\$98,840	\$2,995	\$440
CA16-4 March 5, 2016 Storms	\$117,595	\$115,035	\$2,560	\$0
CA17-1 December 9, 2016 Storms	\$90,364	\$62,540	\$293	\$27,530
CA17-2 January 6, 2017 Storms	\$984,713	\$943,303	\$9,084	\$32,326
CA18-1 October 2017 Wildfires	\$19,873	\$7,965	\$2,117	\$9,790
CA18-2 October 2017 Napa Fire Complex	\$3,868	\$528	\$0	\$3,341
CA18-3 December 2017 Thomas, Creek and Rye, Lilac Fire	\$40,795	\$39,398	\$0	\$1,397
CA18-6 July 2018 Fires SB, Sis, SD Counties	\$25,274	\$17,113	\$0	\$8,161
CA19-1 November 2018 Fires	\$144,428	\$143,911	\$517	\$0
CA19-2 January / February Winter Storms	\$277,060	\$167,775	\$17,878	\$91,407
CA20-2 August 2020 Wildfires	\$80,587	\$75,614	\$743	\$4,230
CA21-1 January '21 Winter Storms	\$64,663	\$34,219	\$1,540	\$28,903
CA21-2 Summer '21 Wildfires	\$1,073	\$56	\$0	\$1,017
CA22-1 October '21 Alisal Fire	\$2,014	\$1,339	\$591	\$85
CA22-2 October '21 Winter Storms	\$11,652	\$3,407	\$1,453	\$6,792
CA22-3 December '21 Winter Storms	\$38,233	\$1,839	\$4,111	\$32,283
CA22-4 January '22 Colorado Fire	\$1,562	\$1,267	\$350	\$0
CA22-5 June '22 Storms	\$15,241	\$0	\$0	\$15,241
CA22-7 July '22 Siskiyou Fire	\$4,121	\$0	\$0	\$4,121
CA23-1 December '22 Storms	\$266,002	\$58,185	\$40,946	\$166,872
CA23-2 December '22 Earthquake	\$4,622	\$820	\$119	\$3,682
CA23-3 February '23 Winter Storms	\$204,216	\$21,463	\$27,964	\$154,789
CA23-4 Tropical Storm Hilary	\$34,506	\$9,002	\$3,745	\$21,758
CA24-1 November '23 LA I-10 Structure Fire	\$20,410	\$3,000	\$19,664	\$0
CA24-2 December 2023 Winter Storms	\$8,196	\$0	\$0	\$8,196
CA24-3 February 2024 Winter Storms	\$27,849	\$0	\$0	\$34,579
CA24-4 March 2024 Winter Storms	\$7,065	\$0	\$0	\$7,065
TOTAL	\$3,185,743	\$2,384,758	\$146,018	\$664,005

Future federal ER funding of this type can only be used to fund emergency-relief projects and does not represent new capacity, except to the extent that the SHA funds have already been advanced for the emergency projects.

APPENDIX E – TRANSPORTATION LOANS

Status of Outstanding Transportation Loans, as of September 30, 2024 (\$ in millions)

FUND	Original Loan	Loans / Interest Paid-to-Date	Remaining Balance
High-Speed Passenger Train:			
2013-14 Public Transportation Account (PTA) ¹	\$23	\$0	\$23
2014-15 Public Transportation Account (PTA) ¹	31	0	31
Subtotal High-Speed Passenger Train Loans:	\$54	\$0	\$54
Totals:	\$54	\$0	\$54

Note: Amounts may not sum to totals due to independent rounding.

¹Repayment will occur when the PTA is determined to be in need of the funds or when the High-Speed Passenger Train Bond Fund no longer needs the funds.

High-Speed Passenger Train Loans

The 2013-14 Budget Act authorized up to \$26 million in loans from the PTA to the High-Speed Passenger Train Bond Fund to cover support costs incurred by the High-Speed Rail Authority. During 2013-14, a total of \$23 million was loaned, consisting of \$5.4 million in August 2013, \$8.9 million in October 2013, \$5.6 million in March 2014, and \$3 million in June 2014. The 2014-15 Budget Act authorized additional loans of up to \$31.6 million for support costs incurred in 2014-15, including an initial authorization of \$29.3 million and an additional authorization of \$2.3 million. During 2014-15, a total of \$30.9 million was loaned, consisting of \$7.3 million in September 2014, \$7.3 million in December 2014, \$7.3 million in February 2015, \$2.3 million in March 2015, and \$6.7 million in May 2015. No additional loans are anticipated to occur. Pursuant to statute, loans will be repaid when the PTA is determined to be in need of the funds or when the High-Speed Rail Authority no longer needs the funds.