

# Appendix RTP Revenue Assumptions

REGIONAL TRANSPORTATION PLAN/SUSTAINABLE COMMUNITIES STRATEGY

## 2014 RTP REVENUE FORECAST ASSUMPTIONS

### LOCAL REVENUES

**Measure K Sales Tax Renewal Program:** Description: Measure K Renewal was approved by voters in 2006. Program will sunset in 2041. Data Source: Measure K Renewal Ordinance and Expenditure Plan. Growth Rate: 6.35%. Assumption Base: Based on updated 2013 figures. Revenue total: \$2,280,460,000.

**Measure K Sales Tax Renewal Program Increment:** Description: ¼-cent increment to Measure K Renewal beginning in 2016. Program will sunset in 2041. Data Source: Measure K Renewal Ordinance and Expenditure Plan. Growth Rate: 6.35%. Assumption Base: Based on updated 2013 figures. Revenue total: \$1,332,169,000.

**Local Transportation Fund (LTF):** Description: LTF is a portion of the Transportation Development Act (TDA) dollars derived from a ¼ cent general sales tax imposed statewide for transportation purposes. LTF funds are deemed local as it is not subject to state appropriation or apportionment. SJCOG administers the LTF funds. The LTF assumption maintains historical spending of LTF to local streets and roads and does not make any dramatic policy shift for transit. Data Source: SJCOG. Growth Rate: 2%. Assumption Base: Based on a three-year historical average. Revenue total: \$678,461,000.

**Private Railroad Contribution:** Description: Contribution of Private Railroad companies to Railroad Crossing Safety transportation projects. Data Source: SJCOG. Growth Rate: None assumed. Assumption Base: Based on historical averages and private railroad contributing 10% to specific Tier I Railroad Crossing Safety project expenditures in the RTP. Revenue total: \$7,044,000.

**Transit Fares & Miscellaneous:** Description: Consists of transit fares collected by transit operators in the San Joaquin region. Data Source: Figures from survey of transit operators in San Joaquin County. Growth Rate: 2%. Assumption Base: Figures based on four-year (FY 09/10 to FY 12/13) average Farebox Recovery figures. Revenue total: \$244,479,000.

**Developer Fees/Local General Fund:** Description: Funds associated with transportation revenue received from the general fund, developer fee programs, traffic impact fees. Data Source: Figures are calculated from self-reported information provided by the local jurisdictions. Growth Rate: None assumed. Assumption Base: Based upon historical figures and growth trends. Revenue total: \$859,765,000.

**Regional Transportation Impact Fee (RTIF):** Description: The RTIF program imposes a one time fee on new residential and non-residential development in San Joaquin County. The fee is imposed and collected by the cities of Escalon, Lathrop, Lodi, Manteca, Ripon, Stockton, Tracy and the County of San Joaquin. The RTIF program is managed by SJCOG, and was implemented in 2006. Data Source: SJCOG. Growth Rate: Initial fee increases 4% annually, and development unit projections based on historical growth trends at the start of the fee program. Assumption Base: Based on historical patterns of growth at the start of program. Revenue total: \$541,052,000.

**Altamont Commuter Express (ACE) Fare Revenue:** Description: Funds received from the passenger fares of the ACE train. Data Source: San Joaquin Regional Rail Commission. Growth Rate: Assumes a \$1.2 million increase for each additional train added during the timeframe of the RTP. Assumption Base: Based on historical figures. Revenue total: \$170,400,000.

**Alameda County/Santa Clara County Contribution for ACE:** Description: Funds received from Alameda and Santa Clara counties for capital projects to “equalize” the initial capital investment made by the San Joaquin Regional Rail Commission. Data Source: SJRRC. Growth Rate: 2%. Assumption Base: Based on a \$1.2M annual contribution from Alameda and \$2.5M annual contribution from Santa Clara. Revenue total: \$161,283,000.

## **FEDERAL REVENUES**

**Federal Transit Administration 5307:** Description: Distributed annually to state urbanized areas with a formula based on population, population density and transit revenue miles of service. Program funds capital projects (and operations expenses in areas under 200,000 in population), preventative maintenance and planning activities. Data Source: FTA. Growth Rate: 3.5%. Assumption Base: Based on FTA annual estimates. Revenue total: \$541,504,000.

**Federal Transit Administration 5309 New Starts Capital Investment Grants:** Description: Section 5309 New Starts Capital Investment Program provides capital funding for new and replacement buses and facilities, modernization of existing rail systems, and new fixed guideway systems. Data Source: FTA Growth Rate: Discretionary program. Assumption Base: Future assumptions on grants for the San Joaquin Regional Transit District based on past figures. Revenue total: \$40,000,000.

**Federal Transit Administration 5310:** Description: Funds allocated by formula to states for capital costs of providing services to the elderly and disabled. Data Source: FTA/SJCOG. Competitive program. Growth Rate: 3.5%. Assumption Base: Based on two-year historical programmed average of awarded funding. Revenue total: \$16,318,000.

**Federal Transit Administration 5311:** Description: Program provides capital and operating expenses for rural and small urban public transportation systems. Data Source: FTA. Growth Rate: 3.5%. Assumption Base: Based on FTA annual estimates. Revenue total: \$16,191,334.

**Federal Transit Administration 5337:** Description: Program provides capital assistance for replacement and rehabilitation projects of existing fixed guideway systems to maintain a state of good repair. Data Source: FTA. Growth Rate: 3.5%. Assumption Base: Based on FTA annual estimates. Revenue total: \$102,084,000.

**Federal Transit Administration 5339:** Description: Formula grant program that provides funding to replace, rehabilitate, and purchase buses and related equipment as well

as construct bus related facilities. Data Source: FTA. Growth Rate: 3.5%. Assumption Base: Based on FTA annual estimate projections. Revenue total: \$54,958,000.

**Regional Surface Transportation Program (RSTP):** Description: The STP program provides flexible funding for projects on any Federal aid highway, bridges on public roads, transit capital projects and intracity and intercity bus terminals and facilities on a formula basis. Data Source: FTA. Growth Rate: 3.5%. Assumption Base: Based upon FHWA and Caltrans' annual estimate of apportionments. Revenue total: \$297,202,000.

**Transportation Alternatives Program (TAP):** Description: Federal funds from the STP provide funds to promote transportation alternatives such as bicycle and pedestrian facilities. Data Source: FHWA and Caltrans. Growth Rate: 3.5%. Assumption Base: Based on FHWA annual estimates. Revenue total: \$52,242,000.

**Congestion Mitigation and Air Quality Program (CMAQ):** Description: Federal program with goals to reduce traffic congestion and improve air quality in non-attainment areas. Project examples include: signal coordination, ridesharing, bus service expansion. Data Source: FHWA and Caltrans. Growth Rate: 3.5%. Assumption Base: Based upon FHWA and Caltrans' annual estimate of apportionments. Revenue total: \$289,674,000.

**Federal Aid to Airports:** Description: Federal Aid to Airports revenue projections are based on the average annual receipt. Data Source: Stockton Metropolitan Airport and Tracy Municipal Airport. Growth Rate: 3.5%. Assumption Base: Based on historical annual receipt. Revenue total: \$47,961,000.

**Safety Program:** Description: Funding received from Federal Safety programs including the Highway Bridge Program (HBP), Emergency Relief, Section 130 Railroad Crossing Safety, and Minor Construction program. Data Source: FHWA and Caltrans. Growth Rate: 3.5%. Assumption Base: Based on a three-year historical average. Revenue total: \$221,017,000.

**Federal Demonstration/Earmarks:** Description: Funding received from future federal transportation funding bills. Data Source: FHWA, SAFETEA-LU. Growth Rate: Discretionary program. Assumption Base: Based on the annual average of actual SAFETEA-LU earmarks. Revenue total: \$130,950,000.

## **STATE REVENUES**

**State Transportation Improvement Program (STIP):** Description: Overall, the STIP in California represents a sum of the Regional Transportation Improvement Programs (RTIPs) and Interregional Transportation Improvement Programs (ITIPs). The CTC programs an available amount of STIP funds after a "take-down" of the State Highway Account (SHA) for the SHOPP and other programs. The STIP funds are distributed 75 percent to RTIP and 25 percent to ITIP. Data Source: Caltrans. Growth Rate: 2%. Assumption Base: Based on 2012 and 2014 STIP cycle average annual apportionment. Revenue total: \$598,692,000.

**Transportation Bond Formula Funds:** Description: California Transportation Bond package includes \$19.9 billion for safety improvements and repairs to State highways, upgrades to freeways to reduce congestion, repairs to local streets and roads, improvements to the seismic safety of local bridges, expansion of public transit, reduction of air pollution, and improvements to antiterrorism security at ports. Includes protection of any future Proposition 42 transfers. Formula funding includes local streets and roads, STIP augmentation and Public Transit. Data Source: Caltrans. Growth Rate: N/A. Assumption Base: Based on formula distribution. Revenue total: \$55,558,103.

**Transportation Bond Discretionary Funds:** Description: California Transportation Bond package includes \$19.9 billion for safety improvements and repairs to State highways, upgrades to freeways to reduce congestion, repairs to local streets and roads, improvements to the seismic safety of local bridges, expansion of public transit, reduction of air pollution, and improvements to antiterrorism security at ports. Actual remaining project allocations from the CMIA, TCIF, HRCSA and State Route 99 programs were included in the RTP. Assumptions included for remaining funding programs. Data Source: SJCOG. Growth Rate: N/A. Assumption Base: Discretionary Program. Revenue total: \$128,798,000.

**State Gas Tax Subvention:** Description: New gasoline excise tax subventions that began in 2011. 44% of the revenues generated by the excise tax will go to local streets and roads. Data Source: California State Controller. Growth Rate: 2%. Assumption Base: Formula distribution. Revenue total: \$943,146,000.

**State Highway Operation and Protection Program (SHOPP):** Description: Funds state highway maintenance and operations projects. Data Source: Caltrans. Growth Rate: 2%. Assumption Base: Based on a six-year historical average of the SHOPP program. Revenue total: \$785,833,000.

**Future State Discretionary Programs:** Description: Discretionary program, revenue estimate is based on the historical receipt of funds from state programs such as the Traffic Congestion Relief Program (TCRP) and Proposition 1B Transportation Bond Program. Recognizes potential for additional funds to be received from cost savings from current programs within the Proposition 1B Transportation Bond Program. Data Source: SJCOG. Growth Rate: Discretionary program. Assumption Base: Historical average. Revenue total: \$260,000,000.

**State Transit Assistance (STA):** Description: STA is a portion of the Transportation Development Act (TDA) dollars derived from the statewide sales tax on diesel fuel and are available only for transportation planning and mass transportation purposes. LTF funds are deemed state as they are subject to state appropriation. Data Source: California State Controller. Rate: 2%. Assumption Base: Based on a three-year historical average. Revenue total: \$167,128,000.

**Alameda State Transit Assistance (STA) contribution:** Description: Funds received from Alameda County's STA portion to the San Joaquin Regional Rail Commission. Data Source: SJRRC Growth Rate: 2%. Assumption Base: Based on \$240,000 annual contribution. Revenue total: \$5,076,000.

**State Aid to Airports:** Description: Funding from California Aid to Airports. Data Source: Survey of San Joaquin County airports. Growth Rate: 2%. Assumption Base: Based on historical average of average receipt. Revenue total: \$2,000,000.

**Public Utilities Commission:** Description: The Public Utilities Commission regulates privately owned electric, telecommunications, natural gas, water and transportation companies, in addition to household goods movers and rail safety. Funds received from the Public Utilities Commission to contribute Railroad Crossing Safety projects. Data Source: SJCOG. Growth Rate: N/A. Assumption Base: Based on 10% contribution to specific Railroad Crossing Safety Projects and historical receipts. Revenue total: \$25,000,000.

**Table 7.1 Long-Range Plan Revenue Table**

REVENUE SOURCES		2014-2040 TOTAL
LOCAL	Local Transportation Fund (Transportation Development Act)	\$678,461,000
	Private Railroad Contribution	\$7,044,000
	Local Developer Fees/General Funds	\$859,765,000
	Bus Fares & Miscellaneous	\$244,479,000
	Altamont Corridor Express Fare Revenue	\$170,400,000
	Alameda/Santa Clara Contribution to ACE	\$161,283,000
	<b>Local Total</b>	<b>\$2,121,432,000</b>
REGIONAL	Measure K Sales Tax Program	\$2,280,460,000
	Measure K Sales Tax Program Increment	\$1,332,169,000
	Regional Transportation Impact Fee	\$541,052,000
	<b>Regional Total</b>	<b>\$4,153,682,000</b>
STATE	State Highway Operations and Protection Program (SHOPP)	\$785,833,000
	State Transportation Improvement Program (STIP) -- Regional RTIP and ITIP	\$598,692,000
	Future State Discretionary Programs	\$260,000,000
	State Transit Assistance (STA)	\$167,128,000
	Alameda STA contribution	\$5,076,000
	State Gas Tax Subvention	\$943,146,000
	State Transportation Bond -- Formula Funds	\$25,798,000
	-- Discretionary Funds	\$103,000,000
	State Aid to Airports	\$2,000,000
	Public Utilities Commission	\$25,000,000
	<b>State Total</b>	<b>\$2,915,673,000</b>
FEDERAL TRANSIT	<i>Federal Transit Formula</i>	
	Urbanized Area Formula Program (5307)	\$541,504,000
	Nonurbanized Area Formula Program (5311)	\$16,191,000
	Elderly & Persons with Disabilities Formula Program (5310)	\$16,318,000
	Section 5337 - State of Good Repair	\$102,084,000
	Section 5339 - Bus and Bus Facilities	\$54,958,000
	Other	
	<b>Subtotal</b>	<b>\$731,055,000</b>
	<i>Federal Transit Non-Formula</i>	
	New Starts Capital Investment Grants (5309)	\$40,000,000
	Other	
<b>Subtotal</b>	<b>\$40,000,000</b>	
<b>Federal Transit Total</b>	<b>\$771,055,000</b>	

## Table 7.1 Long-Range Plan Revenue Table

REVENUE SOURCES		2014-2040 TOTAL
<b>FEDERAL HIGHWAY</b>	<i>Federal Highway Non-Discretionary</i>	
	Congestion Mitigation and Air Quality	\$289,674,000
	Surface Transportation Program (Regional)	\$297,202,000
	Transportation Alternatives Program	\$52,242,000
	Safety Program Total	
	-- Highway Bridge Replacement and Rehabilitation Program	
	-- Highway Safety Improvement Program (MAP-21)	
	-- Rail/Highway Grade Crossing Protection (USC Section 130)	
	-- Minor Construction Program	
	-- Emergency Relief	
	Federal Lands Highway	N/A
	Federal Aid to Airports	\$47,961,000
	<b>Subtotal</b>	<b>\$908,095,000</b>
	<i>Federal Highway Discretionary Programs</i>	
	Bridge Discretionary Program	N/A
	Corridor Infrastructure Improvement Program	N/A
	Coordinated Border Infrastructure	N/A
	Ferry Boat Discretionary	N/A
	High Priority Projects	N/A
	National Scenic Byways Program	N/A
	Projects of National/Regional Significance	N/A
	Public Lands Highway Discretionary	N/A
	Recreational Trails	N/A
	Transportation and Community and System Preservation Program	N/A
	Transportation Improvement Projects	N/A
	Other	
	-- Interstate Maintenance Discretionary (IMD) Program	N/A
-- Future Federal Discretionary Programs	\$130,950,000	
<b>Subtotal</b>	<b>\$130,950,000</b>	
<b>Federal Highway Total</b>	<b>\$1,039,045,000</b>	
<b>FEDERAL TOTAL</b>		<b>\$1,810,101,000</b>
<b>INNOVATIVE FINANCE</b>	TIFIA (Transportation Infrastructure Finance and Innovation Act)	N/A
	State Infrastructure Bank	N/A
	Section 129 Loans	N/A
	Rail Rehab & Improvement Financing	N/A
	Private Activity Bonds	N/A
	Private Concession Fees	N/A
	Private Donations	N/A
	Program Income (from a federal project)	N/A
	Other	N/A
	<b>Innovative Financing Total</b>	<b>N/A</b>
<b>REVENUE TOTAL</b>		<b>\$11,000,888,000</b>

**KEY:**

U = Data are unavailable.

NA = Not applicable (not a projected revenue source at the development time of RTP)

SOURCES: See 2014 RTP Revenue Forecast Assumptions in Appendix





# Technical Memorandum

## for 2014 Regional Transportation Plan -

### RTP New and Core (Existing) Revenues

#### Overview and Purpose:

As stated throughout the RTP document, the financial forecast is a 27-year outlook of reasonably available revenues that are expected to finance the list of RTP projects. This forecast was completed in accordance with RTP Guidelines. Some funding assumptions rely on historical trends and involve growth rates applied to the revenues. The San Joaquin Council of Governments has kept these assumptions conservative (as compared to some RTPs throughout the state on several state/federal revenue sources.) As an example, growth rates for SJCOG RTP revenues are predominantly 3.5% or lower while some RTPs statewide make assumptions higher than four percent. Where possible and reasonable, projections of future revenue are based upon receipts of funds from various state/federal transportation grant and funding programs or from historical records of funding contributions from other parties to projects. During the Draft RTP comment period, there was interest (from reviewers) in the underlying basis for the assumption of the ¼ cent sales tax, a “new” revenue assumption identified in the forecast.

The purpose of this technical memorandum is to provide additional analysis and to respond to key questions on the revenue assumptions. The analysis will also provide more background on the ¼ cent sales tax funding assumption in the Regional Transportation Plan. This analysis begins by separating the types of revenues (i.e. new or core revenues). It then assesses the risk of the revenue assumptions and articulates a menu of financial strategies that could be considered (and then employed if reasonable) to help mitigate those risks.

**What are the different types of funding in the RTP?** The Regional Transportation Plan has two types of funding assumptions. One is “core” revenues which generally summarizes assumptions made from known (existing) revenue sources and historical trends. The other funding assumption is “new”. There is only one “new” funding source in the San Joaquin Council of Governments’ RTP-- the ¼ cent sales tax assumption. The ¼ cent sales tax revenue assumption is highlighted as “new” because this is a funding assumption that will have a higher risk of being realized than “core/existing” funding assumptions. It is also identified as “new” because there is no history in San Joaquin County of concurrent sales tax measures for transportation purposes administered by San Joaquin Council of governments. It would require successful passage of ballot measure to be realized.

There are two other MPOs in California (SANDAG – San Diego Association of Governments and SCAG – Southern California Association of Governments) which have made assumptions for sales tax measures in their respective Regional Transportation Plans. Both of those RTPs were found to be fiscally constrained with those “new” revenue assumptions. Therefore, the financial assumption of a new sales tax measure is not a “new practice” or precedent setting in financial forecasting of RTPs.

In order to clearly delineate new revenue from traditionally received revenues, Table 1 provides detail on the “core” and “new” revenue. This table shows that the ¼ cent sales tax is the only “new” revenue source in the RTP, as compared to other funding assumptions that have some historical basis. Table 1 shows that the proportionate share of “new” revenues comprising the financial forecast is low. While other RTPs in the state make assumptions for more than one “new” revenue source, this is not the case with SJCOG RTP. In fact, the ¼ cent sales tax assumption, as explained later, reflects \$1 billion of the \$11 billion 27-year financial projections.

In addition, the table illustrates that there are risks associated with all revenue sources in the 27-year forecast. This is the nature of financial forecasting. Those risks vary (in degree) from fund source to fund source. Thus, the mitigations to those risks (which are also identified in the table) will vary as well.

**What projects are funded by the quarter cent sales tax assumption?** The ¼ cent sales tax provides \$1 billion of funding to an array of transportation project modes in the same proportionate funding distribution of Measure K and the Measure K Renewal Sales Tax Measures. Table 2 shows the break-out of the projects that are constrained against this revenue assumption.

**What happens if funding assumptions in the RTP are not realized?** If the “core” and “new” funding assumptions are not realized, this does not mean that the RTP is automatically financially unconstrained.

Title 23 CFR Part 450.322 (f) (10) (viii) states the following:

*In cases where the FHWA and the FTA find a metropolitan transportation plan to be fiscally constrained and a revenue source is subsequently removed or substantially reduced (i.e. by legislative or administrative actions), the FHWA and FTA will not withdraw the original determination of fiscal constraint; however, in such cases, the FHWA and FTA will not act on an updated or an amended metropolitan plan that does not reflect the changed revenue situation.*

If needed, an amendment to the Regional Transportation Plan can be considered by the San Joaquin Council of Governments Board at any time after the adoption of the RTP. RTP amendments are possible for any Regional Transportation Planning Agency, though they are not a common practice. Statewide, amendments have been done to add new projects to the plan, update project cost information, and update revenue projections. Again, if a revenue assumption is not realized, it does not trigger an

automatic RTP amendment; other revenues sources in the plan may demonstrate funding received at rates higher than anticipated. Therefore, regular re-evaluation of the RTP will occur and a determination whether an amendment is needed will be part of RTP implementation. This review process (of financial constraint) applies whenever any funding assumption varies significantly from the forecast, including but not limited to, the ¼ cent sales tax assumption.

**What strategies can help improve accuracy of revenue projections?** Various financial strategies could be implemented to ensure or improve ability for revenues to be realized. Table 3 provides examples of strategies that can help to achieve revenues in the plan. The list in the table are not intended to be a plan of action, but an illustrative example of steps that can be considered during RTP implementation.

## **Conclusion**

The San Joaquin Council of Governments asserts that the 27-year forecast for the 2014 Regional Transportation Plan meets state and federal financial constraint requirements. The risks (of each fund source) have been assessed and a process is in place should changing revenue situations require amendments to the Regional Transportation Plan.

**TABLE 1: NEW AND CORE REVENUES, AVAILABILITY ASSUMPTIONS AND RISKS**

Revenue Source	New or (Core) Existing	Availability Assumption	Potential Risk	Risk Mitigation
<b>LOCAL</b>				
Measure K 1/4-Cent Increment	New	1/4-cent increment to Measure K Renewal beginning in 2016. Program will sunset in 2041. Revenue projections based on updated 2013 figures. Growth Rate: 6.35%	The ballot measure fails	Identify alternative funding sources; RTP amended if needed
Measure K Renewal	Core	Approved by votes in 2006. Program will sunset in 2041. Revenue projections based on updated 2013 figures. Growth Rate: 6.35%.	Funds do not grow at projected rate.	Funds continue on incremental basis.
Local Transportation Funds (LTF)	Core	Revenue projections based on a three-year historical average. Growth Rate: 2%.	Funds do not grow at projected rate.	Funds continue on incremental basis.
Private Railroad	Core	Based on historical averages and private railroad contributing 10% to Railroad Crossing Safety project expenditures in the RTP.	Funds not secured at the anticipated amounts.	Identify alternative funding sources; RTP amended if needed
Bus Fares & Miscellaneous	Core	Figures based on four-year (FY 09/10 to FY 12/13) average Farebox Recovery figures. Growth Rate: 2%.	Farebox not achieved.	Funds continue on incremental basis.
General Fund/Developer Fees/Other	Core	Based upon historical figures and growth trends calculated from self-reported information provided by the local jurisdictions. Growth Rate: None assumed.	Local development does not occur to keep pace with revenue identified.	Identify alternative funding sources; RTP amended if needed
Regional Traffic Impact Fee	Core	Based on historical patterns of growth at the start of the program.	Regional fees are not collected at this rate.	Identify alternative funding sources; RTP amended if needed
Altamont Corridor Express Fares	Core	Assumes a \$1.2 million increased in passenger fares for each additional train added during the timeframe for the RTP. Revenue assumptions based on historical figures.	Fare revenue not achieved.	Identify alternative funding sources; RTP amended if needed
Alameda/Santa Clara ACE Funding	Core	Based on a \$1.2M annual contribution from Alameda County and \$2.5M annual contribution from Santa Clara. Growth Rate: 2%.	Growth rate and/or contributions not secured.	Identify alternative funding sources; RTP amended if needed
<b>FEDERAL</b>				
Federal Transit Administration	Core	Based on FTA annual estimates. Growth Rate: 3.5%. 5309 projections based on future assumptions on grants for San Joaquin RTD based on past figures.	Funds do not grow at projected rate.	Funds continue on incremental basis.
Regional Surface Transportation Program	Core	Based on FHWA and Caltrans' annual estimate of apportionments. Growth Rate: 3.5%.	Funds do not grow at projected rate.	Funds continue on incremental basis.
Transportation Alternatives Program	Core	Based on FHWA annual estimates. Growth Rate: 3.5%	Funds do not grow at projected rate.	Funds continue on incremental basis.
Congestion Mitigation and Air Quality (CMAQ)	Core	Based on FHWA and Caltrans' annual estimate of apportionments. Growth Rate: 3.5%	Funds do not grow at projected rate.	Funds continue on incremental basis.
Safety Program	Core	Based on a three-year historical average. Growth Rate: 3.5%.	Funds do not grow at projected rate.	Funds continue on incremental basis.
Federal Demonstration/Earmarks	Core	Assumes funding received from future federal transportation funding bills. Based on the annual average of actual SAFETEA-LU earmarks.	Earmarks are not realized at this amount and/or federal transportation bill precludes earmarks.	Identify alternative funding sources; RTP amended if needed
<b>STATE</b>				
State Transportation Improvement Program (STIP)	Core	Based on 2012 and 2014 STIP cycle average annual apportionment. Growth Rate: 2%.	Funds do not grow at projected rate.	Funds continue on incremental basis.
State Transportation Bond Package	Core	Based on formula distribution and actual remaining project allocations.	Funds not secured as anticipated.	Identify alternative funding sources; RTP amended if needed
State Gas Tax Subvention (HUTA)	Core	Formula distribution. Growth Rate: 2%.	Funds do not grow at projected rate.	Funds continue on incremental basis.
State Highway Operation and Protection Program (SHOPP)	Core	Based on a six-year historical average of the SHOPP program. Growth Rate: 2%.	Funds do not grow at projected rate.	Funds continue on incremental basis.
Future State Discretionary Programs	Core	Revenue estimate is based on the historical receipt of funds from state programs such as the Traffic Congestion Relief Program (TCRP) and Proposition 1B.	Receipt of funds lower than anticipated.	Identify alternative funding sources; RTP amended if needed
Alameda County STA for ACE Service	Core	Based on \$240,000 annual contribution of STA funds from Alameda County. Growth Rate: 2%.	Contributions lower than anticipated.	Identify alternative funding sources; RTP amended if needed
Public Utilities Commission (Railroad)	Core	Based on 10% contribution to Railroad Growth Safety Projects in the RTP and historical receipts.	Contributions lower than anticipated.	Identify alternative funding sources; RTP amended if needed

**TABLE 2: TRANSPORTATION MODES UTILIZING "CORE" AND "NEW" REVENUE**

	Core (Existing) Revenue	"New" 1/4- Cent Increment	RTP Total	% of Total Programming based upon 1/4 cent sales tax
Mainline Highway	\$1,133,483	\$253,422	\$1,386,905	18.3%
Interchanges	\$710,959	\$15,458	\$726,417	2.1%
Regional Roadways	\$1,006,659	\$153,509	\$1,160,168	13.2%
Operations and Maintenance	\$3,228,764	\$454,859	\$3,683,623	12.3%
Railroad Crossing Safety	\$159,240	\$32,490	\$191,730	16.9%
Bus Transit	\$2,204,036	\$210,535	\$2,414,571	8.7%
Rail Transit	\$953,640	\$152,053	\$1,105,693	13.8%
Active Transportation (Bike/Ped)	\$221,978	\$59,843	\$281,821	21.2%
<b>2014-2040 Total</b>	<b>\$9,630,759</b>	<b>\$1,332,169</b>	<b>\$10,950,928</b>	<b>12.2%</b>

**TABLE 3: MENU OF FINANCIAL STRATEGIES TO HELP IMPLEMENT FINANCIAL FORECAST --  
INTENDED FOR ILLUSTRATIVE PURPOSES ONLY**

General Legislative and Funding Considerations/Strategies	
1.	Maximize opportunities to leverage local transportation sales tax revenues to attract additional state and federal funds to the region for transportation and related infrastructure improvements.
2.	Establish federal transportation program authorization and obligational authority levels based on actual and projected Federal Highway Trust Fund revenue levels, including interest received.
3.	Maintain or increase the level of revenue flowing into the Trust Fund by increasing the federal gas tax rate and/or eliminating or reducing transfers of tax exemptions that shift transportation revenues to other purposes.
4.	Provide funding certainly by ensuring timely passage of annual appropriations and reauthorization to maintain and improve the transportation network.
5.	Increase state highway revenues as needed to maintain, rehabilitate, and operate the existing state highway system, to match all available federal highway funds, and to fully fund all new construction and right-of-way projects identified in the current State and Regional Transportation Improvement Programs (TIPs).
6.	Increase transit revenues to support transit operating and capital improvements, including new transit projects.
7.	Consider state and federal legislation that provides additional transportation funding, which is needed to implement those projects identified in the RTP.
8.	Maintain current levels of local general fund and other local discretionary fund support to the local street and road program so that any new or increased revenues to the local street and road program will augment and not replace current revenues.
9.	Consider legislation that lowers the threshold required to pass transportation sales tax measures.
Transit Considerations/Strategies	
10.	Pursue the continuation and expansion of existing sources of transit funding and support modifications to those sources to ensure full utilization and maximum flexibility.
11.	Work with local, state, and federal officials to ensure that the region receives an equitable share of available discretionary transit funds.
12.	Adjust fare levels as needed to maintain and improve farebox recovery levels over time in order to maximize the level of transit service that can be provided.
Other Considerations/Strategies	
13.	Consider dedication of cap-and-trade revenues related to fuels to transportation investments.
14.	Structure the investments to favor integrated transportation and land use strategies with an emphasis on poor air quality regions, such as San Joaquin County.
15.	Allow flexibility at the regional and local level to develop the most cost-effective ways to meet GHG reduction goals through transportation and land use investments.
16.	Provide the economic incentives and assistance that local governments need to make SB 375 work.
17.	Address project-funding determinations at the regional level under established statewide criteria to encourage local innovation and flexibility, while addressing the needs and role of disadvantaged communities.
18.	Conduct polling and research to determine feasibility of sales tax ballot measure