

April 14, 2016

L E G I S L A T I V E A N A L Y S T ' S O F F I C E

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Overview of 2016-17 Transportation Budget

Presented to:

Senate Budget and Fiscal Review Subcommittee
No. 2 on Resources, Environmental Protection,
Energy, and Transportation
Hon. Lois Wolk, Chair





Transportation Budget Summary— Selected Funding Sources

(Dollars in Millions)

	Actual 2014-15	Estimated 2015-16	Proposed 2016-17	Change From 2015-16	
				Amount	Percent
Department of Transportation					
General Fund	\$83.4	\$84.0	—	-\$84.0	100.0%
Special funds	3,189.5	3,564.8	\$4,255.5	690.6	19.4
Bond funds	531.1	430.2	259.9	-170.4	-39.6
Federal funds	4,226.3	5,712.7	4,737.5	-975.3	-17.1
Local funds	1,014.9	1,121.1	1,238.1	117.0	10.4
Totals	\$9,045.2	\$10,913.0	\$10,490.9	-\$422.1	-3.9%
California Highway Patrol					
Motor Vehicle Account	\$2,009.3	\$2,198.4	\$2,241.2	\$42.8	1.9%
Other special funds	177.2	185.1	136.7	-48.3	-26.1
Federal funds	17.0	20.2	20.2	—	—
Totals	\$2,203.5	\$2,403.7	\$2,398.2	-\$5.5	-0.2%
High-Speed Rail Authority					
Bond funds	\$1,115.3	\$269.3	\$1,153.6	\$884.2	328.3%
Federal funds	840.5	28.0	32.0	4.0	14.3
Greenhouse Gas Reduction Fund	250.0	600.0	600.0	—	—
Reimbursements	0.9	—	—	—	—
Totals	\$2,206.7	\$897.3	\$1,785.6	\$888.2	99.0%
Department of Motor Vehicles					
General Fund	-	—	3.9	\$3.9	—
Motor Vehicle Account	\$1,044.2	\$1,090.9	\$1,060.1	-30.9	-2.8%
Other special funds	43.6	47.3	45.4	-1.9	-4.0
Federal funds	1.4	2.9	2.9	—	—
Totals	\$1,089.2	\$1,141.1	\$1,112.2	-\$28.9	-2.5%
State Transit Assistance					
Public Transportation Account	\$383.9	\$299.4	\$315.2	\$15.8	5.3%
Bond funds	668.9	154.0	44.1	-109.9	-71.3
Greenhouse Gas Reduction Fund	24.2	119.8	99.8	-20.0	-16.7
Totals	\$1,077.0	\$573.2	\$459.1	-\$114.1	-19.9%



Major Transportation Issues

- Highway and Road Maintenance and Repair Needs.** As part of the ongoing special session on transportation, both the Governor and the Legislature have made it a priority to identify increased funding to help address highway and road repair needs. The cost to meet the state's highway repair needs is significantly higher than can be addressed through existing funding. The Governor's budget includes a package of proposals that would partially fund these needs.

- Motor Vehicle Account (MVA) Fund Condition.** Due to expenditures outpacing revenues, the MVA has faced an operational shortfall in recent years and will continue to experience a shortfall in 2016-17, absent corrective actions. In order to address this shortfall and to support proposed new expenditures, the Governor proposes to raise the vehicle registration fee by \$10 and index the fee to inflation. While the Governor's approach is one way of addressing the problems in the near term, the Legislature will want to also consider alternatives.

- High-Speed Rail Business Plan.** In February 2016, the High-Speed Rail Authority (HSRA) released a draft of its 2016 business plan. State law requires HSRA to develop a business plan every other year that provides certain information, such as the estimated cost and funding available for the project. The Legislature will want to ensure that the changes in the business plan are aligned with its priorities.