

# Transportation Funding Instability Continues



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# Budget Proposes Transportation Aid To General Fund

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- **Budget proposes \$1.5 billion to aid General Fund**
- **Tribal gaming bonds deferred to budget year**
- **Proposition 42 protected in future, but repayments delayed**

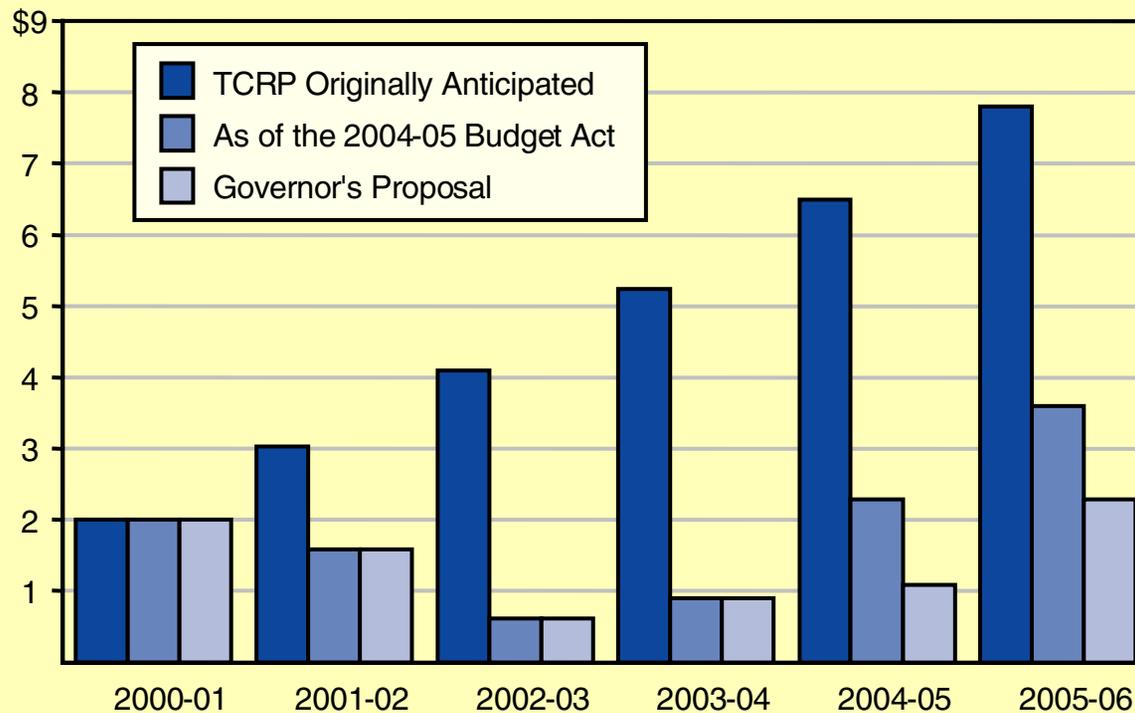
# Major Transportation Loans and Transfers to General Fund, Including Governor's Proposals

In Millions

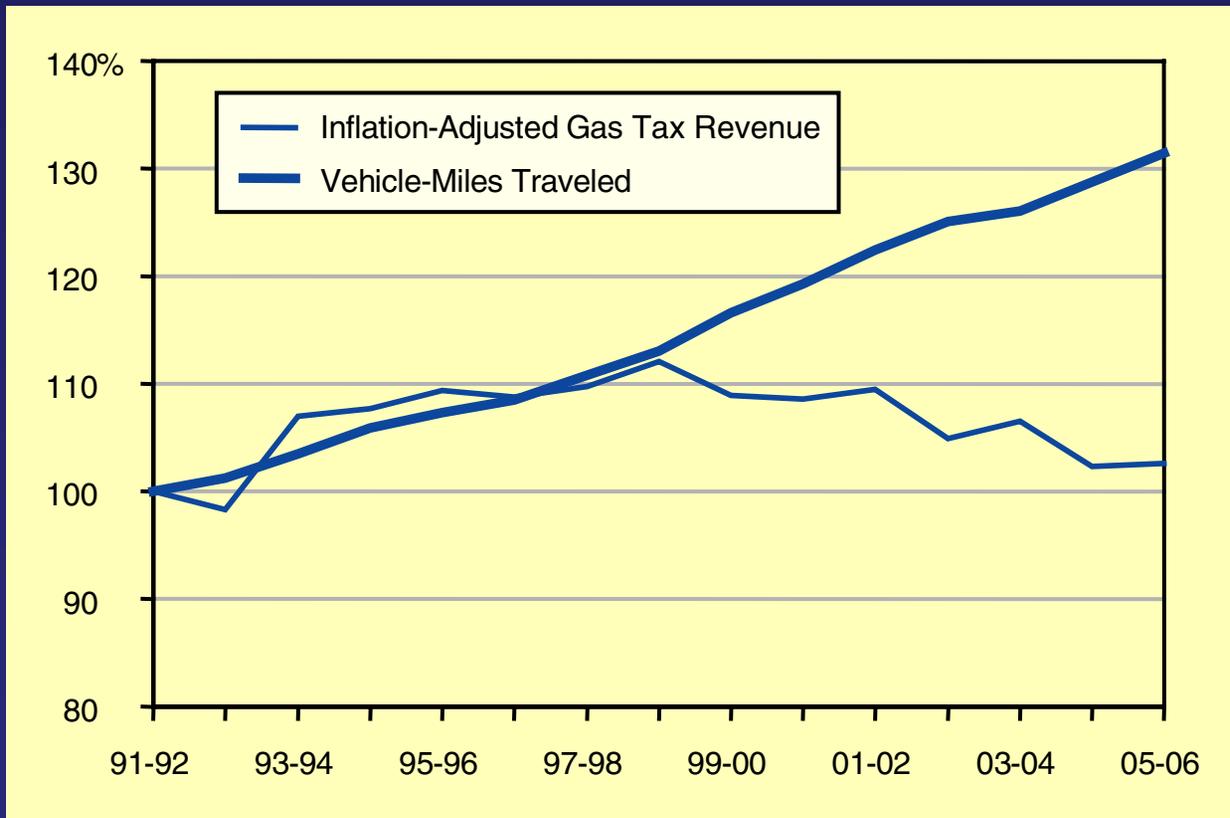
|               | Proposition 42/ TIF | Spillover    | TCRF                | Totals         |
|---------------|---------------------|--------------|---------------------|----------------|
| 2001-02       | —                   | —            | \$238               | \$238          |
| 2002-03       | —                   | —            | 1,145               | \$1,145        |
| 2003-04       | \$868               | \$87         | —                   | \$955          |
| 2004-05       | 1,243               | 268          | -183                | \$1,328        |
| 2005-06       | 1,310               | 216          | -1,200 <sup>a</sup> | \$326          |
| <b>Totals</b> | <b>\$3,421</b>      | <b>\$571</b> | <b>—</b>            | <b>\$3,992</b> |

# Traffic Congestion Relief Program Cumulative General Fund Support

In Billions



# Real Gas Tax Revenues Have Not Kept Pace With Road Use



# Other Funding Sources Have Experienced Temporary Decline

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- **Truck weight fees**

\$223 million lower than projected

- **Federal gas tax receipts**

About \$560 million lost due to ethanol conversion

# Less Funding Means Less Allocation, More Borrowing

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- **From December 2002 through June 2005, CTC will likely allocate:**
  - \$1.5 billion to SHOPP**
  - \$600 million to STIP**
  - \$0 to TCRP**
- **Locals have fronted about \$725 million to keep STIP and TCRP projects going**

# Unresolved Current-Year Issues Increase Uncertainty

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- **Diversion of non-Article XIX funding in question**
- **Tribal gaming bonds will likely provide less money**

# Budget-Year Impact of Governor's Transportation Proposals

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In Millions

| Program                                  | Impact          |
|--|-----------------|
| Traffic Congestion Relief Program        | -\$678          |
| Local street and road improvements       | -253            |
| State Transportation Improvement Program | -253            |
| State Transit Assistance                 | -171            |
| Other mass transit programs              | -171            |
| <b>Total</b>                             | <b>-\$1,526</b> |

# Five-Year CTC Allocations Depend on Prop. 42

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- **Best Case – all Prop. 42 money appears**  
\$14.2 billion
- **Governor's proposal with tribal gaming**  
\$11.9 billion
- **Governor's proposal, no tribal gaming**  
\$11.1 billion
- **Worst Case – no Prop. 42 money appears**  
\$9.2 billion

# Funding Uncertainties Remain

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- **Proposition 42**
- **Toll bridge seismic retrofit**
- **Federal reauthorization**

# Long-Term Funding Stability Is Still Paramount

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- **Governor has proposed some stability, but uncertainties remain**
- **LAO has proposed another option**
  - Repeal Prop. 42
  - Raise excise tax 6 cents and index for inflation