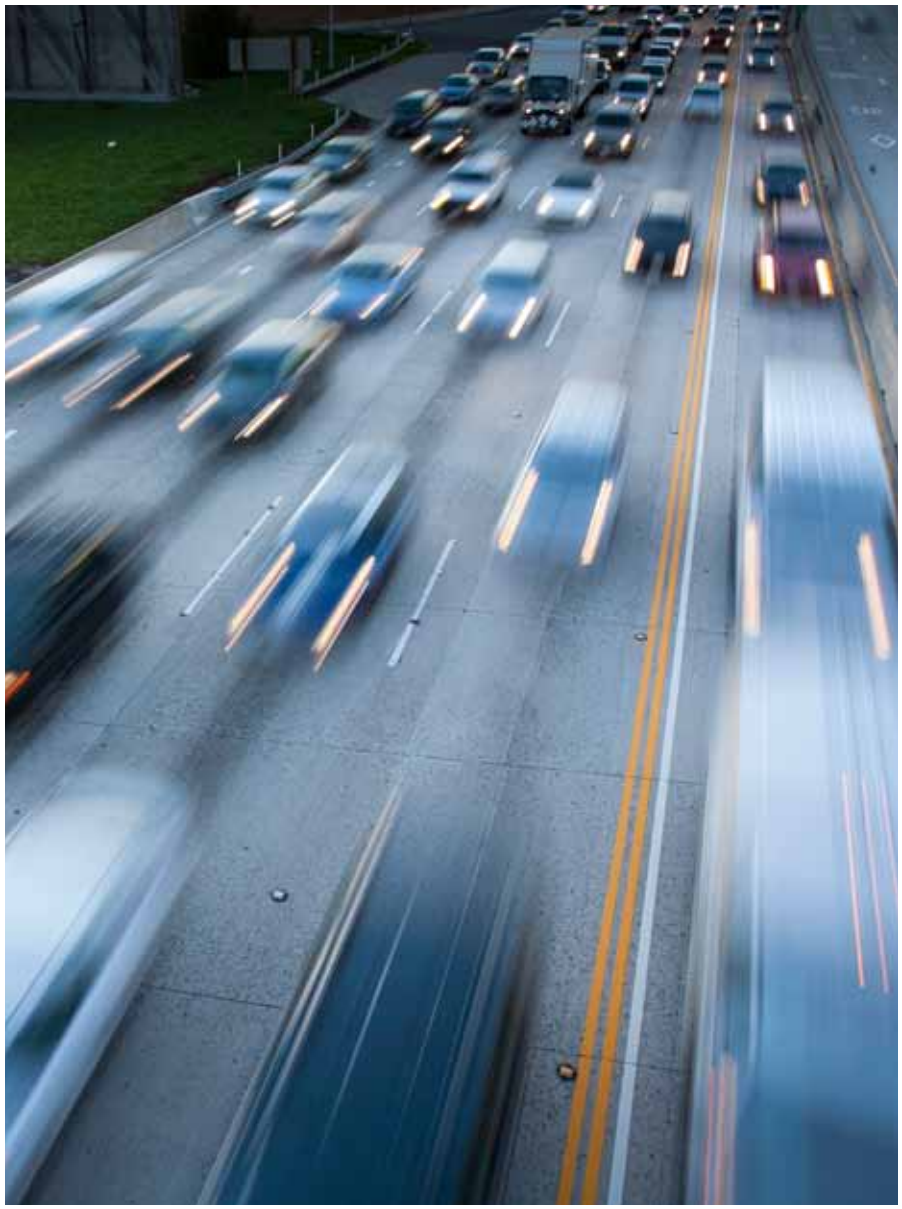
03 FINANCIAL PLAN



Introduction

The financial plan identifies how much money is available to support the region's surface transportation investments including transit, highways, local road improvements; system preservation and demand management goals. It also addresses the need for investment in goods movement infrastructure. Improving ground access in and around major goods movement facilities, and enhancing major highways and railways are critical to maintaining the health of Southern California's economy. The 2012 RTP calls for traditional and non-traditional revenue sources for implementing a program of infrastructure improvements to keep freight and people moving.

The 2012 RTP financial plan identifies a number of reasonably available revenue sources to provide additional funding to supplement existing transportation dollars. The SCAG region's financially constrained plan includes a core revenue forecast of existing local, state, and federal sources along with funding sources that are reasonably available over the time horizon of the RTP. The plan also includes action steps to obtain the revenues necessary for implementing the region's transportation vision.

The 2012 RTP acknowledges the considerable challenges associated with financing transportation investments. The plan highlights the importance of finding new and innovative ways to pay for transportation, including our ever-expanding backlog of investment needs just to maintain the existing system. Nationally, we are facing a very real, near-term insolvency crisis with the federal Highway Trust Fund as fuel tax receipts continue to take a precipitous decline. Additionally, the viability of California's State Highway Account remains in question as only a fraction of our needs are funded through state sources.

To backfill limited state and federal sources, our region continues to rely upon local initiatives (74 percent of core revenues) to meet transportation needs. With a total of seven sales tax measures throughout the region, including the passage of Measure R in Los Angeles County since the adoption of the 2008 RTP, we are increasingly becoming self-reliant. However, the national purpose served by Southern California's transportation system—particularly in the movement of goods—points to the need for stronger state and federal commitment. Our transportation system is the responsibility of all levels of government.

In the SCAG region, our decision-makers continue to take a leadership role in advancing innovative transportation solutions. The 2012 RTP establishes a framework toward a

more sustainable funding future with emphasis on continued research and development for transitioning our fuel tax based system toward a more direct, user charge approach. The user charge approach will generate revenues from those who benefit. Such a change requires critical investigation and legislative action by state and federal leaders over the time horizon of the 2012 RTP. Our region has undertaken numerous policy and technical studies in recent years and will continue to make a commitment towards further examining and demonstrating user charge systems, including toll networks and mileage-based user charges.

We have successfully implemented toll systems in the past with the Transportation Corridor Agencies' network of toll roads and the SR-91 Express Lanes in Orange County. This kind of innovation in transportation continues as neighboring counties within our region consider a broader network of toll systems. Moreover, federal programs have recently supported demonstration initiatives in the region (e.g., I-110 and I-10 Congestion Reduction Demonstration Program in Los Angeles County). We have secured the necessary resources identified to support transportation investments proposed in past RTPs. This plan will continue to meet the necessary milestones for implementation.

In developing the financial plan, SCAG followed a few basic principles to guide its regional financial forecast:

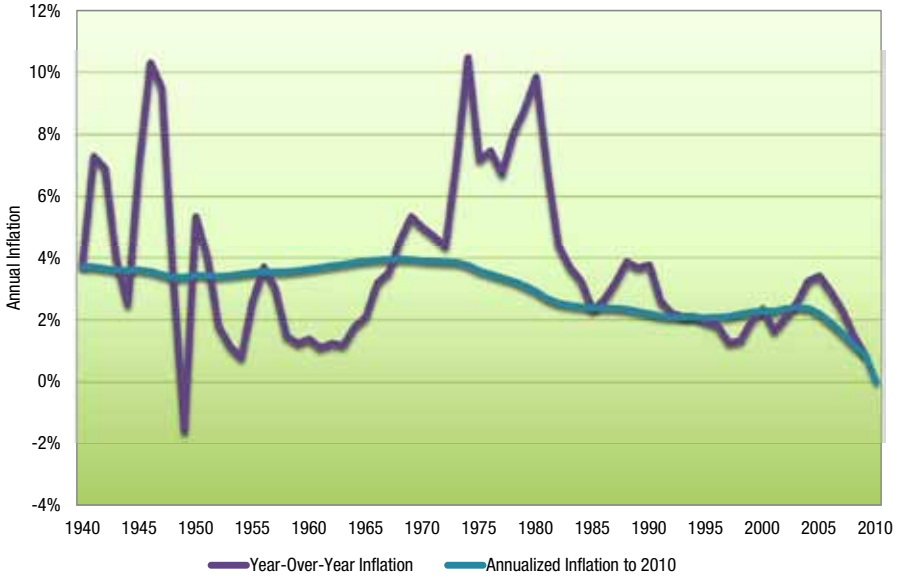
- Incorporate financial planning documents developed by local county transportation commissions and transit operators in the region where available.
- Ensure consistency with both local and state planning documents.
- Utilize published data sources to evaluate historical trends and augment local forecasts as needed.
- Recommend new, reasonably available funding sources that target beneficiaries of transportation investments.

The rest of the plan outlines our financial strategies and provides documentation of the financial assumptions and methodologies used for forecasting revenues and expenditures.

Economic Outlook

Overall economic conditions play a large role in determining the level of revenues available for transportation. Although it is difficult to predict the future, SCAG's financial model takes a conservative approach when forecasting the latter years of the RTP planning horizon. The approach also reflects historical growth trends and reasonable future expectations for key revenue sources, including locally generated sales tax revenues as well as state and federal gas excise tax revenues. The inability of existing excise taxes to keep pace with increasing transportation needs and the detrimental effects of increasing fuel economy on traditional revenue sources are key considerations in the 2012 RTP.

FIGURE 3.1 Historical Inflation Trends



Source: Office of Management and Budget, Budget of the United States Government, Fiscal Year 2011 Budget (FY2011)

Inflation

SCAG's revenue model takes into account historical inflation trends measured by the Gross Domestic Product (GDP) Price Deflator—an approach consistent with the one used by the Federal Office of Management and Budget in preparing the Budget of the United States Government. Inflation can have a profound effect over the long-term, particularly during the final years of the RTP when inflation has had nearly 25 years to erode the value of money.

FIGURE 3.1 shows the trends in inflation since World War II as measured by the GDP Price Deflator. Inflation rates have varied considerably over the time period. However, inflation has dropped dramatically since the late 1970s when the Federal Reserve needed to adopt measures to "tame" inflation. The Great Recession has put additional downward pressure on the inflation rate and caused some economists to worry about the potential eroding effects of deflation, but inflation has remained positive. Over the long term, inflation has trended between 2 and 4 percent. On the basis of this information, a 2.9-percent inflation rate is used to adjust constant dollar (revenue) forecasts into nominal (or year-of-expenditure) dollars.

Construction Cost Increases

While inflation clearly affects the nominal dollars reported for future revenues, the rise in construction costs can further erode the purchasing power of transportation revenues. After spiking dramatically in 2007, construction costs have corrected in recent years. **FIGURE 3.2** shows the increase and decline in California highway construction costs since the early 1970s. The United States Army Corp of Engineers Index for Roads, Railroads and Bridges shows similar trends. While the recent correction in construction costs has slowed the longer term increase in costs, the growth still remains above general inflation. The financial plan uses a 3.2-percent annual inflation factor to estimate future, nominal costs. The faster increase in construction costs than in revenues contributes to a decline in purchasing power for transportation funding over the RTP planning period.

FIGURE 3.2 Highway Project Costs

Source: California Department of Transportation

Retail Sales Growth

Changes in personal consumption, population, available land and retail locations are the biggest contributors to the growth in retail sales. The Great Recession has dealt a blow to retail sales, which reached their peak in FY2007. Retail sales have begun to improve and are expected to rise over the RTP planning period. Over the 30-year period from FY1979 to FY2009, retail sales grew 1.4 percent in real terms (when the effects of inflation are eliminated). However, the growth was uneven. The financial plan assumes uneven growth will continue to occur, with retail sales growth ranging from 1.2 percent to 3.9 percent in real terms.

Fuel Consumption

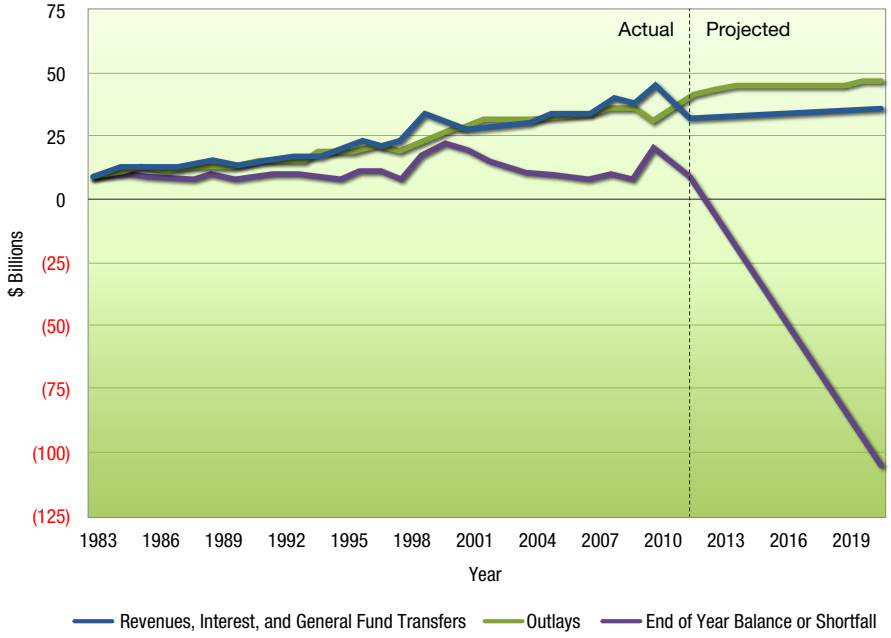
Excise taxes on gasoline and diesel fuels are the basis of most available federal and state transportation funding sources. Since these taxes are levied on a cents-per-gallon basis, they are dependent solely on fuel consumption and not indexed to inflation or construction costs. Over the last several decades, total fuel consumption and the excise taxes generated grew due to increases in vehicle-miles traveled (VMT). While changes in VMT will continue to play a role during the 2012 RTP planning period, increases in conventional fuel economy and the adoption of alternative fuel vehicles will reduce overall fuel consumption. The financial plan assumes that increases in vehicle fuel efficiency will reduce fuel consumption by 1 percent per year during the planning period.

Status of the Federal Highway Trust Fund

The Federal Highway Trust Fund provides federal highway and transit funding from a nationally imposed 18.3-cent per gallon gasoline excise tax. The health of the Trust Fund is of significant concern. Expenditures authorized under the 2005 Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) have outstripped revenues generated by the excise tax. Since 2008, the Trust Fund has failed to meet its obligations and required the United States Congress to authorize $34.5 billion in transfers from the General Fund to keep it solvent.

FIGURE 3.3 shows a chart from a recent Congressional Budget Office (CBO) analysis of the Federal Highway Trust Fund. The negative balances shown on the chart illustrate the projected inability of the Trust Fund to pay its obligations in the highway account as incurred by the states. Since the Trust Fund cannot incur negative balances under current law, the difference would need to be made up by General Fund transfers or slower spending on programs financed by the Trust Fund.

FIGURE 3.3 Status of the Federal Highway Trust Fund



Source: Congressional Budget Office

At the time of the RTP, Congress is on its eighth extension to SAFETEA-LU without substantive agreement on a long-term solution to provide adequate funding for the Trust Fund despite two national commissions established under SAFETEA-LU that called for immediate action to increase fuel taxes and index as appropriate while transitioning to a mileage-based user-fee over the longer-term. The financial plan assumes that Congress will reach agreement on maintaining solvency of the Trust Fund over the RTP planning period. However, the core revenues available from the Trust Fund are expected to decline due to increasing fuel efficiency.

Status of the State Highway Account

The viability of the State Highway Account remains another critical issue. Despite a recent "gas tax swap," the effective state excise rates have remained unadjusted for more than 15 years. The excise tax revenues, however, remain the only source of funding for the State Highway Operation and Protection Program (SHOPP), which finances projects to maintain the State Highway System.

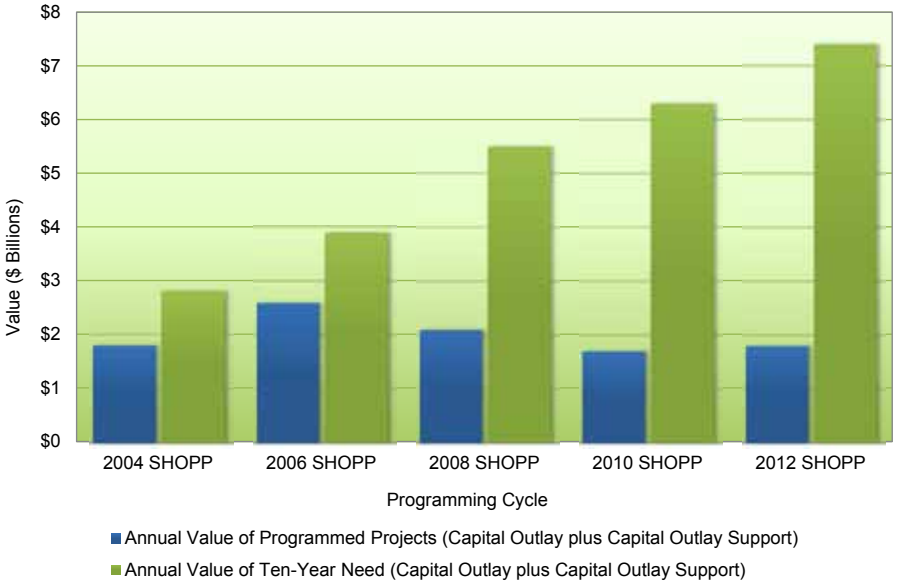
Despite the entire State Highway Account being dedicated to the SHOPP in some years, previous levels of funding have been considerably less than actual needs (see **FIGURE 3.4**). Continued under-investment in the rehabilitation and maintenance needs of the state highway system has serious ramifications—rapidly increasing the number of distressed lane-miles on the state highway system and eroding the condition of the state's bridges. As a result, the cost of bringing the highway assets back to a state of good repair is expected to grow exponentially.

Statewide, the 2011 Ten-Year SHOPP Plan identifies $7.4 billion in statewide annual needs, while expenditures programmed for the next four years are only $1.8 billion. Increased fuel efficiency will further erode State Highway Account funding available over the RTP planning period.

State Gas Tax Swap

In 2010, state gasoline sales tax revenues were "swapped" for an increased state excise tax. Effective July 1, 2010, gasoline excise tax increased by 17.3 cents. On July 1, 2011, sales taxes on diesel fuel increased by 1.75 percent and the excise tax decreased by a corresponding amount. To partially backfill the State Transit Assistance funding to local transit operators, their share increased from two-thirds to 75 percent. Each year, the California Board of Equalization is required to adjust the excise tax, so the state gas tax swap remains revenue neutral. As a result, the financial plan assumes that the state gas tax swap generates the same revenues as generated under the prior state sales tax on gasoline.

FIGURE 3.4 Status of the State Highway Operation and Protection Program



Source: California Department of Transportation, 2011 Ten-Year SHOPP Plan

Air Quality Attainment

Air quality determines the amount of Congestion Mitigation and Air Quality (CMAQ) funding available to the SCAG region. SCAG expects that the region will be in attainment for a number of pollutants and the severity level for other pollutants will lessen as a result of air quality initiatives. The financial plan assumes that CMAQ funding will decline by 25 percent in 2020 and another 25 percent in 2025 as a result of these air quality improvements.

Local Sales Tax Measures

As a means of backfilling declining federal and state sources, the SCAG region continues to rely heavily on local sales tax measures for the timely delivery of transportation projects. Most counties in the region impose local sales taxes to fund transportation projects. Ventura County is the only county in the region without a dedicated sales tax for transportation. While most counties impose a 0.5-percent sales tax to fund transportation projects, Los Angeles County levies a permanent 1-percent tax (a combination of two half-cent sales taxes).

Since the 2008 RTP, voters in Los Angeles County have passed Measure R, which imposes an additional 0.5-percent sales tax to fund transportation projects. Unlike the other Los Angeles County sales taxes, Measure R is not permanent and expires in 2039.

Additionally, several local sales taxes have been renewed in recent years. Prior to the 2008 RTP, Orange, Riverside, and San Bernardino counties extended their sales tax measures through 2039 or beyond. Since the 2008 RTP, Imperial County has renewed its Measure D through 2050. As a result of these extensions, revenues from the local sales tax measures will be available for the entire RTP planning period.

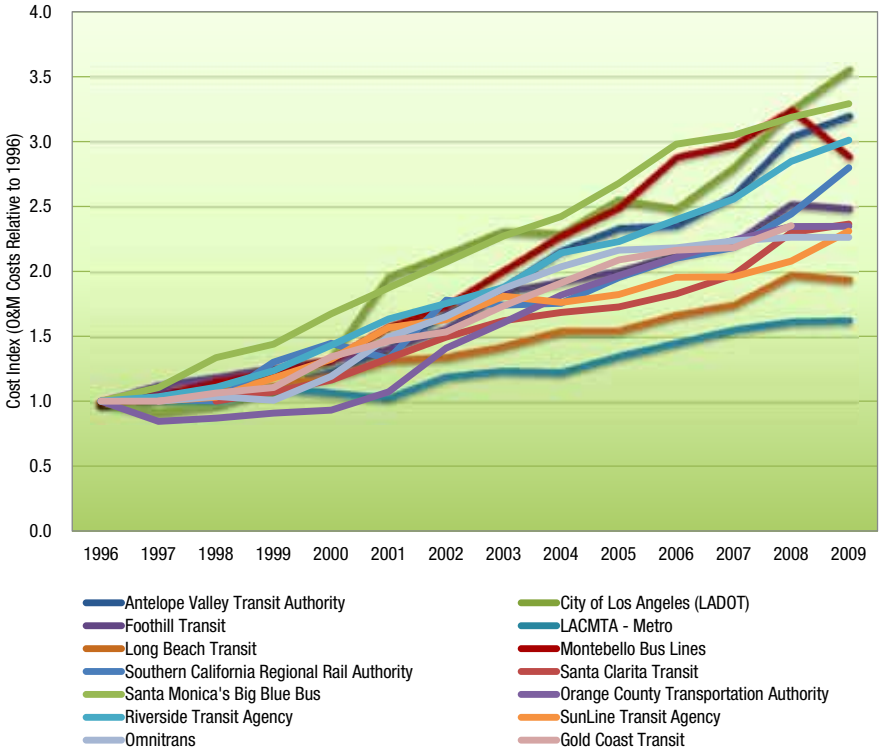
Transit Operating and Maintenance (O&M) Costs

Future transit O&M costs are difficult to predict because they depend on a variety of factors, such as future revenue-miles of service, labor contracts, and the age of rolling stock. The addition of new transit service and capital projects, such as the Exposition Transit Corridor, can add to ongoing O&M costs. Over the last decade, these O&M costs grew 1 to 10 percent annually depending on the transit operator (see **FIGURE 3.5**). Some of the differences in O&M growth are due to rapid expansion among the newer operators and outsourcing among the older operators.

For the 2012 RTP, transit O&M costs are estimated based upon historical increases:

- The regional average increase (3.6 percent) is used for most operators. This assumes that some of the extraordinary increases for individual operators due to rapid expansion will not continue into the future.
- For Los Angeles County, the financial plan relies on detailed forecasts from the county transportation commission. These forecasts are consistent with historical data and take into account large shifts in O&M costs due to major capital projects.

FIGURE 3.5 Growth in Transit Operating and Maintenance Costs



Source: SCAG Analysis of National Transit Database Statistics

Multi-Modal System Preservation and Maintenance

Along with deferred maintenance on the state highway system, the SCAG region faces the need to improve the state of good repair on local streets and roads and in the transit system. In an effort to quantify the extent of the transit needs, the California Transit Association in conjunction with Caltrans and the Federal Transit Administration conducted a study of California unmet transit funding needs. In a similar vein, the League of California Cities and the California State Association of Counties estimated future system preservation and maintenance needs to bring the local streets and roads to a state of good repair. **TABLE 3.1** summarizes the total system preservation and maintenance needs

assumed in the 2012 RTP to bring the transit, local streets and roads, and the state highway system to a state of good repair. While the 2012 RTP includes long-term resources for system preservation, mechanisms to ensure local control will continue to be developed through subsequent implementation efforts.

TABLE 3.1 Multi-Modal System Preservation and Maintenance Needs (in Nominal Dollars, Billions)

System	State of Good Repair Needs Included in Estimate	Estimated State of Good Repair Cost
Transit	O&M Existing Service; O&M Service Expansion; O&M Major New Service; Preservation	$139.3
Local Streets and Roads	Pavement; Essential Components; Bridges	$20.9
State Highway	Bridges, Pavement, Roadside; Mobility, Collision Reduction; Mandates, Facilities; Emergency Response	$56.7
Total		**$216.9**

Debt Service

Local agencies in the SCAG region have historically relied on debt financing to ensure that revenues are available to meet the cash flow requirements of future expenditures. The Los Angeles County Metropolitan Transportation Authority has a detailed county financial model that estimates debt service on a project basis. Other county transportation commissions prepare debt service forecasts for rating agencies and report current debt service in their comprehensive annual financial reports (CAFRs). The 2012 RTP includes all outstanding commitments and interest payments on future bonds and commercial paper. Issued debt is expected to remain under debt ceilings.

Revenue and Expenditure Categories

Core and Reasonably Available Revenues

For the 2012 RTP, SCAG prepared two types of revenue forecasts. Both are included in the financially constrained plan:

- Core revenues
- Reasonably available revenues

The *core revenues* identified are those that have been committed or historically available for the building, operations, and maintenance of the current roadway and transit systems in the SCAG region. Essentially, these revenues are existing transportation funding sources projected to FY2035. The core forecast does not include future increases in state or federal gas excise tax rates (other than the pro forma increases in the state excise tax due to the state gasoline sales tax swap) or adoptions of regional gasoline taxes, vehicle miles traveled (VMT) taxes, and new tax measures. These revenues provide a benchmark from which additional funding can be identified.

The region's *reasonably available revenues* include new sources of transportation funding likely to materialize within the 2012 RTP time frame. These sources include adjustments to existing state and federal gas tax rates based on historical trends and recommendations from two national commissions (*National Surface Transportation Policy and Revenue Study Commission* and *National Surface Transportation Infrastructure Financing Commission*) created by Congress, further leveraging of existing local sales tax measures, value capture strategies, potential national freight progam/freight fees, as well as passenger and commercial vehicle tolls for specific facilities. Reasonably available revenues also include innovative financing strategies, such as private equity participation. In accordance with federal guidelines, the plan includes strategies for ensuring the availability of these sources.

Expenditure Categories

Transportation expenditures in the SCAG region can be summarized into three main categories:

- Capital costs for state highways, regionally significant arterials, local streets and roads, as well as transit.
- Operating and maintenance costs for state highways, regionally significant arterials, local streets and roads, as well as transit.
- Debt service payments for current and anticipated bond issuances.

Core Revenues

A regional revenue model was developed to forecast the revenues over the entire RTP time horizon. The revenue model is comprehensive and supports analysis by county or funding source. The basic process for developing the revenue forecast is:

- Build on the revenue forecasts provided by the county transportation commissions.
- Add assumptions based on historical data.
- Compare historical data to Short-Range Transit Plans and other agency documents.
- Conduct Monte Carlo sensitivity testing of assumptions.
- Work with the transportation commissions to modify assumptions and forecasts as needed.

The region's revenue forecast horizon for the 2012 RTP is FY2011 through FY2035. Consistent with federal guidelines, the 2012 RTP takes into account inflation and reports statistics in nominal (year of expenditure) dollars. **TABLE 3.2** shows these core revenues in five-year increments by county.

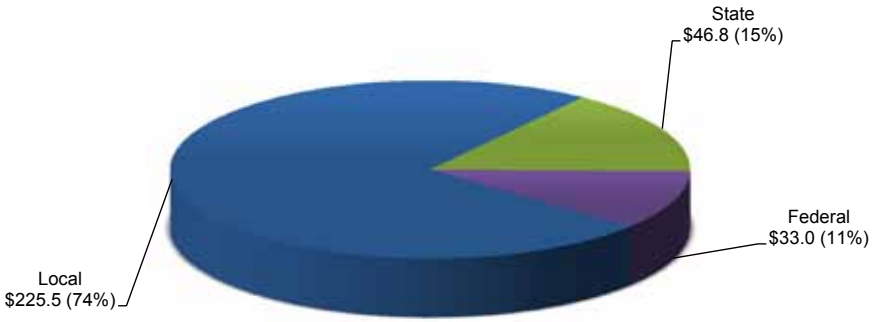
As shown in **FIGURE 3.6**, the majority of revenues in the SCAG region come from local sources. The share of state sources (15 percent) has declined since the last RTP (20 percent) as a result of the forecasted decline in fuel consumption and the increased share of local funds resulting from adoption of an additional sales tax in Los Angeles County.

TABLE 3.2 Core Revenue Forecast FY2011–FY2035 (in Nominal Dollars, Billions)

County	FY2011-FY2015	FY2016-FY2020	FY2021-FY2025	FY2026-FY2030	FY2031-FY2035	Total
Imperial	$0.3	$0.3	$0.4	$0.4	$0.5	$1.9
Los Angeles	$29.4	$32.7	$38.5	$46.2	$53.4	$200.2
Orange	$7.3	$8.1	$9.5	$11.3	$13.4	$49.6
Riverside	$4.2	$4.6	$5.1	$5.9	$6.8	$26.6
San Bernardino	$3.4	$4.0	$4.4	$5.0	$5.6	$22.4
Ventura	$0.8	$0.8	$0.9	$1.0	$1.2	$4.6
Total	**$45.3**	**$50.3**	**$58.7**	**$69.7**	**$80.9**	**$305.3**

Source: SCAG Revenue Model 2011
Note: Numbers may not add due to rounding

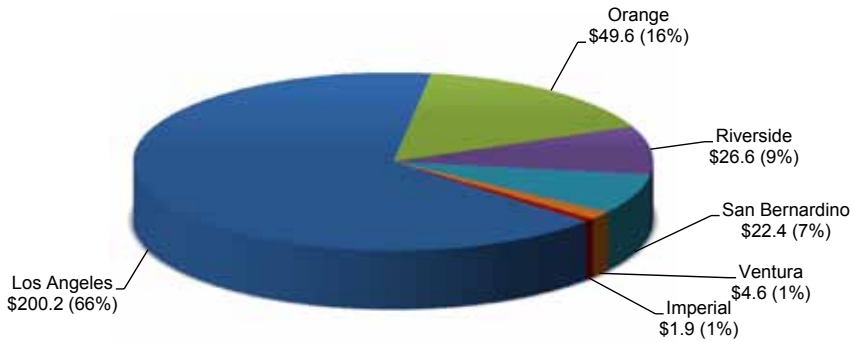
FIGURE 3.6 Regional Revenues (in Nominal Dollars) $305.3 Billion Total



Source: SCAG Revenue Model 2011
Note: Numbers may not add due to rounding

FIGURE 3.7 shows the breakdown of revenues by county. With the adoption of Measure R, Los Angeles accounts for nearly two-thirds (65 percent) of the funding available in the SCAG region. This is an increase from the 56 percent share in the 2008 RTP.

FIGURE 3.7 Regional Revenues by County (in Nominal Dollars) $305.3 Billion Total

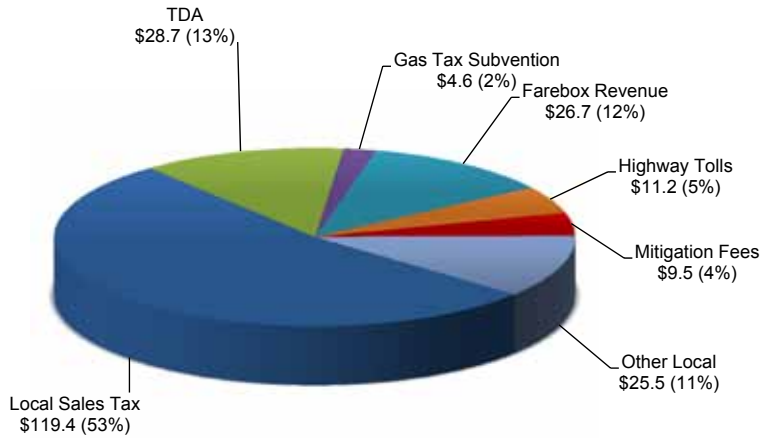


Source: SCAG Revenue Model 2011
Note: Numbers may not add due to rounding

Local option sales taxes provide the largest single source of local funding as shown in **FIGURE 3.8**. When local sales taxes in all five counties with such measures are included, these taxes account for more than half (53 percent) of local sources and nearly two-fifths (39 percent) of overall funding for the RTP. Local sales tax revenues have been boosted by the adoption of Measure R, which provides a further 0.5 percent sales tax in Los Angeles County through 2039. In addition, Imperial County extended its tax measure through 2050.

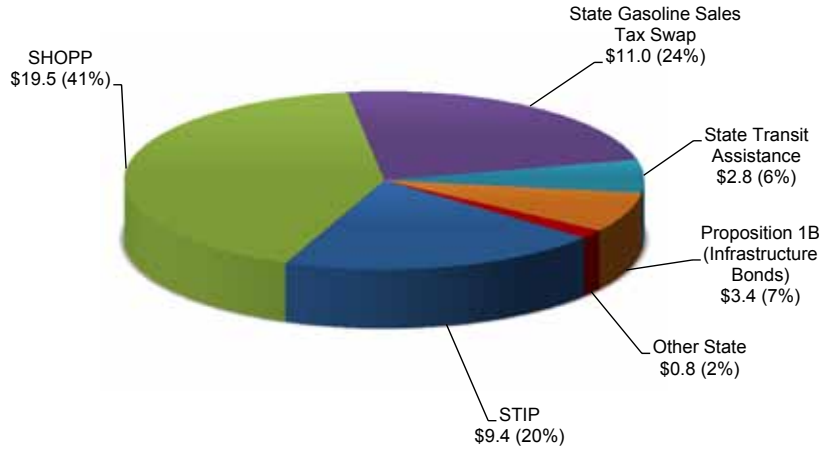
State sources generate a smaller share of revenues than in the 2008 RTP, due mostly to the assumption that fuel consumption declines in the future as a result of increased fuel efficiency. As shown in **FIGURE 3.9**, the State Transportation Improvement Program (STIP), the State Highway Operations and Protection Program (SHOPP), and the State Gasoline Sales Tax Swap account for the largest portions of the state funding available. The adjustments to the State Transit Assistance (STA) available under the gas tax swap are included in the State Gasoline Sales Tax Swap category.

FIGURE 3.8 Regional Revenues, Local Sources (in Nominal Dollars) $225.5 Billion Total



Source: SCAG Revenue Model 2011
Note: Numbers may not add due to rounding

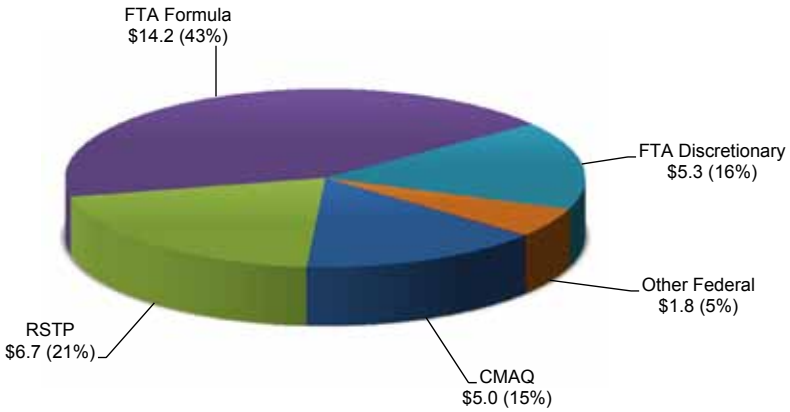
FIGURE 3.9 Regional Revenues, State Sources (in Nominal Dollars) $46.8 Billion Total



Source: SCAG Revenue Model 2011
Note: Numbers may not add due to rounding

As shown in **FIGURE 3.10**, federal sources are anticipated to represent a small portion of overall transportation funds ($33.0 billion). The Federal Highway Trust Fund is expected to remain solvent, but as with state funding, federal funding will decline due to increases in fuel efficiency. Federal Transit Administration (FTA) funding represents a larger share of federal funding due to large-scale New Starts in the SCAG region and a recent emphasis on transit allocations. The financial plan also assumes that CMAQ funding will decline in 2020 and 2025 due to the region achieving attainment for a number of pollutants and reducing the severity level of other pollutants.

FIGURE 3.10 Regional Revenues, Federal Sources (in Nominal Dollars) $33.0 Billion Total



Source: SCAG Revenue Model 2011
Note: Numbers may not add due to rounding

Reasonably Available Revenues

There are several new funding sources that are reasonably expected to be available for the 2012 RTP. SCAG considered a set of key guiding principles as a foundation for identifying regionally appropriate revenues that are reasonably available in developing the 2012 RTP financial strategies as follows:

- Establish a user-based system that better reflects the true cost of transportation, provides firewall protection for transportation funds, and ensures an equitable distribution of costs and benefits.
- Promote national and state programs that include return-to-source guarantees while maintaining flexibility to reward regions that continue to commit substantial local resources.
- Leverage locally available funding with innovative financing tools (e.g., tax credits and expansion of TIFIA) to attract private capital and accelerate project delivery.
- Promote funding strategies that strengthen federal commitment to the nation's goods movement system, recognizing the pivotal role that our region plays in domestic and international trade.

Based on these guiding principles, SCAG evaluated a number of revenue options. Various combinations of these options were considered as potential revenue packages. **TABLE 3.3** presents 10 categories of funding sources and financing techniques that were evaluated for the RTP. These were selected on the basis of their use in other areas of the state, the burgeoning potential, historical precedence, and their likelihood of implementation within the time frame of the 2012 RTP.

These funding sources are considered to be reasonably available and are included in the financially constrained plan. For each funding source, SCAG has examined the policy and legal context of implementation and has prepared an estimate of the potential revenues generated.

TABLE 3.3 New Revenue Sources and Innovative Financing Strategies (in Nominal Dollars, Billions)

Revenue Source	Description	Amount	Actions to Ensure Availability	Responsible Party
Bond Proceeds from Local Sales Tax Measures	Issuance of debt against existing sales tax revenues: Los Angeles, Orange, Riverside, and San Bernardino counties. (Note: although revenue estimates do not include new sales tax measures, this plan recognizes future opportunity including the potential for a sales tax measure in Ventura County if approved by the voters).	$25.6	Issuance of debt subject to County Transportation Commissions' respective Board policies.	County Transportation Commissions—CTCs (LACMTA, OCTA, RCTC, SANBAG)
State and Federal Gas Excise Tax Adjustment to Maintain Historical Purchasing Power	Additional $0.15 per gallon gasoline tax imposed at the state and the federal levels starting in 2017 to 2024—to maintain purchasing power.	$16.9	Requires action of State Legislature and Congress. Strategy is consistent with recommendations from two national commissions to move immediately with augmenting fuel tax resources through conventional Highway Trust Fund mechanisms.	State Legislature, Congress
Mileage-Based User Fee (or equivalent fuel tax adjustment)	Mileage-based user fees would be implemented to replace gas tax and augment—estimated at about $0.05 (2011$) per mile and indexed to maintain purchasing power starting 2025.	$110.3 (est. increment only)	Requires action of State Legislature and Congress. Strategy is consistent with recommendations from two national commissions to move towards mileage-based user fee system. Immediate steps necessary to take include coalescing state and national partners to fund further RD&D (research, development and demonstration) in advance of 2025 broad based implementation.	State Legislature, Congress
Highway Tolls (includes toll revenue bond proceeds)	Toll revenues generated from SR-710 Tunnel, I-710 South Freight Corridor, East-West Freight Corridor, segment of the High Desert Corridor, and Regional Express/HOT Lane Network.	$22.3	Assembly Bill (AB) 1467 (Nunez) Chapter 32, Statutes of 2006, authorized Caltrans and regional transportation agencies to enter into comprehensive development lease agreements with public and private entities, or consortia of those entities for certain types of transportation projects. Further, AB 521 (Runner) Chapter 542, Statutes of 2006 modified provisions in AB 1467. Senate Bill Second Extraordinary Session 4 (SBX2 4) Chapter 2, Statutes of 2009 (Cogdill) established the legislative authority until January 1, 2017, allowing for regional transportation agencies and Caltrans to enter into an unlimited number of Public-Private Partnerships (PPP) and deleted the restrictions on the number and type of projects that may be undertaken. These provisions also enable tolling.	MPO, CTCs, State Legislature
Private Equity Participation	Private equity share as may be applicable for key initiatives: e.g., toll facilities; also, freight rail package assumes railroad share of costs for mainline capacity and intermodal facilities such as SCIG and ICTF modernization.	$2.7	Region has authority as noted above. Current funding plans for specific intermodal facilities assume private sources.	MPO, CTCs, private consortium, State Legislature, and Union Pacific/BNSF as appropriate for specific facilities

Revenue Source	Description	Amount	Actions to Ensure Availability	Responsible Party
Freight Fee/National Freight Program	A national freight program is anticipated with the next federal reauthorization of the surface transportation act. The National Freight Program described in Senate proposed transportation reauthorization bill (MAP-21) would establish federal formula funding for infrastructure improvements supporting the national freight network. Early estimates indicate roughly $2 billion per year nationally. Regional estimate assumes a conservative percentage of national totals.	$4.2	Current effort at the local/regional level continue to endorse a federal program for freight. A national program may be formula based as outlined in the recently proposed MAP-21. Other mechanisms to ensure the establishment of a funding program for freight may entail working with local/regional, state, and federal stakeholders to assess a national freight fee. Freight fees could be assessed in proportion to relative impacts on the transportation system.	Congress and potentially State Legislature as well as local/regional stakeholders if freight program established on regional or statewide basis
E-Commerce Tax	E-commerce sales refer to the sale of goods and services where an order is placed, or price and terms of the sale are negotiated over the internet or other online system. Potentially, the revenue could be used for transportation purposes, given the relationship between e-commerce and the delivery of goods to California purchasers.	$3.1	The State estimates that most residents do not report use tax and this resulted in $1.1 billion in forgone use tax revenue during 2010. A state cannot compel out-of-state retailers to pay a sales or use tax, as federal law requires that retailers have a physical presence in the state. In its FY2012 budget, the State attempted to compel out-of-state retailers that are part of a commonly controlled group or work with affiliates to pay a use tax (through ABX1 28). In September 2011, the State repealed ABX1 28 and enacted AB 155, which includes many of the same provisions of ABX1 28, but delays implementation until September 2012.	State Legislature and potentially Congress
Interest Earnings	Interest earnings from toll bond proceeds.	$0.2	See Highway Tolls.	See Highway Tolls
State Bond Proceeds, Federal Grants & Other for California High Speed Rail Program	State general obligation bonds authorized under the Bond Act approved by California voters as Proposition 1A in 2008; federal grants authorized under American Recovery and Reinvestment Act and High-Speed Intercity Passenger Rail Program; potential use of qualified tax credit bonds; and private sources.	$33.0	Estimate for Southern California segments based on statewide system total per November 1, 2011 Draft California High Speed Rail Business Plan. Further coordination anticipated with the California High Speed Rail Authority in finalizing business plan; additionally, the High Speed Rail Authority will pursue private sector participation as a source of system financing.	MPO, California High Speed Rail Authority, local/regional stakeholders, private sector partners
Value Capture Strategies	Assumes formation of special districts (Infrastructure Financing Districts) including use of tax increment financing for specific initiatives: e.g., East-West Freight Corridor.	$1.2	Pursue necessary approvals for special districts by 2016. Benefit Assessment Districts require majority approval by property owners; Community Facility Districts require two-thirds approval; work with private entities for joint development opportunities as may be applicable.	MPO, CTCs, local jurisdictions, property owners along project corridors, developers

Summary of Revenue Sources and Expenditures

TABLE 3.4.1 Core and Reasonably Available Revenue Projections—Local Revenue Sources (in Nominal Dollars, Billions)

Revenue Source	Revenue Projection Assumptions	Revenue Estimate
LOCAL REVENUE SOURCES		
Local Option Sales Tax Measures	**Description:** Locally imposed ½ percent sales taxes in four counties (Imperial, Orange, Riverside, and San Bernardino). Permanent 1 percent (combination of two ½ cent sales taxes) plus Measure R through 2039 in Los Angeles County. **Assumptions:** Sales taxes grow consistent with county transportation commission forecasts and historical trends.	$119.4
Transportation Development Act (TDA) – Local Transportation Fund	**Description:** Local Transportation Funds (LTF) are derived from a ¼ cent sales tax on retail sales statewide. Funds are returned to the county of generation and used mostly for transit operations and transit capital expenses. **Assumptions:** Same sales tax growth rate as used for local option sales tax measures	$28.7
Gas Excise Tax Subventions (to Cities and Counties)	**Description:** Subventions to counties and local jurisdictions in region from the California state gas tax. Revenues for the forecast are proportionate to the percentage of streets and roads that are regionally significant. **Assumptions:** Fuel consumption declines in absolute terms by 1 percent due to increasing fuel efficiency in conventional vehicles and adoption of electric and hybrid vehicles. Regionally significant streets and roads (37 to 50 percent of total roads) are classified as either arterials or collectors.	$4.6
Transit Farebox Revenue	**Description:** Transit fares collected by transit operators in the SCAG region. **Assumptions:** Farebox revenues increase consistent with historic trends, planned system expansions, and operator forecasts.	$26.7
Highway Tolls (in core revenue forecast)	**Description:** Revenues generated from toll roads operated by the Transportation Corridor Agencies (TCA) and from the SR-91 Express Lanes operated by the Orange County Transportation Authority (OCTA). **Assumptions:** Consistent with the TCA Traffic and Revenue Report, revenues grow by 1.5 percent (compared to historical growth of about 8.5 percent) in core revenue forecast scenario.	$11.2
Mitigation Fees	**Description:** Revenues generated from development impact fees. The revenue forecast includes fees from the Transportation Corridor Agency (TCA) development impact fee program; the Riverside County's Transportation Uniform Mitigation Fee (TUMF) for both the Coachella Valley and Western Riverside County. **Assumptions:** The financial forecast is consistent with revenue forecasts from Riverside County Transportation Commission (RCTC).	$9.5
Local Agency Funds	**Description:** Includes committed local revenue sources such as transit advertising and auxiliary revenues, lease revenues, and interest and investment earnings from reserve funds. **Assumptions:** Revenues are based on financial data from transit operators and local county transportation commissions.	$25.5
LOCAL SUBTOTAL		**$225.5**

Note: Numbers may not add due to rounding

TABLE 3.4.2 Core and Reasonably Available Revenue Projections—State Revenue Sources (in Nominal Dollars, Billions)

Revenue Source	Revenue Projection Assumptions	Revenue Estimate
STATE REVENUE SOURCES		
State Transportation Improvement Program (STIP)	**Description:** The STIP is a five-year capital improvement program that provides funding from the State Highway Account (SHA) for projects that increase the capacity of the transportation system. The SHA is funded through a combination of state gas excise tax, the federal Highway Trust Fund, and truck weight fees. The STIP may include projects on state highways, local roads, intercity rail, or public transit systems. The Regional Transportation Planning Agencies (RTPAs) propose 75 percent of STIP funding for regional transportation projects in Regional Transportation Improvement Programs (RTIPs). Caltrans proposes 25 percent of STIP funding for interregional transportation projects in the Interregional Transportation Improvement Program (ITIP). **Assumptions:** Funds are based upon the 2006 STIP program of projects. Long-term forecasts assume no growth in fuel consumption, except in Los Angeles and Orange counties where the growth is less than historical trends and consistent with forecasts by the local transportation commissions.	$9.4
State Highway Operation and Protection Plan (SHOPP)	**Description:** Funds state highway maintenance and operations projects. **Assumptions:** Short-term revenues are based on overlapping 2004 and 2006 SHOPP programs. Long-term forecasts are consistent with STIP forecasts and assume no growth in the fuel consumption, except in Los Angeles and Orange counties.	$19.5
State Gasoline Sales Tax Swap	**Description:** Prior to 2010, state sales tax on gasoline funded discretionary projects through the Transportation Investment Fund, which distributed revenues to the STIP, local streets and roads, and transit. In 2010, the sales tax revenues were "swapped" for an increased excise tax (initially 17.3 cents) recalculated each year to ensure revenue neutrality. **Assumptions:** The financial forecast assumes that each county receives its fair share of state gasoline sales tax swap based upon county population. Future revenues grow by 1.5 percent to be revenue neutral consistent with the gasoline sales tax swap.	$11.0
State Transit Assistance Fund (STA)	**Description:** STA is funded with 50 percent of State Public Transit Account (PTA) revenues, which come from the diesel sales tax and "spillover" in the gasoline sales tax swap. Funding is distributed by population share and revenue share of the transit operators. **Assumptions:** The forecast is based on current funding levels reported by the State Controller. Future funding declines with fuel consumption using assumptions consistent with other sources.	$2.8
Highway Safety, Traffic, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B)	**Description:** Proposition 1B authorized $19.9 billion to be spent statewide on existing and new statewide transportation-related infrastructure programs and projects through FY2014. Several programs were included under Proposition 1B. **Assumptions:** The forecast is consistent with Proposition 1B apportionments for the SCAG region in the Federal Transportation Improvement Program (FTIP) through FY2014.	$3.4
Other State Sources	**Description:** Other state sources include Service Authority for Freeways and Expressways (SAFE), Freeway Service Patrol, Air Quality Vehicle Registration Fee (AB 2766), Environmental Enhancement and Mitigation, and other miscellaneous state grants. The Clean Air and Transportation Improvement Act added Proposition 116 to use state general obligation bonds to finance rail infrastructure. **Assumptions:** The RTP uses forecasts provided by LACMTA for Los Angeles County for consistency with the LACMTA long-range transportation plan. These state revenues are not estimated for other counties.	$0.8
STATE SUBTOTAL (State STIP funds include FHWA IM and NHS funding categories)		**$46.8**

Note: Numbers may not add due to rounding

TABLE 3.4.3 Core and Reasonably Available Revenue Projections—Federal Revenue Sources (in Nominal Dollars, Billions)

Revenue Source	Revenue Projection Assumptions	Revenue Estimate
FEDERAL REVENUE SOURCES		
FHWA Non-Discretionary Congestion Mitigation and Air Quality (CMAQ) Program	**Description:** Program to reduce traffic congestion and improve air quality in non-attainment areas. **Assumptions:** Short-term revenues are based upon the Caltrans apportionment estimates. Long-term revenues assume that the federal Highway Trust Fund stays solvent, but fuel consumption declines by 1 percent annually. CMAQ funding is assumed to be reduced by 25 percent in 2020 and an additional 25 percent in 2025 due to improved air quality.	$5.0
FHWA Non-Discretionary Regional Surface Transportation Program (RSTP)	**Description:** Projects eligible for RSTP funds include rehabilitation and new construction on any highways included in the National Highway System (NHS) and Interstate Highways (including bridges). Also, transit capital projects, as well as intracity and intercity bus terminals and facilities, are eligible. **Assumptions:** Short-term revenues are based upon the Caltrans apportionment estimates. Long-term revenues assume that the Federal Highway Trust Fund stays solvent, but fuel consumption declines by 1 percent annually.	$6.7
FTA Formula Programs 5307 Urbanized Area Formula (Capital), 5310 Elderly and Persons with Disabilities Formula, 5311 Non-Urbanized Area Formula, 5309 Fixed Guideway Program	**Description:** This includes a number of FTA programs distributed by formula. 5307 is 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. 5310 funds are allocated by formula to states for capital costs of providing services to the elderly and disabled. The 5311 program provides capital and operating expenses for rural and small urban public transportation systems. Section 5309 Fixed Guideway (FG) funds are also distributed to regions on an urbanized area formula. **Assumptions:** Formula funds are assumed to decline in proportion with the Federal Highway Trust Fund. As with the FHWA sources, the Trust Fund is expected to stay solvent, but fuel consumption declines by 1 percent annually.	$14.2
FTA Non-Formula Program 5309 New and Small Starts, 5309 Bus & Bus- Related Grants	**Description:** Capital projects include preliminary engineering, acquisition of real property, final design and construction, initial acquisition of rolling stock for new fixed guideway systems or extensions, including bus rapid transit, light rail, heavy rail, and commuter rail systems. Capital investment grants of less than $75 million are considered “small starts”. “Small starts” have separate funding category. Program funds bus acquisition and other rolling stock, ancillary equipment and the construction of bus facilities. Also includes bus rehabilitation and leasing, park and ride facilities, parking lots associated with transit facilities and bus passenger shelter. **Assumptions:** Operators are assumed to receive FTA discretionary funds in rough proportion to what they have received historically. The Federal Highway Trust Fund is expected to stay solvent, but fuel consumption declines by 1 percent annually.	$5.3
Other Federal Funds	**Description:** Includes other federal programs, such as Regional Transportation Enhancements, Highway Bridge Replacement and Rehabilitation, Homeland Security Grants, Bus Preferential Signal Systems, Highway Earmarks, Hazard Elimination Safety, and Railroad/Highway Grade Crossing Protection (Section 130). Also includes a marginal amount of American Recovery and Reinvestment Act (ARRA) for the first year of the forecast. **Assumptions:** LACMTA and OCTA provided forecasted revenues for these programs, which have been adopted in the LRTPs for Los Angeles and Orange counties. For other counties, Highway Bridge Program revenues are estimated in the short-term using program allocations provided by the Caltrans through FY2014. ARRA amounts also come from programmed funding. Longer-term estimates are based upon the assumption of a 1-percent annual decline in fuel consumption used for other federal funding sources.	$1.8
FEDERAL SUBTOTAL		**$33.0**

Note: Numbers may not add due to rounding

TABLE 3.4.4 Core and Reasonably Available Revenue Projections—Innovative Financing & New Revenue Sources (in Nominal Dollars, Billions)

Revenue Source	Revenue Projection Assumptions	Revenue Estimate
INNOVATIVE FINANCING & NEW REVENUE SOURCES		
Bond Proceeds from Local Sales Tax Measures	**Description:** Long-term debt financing secured by locally imposed ½ percent sales tax measures for Los Angeles, Orange, Riverside, and San Bernardino counties. **Assumptions:** Sales tax grows consistent with county historical trends. Assumes minimum debt service coverage of pledged revenue (net of any local return portion) in any year of 2.5x for Los Angeles County, 1.3x for Orange County, 1.5x for Riverside County (further restricted to a maximum of $975M outstanding), 1.3x for San Bernardino County—includes currently outstanding and new debt. No debt is assumed to be issued for Imperial County.	$25.6
State and Federal Gas Excise Tax Adjustment to Maintain Historical Purchasing Power	**Description:** Additional fifteen cents per gallon gasoline tax imposed by the state and federal government starting in 2017 through 2024. **Assumptions:** Forecast consistent with historical tax rate adjustments for both state and federal gas taxes.	$16.9
Mileage-Based User Fee (or equivalent fuel tax adjustment)	**Description:** Mileage-based user fees would be implemented to replace existing gas taxes (state and federal) by 2025. **Assumptions:** Consistent with recommendations from two national commissions established under SAFETEA-LU, it is assumed that a national mileage based user-fee system would be established during the latter years of the RTP. An estimated $0.05 per mile (in 2011 dollars) is assumed starting in 2025 to replace and augment existing gas tax revenues.	$110.3 (est. increment only)
Highway Tolls (includes toll revenue bond proceeds)	**Description:** Toll revenues generated from regional toll facilities including SR-710 Tunnel, I-710 freight corridor, East-West freight corridor, segment of the High Desert Corridor, and Regional Express/HOT Lane Network. **Assumptions:** Toll revenues based on recent feasibility studies for applicable corridors. Also includes toll revenue bond proceeds.	$22.3
Private Equity Participation	**Description:** Private equity share as may be applicable for key initiatives. **Assumptions:** Private capital is assumed for a number of projects including toll facilities; also, freight rail package assumes railroad share of costs for mainline capacity and intermodal facilities such as SCIG and ICTF.	$2.7
Freight Fees/ National Freight Program	**Description:** Establishment of a national freight program consistent with proposal under MAP-21 and/or establishment of a charge imposed nationally on cargo. **Assumptions:** Early estimates indicate roughly $2 billion per year nationally for the National Freight Program under MAP-21. Regional estimate assumes a conservative percentage of proposed national program. Other mechanisms may include establishment of freight fees nationally, whereby rates may be subject to timing and cash flows for qualified projects. Freight fee would be assessed in proportion to relative impacts on transportation system and sunset with the completion of qualified projects. Assumes establishment of a national program in scope starting in 2015.	$4.2
E-Commerce Tax	**Description:** E-commerce sales tax on goods and services negotiated over an internet or other online systems. **Assumptions:** Notwithstanding the uncertainty in the amount of revenue that is available from AB 155, the revenue could be used for transportation purposes, given the relationship between e-commerce and the delivery of goods to California purchasers. In the event the revenue is used solely for transportation, the revenue would need to be allocated to specific uses or areas within the State. One possible method would allocate the funds in proportion to population. Under this method, the SCAG region would receive an estimated $3.1 billion through 2035, assuming AB 155 statewide revenue grows at 3 percent per year.	$3.1

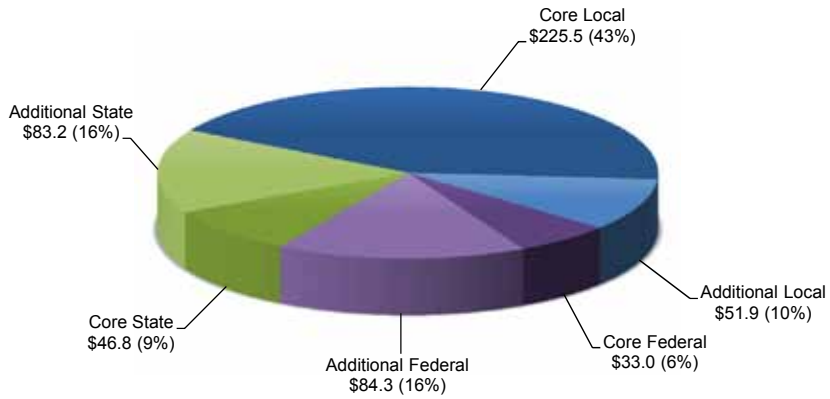
Revenue Source	Revenue Projection Assumptions	Revenue Estimate
Interest Earnings	**Description:** Interest earnings from toll bond proceeds. **Assumptions:** Interest earnings are assumed from toll bond proceeds, e.g., East-West Freight Corridor.	$0.2
State Bond Proceeds, Federal Grants & Other for California High Speed Rail Program	**Description:** Estimated total per November 1, 2011 Draft California High Speed Rail Business Plan. **Assumptions:** State general obligation bonds authorized under the Bond Act approved by California voters as Proposition 1A in 2008; federal grants authorized under ARRA and HSIPR; potential use of qualified tax credit bonds; and private sources.	$33.0
Value Capture Strategies	**Description:** Formation of special districts—Infrastructure Financing Districts and use of Tax Increment Financing. **Assumptions:** This strategy refers to capturing the incremental value generated by transportation investments. Specifically, SCAG assumes the formation of special districts, including Infrastructure Financing Districts (IFDs); also assumes the use of tax increment financing for specific projects (e.g., East-West Freight Corridor).	$1.2
NEW REVENUE SOURCE SUBTOTAL		**$219.5**
GRAND TOTAL		**$524.7**

Note: Numbers may not add due to rounding

The SCAG region's financially constrained RTP includes revenues from both core and reasonably available revenue sources, which sum to $524.7 billion from FY2011 through FY2035. While core revenues are comprised primarily of local sources (74 percent), the financially constrained RTP is funded by 53 percent local sources, 25 percent state sources, and 22 percent federal sources as is illustrated in **FIGURE 3.11**.

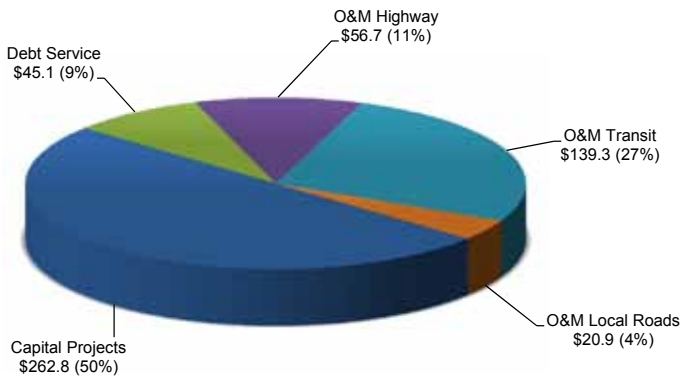
As shown in **FIGURE 3.12**, capital projects total $262.8 billion in nominal dollars. Operating and maintenance (O&M) costs total $216.9 billion while debt service obligations total $45.1 billion. Transit related costs comprise the largest share of O&M costs for the region totaling $139.3 billion.

FIGURE 3.11 2012 RTP Revenue Summary $524.7 Billion (in Nominal Dollars) FY2011–FY2035



Note: Numbers may not add due to rounding

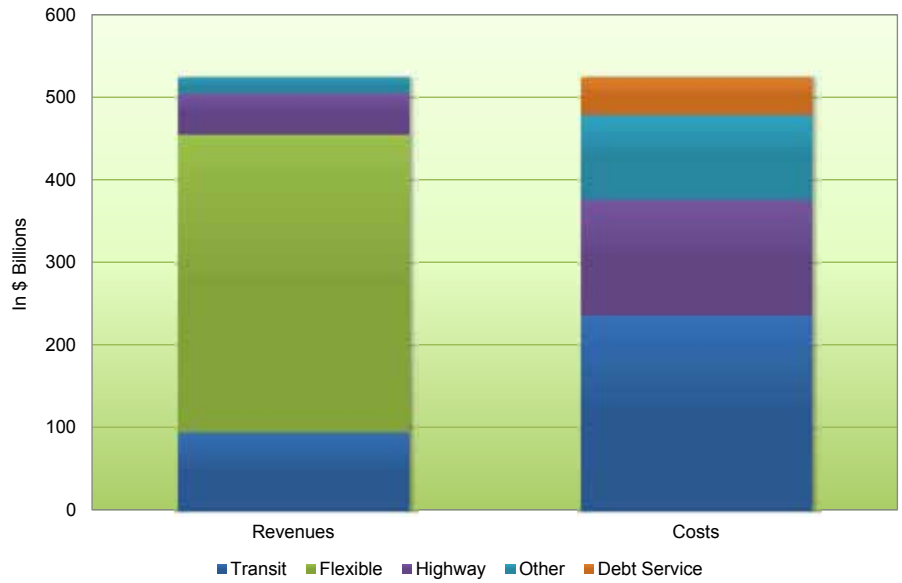
FIGURE 3.12 2012 RTP Expenditure Summary $524.7 Billion (in Nominal Dollars) FY2011–FY2035



Note: Numbers may not add due to rounding

As shown in **FIGURE 3.13**, transit expenditures account for almost half of the RTP costs at 45 percent. Highway expenditures account for 27 percent of the RTP costs. About 20 percent of costs are attributable to an "other" category, reflecting proposed investments in high speed rail, goods movement, grade separations, active transportation, transportation demand management, and transportation system management improvements. Consistent with historical practice, agencies in the region are expected to bond against future revenues to provide additional funding in the early years of the plan. As a result, debt service equal to historical payments and future bonding needs has been included as part of the RTP. Anticipated debt service payments make up 9 percent of total costs.

FIGURE 3.13 Revenues Compared to Costs by Mode



Note: Numbers may not add due to rounding

TABLE 3.5 provides details of the SCAG region's 2012 RTP revenue forecast by source in five-year increments from FY2011 through FY2035. This is followed by **TABLE 3.6**, which provides details of the region's expenditures by category in five-year increments.

TABLE 3.5 2012 Regional Transportation Plan Revenues (in Nominal Dollars, Billions)

	REVENUE SOURCES	FY2011–FY2015	FY2016–FY2020	FY2021–FY2025	FY2025–FY2030	FY2031–FY2035	TOTAL
LOCAL	Sales Tax	$16.3	$22.1	$28.7	$36.2	$44.7	$148.0
	– County	$13.1	$17.8	$23.1	$29.2	$36.1	$119.4
	– Transportation Development Act	$3.3	$4.3	$5.5	$6.9	$8.6	$28.7
	Gas Tax (Subvention to Cities & Counties)	$1.0	$1.0	$0.9	$0.9	$0.8	$4.6
	Other Local Funds	$5.3	$4.6	$4.7	$5.6	$5.2	$25.5
	Transit Fares	$3.2	$4.3	$5.3	$6.4	$7.5	$26.7
	Tolls	$1.4	$1.7	$2.1	$2.6	$3.3	$11.2
	Mitigation Fees	$1.4	$1.8	$1.9	$2.1	$2.3	$9.5
	LOCAL TOTAL	**$28.7**	**$35.4**	**$43.5**	**$53.9**	**$64.0**	**$225.5**
STATE	State Highway Operations and Protection Program (SHOPP)	$3.7	$4.2	$4.0	$3.8	$3.6	$19.5
	State Transportation Improvement Program (STIP)	$1.9	$2.0	$1.9	$1.8	$1.7	$9.4
	– Regional – RTIP	$1.3	$1.4	$1.3	$1.2	$1.2	$6.4
	– Interregional – ITIP	$0.6	$0.6	$0.6	$0.6	$0.5	$3.0
	State Gasoline Sales Tax Swap	$1.4	$1.7	$2.1	$2.6	$3.3	$11.0
	State Transit Assistance (STA)	$0.5	$0.5	$0.6	$0.6	$0.7	$2.8
	Proposition 1B (Infrastructure Bonds)	$3.0	$0.4	$0.0	$0.0	$0.0	$3.4
	Other State Funds (1)	$0.3	$0.1	$0.1	$0.1	$0.1	$0.8
	STATE TOTAL	**$10.8**	**$9.0**	**$8.7**	**$9.0**	**$9.4**	**$46.8**
FEDERAL	Federal Transit	$3.0	$3.6	$3.9	$4.3	$4.7	$19.5
	– Federal Transit Formula	$2.3	$2.6	$2.8	$3.1	$3.4	$14.2
	– Federal Transit Non-Formula	$0.7	$1.0	$1.1	$1.2	$1.3	$5.3
	Federal Highway & Other	$2.9	$2.6	$2.6	$2.6	$2.8	$13.5
	– Congestion Mitigation and Air Quality (CMAQ)	$1.3	$1.1	$0.9	$0.8	$0.9	$5.0
	– Surface Transportation Program (Regional)	$1.1	$1.2	$1.3	$1.5	$1.6	$6.7
	– Other Federal Funds (2)	$0.5	$0.3	$0.3	$0.3	$0.4	$1.8
	FEDERAL TOTAL	**$5.9**	**$6.1**	**$6.5**	**$6.9**	**$7.5**	**$33.0**
INNOVATIVE FINANCING & NEW REVENUE SOURCES	Bond Proceeds from Local Sales Tax Measures	$9.4	$10.4	$5.9	$0.0	$0.0	$25.6
	State and Federal Gas Excise Tax Adjustment	$0.0	$8.6	$8.3	$0.0	$0.0	$16.9
	Mileage Based User Fee	$0.0	$0.0	$8.9	$48.5	$52.9	$110.3
	Highway Tolls (including bond proceeds)	$3.0	$0.0	$9.8	$3.8	$5.7	$22.3
	Private Equity Participation	$1.3	$.01	$0.1	$1.2	$0.0	$2.7
	Freight Fees/National Freight Program	$0.1	$0.9	$1.0	$1.0	$1.2	$4.2
	E-Commerce Tax	$0.3	$0.6	$0.6	$0.7	$0.9	$3.1
	Interest Earnings	$0.0	$0.0	$0.1	$0.1	$0.1	$0.2
	California High Speed Rail Program Funding	$0.0	$3.9	$10.2	$14.3	$4.5	$33.0
	Value Capture Strategies	$0.0	$0.0	$1.2	$0.0	$0.0	$1.2
	INNOVATIVE FINANCING & NEW REVENUE SOURCES TOTAL	**$14.1**	**$24.5**	**$46.1**	**$69.6**	**$65.2**	**$219.5**
REVENUE TOTAL		**$59.5**	**$75.0**	**$104.8**	**$139.3**	**$146.1**	**$524.7**

Notes:
(1) Service Authority for Freeways and Expressways (SAFE), Freeway Service Patrol, Air Quality Vehicle Registration Fee (AB 2766), Environmental Enhancement and Mitigation.
(2) Includes other federal programs, e.g., Regional Transportation Enhancements, Highway Bridge Replacement and Rehabilitation, Homeland Security Grants, Bus Preferential Signal Systems, Highway Earmarks, local assistance, Hazard Elimination Safety, and Railroad/Highway Grade Crossing Protection (Section 130).
Numbers may not add due to rounding.

TABLE 3.6 2012 Regional Transportation Plan Expenditures (in Nominal Dollars, Billions)

RTP COSTS	FY2011–FY2015	FY2016–FY2020	FY2021–FY2025	FY2026–FY2030	FY2031–FY2035	TOTAL
Capital Projects:	**$37.3**	**$44.8**	**$57.1**	**$63.4**	**$60.1**	**$262.8**
Arterials	$5.3	$3.5	$3.7	$4.5	$5.0	$22.1
Grade Separations & Goods Movement	$7.6	$6.0	$11.1	$14.6	$8.6	$47.9
High Occupancy Vehicle/High Occupancy Toll Lanes	$6.0	$1.3	$0.8	$3.1	$7.5	$18.7
Mixed Flow and Interchange Improvements	$4.0	$6.0	$5.4	$2.3	0.6	$18.4
Toll Facilities	$2.0	$14.3	$7.4	$5.4	$6.1	$35.2
Transportation System Management (including ITS)	$1.2	$1.0	$0.9	$2.0	$1.7	$6.8
Transit	$9.8	$11.7	$26.7	$27.9	$25.2	$101.2
Active Transportation	$0.6	$0.3	$0.3	$1.9	$2.9	$6.0
Transportation Demand Management	$0.2	$0.2	$0.2	$1.3	$2.0	$4.0
Other (1)	$0.7	$0.4	$0.6	$0.4	$0.4	$2.5
Operations and Maintenance:	**$19.4**	**$22.9**	**$37.4**	**$63.7**	**$73.5**	**$216.9**
Highway	$3.4	$3.0	$12.5	$18.8	$19.1	$56.7
Transit	$14.9	$18.8	$23.8	$37.0	$44.8	$139.3
Local Streets and Roads	$1.1	$1.1	$1.2	$7.9	$9.6	$20.9
Debt Service	**$2.7**	**$7.3**	**$10.3**	**$12.2**	**$12.6**	**$45.1**
COST TOTAL	**$59.5**	**$75.0**	**$104.8**	**$139.3**	**$146.1**	**$524.7**

Note: (1) Includes: environmental mitigation, landscaping, and project development costs.
Numbers may not add due to rounding.