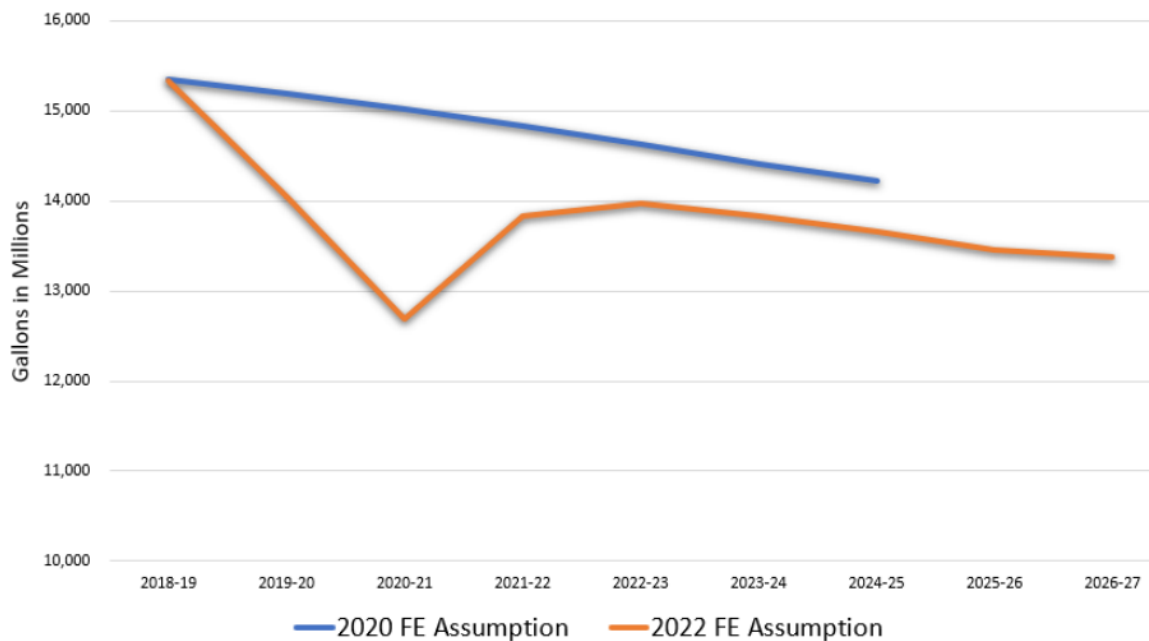


Fund Estimate (FE) Overview and Factors Impacting Capacity and Gasoline Consumption

The 2022 draft FE, which was noticed by the California Transportation Commission (CTC) on June 23, 2021, indicates that the six-year total State Transportation Improvement Program (STIP) funding capacity is \$2.7 billion. This is an overall reduction of 19 percent from the 2020 STIP capacity of \$3.2 billion. The FE assumes gasoline consumption for the 2022 STIP decreased significantly in fiscal year (FY) 2019-20 and FY 2020-21 due to the impacts of the coronavirus. Then consumption increases through FY 2022-23. However, gasoline consumption does not return to the same level of consumption that was forecasted in the prior 2020 FE. This comparison is shown in the chart below. Finally, the State is forecasting a slow but gradual decline in gasoline demand over time. This gradual decline in gasoline demand will have an impact on future STIP programs assuming the STIP continues to be limited to the gasoline excise tax.

The 2022 STIP cycle is expected to provide funding of \$150 million to the Orange County Transportation Authority (OCTA), including 2020 STIP projects already programmed, new 2022 STIP capacity, and the mid-cycle STIP funding. This amount is slightly higher than the typical 6.45 percent OCTA share of the \$2 billion in Regional Improvement Program due to the addition of the mid-cycle STIP and the timing of when projects from the previous STIP cycle are delivered.

Factors Impacting Capacity – Gasoline Consumption



From the California Department of Transportation Draft 2022 STIP Fund Estimate Presentation to CTC – June 23, 2021