

Appendix B: 2025 Blueprint Revenue Forecast

Plan Finances

Transportation investments and programs included in the 2025 Blueprint are constrained to a reasonable estimate of future funding sources. The funding to support these investments comes from many federal, state, and local sources, each with specific purposes and restrictions. The dollar amounts are presented in both current year dollars and nominal or year of expenditure (YOE) values. The MTP uses current year dollars to illustrate the magnitude of investments in terms of project costs and revenues that are relevant to today. However, the federal statute requires regional transportation plans also provide costs and revenues in YOE dollars for transparency in the overall investments planned for in the MTP.

In total, SACOG forecasts \$40.9 billion in revenues (\$58.6 billion YOE) over the planning period. On average, this comes out to approximately \$1.6 billion (\$2.1 billion YOE) per year over 25 years.

Conversion between Current Year and Year of Expenditure (YOE) Dollars

Federal guidelines require that all cost estimates in the plan be escalated to year of expenditure or nominal values to express a realistic estimate of future construction costs. The average rate of inflation used in the MTP is 2.7 percent based on the last 20 years of data on the California consumer price index reported by the California Department of Finance.

For revenue forecasting, the nominal rate of growth for each funding source is determined by extrapolating recent trends, either on a straight-line basis or in some cases using a trend curve. This methodology yields revenues in YOE dollars, which are then de-escalated using the inflation rates described above to yield current year dollars.

For project cost estimates, project sponsors provide SACOG with project costs in current year dollars, which are then uniformly escalated to YOE dollars using the inflation rate described above through the assumed completion timeframe for the project. Projects listed in the Metropolitan Transportation Improvement Program are already provided in year of expenditure dollars, so no adjustments are made to these projects.

Summary of Revenue Sources and Assumptions

The long-range plan must be financially constrained, meaning that the amount of funding planned and programmed must not exceed the amount of funding estimated to be reasonably available within the planning period. To meet this requirement, the revenue assumptions in the plan are based on existing federal, state, and local sources of funding or SACOG Board-approved assumptions of future funding for transportation purposes. Each funding source is extrapolated at historic rates of growth or by reasonable assumptions about future trends to determine the total amount of that source that will be available for implementation of the plan. Attachments A and B describe the available revenues for each funding source over five-year increments across the planning period. In developing the plan, SACOG has taken into

consideration both transportation funding revenues and the costs of building, operating, and maintaining the regional transportation system over 25 years through 2050.

Federal Funding

Federal funding assumptions are derived from the annual apportionments provided to SACOG by the federal government or from historic funding levels. The Infrastructure Investment and Jobs Act (IIJA), which was signed into law in 2021, sets the program structure and distribution formulas for federal transportation funds. SACOG forecasts the funding from both the Federal Highway Administration and Federal Transit Administration Programs listed below, with revenue assumptions outlined in Table B.1.

Federal Highway Administration Programs

- Regional Surface Transportation Program (RSTP)
- Congestion Mitigation and Air Quality Program (CMAQ)
- Carbon Reduction Program
- Highway Bridge Program
- Highway Safety Improvement Program
- Other federal discretionary programs

Federal Transit Administration Programs

- Section 5307, 5336, and 5340 Urbanized Area Formula Program
- Section 5309 Capital Investment Grants
- Section 5310 Enhanced Mobility of Seniors & Individuals with Disabilities
- FTA 5311 Formula Grants for Rural Area
- FTA 5337 State of Good Repair Grants
- FTA 5339 Bus and Bus Facilities

Table B.1. Federal Revenue Sources and Assumptions

Federal Source	MTP
Congestion Mitigation and Air Quality (CMAQ)	Base Year: 2025 Key Assumptions: SACOG region will continue to receive CMAQ funds in a manner consistent with historic apportionments. Growth: 2.7% annual growth.
Regional Surface Transportation Program (RSTP)	Base Year: 2025 Key Assumptions: SACOG region will continue to receive RSTP funds in a manner consistent with historic apportionments. Growth: 2.7% annual growth.

Highway Bridge Program	Base Year: 2025 Key Assumptions: The region will continue to receive highway bridge program reimbursements for eligible activities that rehabilitate and replace structurally deficient bridges.
FTA Funds: 5307, 5310, 5311, 5337, 5339	Base Year: 2025 Key Assumptions: SACOG region will continue to receive FTA funds in a manner consistent with historic apportionments. Growth: 2.7% annual growth.
FTA 5309 Capital Investment Grants	Base Year: N/A Key Assumptions: Presume continuation of FTA grants for major fixed guideway projects at up to 50% of new rail capital project costs.

State Funding

Senate Bill 45 (SB 45) establishes the program structure and distribution formulas for most state transportation funds. The 2025 Blueprint assumes state funding will continue in a manner consistent with SB 45. The plan's assumptions for state revenues are shown in Table B.2 and are consistent with the 2024 STIP Fund Estimate produced by the California Transportation Commission.

The state funding programs assumed in the 2025 Blueprint include:

- State Highway Operations and Protection Program - (SHOPP)
- State Transportation Improvement Program - (STIP) including;
 - Interregional - ITIP
 - Regional - RTIP
- State Transit Assistance (99313 & 99314)
- State Transit Assistance (State of Good Repair)
- SB1 Local Planning Partnerships Formula
- SB1 Competitive Grants (SCCP, TCEP, LPP)
- Transit and Intercity Rail Capital Program
- SB125 Formula-Based
- Active Transportation Program
- Low Carbon Transit Operations Program
- Other State Discretionary

Table B.2. State Revenue Sources and Assumptions

State Source	MTP
State Highway Operations and Protection Program (SHOPP)	Base Year: 2025

	Key Assumptions: Based on transfers from the State Highway Account (SHA), Federal Trust Fund, and the excise tax on gasoline. Initial decline by 1% annually due to declining fuel consumption. Assumes state implementation of road usage charge stabilizes state funding programs to keep paces with inflation. Growth: 1% decline through 2030; 2.7% average annual growth 2031-2050.
Interregional Transportation Improvement Program (STIP- ITIP)	Base Year: 2025 Key Assumptions: ITIP will continue to receive 25% of the total STIP allocations from the Federal Highway Trust Fund, State Highway Account, Public Transportation Account. Initial decline by 1% annually due to declining fuel consumption. Assumes state implementation of road usage charge stabilizes state funding programs to keep paces with inflation. Growth: 1% decline through 2030; 2.7% average annual growth 2031-2050.
Regional Transportation Improvement Program (STIP- RTIP)	Base Year: 2025 Key Assumptions: RTIP will continue to receive 75% of the total STIP allocations from the Federal Highway Trust Fund, State Highway Account, Public Transportation Account and the new excise tax on gasoline. Initial decline by 1% annually due to declining fuel consumption. Assumes state implementation of road usage charge stabilizes state funding programs to keep paces with inflation. Growth: 1% decline through 2030; 2.7% average annual growth 2031-2050.
State Transit Assistance (99313, 99314, State of Good Repair)	Base Year: 2025 Key Assumptions: The region will continue to receive STA funds consistent with existing distribution formulas. Initial decline by 1% annually due to declining fuel consumption. Assumes state implementation of road usage charge stabilizes state funding programs to keep paces with inflation. Growth: 1% decline through 2030; 2.7% average annual growth 2031-2050.
SB1 Local Planning Partnerships Formula, SB1 Competitive Grants (SCCP, TCEP, LPP)	Base Year: NA Key Assumptions: Based on regional performance and apportionments since 2018 when the SB1 programs began.

	Assumes region will continue to receive funding consistent with historical performance. Growth: 1% average annual growth
Transit and Intercity Rail Capital Program	Base Year: 2025 Key Assumptions: Assumes TIRCP will continue to receive Greenhouse Gas Reduction Funds (GGRF) consistent with existing formulas and that the region will continue to capture funding consistent with past awards. Due to uncertainty in GGRF funds, growth remains flat. Growth: 0%
SB125 Formula-Based	Base Year: 2025 Key Assumptions: SB 125 (Chapter 54 of the Statutes of 2023) distributed \$4 billion in General Fund money through TIRCP on a population-based formula to regional transportation planning agencies. Amounts are based on existing apportionments. Growth: NA
Active Transportation Program	Base Year: 2025 Key Assumptions: Short-term revenues are based on actual apportionments. Future Active Transportation Program funding is flat through 2030 as declines in fuel taxes are offset by increases in federal share and minimum requirement of \$100 million from SB1. Assumes state implementation of road usage charge stabilizes state funding programs to keep paces with inflation. Growth: Flat through 2030; 2.7% average annual growth 2031-2050.
Low Carbon Transit Operations Program	Base Year: 2025 Key Assumptions: Assumes LCTOP will continue to receive Greenhouse Gas Reduction Funds (GGRF) consistent with existing formulas and that the region will continue to capture funding consistent with past awards. Due to uncertainty in GGRF funds, growth remains flat. Growth: 0%
State Discretionary	Base Year: N/A

	Key Assumptions: Assumes the region will capture roughly 5% of statewide competitive discretionary program funding. Growth: 2% average annual growth
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Local Funding

Local revenues are based on historic funding from local sources for each city, county, transportation commission, and transit operator in the region. Local funding sources provide the majority of the funds that support the 2025 Blueprint and include:

- Local Transportation Fund (LTF)
- Sacramento County Measure A - (1/2-cent)
- Sacramento County New Measure A - (1/2-cent)
- Placer County Sales Tax – (1/2 -cent)
- Gas Tax Subventions
- Other Local Funds
- Transit Fares
- Roadway User Fees

Local-Option County Sales Taxes in the Blueprint

The region is currently planning for two new local option sales tax measures in the region; one in Sacramento County and one in Placer County. In Sacramento County this would institute a new ½-cent sales tax to support road investments, maintenance, and transit within the county of Sacramento. Placer County is also pursuing a new ½ cent sales tax measure to support transportation investments in that county.

In 2019, the California Governor signed AB1413 which authorized the Placer County Transportation Planning Agency (PCTPA) to levy a use tax for transportation purposes. The Placer County sales tax measure, known as Measure B, was proposed to fund transportation projects in Roseville, Rocklin, and Lincoln. The measure narrowly failed in the 2024 election, delaying early investments in the 2025 Blueprint. However, both the Placer County Regional Transportation Plan and the Blueprint maintain an assumption for a future measure but delays potential revenues until 2030 to maintain financial constraint. PCTPA continues to engage communities and key partners in the county, including SACOG, as well as monitor both economic and political trends to inform future revenue-raising strategies. More information on PCTPA’s efforts, visit <https://www.keepplacermoving.com>.

Likewise, efforts continue in Sacramento County to bring a sales tax measure before voters to generate additional funding for transportation purposes consistent with the region’s long-range plan. In February 2023, the Sacramento Transportation Authority established a Future Transportation Funding Subcommittee to examine local transportation needs and the practicality of future transportation funding, the level of revision that should be considered from prior

efforts, and the process, timeline, and community engagement that should be considered in developing a new transportation funding source. The subcommittee included elected officials from each of the jurisdictions in Sacramento County as well as two citizen advisory members.

While one or both local option measures may go forward in the first four years of the regional plan, in 2026, 2028, or 2030 the plan takes a more conservative approach by not including any new revenue in the plan’s financial forecast until 2030. This avoids including non-committed funding for specific transportation projects within the years of the Metropolitan Transportation Improvement Program which currently programs funding out to 2028. Future updates of the regional plan will account for any changes in plans to bring these measures before voters.

Note on Roadway User Fees in the 2025 Blueprint

Advancements in technologies enabling greater use of electric and alternative fuel and highly efficient vehicles will continue to impact gas tax revenues. In California, the California Energy Commission estimates that statewide demand for gasoline will decrease by one to two percent annually over the next decade. At the same time, SACOG projections indicate that the total household vehicle miles traveled (VMT) will increase by roughly 14 percent, despite a decrease in per capita VMT of 7 percent by 2050. This additional demand on the roadways, paired with decreasing gas consumption, creates a significant challenge for a gas tax-based system and necessitates exploration of a replacement.

The 2025 Blueprint includes revenues from tolling specific facilities and from a mileage-based fee that would replace existing state fuel taxes. This assumption is supported by the statewide effort to examine a change to road usage charges through the [California Road Charge](#) program. Beyond California, at least ten states are exploring or testing mileage fees in some capacity. SACOG supports further research, development, and demonstration of mileage-based user fees specific to the Sacramento region to help build and maintain our regional transportation system. SACOG is currently leading an effort with the Southern California Association of Governments and San Diego Association of Governments to develop a pricing pilot program in support of the pricing assumptions included in the regional plan. The revenue forecast for the plan assumes a state transition away from fuel taxes opening the door to a regional program which can vary prices by time of day and location by 2035. However, testing and implementation efforts will begin immediately.

Table B.3. Local Revenue Sources and Assumptions

	MTP
Local Transportation Fund (LTF)	Base Year: 2025 Key Assumptions: ¼-percent general sales tax for transportation will remain in place at existing rate. Growth: 2.7% annual average growth
Measure A	Base Year: 2025

	Key Assumptions: ½-cent general sales tax in Sacramento County will remain in place at existing rate with growth consistent with historical performance. Growth: 3% annual average growth
New Measure A	Base Year: N/A Key Assumptions: Equivalent of 1/2-percent general sales tax will begin in 2030 and last through the horizon year of the plan in 2050. Growth: 3% annual average growth
Placer ½ cent sales tax	Base Year: N/A Key Assumptions: Equivalent of 1/2-percent general sales tax will begin in 2030 and last through the horizon year of the plan in 2050. Growth: 1.6% annual average growth
Gas Tax Subventions (Sec. 2103-2107.5) and SB1 Road Maintenance and Rehabilitation Account (Sec. 2031)	Base Year: 2025 Key Assumptions: Subventions will continue to flow to cities and counties based on existing formulas. Initial decline by 1% annually due to declining fuel consumption. Assumes state implementation of road usage charge stabilizes state funding programs to keep paces with inflation. Growth: 1% decline through 2030; 2.7% average annual growth 2031-2050.
Other Local Funds	Base Year: 2025 Key Assumptions: Based on 20-year historic average of budget information provided by local jurisdictions to the California State Controller. Contains all revenues from local sources dedicated to local streets and roads. Nominal Growth Rate: 2% average annual growth
Developer Contributions	Base Year: 2025 Key Assumptions: Developer investments in new roadways keep pace with housing growth over the life of the plan. Growth: 2% annual average growth

Transit Fare revenues	Base Year: 2025 Key Assumptions: Based on SACOG ridership projections and average fare per rider. Assumes future fare increases keep pace with inflation. Farebox recovery not to exceed 20%.
Roadway User Fees	Base Year: N/A Key Assumptions: Net revenue captured from roadway user fees including tolling and mileage-based fees that would replace the fuel tax. Revenues based on vehicle miles traveled on the region's roadways. The mileage-based user fee would replace the current gasoline tax and is estimated to range from 1 to 4 cents per mile.

Attachment A: Revenue Projections (in millions of nominal dollars)

Federal	2026-2030	2031-2035	2036-2040	2041-2045	2046-2050	Total
Federal Highway						
Congestion Mitigation and Air Quality - (CMAQ)	\$165	\$155	\$177	\$202	\$231	\$930
Regional Surface Transportation Program - (RSTP)	\$238	\$225	\$257	\$293	\$335	\$1,348
Carbon Reduction Program	\$9	\$0	\$0	\$0	\$0	\$9
Federal Transit						
-FTA 5307, 5336 & 5340 - Urbanized Area Formula Program	\$274	\$259	\$296	\$338	\$386	\$1,552
-FTA 5309 - Capital Investment Grants	\$0	\$1,022	\$0	\$0	\$0	\$1,022
-FTA 5310 -Enhanced Mobility of Seniors & Individuals with Disabilities	\$26	\$25	\$28	\$33	\$37	\$149
-FTA 5311 - Formula Grants for Rural Areas	\$16	\$15	\$18	\$20	\$23	\$92
-FTA 5337 - State of Good Repair	\$97	\$91	\$104	\$119	\$136	\$547
-FTA 5339 - Bus and Bus Facilities	\$20	\$19	\$22	\$25	\$29	\$116
Other Federal Grant Programs						
Highway Bridge Program	\$283	\$251	\$286	\$327	\$374	\$1,521
Highway Safety Improvement Program	\$34	\$40	\$45	\$52	\$59	\$229
Other Federal	\$253	\$224	\$256	\$292	\$334	\$1,359
Federal Subtotal	\$1,415	\$2,326	\$1,489	\$1,701	\$1,943	\$8,874
State	2026-2030	2031-2035	2036-2040	2041-2045	2046-2050	Total
State Highway Operations and Protection Program - (SHOPP)	\$1,470	\$1,561	\$1,783	\$2,038	\$2,328	\$9,180
State Transportation Improvement Program - (STIP)						
-Interregional - IIP	\$32	\$29	\$33	\$38	\$44	\$176
-Regional - RIP	\$64	\$78	\$85	\$94	\$104	\$424
State Transit Assistance (99313 & 99314)	\$172	\$156	\$178	\$204	\$233	\$943
State Transit Assistance (State of Good Repair)	\$28	\$25	\$29	\$33	\$37	\$151
SB1 Local Planning Partnerships Formula	\$23	\$16	\$26	\$18	\$30	\$113
SB1 Grants (SCCP, TCEP, LPP, TIRCP)	\$404	\$285	\$456	\$325	\$521	\$1,991
Transit and Intercity Rail Capital Program	\$179	\$119	\$179	\$119	\$179	\$774
SB125 Formula-Based	\$297	\$0	\$0	\$0	\$0	\$297
Active Transportation Program	\$56	\$88	\$63	\$101	\$72	\$379
LCTOP	\$51	\$42	\$42	\$42	\$42	\$219
State-Other	\$99	\$99	\$113	\$129	\$148	\$588
State Subtotal	\$2,874	\$2,498	\$2,988	\$3,141	\$3,737	\$15,236

Local	2026- 2030	2031- 2035	2036- 2040	2041- 2045	2046- 2050	Total
Sales Tax						
-Local Transportation Fund (LTF)	\$1,130	\$1,090	\$1,245	\$1,423	\$1,625	\$6,513
-Sacramento County Measure A - (1/2%)	\$1,196	\$1,172	\$1,358	\$1,575	\$1,826	\$7,126
-Sacramento County New Measure A - (1/2%)	\$214	\$1,172	\$1,358	\$1,575	\$1,826	\$6,145
-Placer County Sales Tax - (1/2%)	\$45	\$234	\$254	\$275	\$299	\$1,106
Highway User Fund Account Allocations (Sec. 2103-2107.5)	\$581	\$529	\$604	\$690	\$788	\$3,192
SB1 Road Maintenance and Rehabilitation Account (Sec. 2031)	\$476	\$433	\$494	\$565	\$645	\$2,613
Other Local Funds	\$973	\$716	\$791	\$873	\$964	\$4,317
SPRTA	\$53	\$44	\$44	\$44	\$46	\$230
Transit Fares	\$129	\$127	\$147	\$170	\$198	\$771
Roadway User Fees	\$0	\$112	\$514	\$764	\$925	\$2,315
Local Subtotal	\$4,796	\$5,628	\$6,809	\$7,954	\$9,142	\$34,329
Federal, State, and Local Total	\$9,085	\$10,451	\$11,286	\$12,795	\$14,821	\$58,439

Attachment B: Revenue Projections (in millions of 2019 Dollars)

Federal	2026-2030	2031-2035	2036-2040	2041-2045	2046-2050	Total
Federal Highway						
Congestion Mitigation and Air Quality - (CMAQ)	\$154	\$125	\$125	\$125	\$125	\$654
Regional Surface Transportation Program - (RSTP)	\$223	\$181	\$181	\$181	\$181	\$949
Carbon Reduction Program	\$9	\$0	\$0	\$0	\$0	\$9
Federal Transit						
-FTA 5307, 5336 & 5340 - Urbanized Area Formula Program	\$256	\$209	\$209	\$209	\$209	\$1,092
-FTA 5309 - Capital Investment Grants	\$0	\$783	\$0	\$0	\$0	\$783
-FTA 5310 -Enhanced Mobility of Seniors & Individuals with Disabilities	\$25	\$20	\$20	\$20	\$20	\$105
-FTA 5311 - Formula Grants for Rural Areas	\$15	\$12	\$12	\$12	\$12	\$65
-FTA 5337 - State of Good Repair	\$90	\$74	\$74	\$74	\$74	\$385
-FTA 5339 - Bus and Bus Facilities	\$19	\$16	\$16	\$16	\$16	\$81
Other Federal Grant Programs						
Highway Bridge Program	\$266	\$202	\$202	\$202	\$202	\$1,076
Highway Safety Improvement Program	\$31	\$32	\$32	\$32	\$32	\$159
Other Federal	\$236	\$181	\$181	\$181	\$181	\$959
Federal Subtotal	\$1,325	\$1,836	\$1,052	\$1,052	\$1,052	\$6,317
State	2026-2030	2031-2035	2036-2040	2041-2045	2046-2050	Total
State Highway Operations and Protection Program - (SHOPP)	\$1,365	\$1,260	\$1,260	\$1,260	\$1,260	\$6,407
State Transportation Improvement Program - (STIP)						
-Interregional - IIP	\$30	\$24	\$24	\$24	\$24	\$124
-Regional - RIP	\$60	\$63	\$60	\$58	\$56	\$297
State Transit Assistance (99313 & 99314)	\$161	\$126	\$126	\$126	\$126	\$665
State Transit Assistance (State of Good Repair)	\$26	\$20	\$20	\$20	\$20	\$107
SB1 Local Planning Partnerships Formula	\$21	\$13	\$18	\$11	\$16	\$80
SB1 Grants (SCCP, TCEP, LPP, TIRCP)	\$373	\$230	\$323	\$201	\$282	\$1,410
Transit and Intercity Rail Capital Program	\$166	\$96	\$126	\$74	\$97	\$559
SB125 Formula-Based	\$289	\$0	\$0	\$0	\$0	\$289
Active Transportation Program	\$53	\$71	\$44	\$62	\$39	\$269
LCTOP	\$47	\$34	\$30	\$26	\$23	\$160
State-Other	\$92	\$80	\$80	\$80	\$80	\$412
State Subtotal	\$2,683	\$2,017	\$2,112	\$1,943	\$2,024	\$10,779

Local	2026- 2030	2031- 2035	2036- 2040	2041- 2045	2046- 2050	Total
Sales Tax						
-Local Transportation Fund (LTF)	\$1,056	\$880	\$880	\$880	\$880	\$4,576
-Sacramento County Measure A - (1/2%)	\$1,117	\$946	\$960	\$974	\$988	\$4,986
-Sacramento County New Measure A - (1/2%)	\$188	\$946	\$960	\$974	\$988	\$4,056
-Placer County Sales Tax - (1/2%)	\$39	\$189	\$179	\$170	\$162	\$740
Highway User Fund Account Allocations (Sec. 2103-2107.5)	\$544	\$427	\$427	\$427	\$427	\$2,252
SB1 Road Maintenance and Rehabilitation Account (Sec. 2031)	\$446	\$349	\$349	\$349	\$349	\$1,844
Other Local Funds	\$926	\$579	\$559	\$540	\$522	\$3,126
SPRTA	\$49	\$35	\$31	\$27	\$25	\$168
Transit Fares	\$121	\$102	\$104	\$105	\$107	\$539
Roadway User Fees	\$0	\$86	\$445	\$472	\$501	\$1,504
Local Subtotal	\$4,486	\$4,540	\$4,895	\$4,920	\$4,950	\$23,790
Federal, State, and Local Total	\$8,493	\$8,393	\$8,059	\$7,915	\$8,025	\$40,886