



Description

The Gas Tax Fund collects revenue resulting from a tax on the sale of gasoline, diesel and a use fuel tax on other types of fuels. The current total State excise tax on gasoline is 43.2 cents per gallon and 19.6 cents per gallon on diesel. The City's share of gas tax revenue is based on a formula that accounts for vehicle registration, assessed property valuation, and population. The funding generated is used to perform citywide repairs and restoration to existing roadways, reduce congestion, improve safety, and provide for the construction of assets within the public right-of-way.

The Road Maintenance and Rehabilitation Fund collects revenue from an additional 14.7 cent per gallon tax on gasoline and 24.5 cent a gallon tax on diesel, in addition to a transportation improvement fee on new vehicles and \$100 vehicle registration on zero emission vehicles. Receipt of these funds are dependent on the City meeting State mandated minimum road funding standards.

The Gas Tax funds the maintenance of street lights, traffic signals, traffic signs, and markings, including the City's share of the Gaslamp Quarter Lighting and the San Diego Street Lighting District Number One. The Gas Tax also funds street maintenance, median landscaping, tree-trimming, and waste removal in the street right-of-way. Gas tax revenues have been allocated to support four departments: Transportation, Parks & Recreation, Economic Development, and Department of Finance. The revenue is primarily allocated to the Transportation Department for reimbursement of street maintenance services and traffic engineering.

The Maintenance Assessment Districts (MADs) provide landscape maintenance for center medians and right-of-way within residential and commercial areas. The Parks & Recreation Department is reimbursed for costs predominantly related to residential and some commercial MADs. The Parks & Recreation Department is also reimbursed for administrative oversight of the MADs and the Street Median Maintenance Program. The Economic Development Department primarily manages the commercial MADs allocation, although it can include some mixed-use MADs.

Additionally, the Department of Finance is reimbursed for costs related to administrative oversight of the Fund and project financial reporting.

Department Summary

	FY2024 Actual	FY2025 Budget	FY2026 Draft	FY2025-2026 Change
FTE Positions	0.00	0.00	0.00	0.00
Personnel Expenditures	\$ -	\$ -	\$ -	-
Non-Personnel Expenditures	81,599,886	74,332,761	75,671,941	1,339,180
Total Department Expenditures	\$ 81,599,886	\$ 74,332,761	\$ 75,671,941	\$ 1,339,180
Total Department Revenue	\$ 75,537,837	\$ 73,547,761	\$ 75,671,960	\$ 2,124,199

Gas Tax Fund

Department Expenditures

	FY2024 Actual	FY2025 Budget	FY2026 Draft	FY2025-2026 Change
Gas Tax Fund	\$ 34,201,650	\$ 38,218,843	\$ 39,324,049	\$ 1,105,206
Total	\$ 34,201,650	\$ 38,218,843	\$ 39,324,049	\$ 1,105,206

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Adjustment to Gas Tax Allocations	0.00	\$ 1,097,957	\$ 1,105,225
Adjustment to non-personnel expenditures and revenue due to revised State of California Gas Tax projections.			
Non-Discretionary Adjustment	0.00	7,249	-
Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.			
Total	0.00	\$ 1,105,206	\$ 1,105,225

Expenditures by Category

	FY2024 Actual	FY2025 Budget	FY2026 Draft	FY2025-2026 Change
NON-PERSONNEL				
Supplies	\$ 6,099	\$ 12,000	\$ 15,000	\$ 3,000
Contracts & Services	8,854,795	11,442,038	11,914,890	472,852
<i>External Contracts & Services</i>	2,659,371	4,352,556	4,808,168	455,612
<i>Internal Contracts & Services</i>	6,195,424	7,089,482	7,106,722	17,240
Energy and Utilities	204,930	253,835	261,057	7,222
Transfers Out	25,135,827	26,510,970	27,133,102	622,132
NON-PERSONNEL SUBTOTAL	34,201,650	38,218,843	39,324,049	1,105,206
Total	\$ 34,201,650	\$ 38,218,843	\$ 39,324,049	\$ 1,105,206

Gas Tax Fund

Revenues by Category

	FY2024 Actual	FY2025 Budget	FY2026 Draft	FY2025-2026 Change
Other Local Taxes	\$ 38,161,365	\$ 38,196,188	\$ 39,155,713	\$ 959,525
Other Revenue	3,750	-	-	-
Rev from Money and Prop	233,333	22,655	168,355	145,700
Total	\$ 38,398,448	\$ 38,218,843	\$ 39,324,068	\$ 1,105,225

Road Maintenance and Rehabilitation Fund

Department Expenditures

	FY2024 Actual	FY2025 Budget	FY2026 Draft	FY2025-2026 Change
Road Maintenance and Rehabilitation Fund	\$ 47,398,236	\$ 36,113,918	\$ 36,347,892	\$ 233,974
Total	\$ 47,398,236	\$ 36,113,918	\$ 36,347,892	\$ 233,974

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Road Maintenance and Rehabilitation Adjustment	0.00	\$ 1,018,974	\$ 1,018,974
Adjustment to non-personnel expenditures and revenues due to revised State of California projections.			
One-Time Additions and Annualizations	0.00	(785,000)	-
Adjustment to reflect one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2025.			
Total	0.00	\$ 233,974	\$ 1,018,974

Expenditures by Category

	FY2024 Actual	FY2025 Budget	FY2026 Draft	FY2025-2026 Change
NON-PERSONNEL				
Contracts & Services	\$ 47,398,236	\$ 36,113,918	\$ 36,347,892	\$ 233,974
<i>External Contracts & Services</i>	43,428,333	36,113,918	36,347,892	233,974
<i>Internal Contracts & Services</i>	3,969,904	-	-	-
NON-PERSONNEL SUBTOTAL	47,398,236	36,113,918	36,347,892	233,974
Total	\$ 47,398,236	\$ 36,113,918	\$ 36,347,892	\$ 233,974

Revenues by Category

	FY2024 Actual	FY2025 Budget	FY2026 Draft	FY2025-2026 Change
Other Local Taxes	\$ 35,668,201	\$ 35,328,918	\$ 36,347,892	\$ 1,018,974
Rev from Money and Prop	1,471,187	-	-	-
Total	\$ 37,139,389	\$ 35,328,918	\$ 36,347,892	\$ 1,018,974

Gas Tax Fund

Revenue and Expense Statement (Non-General Fund)

Gas Tax Fund	FY2024 Actual	FY2025* Budget	FY2026** Draftd
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	\$ 59,161	\$ 88,686	\$ 291,031
Continuing Appropriation - CIP	7,950,813	8,741,628	5,721,628
Continuing Appropriation - Operating	1,172,740	597,357	597,357
TOTAL BALANCE AND RESERVES	\$ 9,182,714	\$ 9,427,671	\$ 6,610,016
REVENUE			
Other Local Taxes	\$ 38,161,365	\$ 38,196,188	\$ 39,155,713
Other Revenue	3,750	-	-
Revenue from Use of Money and Property	233,333	22,655	168,355
TOTAL REVENUE	\$ 38,398,448	\$ 38,218,843	\$ 39,324,068
TOTAL BALANCE, RESERVES, AND REVENUE	\$ 47,581,162	\$ 47,646,514	\$ 45,934,084
CAPITAL IMPROVEMENTS PROGRAM (CIP) EXPENSE			
CIP Expenditures	\$ 3,219,695	-	-
TOTAL CIP EXPENSE	\$ 3,219,695	\$ -	\$ -
OPERATING EXPENSE			
Supplies	\$ 6,099	\$ 12,000	\$ 15,000
Contracts & Services	8,854,795	11,442,038	11,914,890
Energy and Utilities	204,930	253,835	261,057
Transfers Out	25,135,827	26,510,970	27,133,102
TOTAL OPERATING EXPENSE	\$ 34,201,650	\$ 38,218,843	\$ 39,324,049
EXPENDITURE OF PRIOR YEAR FUNDS			
CIP Expenditures	\$ 732,146	\$ 4,000,000	\$ 3,000,000
Operating Expenditures	407,506	538,833	-
TOTAL EXPENDITURE OF PRIOR YEAR FUNDS	\$ 1,139,652	\$ 4,538,833	\$ 3,000,000
TOTAL EXPENSE	\$ 38,153,491	\$ 42,218,843	\$ 42,324,049
RESERVES			
Continuing Appropriation - CIP	\$ 8,741,628	\$ 4,741,628	\$ 2,721,628
Continuing Appropriation - Operating	597,357	58,524	597,357
TOTAL RESERVES	\$ 9,338,985	\$ 4,800,152	\$ 3,318,985
BALANCE	\$ 88,686	\$ 88,686	\$ 291,050
TOTAL BALANCE, RESERVES, AND EXPENSE	\$ 47,581,162	\$ 47,107,681	\$ 45,934,084

* At the time of publication, audited financial statements for Fiscal Year 2025 were not available. Therefore, the Fiscal Year 2025 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2025 Adopted Budget, while the beginning Fiscal Year 2025 balance amount reflects the audited Fiscal Year 2024 ending balance.

** Fiscal Year 2026 Beginning Fund Balance reflects the projected Fiscal Year 2025 Ending Fund Balance based on updated Revenue and Expenditures projections for Fiscal Year 2025.

Revenue and Expense Statement (Non-General Fund)

Road Maintenance and Rehabilitation Fund	FY2024 Actual	FY2025* Budget	FY2026** Draft
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	\$ 785,313	\$ 3,799,698	\$ 4,368,698
Continuing Appropriation - CIP	11,654,521	3,200,168	1,681,382
Continuing Appropriation - Operating	46,093,727	32,820,494	27,069,586
TOTAL BALANCE AND RESERVES	\$ 58,533,561	\$ 39,820,360	\$ 33,119,666
REVENUE			
Other Local Taxes	\$ 35,668,201	\$ 35,328,918	\$ 36,347,892
Revenue from Use of Money and Property	1,471,187	-	-
TOTAL REVENUE	\$ 37,139,389	\$ 35,328,918	\$ 36,347,892
TOTAL BALANCE, RESERVES, AND REVENUE	\$ 95,672,950	\$ 75,149,278	\$ 69,467,558
OPERATING EXPENSE			
Contracts & Services	\$ 47,398,236	\$ 36,113,918	\$ 36,347,892
TOTAL OPERATING EXPENSE	\$ 47,398,236	\$ 36,113,918	\$ 36,347,892
EXPENDITURE OF PRIOR YEAR FUNDS			
CIP Expenditures	\$ 8,454,354	\$ 1,500,000	\$ 1,681,382
Operating Expenditures	13,274,127	7,500,000	5,000,000
TOTAL EXPENDITURE OF PRIOR YEAR FUNDS	\$ 21,728,480	\$ 9,000,000	\$ 6,681,382
TOTAL EXPENSE	\$ 55,852,590	\$ 37,613,918	\$ 38,029,274
RESERVES			
Continuing Appropriation - CIP	\$ 3,200,168	\$ 1,700,168	\$ -
Continuing Appropriation - Operating	32,820,494	25,320,494	22,069,586
TOTAL RESERVES	\$ 36,020,662	\$ 27,020,662	\$ 22,069,586
BALANCE	\$ 3,799,698	\$ 3,014,698	\$ 4,368,698
TOTAL BALANCE, RESERVES, AND EXPENSE	\$ 95,672,950	\$ 67,649,278	\$ 64,467,558

* At the time of publication, audited financial statements for Fiscal Year 2025 were not available. Therefore, the Fiscal Year 2025 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2025 Adopted Budget, while the beginning Fiscal Year 2025 balance amount reflects the audited Fiscal Year 2024 ending balance.

** Fiscal Year 2026 Beginning Fund Balance reflects the projected Fiscal Year 2025 Ending Fund Balance based on updated Revenue and Expenditures projections for Fiscal Year 2025.