Description

In November 1987, San Diego County voters approved the enactment of the initial San Diego Transportation Improvement Program (TransNet) that resulted in a one-half cent increase to the local sales tax. The City's share of TransNet revenue is based on population and the number of local street and road miles maintained. Through a cooperative effort with the San Diego Association of Governments (SANDAG), the City of San Diego is able to manage the Fund so that the most pressing transportation problems are addressed in accordance with TransNet goals.

The purpose of TransNet is to fund essential transportation improvements that relieve traffic congestion, increase safety, and improve air quality. These improvements include performing repairs, restoring existing roadways, and constructing assets within the public right-of-way.

TransNet revenues are primarily allocated to the Transportation Department for traffic engineering and street maintenance services, in addition to the Capital Improvements Program (CIP) for the design and construction of projects that relieve traffic congestion and increase traffic safety. The Department of Finance and Transportation Department are reimbursed for administrative oversight of the Fund.

Department Summary

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
FTE Positions (Budgeted)	0.00	0.00	0.00	0.00
Personnel Expenditures	$ -	$ -	$ -	$ -
Non-Personnel Expenditures	23,119,064	21,104,276	23,336,265	2,231,989
Total Department Expenditures	**$23,119,064**	**$21,104,276**	**$23,336,265**	**$2,231,989**
Total Department Revenue	**$52,393,282**	**$46,268,000**	**$49,095,000**	**$2,827,000**

Transnet Extension Administration & Debt Fund

Department Expenditures

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
TransNet Extension Administration & Debt Fund	$463,981	$462,680	$490,950	$28,270
Total	**$463,981**	**$462,680**	**$490,950**	**$28,270**

Budget Adjustments

	FTE	Expenditures	Revenue
Adjustment to TransNet Allocation Addition of non-personnel expenditures and TransNet revenue associated with projections from SANDAG.	-	$28,270	$28,270
Total	**0.00**	**$28,270**	**$28,270**

Expenditures by Category

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
NON-PERSONNEL EXPENDITURES				
Contracts & Services	463,981	462,680	490,950	28,270
Internal Contracts & Services	*463,981*	*462,680*	*490,950*	*28,270*
NON-PERSONNEL SUBTOTAL	**463,981**	**462,680**	**490,950**	**28,270**
Total	**$463,981**	**$462,680**	**$490,950**	**$28,270**

Revenues by Category

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
Sales Taxes	$463,981	$462,680	$490,950	$28,270
Total	**$463,981**	**$462,680**	**$490,950**	**$28,270**

Transnet Extension Maintenance Fund

Department Expenditures

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
TransNet Extension Maintenance Fund	$14,469,132	$13,741,596	$14,581,215	$839,619
Total	**$14,469,132**	**$13,741,596**	**$14,581,215**	**$839,619**

Budget Adjustments

	FTE	Expenditures	Revenue
Adjustment to TransNet Allocation Addition of non-personnel expenditures and TransNet revenue associated with projections from SANDAG.	-	$839,619	$839,619
Total	**0.00**	**$839,619**	**$839,619**

Expenditures by Category

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
NON-PERSONNEL EXPENDITURES				
Contracts & Services	4,365	-	-	-
External Contracts & Services	*2,270*	-	-	-
Internal Contracts & Services	*2,095*	-	-	-
Transfers Out	14,464,767	13,741,596	14,581,215	839,619
NON-PERSONNEL SUBTOTAL	**14,469,132**	**13,741,596**	**14,581,215**	**839,619**
Total	**$14,469,132**	**$13,741,596**	**$14,581,215**	**$839,619**

Revenues by Category

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
Sales Taxes	$14,469,133	$13,741,596	$14,581,215	$839,619
Total	**$14,469,133**	**$13,741,596**	**$14,581,215**	**$839,619**

Transnet Extension Congestion Relief Fund

Department Expenditures

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
TransNet Extension Congestion Relief Fund	$8,185,951	$6,900,000	$8,264,100	$1,364,100
Total	**$8,185,951**	**$6,900,000**	**$8,264,100**	**$1,364,100**

Budget Adjustments

	FTE	Expenditures	Revenue
Adjustment to TransNet Allocation Addition of non-personnel expenditures and TransNet revenue associated with projections from SANDAG.	-	$1,364,100	$1,959,111
Total	**0.00**	**$1,364,100**	**$1,959,111**

Expenditures by Category

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
NON-PERSONNEL EXPENDITURES				
Supplies	509,954	130,000	130,000	-
Contracts & Services	7,665,410	6,770,000	8,134,100	1,364,100
External Contracts & Services	*162,056*	*500,000*	*1,014,100*	*514,100*
Internal Contracts & Services	*7,503,354*	*6,270,000*	*7,120,000*	*850,000*
Energy and Utilities	10,586	-	-	-
NON-PERSONNEL SUBTOTAL	**8,185,951**	**6,900,000**	**8,264,100**	**1,364,100**
Total	**$8,185,951**	**$6,900,000**	**$8,264,100**	**$1,364,100**

Revenues by Category

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
Revenue from Use of Money and Property	$484,400	$ -	$ -	$ -
Sales Taxes	36,975,768	32,063,724	34,022,835	1,959,111
Total	**$37,460,168**	**$32,063,724**	**$34,022,835**	**$1,959,111**

Revenue and Expense Statement (Non-General Fund)

TransNet Extension Congestion Relief Fund	FY 2025 ACTUAL	FY 2026* BUDGET	FY 2027** ADOPTED
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	$ 2,336,637	$ 3,953,663	$ 1,923,944
Continuing Appropriation - CIP	46,317,908	41,945,118	25,592,351
Continuing Appropriation - Operating	1,861,666	1,641,383	-
TOTAL BALANCE AND RESERVES	**$ 50,516,211**	**$ 47,540,164**	**$ 27,516,294**
REVENUE			
Revenue from Use of Money and Property	$ 484,400	$ -	$ -
Sales Tax	51,908,882	46,268,000	49,095,000
TOTAL REVENUE	**$ 52,393,282**	**$ 46,268,000**	**$ 49,095,000**
TOTAL BALANCE, RESERVES, AND REVENUE	**$ 102,909,493**	**$ 93,808,164**	**$ 76,611,294**
CAPITAL IMPROVEMENTS PROGRAM (CIP) EXPENSE			
CIP Expenditures	$ 25,258,662	$ 25,163,724	$ 25,758,735
TOTAL CIP EXPENSE	**$ 25,258,662**	**$ 25,163,724**	**$ 25,758,735**
OPERATING EXPENSE			
Supplies	$ 509,954	$ 130,000	$ 130,000
Contracts & Services	8,133,756	7,232,680	8,625,050
Energy and Utilities	10,586	-	-
Transfers Out	14,464,767	13,741,596	14,581,215
TOTAL OPERATING EXPENSE	**$ 23,119,064**	**$ 21,104,276**	**$ 23,336,265**
EXPENDITURE OF PRIOR YEAR FUNDS			
CIP Expenditures	$ 4,417,982	$ 5,000,000	$ 5,000,000
Operating Expenditures	220,284	$ 500,000	-
TOTAL EXPENDITURE OF PRIOR YEAR FUNDS	**$ 4,638,265**	**$ 5,500,000**	**$ 5,000,000**
TOTAL EXPENSE	**$ 52,795,707**	**$ 51,268,000**	**$ 54,095,000**
RESERVES			
Continuing Appropriation - CIP	$ 41,945,118	$ 36,945,118	$ 20,592,351
Continuing Appropriation - Operating	1,641,383	1,141,383	-
TOTAL RESERVES	**$ 43,586,501**	**$ 38,086,501**	**$ 20,592,351**
BALANCE* **	**$ 3,953,663**	**$ 3,953,663**	**$ 1,923,943**
TOTAL BALANCE, RESERVES, AND EXPENSE	**$ 100,335,871**	**$ 93,308,164**	**$ 76,611,294**

*At the time of publication, audited financial statements for Fiscal Year 2026 were not available. Therefore, the Fiscal Year 2026 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2026 Adopted Budget, while the beginning Fiscal Year 2026 balance amount reflects the audited Fiscal Year 2025 ending balance.

**Fiscal Year 2027 Beginning Fund Balance reflects the projected Fiscal Year 2026 Ending Fund Balance based on updated Revenue and Expenditures projections for Fiscal Year 2026.

***The Fiscal Year 2026 ending balance includes a <$4,939,830> decrease for the change in the deferred revenue funds held by SANDAG.