

# CHAPTER 14: FINANCIAL ELEMENT

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The Financial Element serves as the funding plan for transportation improvement projects and programs to be implemented over a 20-year horizon (2025-2045). It includes all multi-modal projects identified in the RTP Action Element that are fiscally constrained within this timeframe, as well as transportation investments that extend Beyond 2045 to ensure they are documented should unforeseen funding become available. Those projects are noted as Beyond 2045 in the RTP Action Element Project list included as Appendix 6A.

Revenue assumptions are based on historical funding trends, existing funding programs, and potential new funding sources. Actual revenues will most certainly fluctuate based on many factors such as declining fuel tax revenue due to reduced fuel consumption and improved vehicle efficiency, as well as the local, state, and national economy combined with ever changing transportation funding policies and reauthorization of the federal transportation bill.

In partnership with SACOG, EDCTC established assumptions which inform a 20-year estimate of federal, state, and local transportation revenue. In preparing the revenue forecasts, EDCTC and SACOG worked together to calculate transportation revenue that will likely become available to agencies within the EDCTC planning jurisdiction, based primarily on historical levels. Furthermore, the financial forecast reflects state policies and objectives which have shifted away from traditional roadway investments and new capacity projects and now focus on combating climate change through transportation policy and implementation.

## TRANSPORTATION FUNDING OVERVIEW

### FEDERAL FUNDING SOURCES

The Infrastructure Investment and Jobs Act (IIJA), signed by President Biden on November 15, 2021, provided over \$550 billion in new infrastructure investment, including \$284 billion allocated to transportation projects over five years, expiring on September 30, 2026. Key IIJA programs fund highways, bridges, and transit infrastructure through the Federal-Aid Highway Program, as well as new competitive grant opportunities with strong emphasis on safety improvements, sustainability, electric vehicle infrastructure, climate resilience, mobility, and sustainability. The funding available through IIJA presents opportunities to invest in El Dorado County's existing transportation needs as well as in future-ready transportation systems. However, these programs are highly competitive, oversubscribed, and require extensive cross-jurisdictional coordination, public engagement, and regional prioritization to meet the performance metrics and compliance measures required to secure funding.

The IIJA generates a significant portion of its revenue through federal taxes on gasoline and diesel. The federal gas tax remains at 18.4 cents per gallon for gasoline and 24.4 cents per gallon for diesel, which are deposited into the Highway Trust Fund (HTF). The HTF provides funding for transportation projects nationwide, though the IIJA supplements the fund with additional general revenue sources to meet its ambitious goals.

The IIJA offers a comprehensive suite of funding programs, some of which can directly support El Dorado County and the City of Placerville's transportation goals, particularly in the areas of maintenance, safety, evacuation preparedness, transit, and active transportation. Programs are administered through both formula-based and competitive-based processes. Each program within the IIJA can be leveraged to address specific local needs:

1. Federal-Aid Highway Program (FAHP)
  - Benefit: Provides formula funding for road maintenance, rehabilitation, and improvement projects. This funding can enhance pavement conditions on key routes, including rural highways and local roads.
  - Application: Essential upkeep of road networks, including evacuation routes, ensuring they remain in good condition and accessible during emergencies.
2. Bridge Investment Program
  - Benefit: Offers dedicated funding for the repair and replacement of aging or structurally deficient bridges.
  - Application: Addresses critical bridge repairs, ensuring safe passage during routine and emergency travel, especially for evacuation routes in wildfire-prone areas.
3. Rebuilding American Infrastructure with Sustainability and Equity (RAISE)
  - Benefit: A competitive grant program that can fund multi-modal, regional, or local transportation projects that improve sustainability, equity, and safety.
  - Application: Targets comprehensive projects that improve road safety, transit access, and active transportation facilities like bike lanes and sidewalks, particularly in underserved communities.
4. Infrastructure for Rebuilding America (INFRA)
  - Benefit: Provides competitive grants for freight and highway projects of regional or national significance, improving efficiency in goods movement.
  - Application: Facilitates improvements to regional freight corridors or key highway interchanges, facilitating smoother transportation of goods and emergency supplies, while improving traffic flow on evacuation routes.
5. Surface Transportation Block Grant Program (STBG)
  - Benefit: Highly flexible funding that can be used for highway, bridge, transit, and active transportation projects.
  - Application: Supports a wide range of projects, including road maintenance, the addition of pedestrian and bicycle facilities, and transit system improvements, enhancing overall mobility and connectivity.
6. Congestion Mitigation and Air Quality (CMAQ) Improvement Program
  - Benefit: Focuses on reducing transportation-related air pollution in nonattainment or maintenance areas.
  - Application: Reduces congestion and improve air quality, such as roundabout installations, transit improvements, or the development of electric vehicle (EV) charging infrastructure, addressing both environmental and mobility goals.
7. Highway Safety Improvement Program (HSIP)
  - Benefit: Provides funding for projects that improve road safety and reduce traffic-related fatalities and injuries.
  - Application: Enhances safety on critical corridors and intersections, including safety improvements like guardrails, traffic calming measures, and improved signage. These measures are vital for both everyday travel and emergency evacuation preparedness.
8. National Highway Performance Program (NHPP)
  - Benefit: Offers funding to improve the condition and performance of roads within the National Highway System (NHS).
  - Application: Maintains and upgrades vital highway segments, ensuring that key evacuation and transportation routes remain operational and efficient.

9. Transit Infrastructure Grants
  - Benefit: Supports capital improvements to public transit infrastructure, such as bus services, transit stations, and equipment.
  - Application: Expands bus services, improves transit facilities and acquisition of low-emission buses, provides affordable and sustainable transportation options for residents while reducing road congestion.
10. Electric Vehicle Charging Infrastructure Program
  - Benefit: Invests in the development of a national EV charging network.
  - Application: Supports installation of EV charging stations along key corridors, supporting the transition to electric vehicles and reducing greenhouse gas emissions, while also contributing to local economic growth and sustainability.
11. Safe Streets and Roads for All Program
  - Benefit: Promotes initiatives to reduce roadway fatalities and serious injuries, supporting Vision Zero goals.
  - Application: Creates comprehensive safety plans, improves dangerous intersections, and implements traffic calming measures, helping to achieve the county's safety and mobility goals for both everyday and emergency scenarios.
13. Carbon Reduction Program
  - Benefit: Supports projects that reduce transportation-related greenhouse gas emissions.
  - Application: Develops alternative transportation projects like expanding bike lanes, enhancing public transit, and supporting the shift to electric vehicle infrastructure, contributing to the county's environmental and sustainability goals.

For those programs that align with regional needs, EDCTC and partner agencies can plan for, secure funding, and invest in the transportation system. Investments will span all modes by improving road maintenance, boosting transit services, enhancing safety, reducing congestion, improving adaptation and resiliency to wildfire, and expanding active transportation options for pedestrians and cyclists.

### FEDERAL TRANSIT ADMINISTRATION (FTA)

The FTA provides financial assistance to develop new transit systems and improve, maintain, and operate existing transit networks. FTA oversees funding to state and local transit providers through regional FTA offices. The FTA programs include:

- Section 5307 – Urbanized Area Formula Grant Program  
Funds routine capital investments, including bus purchases and small transit system operating expenses. FTA funds are allocated annually to urbanized areas, as defined by the most current Census (2020), according to the formula based on population, a portion goes to areas under 200,000, and a portion goes to areas over 200,000 persons.
- Section 5310 – Elderly Persons and Persons with Disabilities Formula Program  
Provides funds for transit service and programs to serve the special needs of transit dependent populations and enhance mobility of seniors and persons with disabilities. Funds are allocated through a competitive process.
- Section 5311 – Rural Area Formula Program  
Funds transit services in rural areas with a population of less than 50,000 persons and for operating and capital grants for intercity facilities and services.
- Section 5337 – State of Good Repair  
This new formula-based State of Good Repair program is FTA's first stand-alone initiative written into law that is dedicated to repairing and upgrading the nation's rail transit system and high-intensity motor bus systems that use high-occupancy vehicle lanes. These funds reflect a commitment to ensuring transit operates safely, efficiently, reliably, and sustainably.

- Section 5339 – Bus and Bus Facilities

This program provides capital funding to replace and rehabilitate buses and related equipment. Funds are allocated both directly to transit agencies and distributed through a competitive process.

## LOCAL TRANSPORTATION REVENUE SOURCES

### LOCAL TRANSPORTATION FUND (LTF)

The Transportation Development Act (TDA) of 1971 added one-quarter percent to the statewide sales tax to fund transit services throughout the state. This funding, known as the Local Transportation Fund, is returned to the county of origin to use for the operation of the local transit system. The funds are administered by the regional transportation planning agency in accordance with TDA regulations. While the primary focus of the LTF is transit service, there are provisions for use of the funds for other transportation modes. For example, under Section 99233.3 of the TDA statute, regions may elect to set aside up to two percent of the LTF for pedestrian and bicycle projects. In regions with less than 500,000 in population, a portion of the funds may be used for street and road purposes upon completion of an annual unmet transit needs process.

### GAS TAX SUBVENTIONS

Gas tax revenues are distributed to cities and counties formulaically based on population and must be used for the maintenance of local streets and roads.

### TRANSIT FARES

Revenues generated by passenger fares on transit are used to help fund that transit system. Under the requirements of the TDA, fares must generate at least 10% of the operating revenue for rural transit systems and 20% for urban, or a blended recovery ratio for service that serves urban and rural areas.

### CALTRANS DISCRETIONARY PROGRAMS

The Federal Highway Administration administers discretionary programs through its various offices with the assistance of Caltrans. Discretionary programs represent special funding categories where Caltrans solicits candidates and selects projects for funding based on applications received. Each program has its own eligibility and selection criteria that are established by law, by regulation, or administratively.

### LOCAL STREETS AND ROADS FUNDS

At the discretion of the Placerville City Council or El Dorado County Board of Supervisors, local transportation funding may be supplemented with City and County general funds, Traffic Impact Mitigation (TIM) fees, and revenues generated primarily from property and local sales taxes. Under state law, jurisdictions may impose fees on development that mitigate their impact on local services. One common TIM fee is for traffic generated by new developments along the existing transportation system. These fees must be supported by a traffic study that establishes a nexus between necessary roadway improvements and the additional demand created, as mandated by AB 1600. Given the high demand for these funds and their generally limited availability, general funds are not considered a reliable source of ongoing transportation revenue.

## STATE TRANSPORTATION REVENUE SOURCES

On April 6, 2017, the California Legislature approved the passage of the Road Repair and Accountability Act, better known as Senate Bill (SB) 1, which prioritizes the maintenance and rehabilitation of existing roads and bridges while also expanding investment in transit and active transportation. SB 1 expanded existing transportation programs and introduced new funding sources,

generating an estimated \$5.4 billion annually over the next decade and beyond. These revenues are derived from increases in fuel taxes and transportation-related fees dedicated to maintaining and improving California's transportation system.

## CALIFORNIA FUEL TAXES AND FEES

The state gas tax is comprised of two separate components, a base excise tax and a price-based excise tax. The first is a base excise tax of 30 cents per gallon, which included a 12-cent increase with the passage of SB 1. The second component is a price-based excise tax of 17.3 cents a gallon that is adjusted to inflation. The funds flow to cities and counties formulaically at 36% while the remaining 64% flows to the State Highway Account. The price-based excise tax is adjusted on an annual basis to reflect the equivalent of the state sales tax on gasoline in the previous year. This portion of the gas tax is first used to backfill debt service on transportation bonds and the remaining amount is divided as follows: 44% to local roadways, 44% to new construction projects in the State Transportation Improvement Program (STIP), and 12% to the state highways maintenance and operations. Table 14-1 provides a summary of the programs funded through the state gas tax.

### GASOLINE TAXES

The state currently has two excise taxes on each gallon of gasoline: a base tax and a variable "swap" tax.

- **Base Excise Tax:** SB 1 increased this tax by 12 cents for a total tax of 30 cents per gallon. SB 1 also put into place an annual adjustment for inflation.
- **Swap Excise Tax:** SB 1 eliminated the swap tax and replaced it with a fixed excise tax of 17.3 cents per gallon which is adjusted for inflation beginning July 1 every year.

### DIESEL TAXES

California also collects revenue from excise and sales taxes on the sale of diesel fuel.

- **Excise Tax:** SB 1 increased this tax by 20 cents per gallon of diesel fuel for a total tax of 36 cents per gallon. SB 1 makes the rate fixed with an annual adjustment for inflation.
- **Diesel Swap Sales Tax:** SB 1 increased the diesel sales tax from 1.75 percent to 5.75 percent. In addition, state and local sales taxes on tangible goods that combined average 8.5 percent statewide also apply to diesel, with revenue from a rate of 4.75 percent funding transportation. Senate Bill 1 made no changes to this tax.

**TABLE 14-1: State Transportation Funding Programs**

Program	Description	Distribution Method
RMRA	Provides funds directly to the cities and counties in California for roadway projects and maintenance efforts	Formula
State Highway Operations and Protection Plan (SHOPP)	Provides funds for pavement rehabilitation, operation, and safety improvements on state highways and bridges	Direct to Caltrans
Caltrans Local Assistance	Caltrans oversees more than \$1 billion in federal and state funding annually to over 600 cities, counties, and regional agencies. The program provides recipients with the opportunity to improve their transportation infrastructure or provide additional transportation services.	N/A
Active Transportation Program (ATP)	This program funds safe routes to school, pedestrian, bicycle, and trail projects. Created in response to the Federal Transportation Alternatives Program, the State's ATP was created on September 26, 2013, with the passage of California Senate Bill 99 (Chapter 359, Statutes of 2013) and California Assembly Bill 101 (Chapter 354, Statutes of 2013).	Competitive

**TABLE 14-1: State Transportation Funding Programs (cont.)**

Program	Description	Distribution Method
State Transportation Improvement Program (STIP)	Funds new construction projects that add capacity to the transportation network. STIP consists of two components, Caltrans' Interregional Transportation Improvement Program (ITIP) and Regional Transportation Planning Agencies' Regional Transportation Improvement Program (RTIP). STIP funding is a mix of state, federal, and local taxes and fees	Formula
Solutions for Congested Corridors Program	Provides funding to achieve a balanced set of transportation, environmental, and community access improvements to reduce congestion throughout the state. This statewide, competitive program makes \$250 million available annually for projects that implement specific transportation performance improvements and are part of a comprehensive corridor plan by providing more transportation choices while preserving the character of local communities and creating opportunities for neighborhood enhancement.	Competitive
Trade Corridor Enhancement Program	Provides an ongoing source of state funding dedicated to freight-related projects by establishing the new Trade Corridor Enhancement Account (TCEA). The TCEA will provide approximately \$300 million per year in state funding for projects which more efficiently enhance the movement of goods along corridors that have a high freight volume	Competitive
Local Partnership Program	Provides local and regional transportation agencies that have passed sales tax measures, developer fees, or other imposed transportation fees with a continuous appropriation of \$200 million annually to fund road maintenance and rehabilitation, sound walls, and other transportation improvement projects.	Formula (Self Help)/Competitive
Local Transportation Climate Adaptation Program	Provides competitive grants to local agencies for the development and implementation of capital projects adapting local transportation infrastructure to changes in climate.	Competitive

## VEHICLE TAXES AND FEES

**TRANSPORTATION IMPROVEMENT FEE:** SB 1 established a new Transportation Improvement Fee, collected annually with vehicle registration, to provide a dedicated revenue source for transportation improvements. The amount of the fee is based on the market value of the vehicle. Table 14-2 represents the rate schedule for this fee.

**TABLE 14-2: Transportation Improvement Fee Schedule**

Value of Vehicle	Annual Fee
\$0 to \$4,999	\$32
\$5,000 to \$24,999	\$65
\$25,000 to \$34,999	\$129
\$35,000 to \$59,999	\$194
\$60,000 and higher	\$227

**ZERO-EMISSION VEHICLE REGISTRATION FEE:** SB 1 also established a Road Improvement Fee for zero-emission vehicles (ZEV). Because ZEV owners do not contribute to fuel tax revenues, this annual registration fee was created to ensure they help fund the maintenance and improvement of the transportation network.

## STATEWIDE SALES TAX

Since the passage of the Transportation Development Act (TDA) in 1971, the state has dedicated 0.25% of the statewide sales and use tax to transportation programs. The sales tax in El Dorado County is 7.25% except for the City of Placerville which has a sales tax rate of 8.25%. The 0.25% sales tax goes into the Local Transportation Fund (LTF) which is distributed back to counties on a population basis. The primary purpose of these funds is to support public transit, with the option of using funds for bikeways, rail, and streets and roads when certain criteria have been met. For rural and urbanizing counties such as El Dorado County, this means that all unmet transit needs that are reasonable to meet, as defined by law, must first be addressed before LTF revenues can be allocated to other purposes. LTF revenues are distributed to the cities and county on a population basis annually. In addition to the 0.25% sales tax on purchases, a separate 13% sales tax is levied against the sales of diesel fuel. Of this amount, 4.75% is deposited into the Public Transportation account while the remaining 1.75% is directed to the State Transit Assistance account. Together, the accounts provide funding for public transit and passenger rail services statewide. Table 14-3 summarizes these programs.

**TABLE 14-3: State Programs Funded with State Sales Tax**

Local Transportation Fund (LTF)	Funding directed to Regional Transportation Planning Agencies to perform long-range planning, implement bus transit, passenger rail, bikeways, and streets and roads projects.
Public Transportation Account	50% of funding is directed to state transit programs (e.g., intercity passenger rail and feeder bus program), 25% to Regional Transportation Planning Agencies for transit purposes, and 25% to public bus and passenger rail operators in the state.
State Transit Assistance	Funding directed Regional Transportation Planning Agencies, public bus, and passenger rail operators in the state

## FINANCIAL ASSUMPTIONS

EDCTC works directly with SACOG and local jurisdictions to establish the financial assumptions used to develop the revenue estimates for this plan. SACOG prepared the regional revenue forecasts as part of the Draft 2025 Blueprint Metropolitan Transportation Plan Sustainable Communities Strategy (MTP/SCS). Developing the revenue forecasts involves establishing the regional assumptions for the anticipated federal, state, and local transportation revenues that may be realized during the planning horizon of 2025-2045. This effort includes calculating the share of federal and state revenues that come to the Sacramento Region and the share which is allocated to El Dorado County. Calculations were based upon the 2025 MTP/SCS, historical precedence, and the federal and state formulaic distribution mandates under the currently approved transportation legislation. In late 2024, EDCTC approved the Draft Financial Forecast for the RTP 2025-2045. This forecast included a 50% reduction from the SACOG projections for federal and state competitive grant funding. EDCTC determined this reduction was necessary given the state and federal shift away from investments in traditional transportation projects, which comprise much of the RTP 2025-2045.

## ESTIMATED REVENUE

Preparing forecasts of anticipated transportation revenues is a challenging task due to the ever-changing transportation funding picture in California and Nationwide. A key task in the preparation of a long-range transportation funding strategy is an assessment of revenue likely available from existing federal, state, and local sources. The revenue forecasts prepared for the Regional Transportation Plan were developed through a collaboration between EDCTC and each of the partner agencies including SACOG, Caltrans, the City of Placerville, El Dorado County, and El Dorado Transit. Funding for projects across all modes generated through federal, state, and local sources is summarized in Table 14-4 which illustrates the estimated funding forecasts for years 2025 through 2045.

**TABLE 14-4: Estimated Funding Revenues 2025-2045** (Dollars Adjusted for Inflation to 2045 in Millions)

Funding	Applicable Uses	Short Term 2025-2035	Long Term 2036-2045	Total
<b>Federal Programs</b>				
CMAQ	Highways, Roads, Transit, ATP, TDM, TCM	\$21,215,481	\$25,203,432	\$46,418,913
STBG - Urban	Highways, Roads, Transit, ATP, TDM, TCM	\$30,773,053	\$36,573,123	\$67,346,176
Federal Competitive Programs	All Modes	\$9,445,000	\$11,120,000	\$20,565,000
<b>State Programs</b>				
STIP/ITIP	Highways and roads	\$10,761,543	\$8,972,000	\$19,733,543
Road Maintenance and Rehabilitation Account	Road Maintenance	\$61,331,332	\$74,824,225	\$136,155,557
EDCTC STBG Exchange	Roads	\$9,763,933	\$9,763,933	\$19,527,866
County Direct STBG Exchange	Roads	\$4,591,640	\$4,591,640	\$9,183,280
<b>Senate Bill 1 Competitive State Programs</b>				
Active Transportation Program	Bicycle and pedestrian improvements	\$12,952,273	\$12,952,273	\$25,904,546
Local Partnership Program	Roads	\$4,564,285	\$4,564,285	\$9,128,570
<b>Transit and TDM Funding</b>				
STA (99313&99314)	Transit	\$16,797,963	\$13,886,930	\$30,684,893
STA State of Good Repair	Transit	\$2,843,767	\$2,350,951	\$5,194,718
SB 125 TIRCP	Transit	\$18,193,898	\$0	\$18,193,898
SB 125 ZETCP	Transit	\$2,607,216	\$0	\$2,607,216
FTA 5307 Urbanized Area Formula	Transit	\$2,990,000	\$3,200,000	\$6,190,000
FTA 5311/5340 Rural Assistance Program	Transit	\$9,052,386	\$10,758,731	\$19,811,117
FTA 5309 c Bus Allocations	Transit	\$5,100,000	\$7,700,000	\$12,800,000
Freeway Service Patrol	TDM	\$1,100,000	\$1,100,000	\$2,200,000
<b>Local Programs</b>				
LTF	Transit, Highways, and Roads	\$45,609,170	\$62,712,600	\$108,321,770
Local Streets and Roads TIM and MC&FP	Roads	\$162,101,527	\$186,767,230	\$348,868,757
City of Placerville ½ Cent Sales Tax (Sunsets March 31, 2037)	Roads	\$38,624,373	\$4,291,597	\$42,915,970
<b>Total</b>		<b>\$470,418,840</b>	<b>\$481,332,950</b>	<b>\$951,751,790</b>

Source: SACOG Blueprint 2025 Forecast

Source: El Dorado County CIP and City of Placerville CIP

## SUMMARY OF EXPENDITURES

Transportation project cost estimates identified in the Action Element of the 2025-2045 Regional Transportation Plan total over \$951 million. This amount includes all projects listed in both the short-term and long-term action plans as well as the fiscally unconstrained list. Table 14-5 shows the estimated cost for both the short-term and long-term action plans for each transportation mode. This table is included to illustrate the magnitude of funding needed to enhance and maintain the entire transportation system.

**TABLE 14-5: Cost Estimates 2025-2045 Regional Transportation Plan**

Transportation Mode	Short-Term Action Plan 2025-2035 (Nominal* Dollars)	Long-Term Action Plan 2036-2045 (Nominal* Dollars)
Road and Highway Capacity	\$47,536,000	\$233,333,900
Maintenance and Rehabilitation	\$93,634,988	\$102,920,000
Transit	\$161,869,644	\$103,947,780
Active Transportation	\$56,638,168	\$59,372,000
System Management, Operations, and ITS	\$52,212,239	\$35,859,200
<b>Total</b>	<b>\$411,891,039</b>	<b>\$535,432,880</b>

\*Nominal dollars include real dollars plus inflation

## COMPARISON OF EXPENDITURES TO REVENUE

Projected expenditures for the 2025-2045 Regional Transportation Plan (RTP) must be constrained within the anticipated revenues. Table 14-6 compares the short-term and long-term action plans for each mode with forecasted revenues over the 2025-2045 period. The table reflects a nominal surplus in both the short- and long-term planning horizons, indicating that reasonably available revenues are expected to be sufficient to fund programmed and planned improvements throughout the planning period.

In accordance with the 2024 California RTP Guidelines, all project cost estimates are expressed in year-of-expenditure (YOE) dollars where completion year estimates are available. For projects without identified completion years, SACOG's annual inflation factors were applied to develop YOE costs. All YOE cost estimates were adjusted to align with SACOG's financial forecast assumptions.

**TABLE 14-6: Expenditure Estimates and Estimated Revenue Comparison** (Dollars Adjusted for Inflation to 2045 in Millions)

Transportation Mode 2025-2045	Nominal Dollars
Total Expenditures*	\$947,323,919
Total Estimated Revenues	\$951,751,788

\*Excluding fully funded projects and those outside the jurisdiction of EDCTC

Source: SACOG Blueprint 2045 Forecast

## CONCLUSIONS

Based on the preceding revenue and expenditure analysis, the West Slope of El Dorado County anticipates sufficient funding to implement the projects identified in the fiscally constrained action plan of this RTP. However, funding availability is expected to fluctuate over the life of this plan and will be reevaluated in the 2030 update. The revenue forecast relies on continued dedication of local funds to transportation purposes.

Through the 2045 horizon, some planned transportation investments may need to be scaled back, phased, or even deferred beyond 2045. To address future infrastructure needs and maintain implementation of planned improvements, new funding mechanisms and innovative fiscal management strategies will likely need to be explored.