Fiscal Impacts of the Loss of Measure C on Fresno County Cities

Prepared for: Fresno Council of Governments

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Summary

This report evaluates the fiscal implications of losing Measure C for the 14 incorporated cities in Fresno County other than the City of Fresno. The County is excluded because it has prepared its own separate analysis. The analysis evaluates whether the cities can continue to function and maintain their transportation systems, whether they can provide the local match necessary to participate in Federally funded transportation projects, and whether their remaining recurring revenues provide sufficient flexibility to avoid severe reductions in transportation services or capital investment.

The analysis uses five scenarios contained in the accompanying financial worksheets:

1. **Scenario 1 – Baseline FY 2026–27:** Existing Measure C and TDA Article 8 revenues remain available.
2. **Scenario 2 – No Measure C:** Measure C revenues are eliminated, but TDA Article 8 remains.
3. **Scenario 3 – No Measure C and No TDA Article 8:** Both Measure C and TDA Article 8 revenues are eliminated.
4. **Scenario 4 – No Measure C and One-Half TDA Article 8:** Measure C is eliminated and TDA Article 8 revenues are reduced by 50 percent.
5. **Scenario 5 – No Measure C, No TDA, Increased Federal Revenues Based on FTIP:** Measure C and TDA Article 8 are eliminated; federal revenues are increased based on the federal projects programmed in the FTIP rather than historical federal receipts; and cities are required to provide the corresponding local match.

Note that the potential for smaller jurisdictions to lose TDA-8 funding is reflected in this report as supposition only at this time. Fresno COG has no information to date suggesting that the Fresno County Rural Transit Agency will need to include additional TDA funding as part of its budgetary process in the immediate future; however, such potential becomes more realistic as time passes.

Scenario 5 is particularly important because it illustrates both the opportunity and the challenge created by Federal transportation funding. The cities collectively would receive approximately **$27.6 million in increased Federal revenues**, but would need to provide approximately **$3.31 million in local matching funds**. The local match represents approximately **10.1 percent of the cities' combined local and State transportation resources** in that scenario.

The ability to meet the match varies substantially among cities. In some cities, the required match represents less than 5 percent of their available local and State transportation resources. In others, the match consumes more than 25 percent or even 50 percent of those resources. **San Joaquin, Huron, Firebaugh, and Mendota** face the greatest relative pressure under Scenario 5, while **Clovis, Reedley, Fowler, and Selma** have considerably greater capacity to absorb the required match.

This analysis does not determine whether a city has enough money to perform every roadway maintenance activity it currently performs because detailed city-level expenditures, pavement conditions, staffing, maintenance standards, and existing fund balances are outside the scope of the worksheets. Instead, it identifies whether the recurring revenues available under each scenario leave the city with meaningful fiscal capacity after accounting for the local match associated with the Federal transportation program.

Overall Findings

The scenarios show that losing Measure C alone does not have the same effect as the loss of Measure C combined with TDA Article 8.

Collectively, the 14 cities receive approximately **$11.7 million in Measure C revenue** under the baseline scenario. Removing Measure C reduces total revenues from approximately **$60.4 million to $48.7 million**, approximately $11.7 million.

Eliminating TDA Article 8 as well reduces the combined revenue available to the cities to approximately **$39.5 million**. A 50-percent reduction in TDA Article 8 produces an intermediate result of approximately **$44.1 million**.

Scenario 5 produces a different fiscal picture. Although Measure C and TDA Article 8 are both eliminated, Federal revenues are increased to reflect the Federal projects programmed in the FTIP rather than relying on historical federal revenue reported by individual cities. Under this scenario, the cities collectively have approximately **$32.7 million in local and State resources**, approximately **$27.6 million in Federal revenue**, and approximately **$3.31 million in required local match**.

The central policy issue is therefore not simply whether a city loses Measure C revenue. It is whether the city retains enough flexible local and State revenue to do three things simultaneously:

- maintain its existing roadway system;
- provide the local match required to leverage federal transportation funding; and
- respond to other transportation needs that arise during the fiscal year.

City-by-City Analysis

Clovis. Clovis has the greatest recurring fiscal capacity of the 14 cities under the scenarios evaluated. Under the baseline scenario, the city has approximately **$20.9 million in total transportation-related revenue**. Eliminating Measure C reduces this to approximately **$16.6 million**, and losing both Measure C and TDA Article 8 does not further reduce the amount because Clovis does not receive TDA Article 8 revenue beyond what is allocated to Clovis Transit. Under Scenario 5, Clovis has approximately **$13.47 million in local and State resources** and receives approximately **$4.38 million in increased Federal funding** based on FTIP programming. The required local match is approximately **$526,000**, equal to only about **3.9 percent of its available local and State resources**. Approximately **$12.95 million** remains after accounting for the Federal match. Clovis therefore appears well positioned to maintain its roadway system and participate in its federally funded transportation program even without Measure C and TDA Article 8. Losing Measure C would reduce discretionary capacity, but the scenario analysis does not indicate a need for severe immediate changes to basic transportation operations.

Coalinga. Coalinga experiences a much more significant reduction in fiscal capacity as revenues are progressively removed. Total revenues decline from approximately **$3.03 million under the baseline** to **$2.35 million with no Measure C**, and to approximately **$1.45 million when both Measure C and TDA Article 8 are eliminated**. Restoring one-half of TDA Article 8 raises the amount to approximately $1.90 million. Scenario 5 provides approximately **$1.13 million in local and State resources** and approximately **$1.95 million in increased federal funding**, but requires approximately **$234,000 in local match**. The match consumes approximately **20.7 percent** of the city's local and State resources, leaving approximately **$898,000** after the match. Coalinga appears capable of participating in its federal program, but the remaining local resources are relatively limited once the match is funded. Maintaining roads should remain possible, but the city would have little flexibility for major new local transportation commitments, and significant maintenance needs or project cost increases could require reprioritization.

Firebaugh. Firebaugh's fiscal position becomes increasingly constrained as Measure C and TDA revenues are removed. Baseline revenues are approximately **$1.43 million**, declining to approximately **$1.05 million without Measure C** and to approximately **$678,000 without both Measure C and TDA Article 8**. With one-half of TDA Article 8, the city would have approximately $862,000. Scenario 5 provides approximately **$655,000 in local and State resources** and approximately **$1.49 million in increased federal funding**, with a required local match of approximately **$179,000**. The match consumes approximately **27.2 percent** of the city's local and State resources, leaving only about **$477,000** after the match. Firebaugh therefore has significantly less flexibility than the larger cities. It may be able to maintain its basic roadway system and participate in selected federally funded projects, but doing both at the existing level would place substantial pressure on its recurring revenues. Project prioritization, deferral, or use of other available transportation resources could be necessary.

Fowler. Fowler's baseline transportation revenues are approximately **$2.45 million**. Removing Measure C reduces the total to approximately **$2.08 million**, while eliminating TDA Article 8 as well reduces it to approximately **$1.67 million**. Under Scenario 5, Fowler has approximately **$1.51 million in local and State resources** and approximately **$826,000 in increased federal funding**. The required local match is approximately **$99,000**, representing only **6.6 percent** of available local and State resources. Approximately **$1.41 million** remains after the match. Fowler therefore appears to have sufficient recurring fiscal capacity to maintain basic transportation functions and meet the local match for its federal program without severe immediate reductions. Losing Measure C would nevertheless reduce its ability to undertake additional transportation improvements beyond existing commitments.

Huron. Huron is among the cities facing the greatest fiscal pressure. Its baseline revenues are approximately **$1.18 million**, declining to approximately **$874,000 without Measure C** and approximately **$646,000 when both Measure C and TDA Article 8 are eliminated**. Scenario 4 provides approximately $760,000. Under Scenario 5, Huron has only approximately **$576,000 in local and State resources**, while the FTIP-based federal projection increases federal revenues to approximately **$2.07 million**. The required local match is approximately **$248,000**, consuming approximately **43.1 percent** of the city's local and State resources. Only approximately **$328,000** remains after providing the match. This is a substantial fiscal burden. Huron may be able to maintain basic transportation functions, but its ability to simultaneously maintain roads, provide the federal match, and undertake other transportation activities would be severely constrained. The city would be particularly vulnerable to unexpected maintenance costs or increases in project costs and could need to reduce or defer federally funded projects if additional resources are unavailable.

Kerman. Kerman's baseline revenue is approximately **$3.10 million**. That falls to approximately **$2.45 million with no Measure C** and approximately **$1.61 million when TDA Article 8 is also eliminated**. With one-half of TDA Article 8, revenues are approximately $2.03 million. Scenario 5 provides approximately **$1.21 million in local and State resources** and approximately **$1.04 million in increased federal revenues**. The required local match is approximately **$125,000**, or approximately **10.4 percent** of available local and State resources. Approximately **$1.08 million** remains after the match. Kerman therefore appears capable of meeting its federal match and continuing basic roadway functions, although its remaining discretionary capacity is substantially lower than under the baseline. The city should be able to continue its current transportation program, but the loss of Measure C would make it more difficult to accommodate substantial new transportation needs without additional revenues.

Kingsburg. Kingsburg's baseline revenue is approximately **$2.69 million**, declining to approximately **$2.14 million without Measure C** and approximately **$1.45 million if TDA Article 8 is also eliminated**. Scenario 4 produces approximately $1.80 million. Under Scenario 5, Kingsburg has approximately **$964,000 in local and State resources** and approximately **$1.55 million in increased federal funding**. The required local match is approximately **$186,000**, representing approximately **19.3 percent** of local and State resources. Approximately **$778,000** remains after the match. Kingsburg appears capable of meeting the local match, but the match consumes a significant portion of its recurring local resources. The city should be able to maintain basic roadway functions, but its ability to fund additional local transportation improvements or respond to significant maintenance needs would be considerably more limited without Measure C.

Mendota. Mendota's baseline revenues are approximately **$1.98 million**, declining to approximately **$1.49 million without Measure C** and approximately **$874,000 without both Measure C and TDA Article 8**. A 50-percent reduction in TDA Article 8 results in approximately $1.18 million. Under Scenario 5, Mendota has approximately **$860,000 in local and State resources** and approximately **$2.08 million in increased federal revenues**. The required local match is approximately **$249,000**, or approximately **29.0 percent** of local and State resources. Approximately **$611,000** remains after the match. Mendota can theoretically provide the required match, but doing so consumes nearly one-third of its local and State resources. The city therefore faces significant fiscal pressure if it attempts to maintain its existing roadway system while also pursuing the full FTIP program. Mendota may need to prioritize projects, defer lower-priority work, or identify additional local transportation resources.

Orange Cove. Orange Cove's baseline transportation revenue is approximately **$1.34 million**, declining to approximately **$929,000 without Measure C** and approximately **$575,000 without both Measure C and TDA Article 8**. Scenario 4 provides approximately $752,000. Scenario 5 provides approximately **$566,000 in local and State resources** and approximately **$620,000 in increased federal funding**. The required local match is approximately **$74,000**, representing approximately **13.1 percent** of local and State resources. Approximately **$492,000** remains after the match. Orange Cove appears capable of meeting the local match, but its overall local and State revenue base is small. The city may be able to continue basic roadway maintenance and participate in Federally funded projects, but it has limited flexibility to address major unforeseen maintenance needs or undertake substantial transportation improvements without additional funding.

Parlier. Parlier's baseline revenues total approximately **$2.99 million**, falling to approximately **$2.43 million without Measure C** and approximately **$1.72 million without both Measure C**

and TDA Article 8. Scenario 4 results in approximately $2.08 million. Under Scenario 5, Parlier has approximately **$1.69 million in local and State resources** and approximately **$2.19 million in increased federal revenues**. Its required local match is approximately **$263,000**, representing approximately **15.6 percent** of local and State resources. Approximately **$1.43 million** remains after the match. Parlier appears capable of meeting its federal match and continuing basic roadway operations, although the loss of Measure C substantially reduces its fiscal cushion. Compared with the cities facing the greatest pressure, Parlier retains meaningful local capacity, but it would have less flexibility for major new transportation commitments or significant increases in maintenance costs.

Reedley. Reedley has one of the strongest transportation revenue positions among the 14 cities. Its baseline revenue is approximately **$6.61 million**, declining to approximately **$5.65 million without Measure C** and approximately **$4.26 million without both Measure C and TDA Article 8**. Scenario 4 provides approximately $4.96 million. Under Scenario 5, Reedley retains approximately **$4.20 million in local and State resources** and receives approximately **$2.19 million in increased federal funding**. The required local match is approximately **$262,000**, only **6.3 percent** of local and State resources. Approximately **$3.93 million** remains after the match. Reedley therefore appears well positioned to maintain its roadway system and satisfy its federal match requirements despite the loss of Measure C and TDA Article 8. The primary consequence of losing Measure C would be reduced flexibility for additional transportation investments rather than an immediate threat to basic roadway operations.

Sanger. Sanger also retains substantial recurring transportation capacity. Its baseline revenue is approximately **$6.81 million**, declining to approximately **$5.82 million without Measure C** and approximately **$4.49 million without both Measure C and TDA Article 8**. Scenario 4 produces approximately $5.15 million. Scenario 5 provides approximately **$2.89 million in local and State resources** and approximately **$4.18 million in increased federal funding**. The required local match is approximately **$502,000**, equal to approximately **17.3 percent** of local and State resources. Approximately **$2.39 million** remains after the match. Sanger therefore appears capable of meeting its federal match and continuing roadway operations, although the federal program consumes a meaningful share of its recurring local and State resources. The city would retain substantial capacity after the match, but would have less flexibility than under the baseline to fund transportation needs outside the federally supported program.

San Joaquin. San Joaquin faces the most severe fiscal pressure under Scenario 5. Its baseline transportation revenue is approximately **$611,000**, declining to approximately **$392,000 without Measure C** and to approximately **$221,000 when both Measure C and TDA Article 8 are eliminated**. Scenario 4 provides approximately $307,000. Under Scenario 5, the city has only approximately **$221,000 in local and State resources**, while FTIP-based federal revenues increase to approximately **$1.12 million**. The required local match is approximately **$135,000**, consuming approximately **60.9 percent** of the city's available local and State resources. Only approximately **$87,000** remains after providing the match. This represents a profound fiscal constraint. San Joaquin may technically be able to provide the required match under the worksheet assumptions, but doing so would leave very little local and State revenue available for roadway maintenance and other transportation responsibilities. Unless the city has substantial resources outside the scope of this analysis, severe changes in project prioritization, project timing, maintenance expenditures, or additional local funding would likely be necessary.

Selma. Selma has a comparatively strong recurring transportation revenue position. Its baseline revenue is approximately **$5.27 million**, declining to approximately **$4.37 million without**

Measure C and approximately **$3.20 million without both Measure C and TDA Article 8**. Scenario 4 produces approximately $3.78 million. Under Scenario 5, Selma has approximately **$2.77 million in local and State resources** and approximately **$1.90 million in increased federal revenues**. Its required local match is approximately **$228,000**, or approximately **8.2 percent** of available local and State resources. Approximately **$2.54 million** remains after the match. Selma therefore appears capable of maintaining basic roadway functions and meeting the local match requirements associated with its FTIP program. The loss of Measure C would reduce the city's overall transportation flexibility, but the scenario analysis does not indicate an immediate need for severe reductions in roadway maintenance or federally funded transportation activity.

Comparative Fiscal Pressure

The cities can be broadly grouped according to the amount of local and State fiscal capacity consumed by the Scenario 5 federal match.

Lower relative match burden:

- Clovis — 3.9%
- Reedley — 6.3%
- Fowler — 6.6%
- Selma — 8.2%
- Kerman — 10.4%

These cities have the greatest ability to absorb the federal match while retaining substantial recurring resources for other transportation purposes.

Moderate relative match burden:

- Orange Cove — 13.1%
- Parlier — 15.6%
- Sanger — 17.3%
- Kingsburg — 19.3%
- Coalinga — 20.7%

These cities can meet the projected match, but the federal program consumes a meaningful share of their available local and State transportation resources.

High relative match burden:

- Firebaugh — 27.2%
- Mendota — 29.0%
- Huron — 43.1%
- San Joaquin — 60.9%

These cities face the greatest risk that leveraging Federal transportation funds could place substantial pressure on their ability to fund basic local transportation needs. For these jurisdictions, the policy question is not whether Federal funding is beneficial—it clearly increases total transportation investment—but whether the city has enough local fiscal capacity to participate in the Federal program without compromising other transportation responsibilities.

Policy Board Implications

The scenario analysis suggests several important considerations for the Fresno COG Policy Board.

First, **Measure C provides more than a source of capital funding.** Its loss reduces the local fiscal capacity available to cities to address roadway maintenance, provide federal match, and respond to transportation needs that do not qualify for federal funding.

Second, **the potential loss of TDA Article 8 materially increases the fiscal pressure created by the loss of Measure C.** Scenario 2 and Scenario 3 demonstrate that cities with significant TDA Article 8 allocations experience another substantial reduction in transportation resources if those funds are unavailable.

Third, **historical federal revenue should not be used as the sole measure of a city's federal transportation activity.** Scenario 5 appropriately uses the FTIP to identify the increased Federal funding opportunities. This is particularly important for cities whose historical State Controller reporting shows little or no Federal transportation revenue. The FTIP indicates that these cities nevertheless have Federally funded projects and therefore have corresponding local match obligations.

Fourth, **Federal funding does not eliminate the local fiscal problem.** In Scenario 5, the 14 cities collectively receive approximately $27.6 million in increased federal revenues, but must provide approximately $3.31 million in local match. For some cities, that match is a relatively small share of their local and State resources. For others, it represents a substantial or potentially unsustainable share.

Fifth, the ability to “function and maintain roads” cannot be determined solely from the revenue tables. A city could have sufficient revenues to provide the local match but still face a roadway maintenance deficit if its pavement condition, street network size, staffing costs, or deferred maintenance obligations are unusually high. Conversely, a city could have limited discretionary revenue but still maintain basic services by reducing capital expenditures or drawing on existing fund balances. Those issues are outside the scope of this report.

Finally, this analysis does **not assume that previously accumulated gas tax or Measure C balances are available to offset the recurring revenue reductions**. Such balances could provide temporary relief for individual cities, but their amount, restrictions, and existing commitments would need to be evaluated separately. Including them would change the analysis from a recurring-revenue sustainability assessment to a fund-balance and cash-flow analysis.

Conclusion

As of July 1, 2027, the 14 Fresno County cities would not experience a uniform fiscal impact from the loss of Measure C. The scenario analysis demonstrates a spectrum ranging from cities with substantial recurring fiscal capacity to cities for which the combination of lost Measure C and TDA revenues would leave very limited resources for local transportation needs.

Under the most demanding Scenario 5—no Measure C, no TDA Article 8, increased federal revenues based on FTIP programming, and the associated local match—**Clovis, Reedley, Fowler, Selma, and Kerman appear to have sufficient recurring local and State resources**

to participate in the increased federal program while retaining substantial resources for other transportation needs. Orange Cove, Parlier, Sanger, Kingsburg, and Coalinga can also provide the projected match, but with progressively less fiscal flexibility.

Firebaugh, Mendota, Huron, and particularly San Joaquin face the greatest fiscal risk. In these cities, the local match consumes a large share of the recurring local and State transportation resources available after Measure C and TDA Article 8 are removed. For these jurisdictions, maintaining existing roads while simultaneously leveraging the full FTIP program could require substantial reprioritization of transportation expenditures, project deferrals, use of available reserves, or identification of additional local funding.

The principal conclusion for the Policy Board is therefore that **the loss of Measure C is not simply a reduction in available transportation dollars; it reduces the local fiscal capacity necessary to leverage federal dollars and maintain the transportation system at the same time.** The impact is most acute in cities where the federal program is large relative to the city's recurring local and State revenue base.

The proposed replacement transportation measure could materially change these conclusions if it ultimately provides additional recurring funding to the cities. However, because the measure remains subject to the pending County litigation and its availability on the November 2026 ballot remains uncertain, it should not be relied upon for purposes of evaluating the July 1, 2027 fiscal position.

Accordingly, absent a replacement revenue source, the Policy Board should recognize that some cities may be able to absorb the loss of Measure C with relatively modest operational consequences, while others may face **significant and potentially structural reductions in their ability to maintain roads, provide federal match, or pursue their currently programmed transportation projects**.

Attachments:

Appendix A: Scenario 1 – Baseline FY 2026–27
Appendix B: Scenario 2 – No Measure C
Appendix C: Scenario 3 – No Measure C and No TDA Article 8
Appendix D: Scenario 4 – No Measure C and One-Half TDA Article 8
Appendix E: Scenario 5 – No Measure C, No TDA, Increased Federal Revenues Based on FTIP: