

DEPARTMENT OF TRANSPORTATION

M e m o r a n d u m

To: CHAIR AND COMMISSIONERS

CTC Meeting: September 24-25, 2003

Reference No.: 3.1
Information ItemFrom: ROBERT L. GARCIA
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Chief
Division of BudgetsRef: **CALTRANS MONTHLY FINANCE REPORT**

This report is based on the forecast presented at the California Transportation Commission (Commission) meeting in June 2003 along with the Department of Transportation's (Department) assumption and presents activity for the month of July 2003. The cash balance provided for the month of August 2003 is based on preliminary information and will be updated once the monthly accounting process is completed and the data has been analyzed. As requested by the Commission the Department has consulted with the Commission staff to revise the format of this report. For each major fund, the following items are presented:

- Status of the Account Balance versus forecast for the current quarter.
- The forecast year end balance for information.
- Comments on significant expenditures and revenue items.
- An attached graph charting the actual month end balances against the current forecast.
- An attachment displaying the adjusted balance for each fund after short term loans are considered.
- Attachments pertaining to existing commitments and Advance Construction (AC) against the State Highway Account (SHA) and commitments against Federal Funds are still being developed. It is anticipated that these will be available at the Commission meeting.
- In addition, a separate forecast for the Transportation Investment Fund (TIF) will be included in the October 2003 finance report.

STATE HIGHWAY ACCOUNT (SHA)**Current Quarter (in millions)**

Adjusted Cash Balance	July	Aug	Sept
Forecast	\$189	-\$90	\$106
Actual	-\$16	\$46*	
Difference	-\$205	\$136	

Fiscal Year

Year-end Balance	2002-03	2003-04
Forecast	\$145	\$123
Actual	\$293	
Difference	\$148	

The following comments apply to the July expenditures and revenues:

- As forecast, the declining SHA balance has resulted in adjusted cash balances below zero for a short period this quarter. This is primarily due to no enacted state Budget and no Highway Users Tax Account (HUTA) transfers occurring in July 2003.
- Very low SHA balances are projected for the first three quarters of the 2003-04 state fiscal year with the next critical periods in November 2003 and February and March 2004.

Analysis of July 2003 Data:

Revenue

- \$75 million more in federal funds was collected in July 2003 than anticipated. This is due to the federal local Obligation Authority (OA) that was borrowed to cover monthly expenditures. These do not represent additional revenue as the OA will be paid back to local assistance programs before the end of FY 2003-04.
- Miscellaneous revenues and transfers were \$43 million lower than anticipated in July 2003 due to the delayed enactment of the budget.

Expenditures

- Capital Outlay expenditures were \$113 million higher than anticipated in the June Forecast for July 2003. We continue to monitor these expenditures because we increased expenditures in the June Forecast.
- Local Assistance expenditures were \$5 million higher than anticipated in July 2003.

*At the time of publishing, only the total cash balance was available for August 2003. Expenditure and revenue details for August 2003 will be presented at the September 2003 Commission meeting.

FEDERAL TRUST FUND

Included in this month's report is information on the status of Federal Funds. There is no separate forecast for Federal Funds since it is included in the forecast for the State Highway Account. Included in this report are two attachments on federal funds. 1) Attachment 9 – Federal Fund Apportionment Status and 2) Attachment 9a – Obligation Authority State and Local Use. Following are highlights of these reports:

- For Federal Fiscal Years (FFY) 2001 and 2002 all OA was used.
- As of July 31, 2003, with two months remaining in the FFY, eighty seven percent (87%) of the FFY 2003-04 OA has been obligated. As with prior years, all OA will be obligated by the end of the FFY.
- In each of the last two years, only minor amounts of OA have been transferred between state and local allocations to maximize its use.
 - \$0.5 million from local to state in FFY 2002
 - \$95 million from state to local in FFY 2003.
- The Advance Construction (AC) level as of August 8, 2003 was \$3.6 billion. Of this amount eighty eight percent (88%) has not yet been expended.

- In FFY 2003, \$200 million will be transferred from local to state to assist in maintaining SHA cash balances during July and August of 2003. As of July 2003, \$70 million was transferred.

PUBLIC TRANSPORTATION ACCOUNT (PTA)

<u>Current Quarter (in millions)</u>				<u>Fiscal Year</u>		
<u>Adjusted Cash Balance</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>Year-end Balance</u>	<u>2002-03</u>	<u>2003-04</u>
Forecast	\$44	\$85	\$73	Forecast	\$56	\$82
Actual	\$39	\$95		Actual	\$101	
Difference	-\$5	\$10		Difference	\$45	

- The actual balances are very close to forecast for both July and August 2003.

Analysis of July 2003 Data:**Transfers:**

- In July 2003, PTA loaned \$50 million to SHA. This was a short-term loan and was repaid in August 2003 and is reflected in August revenues.

TRAFFIC CONGESTION RELIEF FUND (TCRF)

<u>Current Quarter (in millions)</u>				<u>Fiscal Year</u>		
<u>Adjusted Cash Balance</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>Year-end Balance</u>	<u>2002-03</u>	<u>2003-04</u>
Forecast	\$325	\$292	\$222	Forecast	\$356	-\$55
Actual	\$321	\$280		Actual	\$356	
Difference	-\$4	\$12		Difference	\$0	

- The July 2003 month end balance was \$321 million, which was \$4 million less than the projected ending cash balance.

Analysis of July 2003 Data:**Revenue**

- No new revenues are recorded for this period.

Expenditures

- July 2003 expenditures were \$4 million higher than projected. July expenditures are very close to projection.

TOLL BRIDGE SEISMIC RETROFIT ACCOUNT (TBSRA)

<u>Current Quarter (in millions)</u>				<u>Fiscal Year</u>		
<u>Adjusted Cash Balance</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>Year-end Balance</u>	<u>2002-03</u>	<u>2003-04</u>
Forecast	\$161	\$1,251	\$1,193	Actual	\$190	\$794
Actual	\$156	\$1,267		Forecast	\$201	
Difference	-\$5	\$16		Difference	\$11	

- The July 2003 month end balance was \$156 million, which was \$5 million less than the projected ending cash balance. Month end balances are close to projections.

Analysis of July Data:

Revenue

- July 2003 revenue included \$2.0 million in Surplus Money Investment Fund interest, and \$10.4 million in toll surcharge revenue.

Expenditures

- July 2003 expenditures were forecast at \$40 million. Actual expenditures were \$58 million. The difference is attributable to expenditures that had been forecast to occur in May 2003 and June 2003.

Preliminary Analysis of August 2003 Data:

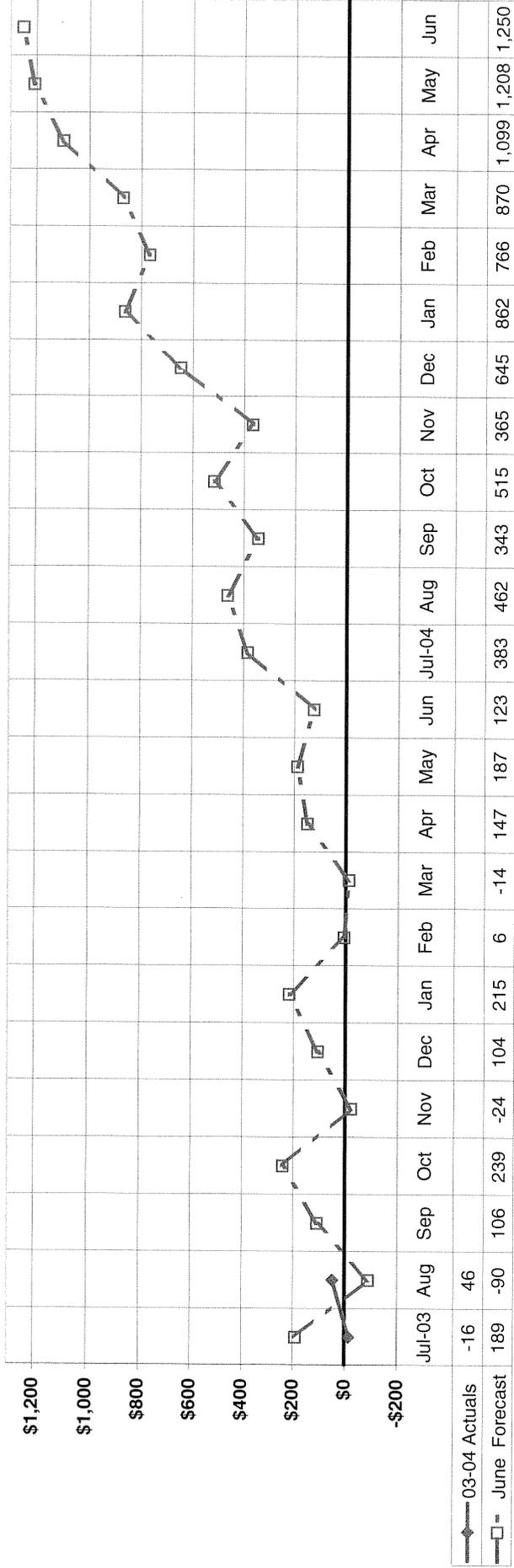
Revenue

- August 2003 revenues include \$1.1 billion in bond proceeds from the bond sale on August 5, 2003.
- August 2003 will be the last month that toll surcharge revenue will be deposited into the TBSRA. After September 1, 2003, toll revenue will be deposited into a debt service account to make debt service payments on the bond.

LOAN REPORTING REQUIREMENT, CHAPTER 13, STATUTES OF 2001, UPDATE

- Government Code Sections 14566.7 through 14566.9 requires quarterly and annual reports to the Commission and the Legislature. Attachments 8 and 8a represents the 4th quarter activity. The Loan Activity report has been updated to reflect the most current expenditure information.

24-MONTH STATE HIGHWAY ACCOUNT CASH FORECAST
As presented at the June 2003 CTC meeting
(\$ in millions)



Key Assumptions:

June Forecast assumes existing allocations through May, plus June vote as proposed in the CTC Agenda. Includes 2003-04 actuals through July 31, 2003.

Assumes no legislation will be enacted to correct lowered Weight Fee revenue.

2003-04 Assumes May Revision for HUTA.

General Fund repayment of \$173 million forecasted in 2004-05.

State Operations Expenditure projections reflect the Governor's Budget May Revision.

Expenditures for STIP and SHOPP based on the level of Going Contracts as of May 30, 2003 and the Pipeline Contracts from June 11, 2003.

Pipeline Contracts from June 11, 2003 include \$362 million of the \$543 million voted in Apr & May. The remainder is spread using Fund Estimate cash flow for Capital Outlay projects. Expenditures also include projections for Safety and Emergency projects.

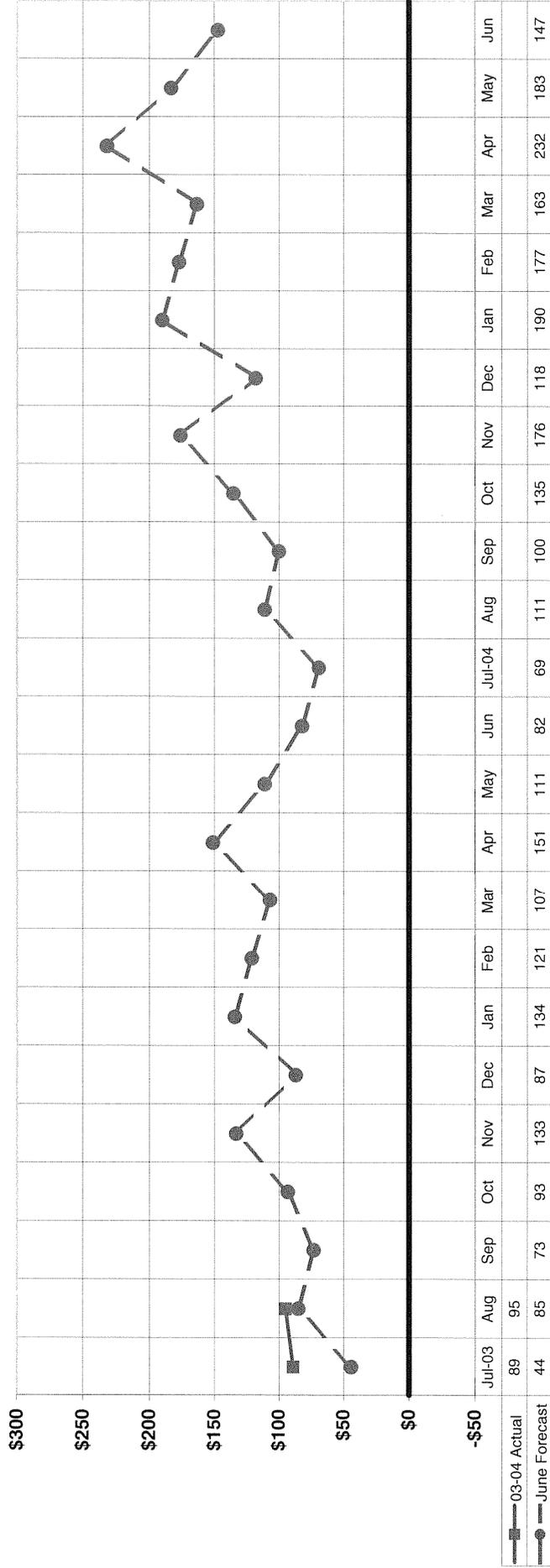
Forecast for Minor "A" projects is included in the Contract Register. Minor "B" is assumed to be included in the additional voting, if any.

Forecast for Right of Way is based on their Capital Allocation, adjusted for projected reduction of \$100 M.

\$120 million in TIF is included in 2004-05. Future book item will include a separate 24-month forecast for the TIF.

This forecast assumes that there will be no more votes after June. Any additional voting will negatively impact the cash balances in 2003-04.

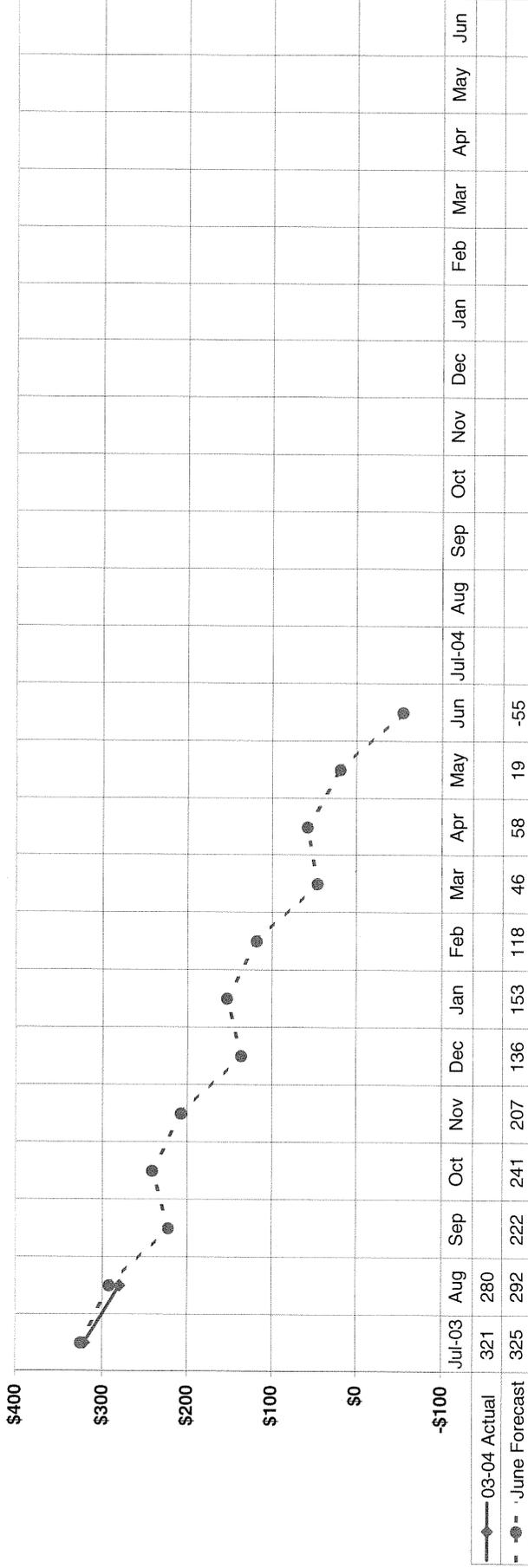
24-MONTH PUBLIC TRANSPORTATION ACCOUNT CASH FORECAST
As presented at the June 2003 CTC meeting
(\$ in millions)



Assumptions:

Actual expenditures and receipts updated as of July 31, 2003.
 Gasoline and Diesel Sales Tax revenues changed due to May Revise/DOF Revenue Forecasts
 No PTA Spillover in 2002-03. Spillover transferred to General Fund in 2003-04 according to May Revise.
 TIF transfer to PTA in 2003-04 is suspended per May Revise.
 Cash forecast assumes \$92 million in revenue from TIF in 2004-05, \$23 million transferred quarterly with one quarter lag
 Revenues reduced in 2003-04 and 2004-05 due to Transbay Terminal
 Forecast includes cash flow of capital outlay expenditures of \$18.2 million in 2003-04 and \$27.3 million in 2004-05 based on revised expenditure patterns of the Intercity Rail Program
 State Transit Assistance (STA) decreased due to DOF Revenue Forecasts and cap on transfer in May Revise.

24-MONTH TRAFFIC CONGESTION RELIEF FUND FORECAST
As presented at the June 2003 CTC meeting
(\$ in millions)



Assumptions:

Cash forecast includes actual activity through July 31, 2003.
Cash forecast based on the expenditure levels taken from the Regional Transportation Planning Agency (RTPA) survey information dated March 2003.
Forecasted 2002-03 expenditures which do not occur are assumed to occur in 2003-04.
Cash forecast assumes \$207 million in revenue from TIF in 2003-04, \$51.7 million transferred quarterly with a one quarter lag.
June 2004 balance negative due to lag in TIF quarterly payments. Payment expected in July 2004.

STATE HIGHWAY ACCOUNT
Adjusted Cash Balance as of July 31, 2003
(\$ in millions)

	2003
	JULY
Beginning Cash Balance (SHA & TRA), per SCO	\$658
Add: Receipts for Month	253
Less: Disbursements for Month	(567)
Ending Cash Balance	\$344
 Cash Reconciliation:	
Less: TRA Balance from Other Funds	(\$32)
Less: Short Term Loans	(328)
Adjusted SHA Cash Balance	(\$16)

PUBLIC TRANSPORTATION ACCOUNT
Adjusted Cash Balance as of July 31, 2003
(\$ in millions)

	2003 JULY
Beginning Cash Balance, per SCO	<u>\$101</u>
Plus: Receipts for Month	1
Less: Disbursements for Month	<u>13</u>
Ending Cash Balance	\$39
 Cash Reconciliation:	
Add: Short Term Loan to SHA	<u>\$50</u>
Adjusted Cash Balance	<u>\$89</u>

TRAFFIC CONGESTION RELIEF FUND
Adjusted Cash Balance as of July 31, 2003
(\$ in millions)

	2003 JULY
Beginning Cash Balance, per SCO	\$31
Add: Receipts for Month	18
Less: Disbursements for Month	(35)
Ending Cash Balance	\$14
 Cash Reconciliation:	
Add: SHA Short Term Loan	\$307
Adjusted Cash Balance	\$321

**CHART 2
STATUS OF SEISMIC RETROFIT PROGRAM**

PHASE I (\$ in millions)	
	TOTAL
Estimated Capital Cost	\$815.0
Major Projects Funded To Date	\$842.9****
Minor Projects Funded To Date	\$4.6
Total Capital Costs Funded To Date	\$847.5

PHASE II (\$ in millions)			
	SHA FEDERAL MDL*	SEISMIC BOND FUND	TOTAL
Total Estimated Cost - Support and Capital			\$1,350.0
Major Projects Funded To Date	\$63.0	\$773.3*****	\$836.3
Minor Projects Funded To Date	\$3.1	\$8.8	\$11.9
Right of Way Capital Costs To Date		\$10.0***	\$10.0
Support Costs Funded	\$103.0	\$256.8**	\$359.8
Prop 192 Reimbursement	(\$99.8)	\$99.8	\$0.0
Total Funded To Date	\$69.3	\$1,148.7	\$1,218.0

* Multi-District Litigation funds received through Petroleum Products Antitrust Litigation agreement, August 12 1992.

** Does not include \$81.2 million allocated for PMIA loan interest expenses as these costs are usually offset by the interest earned by the SMIF.

*** Indicates actual expenditures/encumbrances. (Other amounts are allocations.)

**** \$1,200,000 supplemental funds for EA 07-11930 (M03-0254).

***** A total of \$496,206 from "Final Voucher" adjustments based on latest estimates.

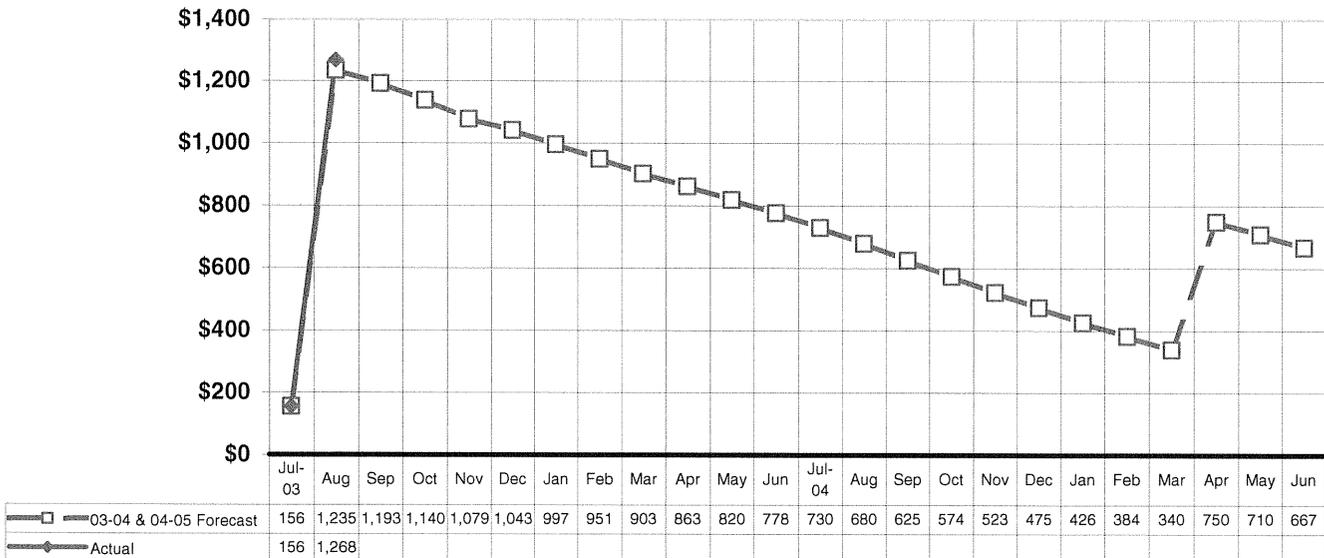
TOLL BRIDGE SEISMIC RETROFIT
(\$ in millions)

	SHA TOLL MDL ⁽¹⁾	SEISMIC BOND FUND	TBSR ACCT	HBRR ⁽²⁾ FUNDS (Federal)	TOTAL
Total Estimated Cost - Support and Capital					\$4,637.0
Major Projects Funded To Date	\$22.2	\$649.3	\$2,362.2 ⁽³⁾	\$627.5	\$3,661.2
Minor Projects Funded To Date					
Right of Way Capital Costs To Date		\$24.0	\$56.1		\$80.1
Support Costs Funded	\$66.2	\$106.0	\$421.0 ⁽⁴⁾		\$593.2
Prop 192 Reimbursement	-\$9.5	\$9.5			\$0.0
Total Funded To Date	\$78.9	\$788.8	\$2,809.7	\$627.5	\$4,304.4

Total Estimated Cost increased to \$4,637.0 million per Assembly Bill 1171 (Chapter 907, Statutes of 2001).

- (1) Multi-District Litigation funds received through Petroleum Products Antitrust Litigation agreement, August 12 1992.
- (2) Federal Highway Bridge Replacement and Rehabilitation, as authorized by AB 1171.
- (3) No changes in allocations since last report.
- (4) Indicates actual expenditures/encumbrances (Other amounts are allocations)

24-MONTH TOLL BRIDGE SEISMIC RETROFIT ACCOUNT CASH FORECAST
(\$ in millions)



Caltrans Monthly Finance Report
Department of Transportation Quarterly Loan Report

Table A:

ENACTED LOAN PLAN**

Current (\$ in Millions)	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	Totals
	Payback in (Parenthesis) Loan to Traffic Congestion Relief Fund from State Highway Account	\$9	\$40	\$534	(\$100)			(\$477)	
Loan to Traffic Congestion Relief Fund from Public Transportation Account		\$180	\$95					(\$275)	\$0
Loan to General Fund from Traffic Congestion Relief Fund		\$238	\$1,145			(\$1,383)			\$0
Loan to General Fund from State Highway Account			\$173	(\$173)					\$0
Apportionments to Locals from State Highway Account		\$143	\$168				(\$232)*	(\$79)*	\$0

* Payback will be through increased STIP funding in the TIF in 2006-07 and 2007-08

** Repayment of all loans is assumed to occur in the final year.

Table B:

LOAN ACTIVITY

Fourth Quarter Report April 1, 2003 through June 30, 2003	To TCRF From SHA*				To TCRF From SHA				To TCRF From PTA				
	2000-01	2001-02	2002-03	2002-03	2002-03	2002-03	2002-03	2002-03	2002-03	2002-03	2002-03	2002-03	2002-03
	(Q1)	(Q2)	(Q3)	(Q4)	(Q1)	(Q2)	(Q3)	(Q4)	(Q1)	(Q2)	(Q3)	(Q4)	(Q4)
(\$'s in Millions)													
Amounts Loaned	\$2	\$41	\$13	\$14	\$9	\$11	\$167	\$307	\$0	\$95	\$0	\$0	\$0
Amounts Repaid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Outstanding Balances	\$2	\$41	\$13	\$14	\$9	\$11	\$167	\$307	\$0	\$95	\$0	\$0	\$0

* These are expenditures directly appropriated from the SHA that will be repaid by the TCRF in 2006-07.

Fourth Quarter Report April 1, 2003 through June 30, 2003	To General Fund From TCRF				Apportionments to Locals from SHA				To General Fund From SHA				
	2001-02	2002-03	2002-03	2002-03	2001-02	2002-03	2002-03	2002-03	2002-03	2002-03	2002-03	2002-03	2002-03
	(Q1)	(Q2)	(Q3)	(Q4)	(Q1)	(Q2)	(Q3)	(Q4)	(Q1)	(Q2)	(Q3)	(Q4)	(Q4)
(\$'s in Millions)													
Amounts Loaned	\$238	\$1,045	\$0	\$100	\$143	\$45	\$45	\$40	\$0	\$0	\$0	\$0	\$0
Amounts Repaid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Outstanding Balances	\$238	\$1,045	\$0	\$100	\$143	\$45	\$45	\$40	\$0	\$0	\$0	\$0	\$0

Short-term Loans and Repayment Schedule
 FY 2003-04

	2002		2003							Total			
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar		Apr	May	June
SHA short-term loans from TCRF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$325
SHA repayment to TCRF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Short-term loan balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$325

	2003		2004							Total			
	July*	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar		Apr	May	June
SHA short-term loans from TCRF	\$307	\$307											\$614
SHA repayment to TCRF	(\$325)	(\$40)	(\$40)	(\$40)	(\$40)	(\$40)	(\$40)	(\$40)	(\$27)				(\$632)
Short-term loan balance	\$307	\$267											-\$18

* SHA repaid \$325 million to TCRF and received a short-term loan for \$307 million from TCRF. July 2003 net repayment of \$18 million.

	2003		2004							Total			
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar		Apr	May	June
SHA short-term loan from PTA	\$50	\$0											\$50
SHA repayment to PTA	\$0	(\$50)											(\$50)
Short-term loan balance	\$50	-\$50											\$0

FEDERAL FUND - APPORTIONMENT STATUS
(\$ in millions)

MAJOR FUND CATEGORY	FFY-2001		FFY-2002		FFY-2003 (as of July 31, 2003)	
	Apportionment	Obligations (1)	Apportionment	Obligations (1)	Apportionment	Obligations (1)
INTERSTATE MAINTENANCE (2)	\$ 199	\$ 120	\$ 209	\$ 273	\$ 223	\$ 213
NATIONAL HIGHWAY SYSTEM (2)	\$ 268	\$ 207	\$ 281	\$ 455	\$ 372	\$ 452
MINIMUM GUARANTEE (3)	\$ 194	\$ 226	\$ 196	\$ 186	\$ 210	\$ 197
CONGESTION MITIGATION & AIR QUALITY IMPROVEMENT	\$ 381	\$ 248	\$ 372	\$ 323	\$ 332	\$ 210
BRIDGE PROGRAM FUNDS	\$ 151	\$ 151	\$ 316	\$ 189	\$ 301	\$ 285
SURFACE TRANSPORTATION PROGRAM (2)	\$ 1,208	\$ 1,169	\$ 1,105	\$ 865	\$ 789	\$ 723
SURFACE TRANSPORTATION ENHANCEMENT	\$ 66	\$ 67	\$ 68	\$ 72	\$ 61	\$ 31
MISCELLANEOUS (4)	\$ 3	\$ 47	\$ 3	\$ 21	\$ 3	\$ (3)
METROPOLITAN PLANNING	\$ 30	\$ 30	\$ 30	\$ 30	\$ 29	\$ 29
STATE PLANNING AND RESEARCH FUNDS (SPR)	\$ 50	\$ 62	\$ 52	\$ 61	\$ 47	\$ 9
TOTAL	\$ 2,549	\$ 2,326	\$ 2,633	\$ 2,476	\$ 2,367	\$ 2,147
AVAILABLE FEDERAL OBLIGATIONAL AUTHORITY (OA)	\$	\$ 2,326	\$	\$ 2,476	\$	\$ 2,458
AVAILABLE FEDERAL OA REMAINING	\$	\$ 0	\$	\$ 0	\$	\$ 311

NOTES

- (1) Includes FTA transfers
- (2) 50% of the annual IM and NH apportionments are transferred to STP
- (3) Combines Special and Exempt funding
- (4) Includes Rec Trails and various PRE-ISTEA fund types

Annual obligations can exceed the annual apportionments provided that prior year carry-over unobligated apportionments are available.

**OBLIGATION AUTHORITY (OA)
STATE / LOCAL USE
(\$ in millions)**

FFY 2003 (AS OF 7/31/03)

	<u>STATE</u>	<u>LOCAL</u>	<u>TOTAL</u>
OBLIGATION AUTHORITY	\$ 1,554	\$ 904	\$ 2,458
CUMULATIVE OBLIGATIONS	\$ 1,624	\$ 522	\$ 2,147
REMAINING OA	\$ (70)	\$ 381	\$ 311

NOTE: AS OF 7/31/03, THE STATE HAS USED \$70 MILLION OF LOCAL OA.

FFY 2002

	<u>STATE</u>	<u>LOCAL</u>	<u>TOTAL</u>
OBLIGATION AUTHORITY	\$ 1,621	\$ 855	\$ 2,476
CUMULATIVE OBLIGATIONS	\$ 1,622	\$ 854	\$ 2,476
REMAINING OA	\$ (0.5)	\$ 0.5	\$ 0.0

NOTE: YEAR END ADJUSTMENT TO MAXIMIZE USE OF OA

FFY 2001

	<u>STATE</u>	<u>LOCAL</u>	<u>TOTAL</u>
OBLIGATION AUTHORITY	\$ 1,482	\$ 844	\$ 2,326
CUMULATIVE OBLIGATIONS	\$ 1,387	\$ 940	\$ 2,326
REMAINING OA	\$ 95	\$ (95)	\$ 0

NOTE: LOCAL ASSISTANCE USED \$95 MILLION OF STATE OA.

OA - includes formula limitation, minimum Guarantee Special and Exempt.
Cumulative Obligations include formula, minimum guarantee, and special allocated limitation.