

## DEPARTMENT OF TRANSPORTATION

**M e m o r a n d u m**

To: CHAIR AND COMMISSIONERS

CTC Meeting: October 29-30, 2003

Reference No.: 3.1  
Information ItemFrom: ROBERT L. GARCIA  
Chief Financial OfficerPrepared by: Robert Sertich  
Chief  
Division of BudgetsRef: **CALTRANS MONTHLY FINANCE REPORT**

This report is based on the forecast presented at the California Transportation Commission (Commission) meeting in September 2003 along with the Department of Transportation's (Department) assumptions and presents activity for the month of August 2003. This report has been expanded to include a cash forecast for the Transportation Investment Fund (TIF).

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

<b><u>Adjusted Cash Balance</u></b>	<b><u>Aug</u></b>	<b><u>Sept</u></b>	<b><u>Oct</u></b>
Forecast	-\$90	\$280	\$300
Actual	\$46	\$297	
Difference	\$136	\$17	

**Fiscal Year (FY)**

<b><u>Year-end Balance</u></b>	<b><u>2002-03</u></b>	<b><u>2003-04</u></b>	<b><u>2004-05</u></b>
Forecast	\$145	\$330	\$1,190
Actual	\$293		
Difference	\$148		

The actual cash balance for August 2003 was \$46 million, which is \$136 million higher than forecast. The cash balance for September 2003 is \$17 million above forecast. The September balances appear to reflect corrections to expenditures and revenues that were incomplete in July and August, due to the absence of a state budget. Based upon the September balance, expenditures are on track with the forecast. Revenue and expenditure detail for September 2003 were not available at the time of publishing.

**Analysis of August 2003 Data:****Revenue:**

- \$24 million more in federal reimbursement was collected in August 2003 than anticipated. This is due to local assistance Obligation Authority (OA) that was borrowed to cover monthly expenditures. This does not represent an increase in revenue over the fiscal year forecast, as the OA will be paid back to local assistance programs before the end of FY 2003-04.

**Expenditures:**

- Capital outlay expenditures were \$66 million higher than anticipated.

**Analysis of September 2003 Data:**

- Revenue and expenditure detail for September 2003 were not available at the time of publishing.

**FEDERAL TRUST FUND**

As discussed at the September 2003 Commission meeting, Federal Funds are included in the SHA forecast. The updated reports for Federal Fund Apportionment Status and the Obligation Authority State and Local Use are attached. Following are highlights of these reports:

- For Federal Fiscal Years (FFY) 2001 and 2002 all OA was used.
- As of September 30, 2003, one hundred percent (100%) of the FFY 2003-04 OA has been obligated.
- As of September 30, 2003, the Advance Construction (AC) level for major fund categories was \$3.1 billion.
- Other AC commitments, including Grant Anticipation Revenue Vehicles (GARVEE bonds), Toll Bridge Seismic Retrofit, Local Assistance and Emergency Relief total \$1.2 billion, for a total commitment of \$4.3 billion.

**PUBLIC TRANSPORTATION ACCOUNT (PTA)**

<u>Current Quarter (in millions)</u>				<u>Fiscal Year (FY)</u>			
<u>Adjusted Cash Balance</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Year-end Balance</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
Forecast	\$100	\$80	\$110	Forecast	\$56	\$120	\$160
Actual	\$95	\$95		Actual	\$101		
Difference	-\$5	\$15		Difference	\$45		

The actual cash balance continues to be close to the forecast. The August 2003 month end balance was \$95 million, which was \$5 million less than the projected ending cash balance. The month ending cash balance for September 2003 was \$95 million, which was \$15 million more than the projected ending cash balance.

**TRAFFIC CONGESTION RELIEF FUND (TCRF)****Current Quarter (in millions)**

<u>Adjusted Cash Balance</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>
Forecast	\$280	\$260	\$270
Actual	\$280	\$279	
Difference	\$0	\$19	

**Fiscal Year (FY)**

<u>Year-end Balance</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
Forecast	\$356	-\$40	\$290
Actual	\$356		
Difference	\$0		

The actual cash balance continues to be close to the forecast. The August 2003 month end balance was \$280 million, which was the projected ending cash balance. The month ending cash balance for September 2003 was \$279 million, which was \$19 million higher than the projected ending cash balance. A new progress report is anticipated in October 2003 from the Traffic Congestion Relief Program. The TCRF cash forecast will be updated following an analysis of this information.

**TOLL BRIDGE SEISMIC RETROFIT ACCOUNT (TBSRA)****Current Quarter (in millions)**

<u>Adjusted Cash Balance</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>
Forecast	\$1,251	\$1,193	\$1,114
Actual	\$1,267	\$1,167	
Difference	\$16	\$59	

**Fiscal Year (FY)**

<u>Year-end Balance</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
Forecast	\$190	\$752	\$642
Actual	\$201		
Difference	\$11		

The August 2003 month end balance was \$1.267 billion, which is \$16 million less than the projected ending cash balance. Much of this difference is attributable to an adjustment in methodology. The account balance no longer includes debt service reserve and administrative sub-funds. These sub-funds are reserved for specific bond-related purposes, and are not available for support or capital outlay. The forecasts for October and FY 2003-04 have been adjusted accordingly.

**Preliminary Analysis of September Data:****Revenue**

- As of September 1, 2003, this fund no longer receives revenue. Revenue from the seismic surcharge (\$1 per vehicle toll) is committed to repay the bonds sold in August 2003, and any future financing mechanisms.

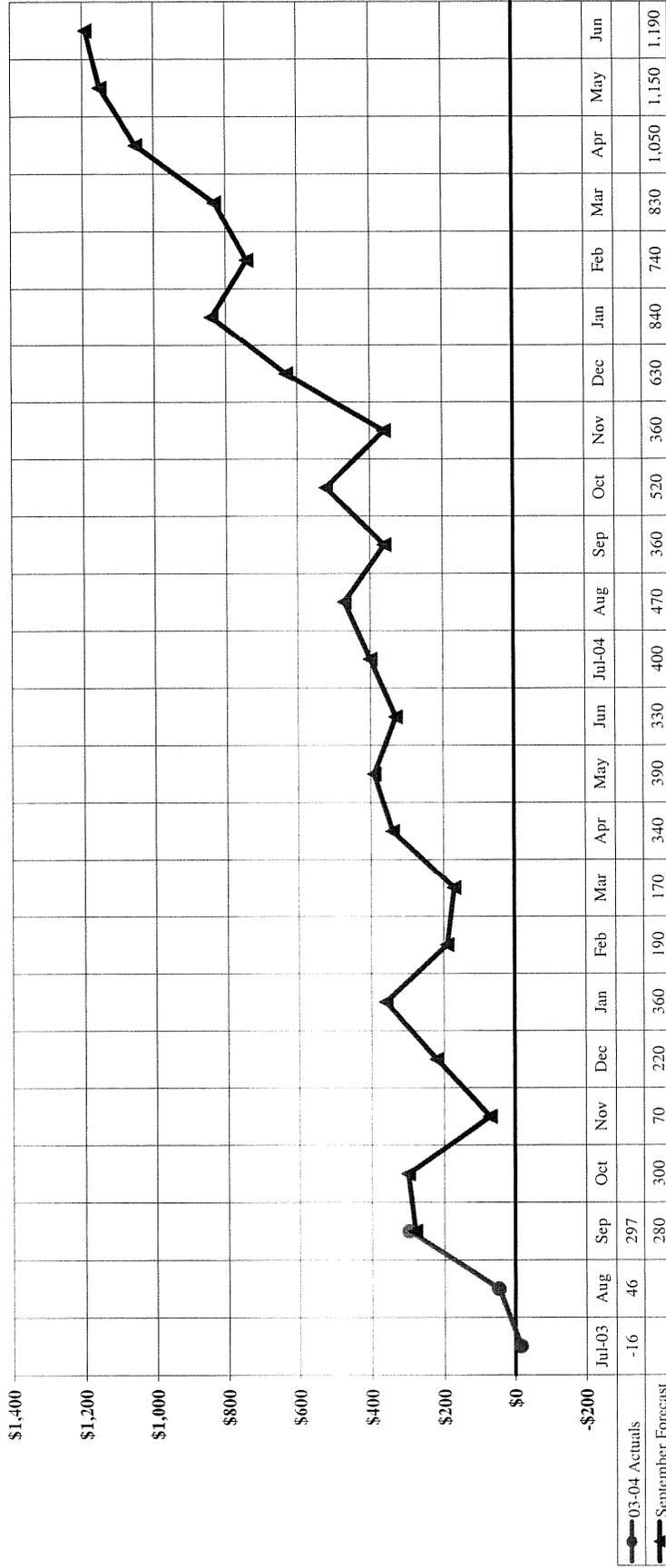
**Expenditures**

- July 2003 expenditures were forecast at \$41 million. Actual expenditures were \$22 million. Higher than expected expenditures in July and August may have contributed to the lower than forecast expenditures this month.

**TRANSPORTATION INVESTMENT FUND (TIF)**

- TIF will receive \$289 million in FY 2003-04. As the TIF revenue is received, an immediate transfer to the TCRF will follow. Therefore, the cash forecast assumes a zero cash balance in the TIF for FY 2003-04.
- The transfer of revenue to the TCRF, PTA and the local streets and roads is anticipated to begin in FY 2004-05.
- The projected ending cash balance for FY 2004-05 is \$138 million.

**24-MONTH STATE HIGHWAY ACCOUNT CASH FORECAST**  
(\$ in millions)

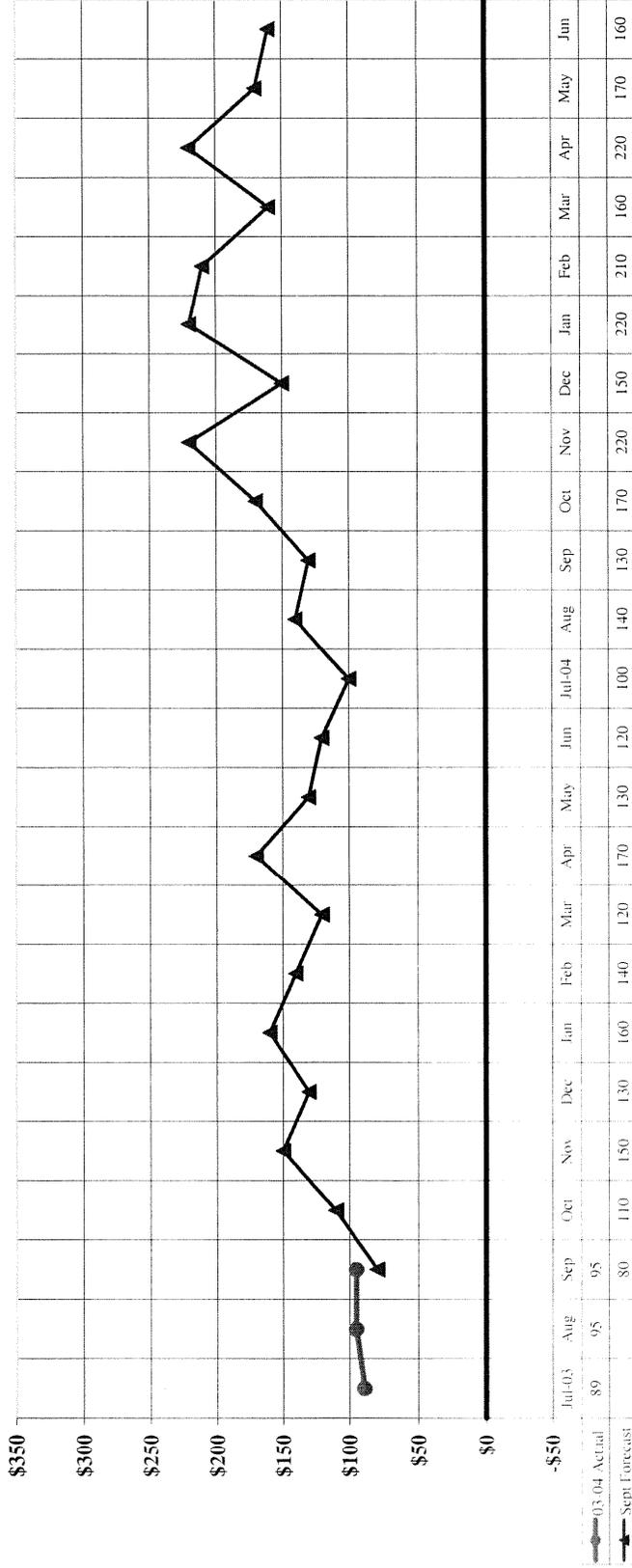


**Assumptions:**

- Cash forecast includes actual activity through August 31, 2003.
- Cash forecast assumes no new allocation.
- FY 2003-04 General Fund (GF) repayment of \$173 million plus \$2.216 million interest has been added to FY 2003-04.
- FY 2004-05 Weight Fee revenue assumes 2003-04 levels, adjusted for a trend growth factor.
- FY 2004-05 Highway Users Tax Account assumes 2.1% growth.
- FY 2004-05 Forecast includes \$2 million of AB3090 reimbursements but does not include GARVEE repayments.

24-MONTH PUBLIC TRANSPORTATION ACCOUNT CASH FORECAST

(\$ in millions)

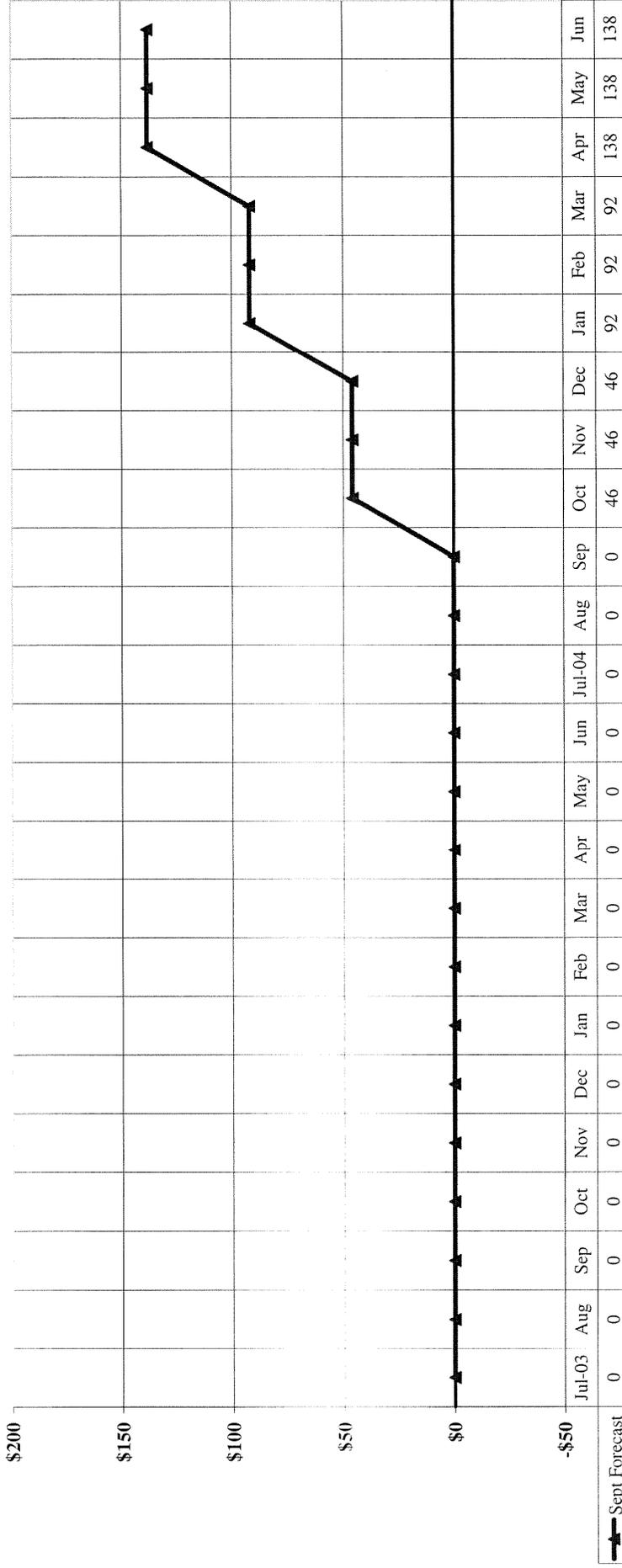


**Assumptions:**

Cash forecast includes actual activity through August 31, 2003.  
 Gasoline and diesel sales tax revenues reflect the May 2003 Department of Finance revenue forecasts.  
 AB 1751 (Ch. 224, St. of 2003) eliminates the transfer of spillover in FY 2003-04. Spillover assumed \$0 in FY 2004-05.  
 AB 1750 (Ch. 223, St. of 2003) suspended the TIF transfer to the PTA in FY 2003-04. Repayment by the Transportation Deferred Investment Fund per AB 1751, is assumed in FY 2008-09.  
 Cash forecast assumes \$92 million in revenue from the TIF in FY 2004-05. \$23 million transferred quarterly with a one quarter lag.  
 High Speed Rail Authority expenditures increased by \$2.6 million in FY 2003-04 per Chapter 157, Budget Act of 2003.  
 According to the Budget Act of 2003, State Transit Assistance (STA) is \$104.6 million in FY 2003-04. Cash forecast assumes quarterly transfers with one quarter lag.  
 Forecast includes cash flow of capital outlay expenditures of \$29.1 million in FY 2003-04 and \$36.9 million in FY 2004-05 based on revised expenditure patterns of the Intercity Rail Program.



**24-MONTH TRANSPORTATION INVESTMENT FUND FORECAST**  
(\$ in millions)



**Assumptions:**

Cash Forecast assumes \$289 million in revenue from retail sales and use taxes in FY 2003-04, per AB 1750.

Per AB 1751, \$289 million will be transferred to the TCRF in FY2003-04.

Cash Forecast assumes a zero cash balance for the TIF in FY 2003-04.

Cash forecast assumes \$1,138 million in revenue from retail sales and use taxes in FY 2004-05.

Cash forecast assumes \$284.5 million will be transferred quarterly, with a one quarter lag to be transferred in July 2005.

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

	<b>2003</b>	<b>2003</b>
	<b>JULY</b>	<b>AUG</b>
<b>Beginning Cash Balance (SHA &amp; TRA), per the State Controller's Office</b>	\$658	\$344
Add: Receipts for Month	232	348
Less: Disbursements for Month	(546)	(577)
Ending Cash Balance	<u>\$344</u>	<u>\$115</u>
 <b>Cash Reconciliation:</b>		
Add: GF Short Term Loan	\$29	\$209
Less: TRA Balance from Other Funds	(32)	(11)
Less: TCRF Short Term Loan	(307)	(267)
Less: PTA Short Term Loan	(50)	0
<b>Adjusted SHA Cash Balance</b>	<u><b>(\$16)</b></u>	<u><b>\$46</b></u>

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

	<b>2003</b>	<b>2003</b>
	<b>JULY</b>	<b>AUG</b>
<b>Beginning Cash Balance, per the State Contraller's Office</b>	\$101	\$39
Add: Receipts for Month	1	53
Add: Short Term Loan to SHA		50
Less: Disbursements for Month	(13)	(47)
Ending Cash Balance	\$39	\$95
 <b>Cash Reconciliation:</b>		
Add: Short Term Loan to SHA	\$50	\$0
<b>Adjusted Cash Balance</b>	<b>\$89</b>	<b>\$95</b>

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

	<b>2003 JULY</b>	<b>2003 AUG</b>
<b>Beginning Cash Balance, per the State Controller's Office</b>	\$31	\$14
Plus: Receipts for Month	18	40
Less: Disbursements for Month	(35)	(41)
Ending Cash Balance	\$14	\$13
 <b>Cash Reconciliation:</b>		
Add: SHA Short Term Loan	\$307	\$267
<b>Adjusted Cash Balance</b>	<b>\$321</b>	<b>\$280</b>

**CHART 2**  
**STATUS OF SEISMIC RETROFIT PROGRAM**

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

<b>PHASE II</b> (\$ in millions)			
	<b>SHA FEDERAL MDL*</b>	<b>SEISMIC BOND FUND</b>	<b>TOTAL</b>
<b>Total Estimated Cost - Support and Capital</b>			<b>\$1,350.0</b>
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
<b>Total Funded To Date</b>	<b>\$69.3</b>	<b>\$1,148.7</b>	<b>\$1,218.0</b>

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

\*\* Does not include \$81.2 million allocated for the Pooled Money Investment Account loan interest expenses as these costs are usually offset by the interest earned by the Surplus Money Investment Fund.

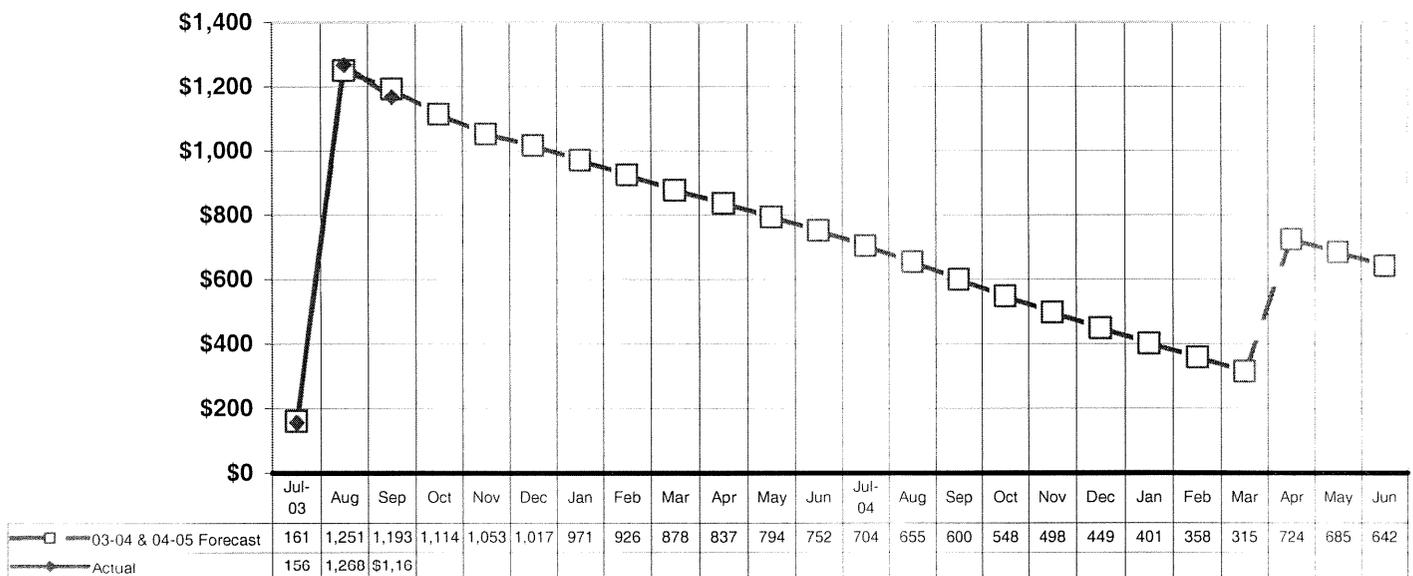
\*\*\* Indicates actual expenditures/encumbrances. (Other amounts are allocations.)

<b>TOLL BRIDGE SEISMIC RETROFIT</b>					
(\$ in millions)					
	SHA TOLL MDL <sup>(1)</sup>	SEISMIC BOND FUND	TBSR ACCT	HBRR <sup>(2)</sup> FUNDS (Federal)	TOTAL
<b>Total Estimated Cost - Support and Capital</b>					<b>\$4,637.0</b>
Major Projects Funded To Date	\$22.2	\$649.3	\$2,369.8 <sup>(3)</sup>	\$627.5	\$3,668.8
Minor Projects Funded To Date					
Right of Way Capital Costs To Date		\$24.0	\$56.9 <sup>(4)</sup>		\$80.9
Support Costs Funded	\$66.2	\$106.0	\$465.5 <sup>(5)</sup>		\$637.7
Prop 192 Reimbursement	-\$9.5	\$9.5			\$0.0
<b>Total Funded To Date</b>	<b>\$78.9</b>	<b>\$788.8</b>	<b>\$2,892.2</b>	<b>\$627.5</b>	<b>\$4,387.4</b>

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) \$7,500,000 added to the San Francisco Oakland Bay Bridge East Span (EA 0435U4) for Contract Change Orders.
- (4) Total of \$790,000 added to the SFOBB West Approach (EA 0435V9) for right of way relocation purposes.
- (5) Indicates actual expenditures/encumbrances (other amounts are allocations).

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



Account balance does not include debt service reserve and administrative sub-funds

**FEDERAL FUND - APPORTIONMENT STATUS**

(\$ in millions)

<u>MAJOR FUND CATEGORY</u>	<u>FFY-2001</u>		<u>FFY-2002</u>		<u>FFY-2003</u> (as of September 30, 2003)	
	Apportionment	Obligations (1)	Apportionment	Obligations (1)	Apportionment	Obligations (1)
INTERSTATE MAINTENANCE (2)	\$ 199	\$ 120	\$ 209	\$ 273	\$ 223	\$ 216
NATIONAL HIGHWAY SYSTEM (2)	\$ 268	\$ 207	\$ 281	\$ 455	\$ 372	\$ 456
MINIMUM GUARANTEE (3)	\$ 194	\$ 226	\$ 196	\$ 186	\$ 210	\$ 218
CONGESTION MITIGATION & AIR QUALITY IMPROVEMENT	\$ 381	\$ 248	\$ 372	\$ 323	\$ 332	\$ 284
BRIDGE PROGRAM FUNDS	\$ 151	\$ 151	\$ 316	\$ 189	\$ 301	\$ 325
SURFACE TRANSPORTATION PROGRAM (2)	\$ 1,208	\$ 1,169	\$ 1,105	\$ 865	\$ 789	\$ 861
SURFACE TRANSPORTATION ENHANCEMENT	\$ 66	\$ 67	\$ 68	\$ 72	\$ 61	\$ 37
MISCELLANEOUS (4)	\$ 3	\$ 47	\$ 3	\$ 21	\$ 16	\$ 71
METROPOLITAN PLANNING	\$ 30	\$ 30	\$ 30	\$ 30	\$ 29	\$ 29
STATE PLANNING AND RESEARCH FUNDS (SPR)	\$ 50	\$ 62	\$ 52	\$ 61	\$ 47	\$ 9
<b>TOTAL</b>	<b>\$ 2,549</b>	<b>\$ 2,326</b>	<b>\$ 2,633</b>	<b>\$ 2,476</b>	<b>\$ 2,380</b>	<b>\$ 2,507</b>
<b>AVAILABLE FEDERAL OA</b>	<b>\$</b>	<b>\$ 2,326</b>	<b>\$</b>	<b>\$ 2,476</b>	<b>\$</b>	<b>\$ 2,507</b>
<b>AVAILABLE FEDERAL OA REMAINING</b>	<b>\$</b>	<b>\$ 0</b>	<b>\$</b>	<b>\$ 0</b>	<b>\$</b>	<b>\$ 0</b>

NOTES

- (1) Includes FTA transfers
- (2) 50% of the annual Interstate Maintenance and National Highway apportionments are transferred to STP
- (3) Combines Special and Exempt funding
- (4) Includes Rec Trails, Redist of Certain Auth., Motor Veh Intox and various PRE-ISTEA fund types

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

\*A new section for FFY 2004 funds will be added as soon as the funds are apportioned.

**OBLIGATION AUTHORITY (OA)  
STATE /LOCAL USE**

(\$ in millions)

\*

**FFY 2003 (AS OF 9/30/03)**

	<u>STATE</u>	<u>LOCAL</u>	<u>TOTAL</u>
OBLIGATION AUTHORITY	\$ 1,603	\$ 904	\$ 2,507
CUMULATIVE OBLIGATIONS	<u>\$ 1,802</u>	<u>\$ 705</u>	<u>\$ 2,507</u>
REMAINING OA	\$ (199)	\$ 199	\$ -

NOTE: AS OF 9/30/03, THE STATE HAS USED \$199 MILLION OF LOCAL OA.

**FFY 2002**

	<u>STATE</u>	<u>LOCAL</u>	<u>TOTAL</u>
OBLIGATION AUTHORITY	\$ 1,621	\$ 855	\$ 2,476
CUMULATIVE OBLIGATIONS	<u>\$ 1,622</u>	<u>\$ 854</u>	<u>\$ 2,476</u>
REMAINING OA	\$ (0)	\$ 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	<u>\$ 1,387</u>	<u>\$ 940</u>	<u>\$ 2,326</u>
REMAINING OA	\$ 95	\$ (95)	\$ 0

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

OA - includes formula limitation, minimum Gurantee Special and Exempt.

Cumulative Obligations include formula, minimum guarantee, and special allocated limitation.

\*A new section for FFY 2004 funds will be added as soon as the funds are apportioned.

**ADVANCE CONSTRUCTION (AC)**  
**as of September 30, 2003**  
(\$ in millions)

**Major Fund Categories (will use state OA to convert)**

INTERSTATE MAINTENANCE	\$	673
NATIONAL HIGHWAY SYSTEM	\$	1,263
MINIMUM GUARANTEE		N/A
CONGESTION MITIGATION & AIR QUALITY IMPROVEMENT		-
BRIDGE PROGRAM FUNDS	\$	50
SURFACE TRANSPORTATION PROGRAM (1)	\$	863
SURFACE TRANSPORTATION ENHANCEMENT	\$	30
MISCELLANEOUS (2)	\$	157
METROPOLITIAN PLANNING		N/A
STATE PLANNING AND RESEARCH FUNDS (SPR)	\$	62
<b>Sub Total</b>	\$	<b>3,099</b>

**Emergency Relief Projects (ER funds come with their own OA)**

ER (STP funds)	\$	30
<b>Sub Total</b>		<b>30</b>

**Special Projects (will use state OA to convert but will not add to the SHA balance)**

TBSR Projects (HBRR Funds)	\$	394
GARVEE Projects	\$	657
<b>Sub total</b>	\$	<b>1,051</b>

**Local AC (will use local OA to convert)**

LOCAL (3)		138
<b>Sub total</b>		<b>138</b>

<b>Statewide Total AC Balance</b>	<b>4,318</b>
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(1) State STP Only

(2) Includes: Interstate Construction, Statewide Infrastructure Bank, Combined Road Plan etc.

(3) Local AC projects include different federal fund categories (RSTP, CMAQ, HBRR, HES,...)