

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: March 2-3, 2005

Reference No.: 3.11
Information Item

From: CINDY McKIM
Chief Financial Officer

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Local Assistance

Ref: **LOCAL ASSISTANCE QUARTERLY LUMP SUM ALLOCATION STATUS REPORT
FOR FISCAL YEAR 2004-05**

SUMMARY:

In June 2004, the California Transportation Commission (Commission) passed Resolution FM-03-10, allocating \$775 million for the Local Assistance Program for FY 2004-05. The initial allocation request was for \$1.1 billion. The Commission reduced the initial allocation request of \$1.1 billion down to \$775 million, pending the final close-out report for FY 2003-04 including prior year expenditure comparison by category. The Department of Transportation (Department) presented this information at the December 2004 Commission meeting.

In January 2005, the Commission approved the exchange of \$22.7 million of federal funds for state funds for the Safe Routes to School Program (SR2S).

The total allocation for Local Assistance subvention funds is approximately \$754 million. Of this amount, approximately \$74 million are state funds and \$680 million are federal funds.

As of December 31, 2004, \$137.6 million or 18 percent of the \$754 million of Local Assistance subvention funds allocated has been expended. These funds were allocated for 208 local projects. The majority of these expenditures, including FTA transfers, are for:

Surface Transportation Program – 53 projects, \$49.9 million
Congestion Mitigation & Air Quality Program (CMAQ) – 48 projects, \$41.4 million
Demonstration - 8 projects, \$24 million

The remaining 99 projects are in other categories and account for 16 percent of the expenditures reported.

BACKGROUND:

The Local Assistance Program administers the local assistance subvention budget under delegated authority from the Commission. The Commission provides an annual lump sum allocation consistent with the Budget Act. The Commission further delegates to the Department the authority to adjust allocations for Local Assistance, and the Department reports to the Commission if transfers in or out of an expenditure category exceed 10 percent of its allocation.

Local Assistance Lump Sum Allocation Status for the Fiscal Year (FY) 2004-2005:

As of December 31, 2004, \$137.6 million or 18 percent of the \$754 million of Local Assistance funds allocated has been expended.

Consistent with prior years, the allocation for Demonstration Projects is zero since specific projects expected to receive funds during this fiscal year are not known. This category is included in the allocation to allow the Department to make allocations using excess funds from other categories and prevent allocation delays for demonstration projects. The Transportation Enhancement Activities-Regional Program projects will be allocated under the State Transportation Improvement Program and is not included in the lump sum allocation. The Transportation Enhancement Activities (TEA) projects included on the attachment are for apportionments from prior fiscal years.

The delivery to date for FY 2004-05 (\$137.6 million or 18 percent of the funds allocated) is lower compared to the same period last year (\$180.7 million or 19 percent of the funds allocated). Lower expenditure trends are typical at the beginning of each fiscal year. Delays in the passage of the new Federal Transportation Act and the limited obligation authority (OA), provided through continuous resolution by the Federal Highway Administration, have contributed to the slower use of the allocated funds. It is anticipated that all funds allocated will be used consistently with prior fiscal year trends.

Attachment

**LOCAL ASSISTANCE FUNDS
FY 2004-05
(As of December 31, 2004)**

Reference No.: 3.11
March 2-3, 2005
Attachment

(Dollars in 1,000)

| Fund Description | CTC Allocation | | | Total Expenditures | | | Allocation Balance | | | Percent of Allocation Expended | Number of Projects |
|---|----------------|----------------|----------------|--------------------|----------------|----------------|--------------------|----------------|----------------|--------------------------------|--------------------|
| | State | Federal | Total | State | Federal | Total | State | Federal | Total | Total | Total |
| Surface Transportation Pgrm (STP) | | 245,764 | 245,764 | 0 | 33,020 | 33,020 | 0 | 212,744 | 212,744 | 13% | 49 |
| STP State Match and Exchange | 46,000 | | 46,000 | 317 | 0 | 317 | 45,683 | 0 | 45,683 | 1% | 1 |
| Congestion Mitigation & Air Qual Pgrm (CMAQ) | | 268,397 | 268,397 | 0 | 8,619 | 8,619 | 0 | 259,778 | 259,778 | 3% | 32 |
| Bridge Scour & State Match | 735 | 1,725 | 2,460 | 71 | 282 | 353 | 664 | 1,443 | 2,107 | 14% | 2 |
| Highway Bridge Rehabilitation & Replacement (HBRR) | | 85,086 | 85,086 | 0 | 5,918 | 5,918 | 0 | 79,168 | 79,168 | 7% | 35 |
| Bridge - Seismic Retrofit | 0 | 44,344 | 44,344 | 0 | 830 | 830 | 0 | 43,514 | 43,514 | 2% | 16 |
| RR Grade Crossing Protection | | 8,310 | 8,310 | 0 | 110 | 110 | 0 | 8,200 | 8,200 | 1% | 6 |
| RR Grade Crossing Maintenance | 4,250 | | 4,250 | 4,250 | 0 | 4,250 | 0 | 0 | 0 | 100% | 1 |
| Railroad Grade Separations | 15,000 | | 15,000 | 5,554 | 0 | 5,554 | 9,446 | 0 | 9,446 | 37% | 2 |
| Hazard Elimination & Safety (HES) | | 8,310 | 8,310 | | 863 | 863 | 0 | 7,447 | 7,447 | 10% | 14 |
| Safe Routes to School | 0 | 16,619 | 16,619 | 0 | 137 | 137 | 0 | 16,482 | 16,482 | 1% | 3 |
| Transportation Enhancement Activities Exchange | 6,440 | | 6,440 | 0 | 0 | 0 | 6,440 | 0 | 6,440 | 0% | 0 |
| Demonstration Projects | | 0 | 0 | 0 | 24,034 | 24,034 | 0 | -24,034 | -24,034 | 0% | 8 |
| Miscellaneous | 2,000 | 1,062 | 3,062 | 1,000 | 335 | 1,335 | 1,000 | 727 | 1,727 | 44% | 11 |
| TEA Regional Share | 0 | 0 | 0 | | 2,357 | 2,357 | 0 | -2,357 | -2,357 | 0% | 7 |
| Total Local Assistance Subvented Funds | 74,425 | 679,617 | 754,042 | 11,192 | 76,505 | 87,697 | 63,233 | 603,112 | 666,345 | 12% | 187 |
| FTA Transfers | 0 | 0 | 0 | | 49,889 | 49,889 | | | 0 | | 21 |
| Total Local Assistance including FTA Transfers | 74,425 | 679,617 | 754,042 | 11,192 | 126,394 | 137,586 | 63,233 | 603,112 | 666,345 | 18% | 208 |

Assumptions:

- The amounts do not include Freeway Service Patrol or Bay Area Ferry Operations.
- FTA Transfers are \$16,904,000 for RSTP, \$32,787,957 for CMAQ, and \$197,500 for TEA.
- Misc. expenditures include projects not included elsewhere.
- Balances are based on allocation requests.
- The Allocation Balance is the difference between Commission Allocation and Total Expenditures.
- Expenditures and Number of Projects is from LP2000 report.
- Allocation Amount reflects a reduction of \$360,723 per June 2004 CTC meeting.
- TEA- Regional Program project will be allocated in the STIP.