



Department of Transportation Quarterly Finance Report

Second Quarter 2006-07

**California Department of Transportation
Quarterly Finance Report
Schedule of Reports**

| Fiscal Year | Quarterly Report | Activity | Date |
|--------------------|-------------------------|---|-----------------|
| 2006-07 | 2005-06 Q4 | Close of Quarter | 6/30/06 |
| | | Quarterly Report to Commission Staff | 8/31/06 |
| | | Presented to Commission | 9/7/06 |
| | 2006-07 Q1 | Close of Quarter | 9/30/06 |
| | | Quarterly Report to Commission Staff | 11/15/06 |
| | | Presented to Commission | 12/13/06 |
| | 2006-07 Q2 | Close of Quarter | 12/31/06 |
| | | Quarterly Report to Commission Staff | 2/15/07 |
| | | Presented to Commission | 3/14/07 |
| | 2006-07 Q3 | Close of Quarter | 3/31/07 |
| | | Quarterly Report to Commission Staff | 5/15/07 |
| | | Presented to Commission | 6/6/07 |
| 2007-08 | 2006-07 Q4 | Close of Quarter | 6/30/07 |
| | | Quarterly Report to Commission Staff | 8/31/07 |
| | | Presented to Commission | 9/19/07 |

Department of Transportation Quarterly Finance Report

Second Quarter of 2006-07 ending December 31, 2006

Executive Summary

The purpose of this quarterly finance report is to enable the California Transportation Commission (Commission) and the Department of Transportation (Department) to evaluate transportation funding policy, allocation capacity, and forecast methodology in order to ensure the efficient and prudent management of transportation resources.

Second Quarter Forecast vs. Actuals

The second quarter cash balance for the State Highway Account (SHA) and Public Transportation Account (PTA) ended lower than forecast. The Traffic Congestion Relief Fund (TCRF), Transportation Investment Fund (TIF) and Transportation Deferred Investment Fund (TDIF) all ended higher. The TIF cash balance was higher due to a delayed transfer out and an earlier than expected second quarter TIF transfer in. Except for this timing difference, the TIF balance was within an acceptable range of variance from forecast.

| December 2006 Ending Cash Balance Actuals v. Forecasts by Fund (\$ millions) | | | | |
|---|-----------------|----------------|-------------------|------|
| Fund | Forecast | Actuals | Difference | |
| SHA | \$630 | \$543 | -\$87 | -14% |
| PTA | \$500 | \$495 | -\$5 | -1% |
| TCRF | \$730 | \$790 | \$60 | 8% |
| TIF | \$190 | \$428 | \$238 | 125% |
| TDIF | \$440 | \$545 | \$105 | 24% |

Capital Allocations vs. Plan

Allocations during the second quarter totaled \$860 million, representing 19 percent of the 2006-07 allocation capacity of \$4.430 billion, not including Tribal Gaming capacity.

Of the 2006-07 State Highway Operation and Protection Program (SHOPP) capacity, \$610 million (32 percent) was allocated through December 2006. Additionally, \$211 million (14 percent) of State Transportation Improvement Program (STIP) capacity was allocated. Allocations for the Traffic Congestion Relief Program (TCRP) totaled \$39 million (4 percent). To date, the Commission has allocated \$2.658 billion, or 60 percent of the 2006-07 allocation capacity, not including Tribal Gaming capacity, leaving \$1.772 billion to be allocated in the third and fourth quarters.

Outlook for 2006-07 Funding & Allocations

On January 10, 2007, the proposed 2007-08 Governor's Budget was released. The budget begins implementation of the \$19.9 billion in transportation bond funding as well as several other significant proposals that could impact current year funding and allocations. Specifically, the budget includes:

- \$523 million in current year spending and \$5.2 billion in spending over the subsequent three years from bond funding. Local funding of \$2.4 billion administered by other agencies is included in the proposed 2007-08 Governor's Budget. The current year spending will require enabling legislation, which has not yet been introduced.
- The reallocation of \$1.1 billion of PTA funding towards General Fund expenditures; the elimination of non-Article XIX transfers from the SHA to the PTA; and the exclusion of spillover revenues from the State Transit Assistance (STA) transfer.
- \$200 million from Tribal Gaming revenue with payments of \$100 million in 2006-07 and \$100 million in 2007-08.
- A fully funded Proposition 42 transfer of \$1.475 billion, and the first annual installment from the General Fund to the TCRF for the \$83 million per Proposition 1A.

Other items that could impact current year funding include: a pending technical adjustment by the Department of Finance (DOF) to correct 2006-07 Budget Act language to allow the TIF transfers to the SHA for STIP capital outlay support; and the lack of a federal Transportation Act resulting in the state receiving Obligation Authority (OA) in a piecemeal fashion which equates to lower federal receipts.

Recommendations

Changes to PTA funding in the proposed 2007-08 Governor's Budget will have a significant impact to allocation capacity if approved. Until further information is available, the Department recommends returning to the PTA allocation capacity amount of \$300 million as recommended in June 2006, instead of the current plan of \$550 million.

Although the proposed 2007-08 Governor's Budget includes Tribal Gaming revenue, Tribal Gaming capacity should be withheld until revenues are received. The Department will monitor and report on the progress with respect to the Tribal Gaming revenues.

Finally, the Department will monitor progress on the federal Transportation Act and the impact on OA and federal receipts to determine if it will impact allocation capacity. The Department will also monitor the status of the technical adjustment by the DOF to allow the quarterly TIF transfers to the SHA.

Cash Forecast

Methodology and Assumptions

The cash forecasts are used by the Department to estimate and monitor the cash balance of transportation funds to determine the level of allocations that can be authorized, and to prepare for low or high cash periods.

Cash forecasts are prepared for the SHA, PTA, TCRF, TIF, and TDIF.

Actual cash balances are compared to the forecasts and variances are identified and reported to management and the Commission. If necessary, adjustments are made to capital allocation levels or forecast methodology.

The 2006-07 cash forecasts and allocation capacity are based on the following assumptions:

- Expenditures for state operations and local assistance are based on the 2006-07 Budget Act, plus estimated employee pay raises.
- Capital outlay expenditures are based on actual and projected Commission allocations, using the existing expenditure model, which is founded on historical project expenditure patterns.
- Proposition 42 transfers occur during the forecast period.
- Proceeds from Tribal Gaming bonds are not included.
- Spillover revenues are transferred to the PTA during the forecast period as statutorily prescribed. The distribution of spillover revenues for 2006-07 is based on the 2006-07 Budget Act.
- TDIF loan repayments are based on the early loan repayment of \$1.415 billion authorized by the 2006 –07 Budget Act.

Second Quarter Summary

Below is a summary of the second quarter cash forecast results by fund.

State Highway Account

The SHA ending cash balance for the second quarter was \$543 million, \$87 million or 13 percent below forecast. This includes the first quarter ending balance difference of \$12 million above forecast.

Both revenues and expenditures were lower than forecast for the quarter. This is an acceptable variance.

Total revenues for the quarter were \$1.23 billion, or \$196 million, 14 percent lower than forecast.

- The first quarterly TIF transfer to the SHA for \$46 million was forecast to occur in October 2006, but has not occurred due to an error in the 2006-07 Budget Act language. The correction process has begun and is expected to be in place by March.

Although this transfer is initiated by the Department, the technical adjustment directive must come from the DOF to the SCO. The Department forecasts when the transfers are most likely to occur but actual cash balances may fluctuate as transfers occur earlier or later than forecast.

- Federal receipts for the quarter were \$508 million, or \$123 million (20 percent) lower than forecast. Due to the lack of a federal Appropriations Act, the Department is receiving federal OA based on continuing resolutions, which causes OA to be received in a piecemeal fashion.
- Highway Users Tax Account receipts were \$543 million, or \$31 million (5 percent) below forecast due to seasonal fluctuations in gasoline consumption.

Total expenditures were \$1.4 billion for the quarter, or \$103 million (14 percent) lower than forecast:

- State operations expenditures were on target at \$728 million for the quarter, or \$30 million (4 percent) below forecast.
- Capital outlay expenditures totaled \$509 million for the quarter, \$10 million (2 percent) above forecast.
- Local assistance expenditures totaled \$254 million in the second quarter, \$6 million (2 percent) below forecast. It is expected that local assistance expenditures will remain on target throughout the fiscal year.
- The net Transportation Revolving Account difference was \$97 million lower than forecast for the quarter, resulting from the timing

difference between the recording of expenditures and actual cash disbursements.

- Net reimbursements from locals for work performed by the Department were \$23 million above forecast for the quarter.

Public Transportation Account

The PTA ending cash balance for the second quarter was \$495 million, \$5 million (1 percent) below forecast. The PTA began the second quarter \$55 million higher than forecast. However lower revenue and higher expenditures during the second quarter brought actuals in line with the forecast.

Total revenues for the quarter were \$202 million, \$65 million (24 percent) below forecast.

- Revenue from diesel sales tax was \$68 million, or \$10 million (13 percent) lower than forecast.
- The annual transfer from the SHA for non-Article XIX totaled \$77 million which was \$25 million higher than forecast.
- Two Proposition 42 transfers from the TIF to PTA were received in the second quarter totaling \$70 million. One transfer of \$37 million was forecast to occur in October 2006. The next transfer was forecast to occur in January 2007 but occurred early in December 2006.

This transfer is not initiated by the Department. The transfer request must come from the DOF to the SCO. The Department forecasts when the transfers are most likely to occur but cash balances may fluctuate as transfers occur earlier or later than forecast.

- A transfer of \$41 million to the Bay Area Transit Authority was scheduled to occur in October 2006.
- Total expenditures were \$265 million for the quarter, \$17 million (7 percent) higher than forecast.
- State operations expenditures were \$38 million, \$7 million (16 percent) below forecast.
- Local assistance expenditures totaled \$62 million, or \$39 million above the forecast. This difference is due to higher than expected payments to the locals through AB 3090.
- Capital outlay expenditures totaled \$7 million, or \$7 million (50 percent) below forecast.
- Non-departmental expenditures totaled \$158 million, \$8 million below forecast.

Traffic Congestion Relief Fund

The TCRF ending cash balance for the second quarter was \$790 million, \$60 million (8 percent) higher than forecast. This includes a first quarter ending balance difference of \$28 million above forecast.

Revenues totaled \$369 million for the quarter, or \$30 million below forecast.

- The spillover funded portion of the 2006-07 TDIF repayment totaling \$200 million was forecasted but not received in the second quarter.
- TCRF received \$340 million in the second quarter from two TIF transfers of \$170 million each. The second transfer was forecast to occur in January 2007, but occurred in December 2006.

This transfer is not initiated by the Department. The transfer request must come from the DOF to the SCO. The Department forecasts when the transfers are most likely to occur but cash balances may fluctuate as transfers occur earlier or later than forecast.

Expenditures totaled \$89 million, \$27 million (24 percent) lower than forecast for the quarter.

- State operations expenditures were relatively on target at \$6 million, \$1 million higher than forecast.
- Project expenditures totaled \$83 million, \$28 million lower than forecast.

Transportation Investment Fund

The TIF ending cash balance for the second quarter was \$428 million, \$238 million higher than forecast. This includes a first quarter ending balance difference of \$15 million below forecast.

Total revenues were \$690 million, or \$335 million (94 percent) higher than forecast.

- The second quarter Proposition 42 transfer from the General Fund of \$364 million occurred in December 2006 instead of January 2007, as forecast.

Because the January 2007 transfer occurred early in December 2006, third and/or fourth quarter actuals may vary from forecast depending on when the next quarterly transfer occurs.

This transfer is not initiated by the Department. The transfer request must come from the DOF to the SCO. The Department forecasts when the transfers are most likely to occur but cash balances may fluctuate as transfers occur earlier or later than forecast.

- The request to transfer \$46 million from TIF to the SHA did not occur in October 2006 due to a technical error in the 2006-07 Budget Act.

Although this transfer is initiated by the Department, the technical adjustment directive must come from the DOF to the SCO. The Department forecasts when the transfers are most likely to occur but cash balances may fluctuate as transfers occur earlier or later than forecast.

Expenditures totaled \$482 million, \$115 million (31 percent) higher than forecast for the quarter.

- Two quarterly transfers to the TCRF of \$170 million each and the PTA of \$31 and \$39 million respectively occurred in the second quarter. One of the transfers was forecast to occur in January.

These transfers are not initiated by the Department. The transfer request must come from the DOF to the SCO. The Department forecasts when the transfers are most likely to occur but cash balances may fluctuate as transfers occur earlier or later than forecast.

- Project expenditures totaled \$59 million, \$44 million (39 percent) above forecast.

Transportation Deferred Investment Fund

The TDIF cash balance ended the second quarter at \$545 million, \$105 million (24 percent) higher than forecast. This includes a first quarter ending balance difference of \$1 million above forecast.

- Total revenues were \$104 million, \$96 million (48 percent) lower than forecast.

The 2006-07 Budget Act authorized \$1.415 billion in TDIF loan repayments of which \$200 million would be funded from spillover as collected. This revenue was not collected and the TDIF only received \$100 million.

- There were no expenditures in the second quarter as the only expenditure forecasted was a transfer to TCRF, which did not occur.

This transfer is not initiated by the Department. The transfer request must come from the DOF to the SCO. The Department forecasts when the transfers are most likely to occur but cash balances may fluctuate as transfers occur earlier or later than forecast.

Federal Highway Funds

- The Department has received \$855 million of OA for federal fiscal year 2007 which began in October 2006. There is currently no federal budget in place. The Department is receiving OA in

individual allotments based on continuing resolutions. These allotments are based on prior year federal funding levels.

Federal Emergency Projects

- There have not been any new allocations of emergency funding since July when the President signed the 2006 Emergency Supplemental Appropriations Act. Approximately \$707 million in total needs still remain unallocated for California disasters.
- A request for \$392 million was submitted on October 25, 2006 to the Federal Highway Administration for December 2005 storms.
- The chart below details the current federal emergency for all active disasters with funding needs in California and their funding status as of December 31, 2006. These projects have been identified as eligible for federal funding, but the full allocation of emergency relief funding has not been authorized. In the interim, the SHA has been used to fund these system repairs.

Emergency Federal Funding

| Disaster | Emergency Relief Needs (\$ millions) | | | Year to Date Allocations | Total Remaining Needs |
|------------------------------|---|----------------|------------------|-----------------------------|-----------------------------|
| | State | Local | Total | | |
| Devil's Slide CA 83-1 | \$345.0 | \$0.0 | \$345.0 | \$241.8 | \$103.2 |
| December 2002 Storm CA03-1 | 116.0 | 6.0 | 122.0 | 106.6 | \$15.4 |
| San Simeon Earthquake CA04-2 | 3.4 | 1.6 | 5.0 | 3.6 | \$1.4 |
| Inyo County Flood CA04-4 | 9.3 | 0.0 | 9.3 | 9.3 | \$0.0 |
| December 2004 Storm CA05-1 | 256.0 | 143.0 | 399.0 | 245.0 | \$154.0 |
| December 2005 Storm CA06-1 | 364.0 | 69.0 | 433.0 | 0.0 | \$433.0 |
| Total | \$1,093.7 | \$219.6 | \$1,313.3 | \$606.3 | \$707.0 |

- Future federal allocations of this type can only be used to fund emergency projects and do not represent new allocation capacity, except to the extent that SHA funds have already been advanced for emergency projects.

2006-07 Allocation Capacity

At the December 2006 Commission meeting, the Department recommended increasing the 2006-07 capital allocation capacity level to \$5.280 billion. (Note: The current policy is to not allocate Tribal Gaming capacity until the revenues are received, resulting in an effective allocation capacity limit of \$4.430 billion.)

| Recommended 2006-07 Revised Allocation Capacity | | | | | | |
|--|----------------|----------------|----------------|-----------------|----------------------|----------------|
| By Fund and Program | | | | | | |
| (\$ millions) | | | | | | |
| Fund | STIP | SHOPP | TCRP | Subtotal | Tribal Gaming | Total |
| SHA | \$160 | \$1,890 | \$0 | \$2,050 | \$320 | \$2,370 |
| PTA | 550 | 0 | 0 | 550 | 240 | \$790 |
| TIF | 390 | 0 | 0 | 390 | 0 | \$390 |
| TDIF | 440 | 0 | 0 | 440 | 0 | \$440 |
| TCRF | 0 | 0 | 1,000 | 1,000 | 290 | \$1,290 |
| Total | \$1,540 | \$1,890 | \$1,000 | \$4,430 | \$850 | \$5,280 |

This allocation capacity includes:

- The estimated impact of the negotiated employee pay raises in 2006-07 and 2007-08.
- The shifting of \$105 million in SHOPP projects to the Maintenance Program.
- An early TDIF loan repayment of \$1.415 billion in 2006-07 based on DOF estimated distributions by fund.
- An advance TCRF loan repayment of \$151 million in June 2006 to the SHA from Tribal Gaming revenues.
- Updated gasoline and diesel sales tax revenues from the 2006-07 May Revise.
- Includes \$96 million in federal reimbursements for federally qualified emergency expenditures that were paid in 2005-06.
- A \$250 million increase to the PTA allocation capacity from higher revenues (as presented in the Draft 2006 STIP FE Augmentation in November 2006), plus additional unused allocation capacity from the prior year.

Capital Allocations

Second Quarter

During the second quarter of 2006-07, the Commission allocated \$860 million to 170 projects. The Commission has now allocated \$2.658 billion, or 60 percent of the 2006-07 allocation capacity, not including Tribal Gaming capacity, leaving \$1.772 billion to be allocated in the third and fourth quarters.

| 2006-07 Allocations | | | | |
|--|----------------|----------------|----------------|----------------|
| Final Allocations through December Vote | | | | |
| (\$ in millions) | | | | |
| Fund Type | SHOPP | STIP | TCRP | TOTAL |
| State Highway Account (SHA) | \$1,890 | \$160 | \$0 | \$2,050 |
| Public Transportation Account (PTA) | 0 | 550 | 0 | 550 |
| Transportation Investment Fund (TIF) | 0 | 390 | 0 | 390 |
| Transportation Deferred Investment Fund (TDIF) | 0 | 440 | 0 | 440 |
| Transportation Congestion Relief Fund (TCRF) | 0 | 0 | 1,000 | 1,000 |
| Tribal | 0 | 0 | 0 | 850 |
| Total | \$1,890 | \$1,540 | \$1,000 | \$5,280 |
| Previous Quarter Allocations | | | | |
| 1st Quarter Allocations Sub Total | \$734 | \$524 | \$540 | \$1,798 |
| 2nd Quarter Allocations | | | | |
| State Highway Account (SHA) | \$610 | \$16 | \$0 | \$626 |
| Public Transportation Account (PTA) | 0 | 95 | 0 | 95 |
| Transportation Investment Fund (TIF) | 0 | 0 | 0 | 0 |
| Transportation Deferred Investment Fund (TDIF) | 0 | 100 | 0 | 100 |
| Transportation Congestion Relief Fund (TCRF) | 0 | 0 | 39 | 39 |
| 2nd Quarter Allocations Sub Total | \$610 | \$211 | \$39 | \$860 |
| Total Allocations | \$1,344 | \$735 | \$579 | \$2,658 |
| Remaining Balance | \$546 | \$805 | \$421 | \$2,622 |

SHOPP

The Commission allocated \$610 million from 97 projects, including 31 emergency projects. Allocations to date total \$1.344 billion or 71 percent of the \$1.890 billion SHOPP capacity, leaving \$546 million remaining to be allocated.

STIP

STIP allocations totaled \$211 million from 62 projects. Allocations to date total \$735 million (48 percent) of the \$1.54 billion STIP capacity, leaving \$805 million remaining to be allocated.

TCRP

The TCRP allocations totaled \$39 million from 11 projects. This contract was not awarded within six months of the allocation. Allocations to date total \$579 million (58 percent) of the \$1 billion allocation capacity, leaving \$421 million remaining to be allocated.

Outlook for Funding & Allocations

Outlook

The proposed 2007-08 Governor's Budget, released on January 10, 2007, proposed significant changes to transportation funding. In addition to the proposed budget, the delayed TIF transfer to the SHA and the lack of a federal Appropriations Act may also impact the 2006-07 allocation capacity.

Proposed 2007-08 Governor's Budget

- The proposed budget includes \$523 million in current year spending. This spending requires enabling legislation. Legislation may not pass in time to allocate projects in the current year. Budget year spending includes \$5.2 billion in bonds to be allocated over three years.
- The budget includes \$100 million in Tribal Gaming revenue in current year and \$100 million budget year. The budget proposes that most of the Tribal Gaming revenue be used for SHOPP projects. (Note: \$10 million of the 2006-07 Tribal Gaming revenues will be directed to the PTA per the 2006-07 Budget Act.)
- A fully funded Proposition 42 transfer of \$1.475 billion, and a partial loan repayment to TCRF of \$83 million in 2007-08, per Proposition 1A.
- Proposed use of \$1.1 billion of PTA funding in 2007-08 towards General Fund programs.
- Currently, the PTA is fully programmed through 2007-08 and will be unable to fund STIP projects if these proposals are passed. Future STIP funding must come from other fund sources.
- Eliminates the non-Article XIX transfer from SHA to PTA after 2006-07, and excludes spillover revenues from the STA transfer.

Other Outlook Items:

- The DOF is preparing a technical adjustment to the 2006-07 Budget Act language that allows for TIF transfers to the SHA for STIP support. The second quarter transfer, forecast and requested to occur in January 2007 did not occur. The SHA is now due \$92.5 million, or \$46.25 million per quarter, from the TIF.
- Because of the lack of a federal Transportation Act, the Department is receiving federal OA based on continuing resolutions. This has contributed to lower federal receipts than forecast during the second quarter and could impact federal receipts into the third quarter.

Recommendations

Below are the Department's recommendations and discussion items with respect to transportation funding policy, allocation capacity, and forecast methodology.

- Based on the proposed 2007-08 Governor's Budget, the Department recommends withholding the PTA allocation increase of \$250 million proposed at the December meeting. The Department feels that this action would be prudent given that the proposed funding of General Fund programs from the PTA in 2007-08 will greatly reduce the future cash flows necessary to support current year allocations.
- The Department recommends continuing with the policy to withhold Tribal Gaming capacity until revenues are received. The proposed budget includes \$100 million payment that will likely not occur until the end of the fiscal year.
- Finally, the Department will closely monitor progress on the federal budget and its impact on OA and federal receipts during the third quarter to determine if it will impact allocation capacity. The Department will also monitor the status of the technical adjustment by the DOF to allow the quarterly TIF transfers to the SHA to take place.

Appendix

Appendix A

2006-07 State Highway Account 24-Month Forecast

Appendix B

2006-07 Public Transportation Account 24-Month Forecast

Appendix C

2006-07 Traffic Congestion Relief Fund 24-Month Forecast

Appendix D

2006-07 Transportation Investment Fund 24-Month Forecast

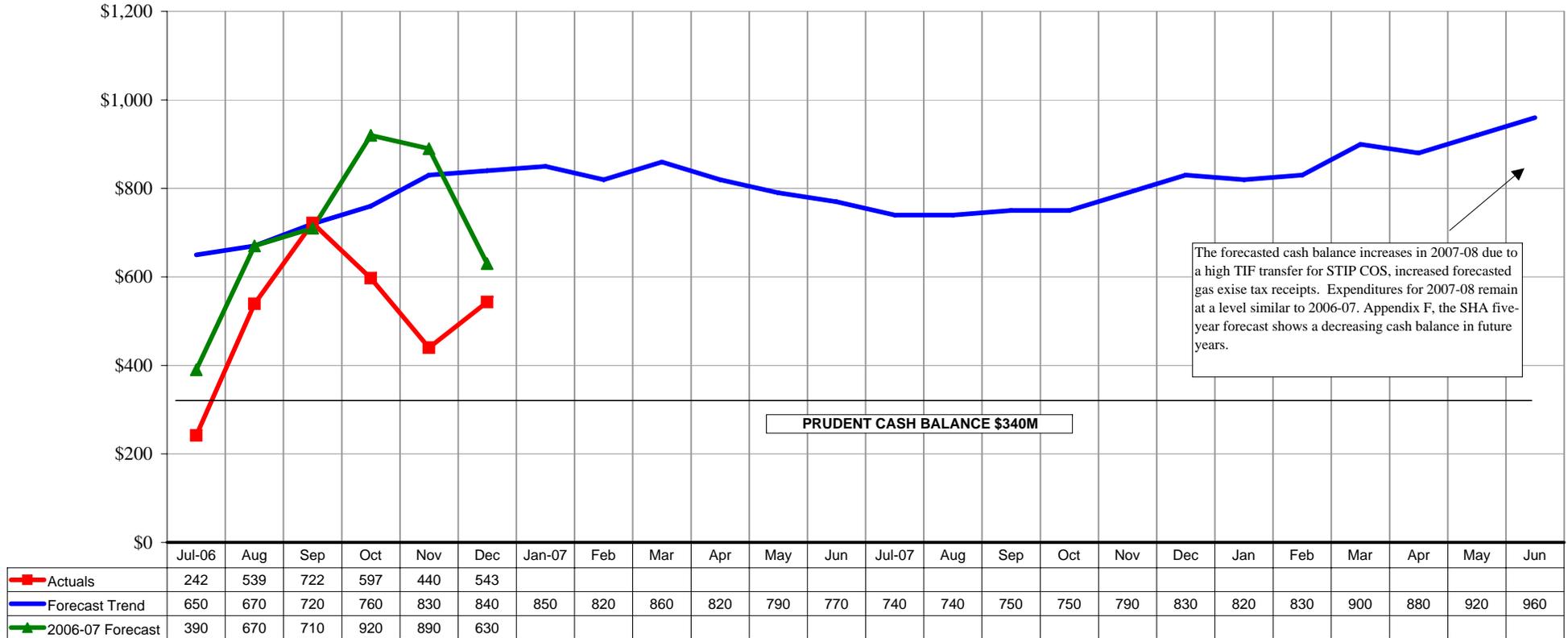
Appendix E

**2006-07 Transportation Deferred Investment Fund
24-Month Forecast**

Appendix F

2006-07 State Highway Account Five-Year Forecast

24-Month State Highway Account (SHA) Cash Forecast (\$ millions)



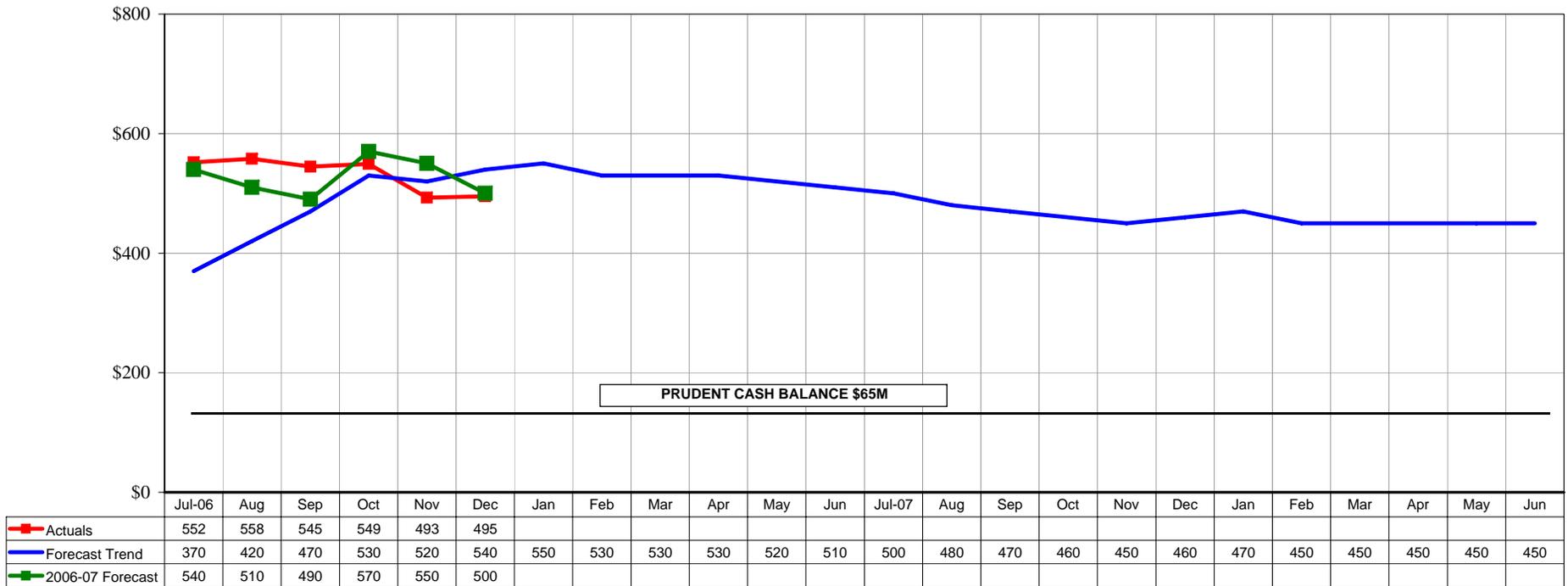
Base FY 2006-07 Forecast Assumptions:

- ▶ Includes \$210 million in federal August redistribution received in September 2006.
- ▶ Includes \$96 million in federal accrual received in September 2006.
- ▶ Assumes estimated employee compensation increases.
- ▶ Assumes no tribal gaming revenue
- ▶ Forecast trend line is a five-month moving average.

Allocation Assumptions:

- ▶ 2006-07 \$2.050 billion, all remaining years \$2.0 billion.

24-Month Public Transportation Account (PTA) Cash Forecast (\$ millions)



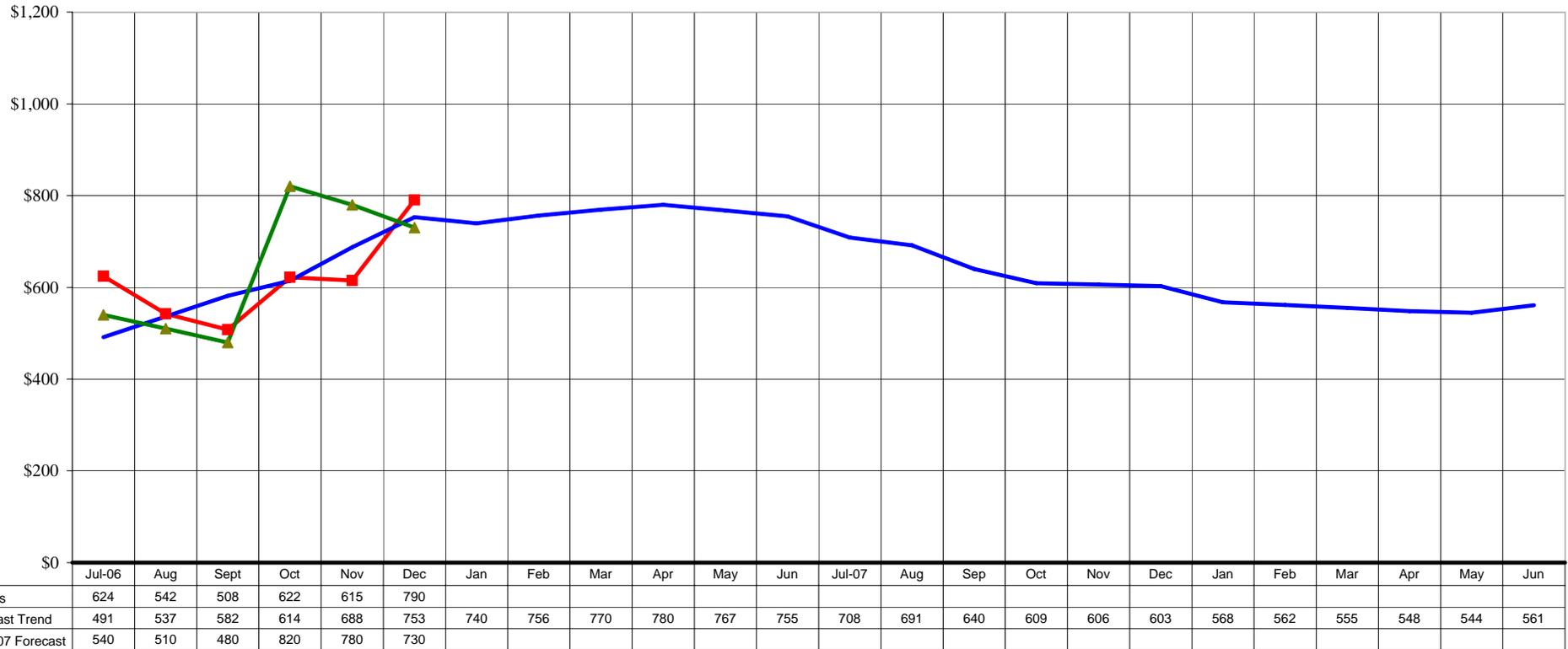
Base FY 2006-07 Forecast Assumptions:

- ▶ Based on 2006-07 Enacted Budget
- ▶ Forecasted cash balance includes cash advances to TRA
- ▶ TDIF Repayment of \$214M included
- ▶ Transfer from TIF of \$148.5M included
- ▶ Total of Spillover revenue split 80% to STA and 20% to PTA

Allocation Assumptions:

- ▶ The 2006-07 Allocation Plan proposes \$300M for STIP

24-Month Traffic Congestion Relief Fund (TCRF) Cash Forecast (\$ millions)



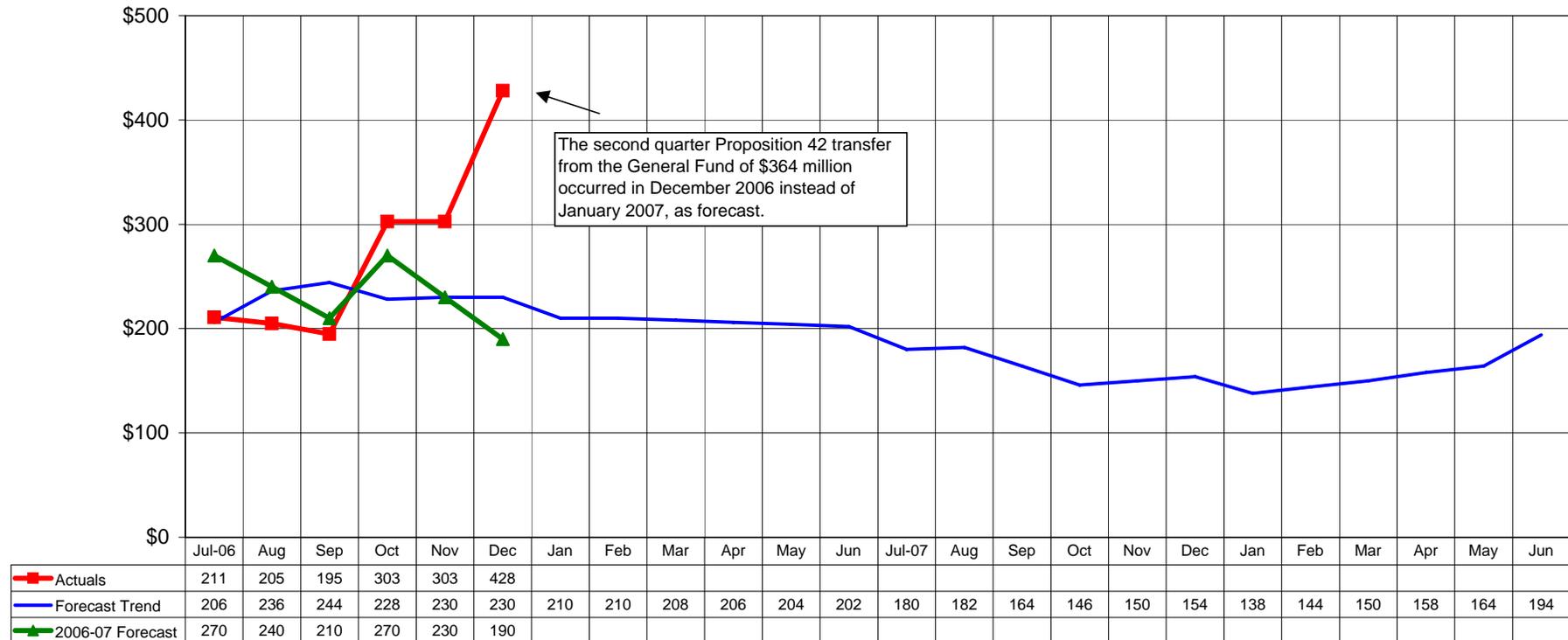
Base FY 2006-07 Forecast Assumptions:

- ▶ Updated project expenditure patterns.
- ▶ TIF transfer of \$678 million in FY 2006-07.
- ▶ TDIF transfer of \$321 million in FY 2006-07.
- ▶ No Tribal Gaming Revenues.

Allocation Assumptions:

- ▶ The current 2006-07 Allocation Plan proposes \$1.0 billion for the TCRP.

24-Month Transportation Investment Fund (TIF) Cash Forecast (\$ millions)



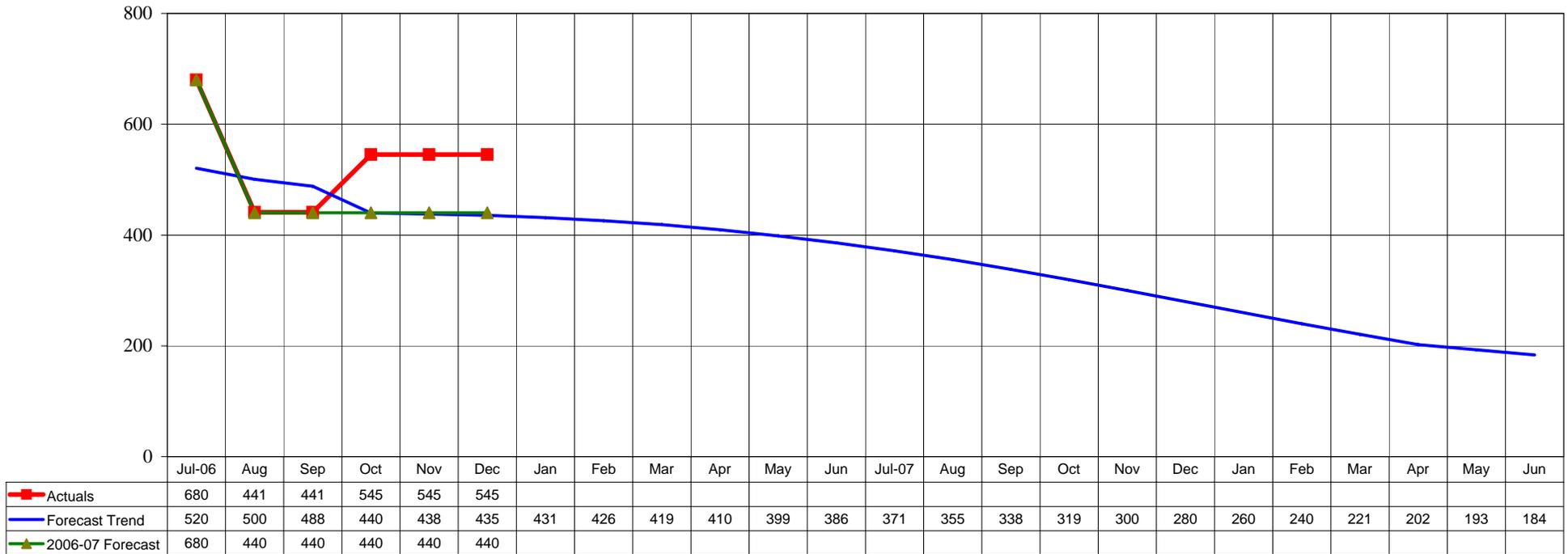
Base FY 2006-07 Assumptions:

- ▶ Based on the Governor Budget
- ▶ Assumes TIF in all years.
- ▶ Transfers of \$678 million to the TCRF, \$148 million to the PTA in FY 2006-07.
- ▶ Transfers of \$602 million to the TCRF, \$176 million to the PTA in FY 2007-08.

Allocation Assumptions

- ▶ The current 2006-07 Allocation Plan proposes \$390 million for STIP.

24-Month Transportation Deferred Investment Fund (TDIF) Cash Forecast (\$ millions)



Base FY 2006-07 Forecast Assumptions:

- ▶ 2006-07 Prop 42 Loan Repayments distributions of 1.415 Billion:
- ▶ \$440 million to Local Streets & Roads, \$214 million to PTA and \$321 million to TCRP.
- ▶ \$200 million represents spillover which was diverted to the TDIF for Prop 42 loan repayment.

Allocation Assumptions:

- ▶ The current 2006-07 Allocation Plan proposes \$440 million for STIP.

STATE HIGHWAY ACCOUNT FIVE-YEAR CASH FORECAST (\$ millions)

