

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: December 12-13, 2007

Reference No.: 3.14
Information Item

From: CINDY McKIM
Chief Financial Officer

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Division Chief
Local Assistance

Subject: **LOCAL ASSISTANCE QUARTERLY LUMP SUM ALLOCATION STATUS REPORT FOR FISCAL YEAR 2006-07**

SUMMARY:

The amount of Local Assistance subvention funds administered by the Department of Transportation's (Department) Division of Local Assistance is \$1.4 billion, including approximately \$105 million State funds and \$1.295 billion federal funds. As of September 30, 2007, \$1.007 billion, or 72 percent, of the \$1.4 billion has been sub-allocated for 1,150 projects. The majority of these sub-allocations, including Federal Transit Administration (FTA) transfers, are for 842 projects in the following categories:

- Surface Transportation Program (STP) – 310 projects, \$281 million
- Congestion Mitigation and Air Quality (CMAQ) Program – 159 projects, \$276 million
- Bridge – Seismic Retrofit – 22 projects, \$25 million
- Highway Bridge – 137 projects, \$201 million
- High Priority Projects – 81 projects, \$88 million
- Surface Transportation Programs State Match and Exchange – 133 projects, \$52 million

The remaining 308 projects are sub-allocated in other categories and account for eight percent of the expenditures reported.

Consistent with prior fiscal year trends, the Department has obligated all the federal funds available for local projects. Also consistent with prior fiscal year expenditure trends, the Department anticipates that all funds allocated will be expended.

BACKGROUND:

The Division of Local Assistance administers the local assistance subvention budget under delegated authority from the California Transportation Commission (Commission). The Commission provides an annual lump sum allocation consistent with each fiscal year's Budget Act. The Commission further delegates to the Department the authority to adjust allocations for the Local Assistance Program, and the Department reports to the Commission if transfers in or out of an expenditure category exceed ten percent of its allocation.

Local Assistance Lump Sum Allocation Status for FY 2006-07:

On September 7, 2006, the Commission passed Resolution FM-06-02, allocating \$712 million for the Local Assistance Program for Fiscal Year 2006-07. The initial allocation request was for \$1.424 billion. The Commission reduced the initial allocation request to \$712 million, pending the final

closeout report for FY 2005-06, which was presented to the Commission its December 14, 2006 meeting. On June 7, 2007, the Commission passed Resolution FM-06-04, allocating the remaining \$712 million for the Local Assistance Program for FY 2006-07.

On July 26, 2007, the Commission passed Resolution FM-07-02, authorizing the exchange and sub-allocation of Local Assistance Federal Highway Safety Improvement Program (HSIP) funds with capital outlay State Highway Operation and Protection Program (SHOPP) funds. The \$27 million exchange provided federal funding for SHOPP projects while allowing an equal amount of State Highway Account (SHA) funds to be used for the local Safe Routes to School Program (SR2S).

As of September 30, 2007, the end of the fourth quarter of the federal fiscal year, \$1.007 billion, or 72 percent of the \$1.4 billion of Local Assistance funds allocated by the Commission to the Department, have been sub-allocated.

The High Priority Projects category has \$88 million in expenditures. The Miscellaneous category exceeded its original allocation amount by approximately \$57 million and has approximately \$61 million in expenditures. The majority of these expenditures, 70 percent, were allocated for Emergency Relief (ER) projects.

The Railroad Grade Crossing Protection Program currently has \$501,000 in expenditures. During September 2007, \$7.15 million was obligated for 17 Railroad Grade Crossing Protection projects, and an additional \$3.85 million has been obligated this current fiscal year for additional projects in this category. It is expected that all pending contracts for Railroad Grade Crossing Protection projects will be executed by December 31, 2007.

The High Risk Rural Roads (HR3) Program has \$235,000 in expenditures. Most of the Metropolitan Planning Organizations (MPOs) have completed their amendments to their Federal Transportation Improvement Programs (FTIPs) to include projects approved earlier this year for the HR3 program. It is expected that these projects will be sub-allocated prior to the end of the current fiscal year. The state and federal Safe Routes to School programs have combined expenditures of \$443,000. In September 2007, the Department of Finance approved a budget revision in the amount of \$27 million for the SR2S program. This exchange was previously approved by the Commission at its July 2007 meeting under Resolution FM-07-02. A call for new SR2S projects has been made, and the deadline for applications was November 30, 2007. Local Assistance anticipates sub-allocating the \$27 million before the end of the current fiscal year.

The delivery to date for FY 2006-07 is \$1.007 billion, or 72 percent of the \$1.4 billion allocated by the Commission. At this time last year, \$839 million or 86 percent of \$976 million allocated had been sub-allocated. Although expenditures are higher compared to the same period last year, our percent of allocation expended is lower. This is due to the overall increase in the total amount of funds available this year as compared to last year. During the month of October 2007, Local Assistance sub-allocated approximately \$130 million to 69 projects. Execution of pending Program Supplements will use the Department anticipates expending all funds allocated. The Department anticipates submitting a closeout report for FY 2006-07 at the Commission's February 2008 meeting.

Attachment

LOCAL ASSISTANCE FUNDS
FY 2006-07
As of September 30, 2007
(Dollars in thousands)

Reference No.: 3.14
December 12-13, 2007
Attachment

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 Program (STP)	0	382,458	382,458	0	204,261	204,261	0	178,197	178,197	53%	307
STP State Match and Exchange	58,150	0	58,150	52,292	0	52,292	5,858	0	5,858	90%	133
Congestion Mitigation & Air Quality Program (CMAQ)	0	411,367	411,367	0	83,692	83,692	0	327,675	327,675	20%	127
Bridge Inspection and State Match	735	2,640	3,375	42	320	362	693	2,320	3,013	11%	2
Highway Bridge Program	0	138,406	138,406	0	200,560	200,560	0	-62,154	-62,154	145%	137
Bridge - Seismic Retrofit	0	94,551	94,551	0	24,677	24,677	0	69,874	69,874	26%	22
Railroad Grade Crossing Protection	0	8,009	8,009	0	501	501	0	7,508	7,508	6%	2
Railroad Grade Crossing Maintenance	1,000	0	1,000	1,000	0	1,000	0	0	0	100%	1
Railroad Grade Separations	15,000	0	15,000	10,720	0	10,720	4,280	0	4,280	71%	3
Highway Safety Improvement Program	0	19,961	19,961	0	9,641	9,641	0	10,320	10,320	48%	39
High Risk Rural Roads	0	7,435	7,435	0	235	235	0	7,200	7,200	3%	3
Safe Routes to School	27,000	14,624	41,624	0	443	443	27,000	14,181	41,181	1%	3
High Priority Projects	0	215,109	215,109	0	88,307	88,307	0	126,802	126,802	41%	81
Miscellaneous	3,000	625	3,625	1,287	59,367	60,654	1,713	-58,742	-57,029	1673%	255
Total Local Assistance Subvented Funds	104,885	1,295,185	1,400,070	65,341	672,004	737,345	39,544	623,181	662,725	53%	1,115
Federal Transit Administration (FTA) Transfers	0	0	0	0	269,253	269,253	0	0	0		35
Total Local Assistance including FTA Transfers	104,885	1,295,185	1,400,070	65,341	941,257	1,006,598	39,544	623,181	662,725	72%	1,150

Assumptions:

- * Allocations reflect June 2007 Meeting vote, Item 2.5g.
- * Allocations reflect July 2007 Meeting vote, item 2.5i SR2S Exchange.
- * FTA transfers are \$76,731,000 for RSTP and \$192,521,793 for CMAQ.
- * The amounts do not include Freeway Service Patrol or Bay Area Ferry Operations.
- * Balances are based on project allocation requests.
- * The Allocation Balance is the difference between Commission Allocation and Total Expenditures.
- * Expenditures and Number of Projects are from LP2000 report.
- * Beginning with FY 2005-06, the Department changed reporting methods based on federal fiscal year instead of State fiscal year.