

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: March 12-13, 2008

Reference No.: 3.9
Information Item

From: CINDY McKIM
Chief Financial Officer

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Local Assistance

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

SUMMARY:

On September 7, 2006, the California Transportation Commission (Commission) passed Resolution FM-06-02, allocating \$712 million for the Department of Transportation's (Department's) Local Assistance program for Fiscal Year (FY) 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 at 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 funds with Capital Outlay Highway Operation and Protection Plan (SHOPP) State funds. The \$27 million exchange provided Federal funding for SHOPP projects while allowing an equal amount of State Highway Account funds to be used for the State Safe Routes to School Program (SR2S).

Suballocations reported below are based on Federal Fiscal Year (FFY) 2007, which is from October 1, 2006 through September 30, 2007. As of December 31, 2007, \$1.29 billion or 92 percent of the \$1.4 billion of local assistance funds has been suballocated.

BACKGROUND:

The Division of Local Assistance administers the Local Assistance subvention budget under delegated authority from the 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 report 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 FY 2006-2007:

At the end of FFY 2007, ending on September 30, 2007, all federal obligation authority made available by the Federal Highway Administration was used.

As of December 31, 2007, \$1.29 billion or 92 percent of the \$1.4 billion of Local Assistance funds allocated by the Commission to the Department have been suballocated for 1,331 projects. The majority of these suballocations, including Federal Transit Administration (FTA) transfers, are for 959 projects in the following categories:

- Surface Transportation Program – 371 projects, \$ 368 million
- Congestion Mitigation and Air Quality Program – 182 projects, \$357 million
- Bridge – Seismic Retrofit – 28 projects, \$32 million
- Highway Bridge – 152 projects, \$218 million
- High Priority Projects – 93 projects, \$141 million
- Surface Transportation Programs State Match and Exchange – 133 projects, \$52 million

The remaining 372 projects are suballocated in other categories and account for nine percent of the expenditures reported.

The High Priority Projects category has \$141 million in expenditures. The Miscellaneous category exceeded its original allocation amount by approximately \$87 million and has approximately \$90 million in expenditures. The majority of these expenditures were allocated for Emergency Relief projects. Other projects funded in this category include California Scenic Byways, High Occupancy Vehicle lanes, and Intelligent Transportation Systems.

Both the Railroad Grade Crossing Maintenance and Railroad Grade Separation Programs have expended 100 percent of their allocations. The Railroad Grade Crossing Protection Program currently has \$501,000 in expenditures as of December 31, 2007. An additional \$1.2 million has been expended in the month of January 2008. There are approximately \$5 million of additional contracts under negotiation and are expected to be executed within the next six months.

The High Risk Rural Roads Program has \$634,000 in expenditures. Forty-five projects totally approximately \$22 million have been approved to receive an allocation. Local agencies were required to process Federal Transportation Improvement Plan (FTIP) amendments before funds could be allocated. At this time, all FTIP amendments have been processed and we expect allocations will be processed before the end of the fiscal year. The State and federal Safe Routes to School programs have combined expenditures of \$935,000. In September 2007, the Department of Finance approved a budget revision in the amount of \$27 million for the State SR2S program. This exchange was previously approved by the Commission at its July 2007 meeting. A call for new SR2S projects was made, which will use funds from FY 2006-07. Over four hundred applications were received, and the department anticipates releasing a list of approved projects by the end of February 2008.

FY 2006-07 compared to prior years as of December 31, 2007:

The delivery to date for FY 2006-07 is \$1.29 billion, or 92 percent of the \$1.4 billion allocated by the Commission. Of this amount, \$70.8 million is for State suballocations and \$1.22 billion is for federal suballocations. The federal suballocations include \$269.3 million for transfers made to the FTA.

Historical trends show the Department consistently suballocates all of the funds allocated by the Commission. Attached are the lump sum allocation reports for the prior two years as of December 31, 2007. These status reports for FY 2005-06 and FY 2004-05 indicate that the Program has suballocated all of the funds delegated by the Commission.

Attachments

LOCAL ASSISTANCE FUNDS
FY 2006-07
As of December 31, 2007
(Dollars in thousands)

Reference No.: 3.9
March 12-13, 2008
Attachment 1

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	0	382,458	382,458	0	291,416	291,416	0	91,042	91,042	76%	368
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	164,387	164,387	0	246,980	246,980	40%	150
Bridge Inspection and State Match	735	2,640	3,375	42	320	362	693	2,320	3,013	11%	2
Highway Bridge Program		138,406	138,406	0	218,306	218,306	0	-79,900	-79,900	158%	152
Bridge - Seismic Retrofit	0	94,551	94,551	0	32,312	32,312	0	62,239	62,239	34%	28
Railroad Grade Crossing Protection		8,009	8,009	0	501	501	0	7,508	7,508	6%	7
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	15,000	0	15,000	0	0	0	100%	4
Highway Safety Improvement Program	0	19,961	19,961	0	12,811	12,811	0	7,150	7,150	64%	55
High Risk Rural Roads	0	7,435	7,435	0	634	634	0	6,801	6,801	9%	8
Safe Routes to School	27,000	14,624	41,624	358	577	935	26,642	14,047	40,689	2%	8
High Priority Projects	0	215,109	215,109	0	141,020	141,020	0	74,089	74,089	66%	93
Miscellaneous	3,000	625	3,625	2,148	88,006	90,154	852	-87,381	-86,529	2,487%	287
Total Local Assistance Subvention Funds	104,885	1,295,185	1,400,070	70,840	950,290	1,021,130	34,045	344,895	378,940	73%	1,296
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	70,840	1,219,543	1,290,383	34,045	344,895	378,940	92%	1,331

Assumptions:

- * The amounts do not include Freeway Service Patrol or Bay Area Ferry Operations.
- * Transfer of \$27 million from federal funds to state funds for SR2S per Senate Bill 1087(Soto).
- * FTA transfers are \$76,731,000 for Regional Surface Transportation Program and \$192,521,793 for CMAQ.
- * Miscellaneous expenditures include \$47,364,938 expenditures for ER projects and \$42,789,062 for discretionary projects.
- * The Allocation Balance is the difference between Commission Allocation and Total Expenditures.
- * Expenditures and Number of Projects are from LP2000 report.

LOCAL ASSISTANCE FUNDS
FY 2005-06
As of December 31, 2007
(Dollars in thousands)

Reference No.: 3.9
March 12-13, 2008
Attachment 2

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	0	310,600	310,600	0	269,506	269,506	0	41,094	41,094	87%	377
STP State Match and Exchange	51,250	0	51,250	50,801	0	50,801	449	0	449	99%	137
Congestion Mitigation & Air Quality Program (CMAQ)	0	333,608	333,608	0	203,790	203,790	0	129,818	129,818	61%	178
Bridge Inspection & State Match	735	1,725	2,460	292	1,168	1,460	443	557	1,000	59%	4
Highway Bridge Program	0	127,311	127,311	0	115,667	115,667	0	11,644	11,644	91%	184
Bridge - Seismic Retrofit	0	53,905	53,905	0	34,145	34,145	0	19,760	19,760	63%	45
Railroad Grade Crossing Protection	0	10,911	10,911	0	2,636	2,636	0	8,275	8,275	24%	12
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	15,000	0	15,000	0	0	0	100%	4
Highway Safety Improvement Program	0	18,549	18,549	0	10,680	10,680	0	7,869	7,869	58%	52
High Risk Rural Roads	0	7,021	7,021	0	0	0	0	7,021	7,021	0%	0
Safe Routes to School	23,000	14,353	37,353	22,976	1,191	24,167	24	13,162	13,186	65%	116
Transportation Enhancement Activities (TEA) Exchange	2,000	0	2,000	0	0	0	2,000	0	2,000	0%	0
High Priority Projects (formerly Demonstration Projects)	0	0	0	0	80,531	80,531	0	-80,531	-80,531	0%	69
Miscellaneous	3,000	1,616	4,616	1,925	88,552	90,477	1,075	-86,936	-85,861	1,960%	223
Total Local Assistance Subvention Funds	95,985	879,599	975,584	91,994	807,866	899,860	3,991	71,733	75,724	92%	1,402
Federal Transit Administration (FTA) Transfers	0	0	0	0	179,505	179,505	0	0	0		34
Total Local Assistance including FTA Transfers	95,985	879,599	975,584	91,994	987,371	1,079,365	3,991	71,733	75,724	111%	1,436

Assumptions:

- * The amounts do not include Freeway Service Patrol or Bay Area Ferry Operations.
- * FTA Transfers are \$74,048,000 for RSTP, \$105,456,943 for CMAQ.
- * The Allocation Balance is the difference between Commission Allocation and Total Expenditures.
- * Expenditures and Number of Projects is from LP2000 report.
- * Highway Safety Improvement Program formerly Hazard Elimination and Safety.
- * Highway Bridge Program formerly Highway Bridge Rehabilitation & Replacement.
- * Beginning with FY 2005-06, the Department changed reporting methods based on federal fiscal year instead of state fiscal year.

**LOCAL ASSISTANCE FUNDS
FY 2004-05
(As of December 31, 2007)**

Reference No.: 3.9
March 12-13, 2008
Attachment 3

(Dollars in thousands)

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	376,211	376,211	0	343,901	343,901	0	32,310	32,310	91%	304
STP State Match and Exchange	46,000	0	46,000	47,477	0	47,477	-1,477	0	-1,477	103%	131
Congestion Mitigation & Air Quality Program (CMAQ)	0	410,856	410,856	0	136,501	136,501	0	274,355	274,355	33%	259
Bridge Scour & State Match	735	2,640	3,375	71	566	637	664	2,074	2,738	19%	7
Highway Bridge Rehabilitation & Replacement	0	130,248	130,248	0	152,157	152,157	0	-21,909	-21,909	117%	169
Bridge - Seismic Retrofit	0	67,880	67,880	0	69,940	69,940	0	-2,060	-2,060	103%	75
Railroad Grade Crossing Protection	0	12,720	12,720	0	4,787	4,787	0	7,933	7,933	38%	25
Railroad Grade Crossing Maintenance	4,250	0	4,250	4,103	0	4,103	147	0	147	97%	2
Railroad Grade Separations	15,000	0	15,000	15,000	0	15,000	0	0	0	100%	5
Hazard Elimination & Safety (HES)	0	12,720	12,720	0	9,905	9,905	0	2,815	2,815	78%	70
Safe Routes to School	22,700	2,740	25,440	22,224	870	23,094	476	1,870	2,346	91%	127
Transportation Enhancement Activities (TEA) Exchange	6,440	0	6,440	0	0	0	6,440	0	6,440	0%	0
Demonstration Projects	0	0	0	0	103,487	103,487	0	-103,487	-103,487	0%	47
Miscellaneous	2,000	1,625	3,625	1,633	19,992	21,625	367	-18,367	-18,000	597%	97
TEA Regional Share	0	0	0	0	1,546	1,546	0	-1,546	-1,546	0%	14
Total Local Assistance Subvention Funds	97,125	1,017,640	1,114,765	90,508	843,652	934,160	6,617	173,988	180,605	84%	1,332
Federal Transit Administration (FTA) Transfers	0	0	0	0	259,323	259,323	0	0	0		75
Total Local Assistance including FTA Transfers	97,125	1,017,640	1,114,765	90,508	1,102,975	1,193,483	6,617	173,988	180,605	107%	1,407

Assumptions:

- * The amounts do not include Freeway Service Patrol or Bay Area Ferry Operations.
- * Transfer of \$22.7 million from federal funds to state funds for SR2S per Senate Bill 1087 (Soto).
- * FTA Transfers are \$128,766,188 for RSTP, \$124,780,211 for CMAQ, and \$5,776,500 for TEA.
- * Miscellaneous expenditures include projects not included elsewhere.
- * The Allocation Balance is the difference between Commission Allocation and Total Expenditures.
- * Expenditures and Number of Projects is from LP2000 report.
- * Reallocation of RR Grade Crossing Maintenance Program (to \$1M from \$4.25M); remainder to be allocated to STP State Match & Exchange for FY 2005-06.