

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: May 28-29, 2008

Reference No.: 3.4  
Information Item

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Chief Financial Officer

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Local Assistance

Subject: **LOCAL ASSISTANCE QUARTERLY LUMP SUM ALLOCATION STATUS REPORT FOR FISCAL YEAR 2007-08**

## **SUMMARY:**

On June 7, 2007, the California Transportation Commission (Commission) passed Resolution FM-06-05, allocating \$101 million of State funds for the Department of Transportation's (Department's) Local Assistance Program for Fiscal Year (FY) 2007-08.

On September 20, 2007, the Commission passed Resolution FM-07-03, allocating \$670 million of federal funds for FY 2007-08 for the Department's Local Assistance Program. The initial allocation request was for \$1.34 billion; however, the Commission reduced the allocation request to \$670 million, pending the final close-out report for FY 2006-07. The Department presented this report at the March 2008 Commission meeting.

On December 13, 2007, the Commission approved a technical correction to move federal budget authority for \$8.4 million from the local subvention budget to the local State Transportation Improvement Program budget.

In March 2008, the Commission passed Resolution FM-07-04, authorizing the exchange and suballocation of Local Assistance Federal Highway Safety Improvement Program funds with Capital Outlay State Highway Operation and Protection Program (SHOPP) funds. The \$25 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.

As of March 31, 2008, local agencies have used 57 percent, or \$423 million of the \$739 million total allocation. This is higher when compared to last year's allocation use of 28 percent, or \$189 million of the \$688 million total allocation. The Department will be requesting the balance of the federal lump sum allocation based on the FY 2007-08 Budget Act levels under a separate book item. This will enable the Department to suballocate funds to projects that will come in for allocation from now until the end of the federal fiscal year.

The suballocations reported below are based on Federal Fiscal Year (FFY) 2008, which is from October 1, 2007 through September 30, 2008. The amount of Local Assistance subvention funds allocated and administered by the Department's Division of Local Assistance is \$739 million. Of this amount, approximately \$102 million are State funds and \$637 million are federal funds.

As of March 31, 2008, \$423 million, or 57 percent, of the \$739 million has been suballocated to 333 local projects. The majority of these suballocations, including Federal Transit Administration (FTA) transfers, are for:

- Surface Transportation Program - 62 projects, \$73 million
- Congestion Mitigation & Air Quality Program - 75 projects, \$136 million
- Highway Bridge Program - 48 projects, \$103 million
- Railroad Grade Separations - 3 projects, \$11 million
- Bridge - Seismic Retrofit - 26 projects, \$16 million

The remaining 119 projects are suballocated in other categories and account for 20 percent of the expenditures reported.

### **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 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 FY 2007-08:**

As of March 31, 2008, the end of the second quarter of FFY 2008, approximately \$423 million or 57 percent of the \$739 million of Local Assistance funds allocated have been suballocated.

The Railroad Grade Separation Program currently has expended 71 percent of its allocation. An additional project agreement, which will fully utilize this year's allocation, should be executed by June 2008.

Miscellaneous program suballocations are at 1,862 percent of its allocation. Suballocations are being used for projects of regional and national significance, national corridor infrastructure improvements, and emergency relief.

The High Risk Rural Roads Program and the Highway Safety Improvement Program each have more than \$1 million in suballocations. The federal Safe Routes to School Program has suballocated \$372,000. In March, the Department released a list of 139 approved projects. Suballocations are in various stages of being processed.

The Department is working with the Public Utilities Commission (PUC) to establish a list of Railroad Grade Crossing Protection projects which meet federal requirements. It is anticipated that suballocations will be made for projects by the end of September 2008.

There are three programs that do not have expenditures as of March 31, 2008. The Department processed the Regional Surface Transportation Program State Match and Exchange in April 2008. In July 2008, the Department anticipates suballocations for projects utilizing Bridge Inspection and

State Match funds. The PUC will invoice the Department for the total allocation of \$2 million for Railroad Grade Crossing Maintenance projects in July 2008.

The use of the allocation is higher this year (57 percent) when compared to this same time last year (28 percent). Consistent with historical trends, the Department anticipates using all funds allocated by the Commission for FY 2007-08.

Attachment

**LOCAL ASSISTANCE FUNDS**  
**FY 2007-08**  
**As of March 31, 2008**  
(Dollars in thousands)

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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	204,525	204,525	0	63,106	63,106	0	141,419	141,419	31%	59
STP State Match and Exchange	57,558	0	57,558	0	0	0	57,558	0	57,558	0%	0
Congestion Mitigation & Air Quality Program (CMAQ)	0	202,135	202,135	0	122,505	122,505	0	79,630	79,630	61%	68
Bridge Inspection and State Match	735	1,320	2,055	0	0	0	735	1,320	2,055	0%	0
Highway Bridge Program		58,472	58,472	0	103,355	103,355	0	-44,883	-44,883	177%	48
Bridge - Seismic Retrofit	0	52,000	52,000	0	16,035	16,035	0	35,965	35,965	31%	26
Railroad Grade Crossing Protection		5,597	5,597	0	246	246	0	5,351	5,351	4%	2
Railroad Grade Crossing Maintenance	2,000	0	2,000	0	0	0	2,000	0	2,000	0%	0
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	2,878	2,878	0	1,506	1,506	0	1,372	1,372	52%	27
High Risk Rural Roads	0	3,549	3,549	0	1,050	1,050	0	2,499	2,499	30%	13
Safe Routes to School	25,000	7,899	32,899	0	372	372	25,000	7,527	32,527	1%	15
High Priority Projects	0	98,302	98,302	0	37,122	37,122	0	61,180	61,180	38%	25
Miscellaneous	2,000	313	2,313	755	42,321	43,076	1,245	-42,008	-40,763	1862%	37
<b>Total Local Assistance Subvention Funds</b>	<b>102,293</b>	<b>636,990</b>	<b>739,283</b>	<b>11,475</b>	<b>387,618</b>	<b>399,093</b>	<b>90,818</b>	<b>249,372</b>	<b>340,190</b>	<b>54%</b>	<b>323</b>
<b>Federal Transit Administration (FTA) Transfers</b>				0	23,507	23,507					10
<b>Total Local Assistance including FTA Transfers</b>	<b>102,293</b>	<b>636,990</b>	<b>739,283</b>	<b>11,475</b>	<b>411,125</b>	<b>422,600</b>	<b>90,818</b>	<b>249,372</b>	<b>340,190</b>	<b>57%</b>	<b>333</b>

**Assumptions:**

- \* Allocations for State funds reflect June 2007 meeting vote, Item 2.5h.
- \* Allocations for federal funds reflect September 2007 meeting vote, item 2.5h.
- \* Allocations reflect December 2007 meeting vote, Item 2.9c.
- \* Allocations reflect March 2008 meeting vote, Item 2.5h.
- \* FTA transfers are \$10,381,000 for RSTP and \$13,125,531 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.