

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: December 10-11, 2008

Reference No.: 3.9  
Information Item

From: CINDY McKIM  
Chief Financial Officer

Prepared by: Earl R. Seaberg, Jr.  
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Local Assistance

Subject: **YEAR-END REPORT ON LOCAL ASSISTANCE LUMP SUM ALLOCATION FOR FEDERAL FISCAL YEAR 2008**

## **SUMMARY:**

Over the course of the fiscal year, the California Transportation Commission (Commission) allocated a total of \$1.4 billion for the Department of Transportation's Local Assistance Program for Federal Fiscal Year (FFY) 2008. As of September 30, 2008, local agencies have used 92 percent, or \$1.3 billion of the \$1.4 billion total allocation.

The suballocations reported below are based on FFY 2008, which is from October 1, 2007 through September 30, 2008. Of the \$1.4 billion allocated and administered by the Department, approximately \$102 million are State funds and \$1.3 billion are federal funds.

As of September 30, 2008, a total of \$1.3 billion (92 percent) of the \$1.4 billion has been suballocated to 1,138 local projects. The majority of these suballocations (approximately \$1.1 billion) are for 968 projects in the following categories:

- Surface Transportation Program (STP) - 179 projects, \$196 million
- Congestion Mitigation and Air Quality Program (CMAQ) - 200 projects, \$186 million
- Highway Bridge Program - 106 projects, \$195 million
- Miscellaneous - 140 projects, \$178 million
- High Priority - 105 projects, \$155 million
- STP State Match and Exchange - 132 projects, \$51 million
- Railroad Grade Separations - 4 projects, \$15 million
- Bridge - Seismic Retrofit - 43 projects, \$113 million
- Safe Routes to School - 59 projects, \$13 million

The remaining \$200 million is for 170 projects that were suballocated in other categories and account for 15 percent of the expenditures reported. Federal Transit Administration transfers for 44 STP and CMAQ projects (totaling \$177 million) are included in this figure.

## **BACKGROUND:**

The Department's 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 ten percent of its allocation.

**Local Assistance Lump Sum Allocation Status for FFY 2008:**

As of September 30, 2008, the end of the fourth quarter of FFY 2008, approximately \$1.3 billion, or 92 percent of the \$1.4 billion of Local Assistance funds allocated, have been suballocated for 1,138 projects. The Miscellaneous program suballocations total almost \$178 million for 140 projects. The Miscellaneous category was used primarily to fund federal discretionary programs, with the majority being projects of national and regional significance, emergency relief, and national corridor infrastructure improvement. Due to the discretionary nature of these programs, budget authority is not requested during budget development, and they are funded with available authority from other programs.

An approved project list for the State-funded Safe Routes to School Program was released in March 2008. Currently, suballocations have been made for six projects using State funds, and 53 projects using federal funds. Suballocations for additional Safe Routes to School Program projects are in various stages of being processed. The Department has also suballocated \$12.8 million for Highway Safety Improvement Program projects and \$3.1 million for High Risk Rural Road Program projects. Projects currently programmed in both of these categories will fully expend their respective allocations.

The Railroad Grade Crossing Protection Program currently has \$5.5 million in suballocations for nine projects. The Department is seeing improvement in delivery of this program, as another \$5 million in suballocations is expected by the end of FFY 2009.

There have been no suballocations for the Bridge Inspection Program as of September 30, 2008. The Department anticipates suballocating funds for bridge inspection projects early in calendar year 2009 following contract negotiation and execution.

**FFY 2008 compared to prior years as of September 30, 2008:**

The delivery to date is \$1.3 billion, or 92 percent of the \$1.4 billion allocated by the Commission. Of this amount, \$72.2 million is for State suballocations and \$1.228 billion is for federal suballocations. These figures are higher when compared to last year's allocation use of 72 percent as of September 30, 2007, or \$1 billion of the \$1.4 billion total allocation.

Historical trends show the Department consistently suballocates all of the funds allocated by the Commission. Attached are lump sum allocation reports for the prior two years as of September 30, 2008. These status reports for FFY 2006 and FFY 2007 indicate that the Program suballocates all of the funds delegated by the Commission within three years.

Attachments

**LOCAL ASSISTANCE FUNDS  
FFY 2008  
As of September 30, 2008  
(Dollars in thousands)**

Reference No.: 3.9  
December 10-11, 2008  
Attachment 1

| Fund Description                                      | Commission 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                     | 417,450          | 417,450          | 0                  | 195,627          | 195,627          | 0                  | 221,823        | 221,823        | 47%                            | 179                |
| STP State Match and Exchange                          | 57,558                | 0                | 57,558           | 50,747             | 0                | 50,747           | 6,811              | 0              | 6,811          | 88%                            | 132                |
| Congestion Mitigation and Air Quality Program (CMAQ)  | 0                     | 404,269          | 404,269          | 0                  | 185,922          | 185,922          | 0                  | 218,347        | 218,347        | 46%                            | 200                |
| Bridge Inspection                                     | 735                   | 2,640            | 3,375            | 0                  | 0                | 0                | 735                | 2,640          | 3,375          | 0%                             | 0                  |
| Highway Bridge Program                                | 0                     | 116,945          | 116,945          | 0                  | 194,637          | 194,637          | 0                  | -77,692        | -77,692        | 166%                           | 106                |
| Bridge - Seismic Retrofit                             | 0                     | 104,000          | 104,000          | 0                  | 112,636          | 112,636          | 0                  | -8,636         | -8,636         | 108%                           | 43                 |
| Railroad Grade Crossing Protection                    | 0                     | 11,195           | 11,195           | 0                  | 5,567            | 5,567            | 0                  | 5,628          | 5,628          | 50%                            | 9                  |
| Railroad Grade Crossing Maintenance                   | 2,000                 | 0                | 2,000            | 2,000              | 0                | 2,000            | 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                     | 30,757           | 30,757           | 0                  | 12,751           | 12,751           | 0                  | 18,006         | 18,006         | 41%                            | 94                 |
| High Risk Rural Roads                                 | 0                     | 7,098            | 7,098            | 0                  | 3,148            | 3,148            | 0                  | 3,950          | 3,950          | 44%                            | 22                 |
| Safe Routes to School                                 | 25,000                | 15,797           | 40,797           | 2,673              | 10,395           | 13,068           | 22,327             | 5,402          | 27,729         | 32%                            | 59                 |
| High Priority Projects                                | 0                     | 196,605          | 196,605          | 0                  | 154,719          | 154,719          | 0                  | 41,886         | 41,886         | 79%                            | 105                |
| Miscellaneous   | 2,000                 | 625              | 2,625            | 1,755              | 175,788          | 177,543          | 245                | -175,163       | -174,918       | 6764%                          | 140                |
| <b>Total Local Assistance Subvention Funds</b>        | <b>102,293</b>        | <b>1,307,381</b> | <b>1,409,674</b> | <b>72,175</b>      | <b>1,051,190</b> | <b>1,123,365</b> | <b>30,118</b>      | <b>256,191</b> | <b>286,309</b> | <b>80%</b>                     | <b>1,094</b>       |
| <b>Federal Transit Administration (FTA) Transfers</b> |                       |                  |                  |                    | 176,770          | 176,770          |                    |                |                |                                | 44                 |
| <b>Total Local Assistance including FTA Transfers</b> | <b>102,293</b>        | <b>1,307,381</b> | <b>1,409,674</b> | <b>72,175</b>      | <b>1,227,960</b> | <b>1,300,135</b> | <b>30,118</b>      | <b>256,191</b> | <b>286,309</b> | <b>92%</b>                     | <b>1,138</b>       |

**Assumptions:**

- \* Allocations for State funds reflect June 2007 meeting vote, Item 2.5h.
- \* Allocations for federal funds reflect May 2008 meeting vote, Item 2.5h.
- \* FTA transfers are \$96,435,000 for RSTP and \$80,335,220 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.
- \* In accordance with Commission Resolution G-01-08, the Department reports when total transfers into or out of an expenditure category exceed 10 percent.

**LOCAL ASSISTANCE FUNDS**  
**FFY 2007**  
As of September 30, 2008  
(Dollars in thousands)

Reference No.: 3.9  
December 10-11, 2008  
Attachment 2

| Fund Description                                      | Commission 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                  | 303,712          | 303,712          | 0                  | 78,746         | 78,746         | 79%                            | 396                |
| STP State Match and Exchange                          | 58,150                | 0                | 58,150           | 52,292             | 0                | 52,292           | 5,858              | 0              | 5,858          | 90%                            | 133                |
| Congestion Mitigation and Air Quality Program (CMAQ)  | 0                     | 411,367          | 411,367          | 0                  | 161,845          | 161,845          | 0                  | 249,522        | 249,522        | 39%                            | 159                |
| Bridge Inspection and State Match                     | 735                   | 2,640            | 3,375            | 220                | 1,697            | 1,917            | 515                | 943            | 1,458          | 57%                            | 4                  |
| Highway Bridge Program                                |                       | 138,406          | 138,406          | 0                  | 222,301          | 222,301          | 0                  | -83,895        | -83,895        | 161%                           | 163                |
| Bridge - Seismic Retrofit                             | 0                     | 94,551           | 94,551           | 0                  | 32,351           | 32,351           | 0                  | 62,200         | 62,200         | 34%                            | 29                 |
| Railroad Grade Crossing Protection                    |                       | 8,009            | 8,009            | 0                  | 7,484            | 7,484            | 0                  | 525            | 525            | 93%                            | 24                 |
| 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                  | 14,546           | 14,546           | 0                  | 5,415          | 5,415          | 73%                            | 66                 |
| 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           | 24,075             | 0                | 24,075           | 2,925              | 14,624         | 17,549         | 58%                            | 68                 |
| High Priority Projects                                | 0                     | 215,109          | 215,109          | 0                  | 173,950          | 173,950          | 0                  | 41,159         | 41,159         | 81%                            | 105                |
| Miscellaneous   | 3,000                 | 625              | 3,625            | 2,326              | 102,799          | 105,125          | 674                | -102,174       | -101,500       | 2900%                          | 298                |
| <b>Total Local Assistance Subvented Funds</b>         | <b>104,885</b>        | <b>1,295,185</b> | <b>1,400,070</b> | <b>94,913</b>      | <b>1,021,319</b> | <b>1,116,232</b> | <b>9,972</b>       | <b>273,866</b> | <b>283,838</b> | <b>80%</b>                     | <b>1,458</b>       |
| <b>Federal Transit Administration (FTA) Transfers</b> |                       |                  |                  |                    | 269,253          | 269,253          |                    |                |                |                                | 35                 |
| <b>Total Local Assistance including FTA Transfers</b> | <b>104,885</b>        | <b>1,295,185</b> | <b>1,400,070</b> | <b>94,913</b>      | <b>1,290,572</b> | <b>1,385,485</b> | <b>9,972</b>       | <b>273,866</b> | <b>283,838</b> | <b>99%</b>                     | <b>1,493</b>       |

**Assumptions:**

- \* Allocations reflect June 2007 meeting vote, Item 2.5g.
- \* Allocations reflect July 2007 meeting vote, Item 2.5i Safe Routes to School 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.

**LOCAL ASSISTANCE FUNDS**  
**FFY 2006**  
As of September 30, 2008  
(Dollars in thousands)

Reference No.: 3.9  
December 10-11, 2008  
Attachment 3

| Fund Description   | Commission 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)                        | 0                     | 310,600        | 310,600        | 0                  | 265,582        | 265,582          | 0                  | 45,018        | 45,018        | 86%                            | 388                |
| STP State Match and Exchange                             | 51,250                | 0              | 51,250         | 50,801             | 0              | 50,801           | 449                | 0             | 449           | 99%                            | 137                |
| Congestion Mitigation and Air Quality Program (CMAQ)     | 0                     | 333,608        | 333,608        |                    | 203,014        | 203,014          | 0                  | 130,594       | 130,594       | 61%                            | 180                |
| Bridge Inspection and 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                  | 114,949        | 114,949          | 0                  | 12,362        | 12,362        | 90%                            | 188                |
| Bridge - Seismic Retrofit                                | 0                     | 53,905         | 53,905         | 0                  | 34,472         | 34,472           | 0                  | 19,433        | 19,433        | 64%                            | 48                 |
| Railroad Grade Crossing Protection                       | 0                     | 10,911         | 10,911         | 0                  | 4,583          | 4,583            | 0                  | 6,328         | 6,328         | 42%                            | 14                 |
| Railroad Grade Crossing Maintenance                      | 1,000                 |                | 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                  | 11,689         | 11,689           | 0                  | 6,860         | 6,860         | 63%                            | 60                 |
| 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         | 23,758             | 0              | 23,758           | -758               | 14,353        | 13,595        | 64%                            | 122                |
| 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                  | 76,621         | 76,621           | 0                  | -76,621       | -76,621       |                                | 73                 |
| Miscellaneous  | 3,000                 | 1,616          | 4,616          | 1,855              | 86,602         | 88,457           | 1,145              | -84,986       | -83,841       | 1916%                          | 231                |
| <b>Total Local Assistance Subvented Funds</b>            | <b>95,985</b>         | <b>879,599</b> | <b>975,584</b> | <b>92,706</b>      | <b>798,680</b> | <b>891,386</b>   | <b>3,279</b>       | <b>80,919</b> | <b>84,198</b> | <b>91%</b>                     | <b>1,450</b>       |
| <b>Federal Transit Administration (FTA) Transfers</b>    |                       |                |                |                    | 179,505        | 179,505          |                    |               |               |                                | 34                 |
| <b>Total Local Assistance including FTA Transfers</b>    | <b>95,985</b>         | <b>879,599</b> | <b>975,584</b> | <b>92,706</b>      | <b>978,185</b> | <b>1,070,891</b> | <b>3,279</b>       | <b>80,919</b> | <b>84,198</b> | <b>110%</b>                    | <b>1,484</b>       |

**Assumptions:**

- \* Allocations reflect March 2006 meeting vote, Item 2.5g.
- \* 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.
- \* 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.
- \* Highway Safety Improvement Program (formerly Hazard Elimination and Safety).
- \* Highway Bridge Program formerly Highway Bridge Rehabilitation and Replacement.