

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: March 11-12, 2009

Reference No.: 3.11
Information Item

From: CINDY McKIM
Chief Financial Officer

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Subject: **QUARTERLY REPORT ON LOCAL ASSISTANCE LUMP SUM ALLOCATION FOR FEDERAL FISCAL YEAR 2009**

SUMMARY:

For Federal Fiscal Year (FFY) 2009, the California Transportation Commission (Commission) has allocated approximately \$786 million to the Department of Transportation. This amount excludes funding for Freeway Service Patrol services, which is excluded from this report.

As of December 31, 2008, approximately \$162 million (21 percent) of the \$786 million has been sub-allocated to 149 local projects. The sub-allocations reported below are based on FFY 2009, which is from October 1, 2008 through September 30, 2009. Of the \$786 million allocated and administered by the Department, approximately \$127 million are State funds and \$659 million are federal funds.

The majority of the sub-allocations (approximately \$140 million) are for 128 projects in the following categories:

- Surface Transportation Program (STP) - 19 projects, \$28 million
- Congestion Mitigation and Air Quality Program (CMAQ) - 27 projects, \$21 million
- Highway Bridge Program - 55 projects, \$42 million
- High Priority - 12 projects, \$12 million
- Railroad Grade Separations - 2 projects, \$4 million
- Bridge - Seismic Retrofit - 13 projects, \$33 million

The remaining \$22 million was sub-allocated for 21 projects in other categories and account for 14 percent of the expenditures reported. A Federal Transit Administration transfer for one CMAQ project (totaling \$16 million) is 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 between categories, 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 2009:

As of December 31, 2008, the end of the first quarter of FFY 2009, approximately \$162 million, or 21 percent of the \$786 million allocated, has been sub-allocated for 149 projects. Some programs show few suballocations; however, this is not unusual during the first quarter of the federal fiscal year. The STP State Match and Exchange should take place later during the federal fiscal year. Few sub-allocations have been made through December 31, 2008, for Safe Routes to School, High Risk Rural Roads, or Highway Safety Improvement programs. However, a total of \$2.6 million in suballocations was made for these programs during January 2009. Suballocations for both Bridge Inspection and Railroad Grade Crossing Protection contracts for FFY 2009 have not yet occurred. However, they are expected later during the federal fiscal year. The Department anticipates the total amount of funds available for Railroad Grade Crossing Maintenance will be suballocated and invoiced by July 2009.

Two programs that appear as over-allocations are the Federal Miscellaneous and the Highway Bridge Program. The Miscellaneous category is primarily used to fund federal discretionary programs and 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. The Highway Bridge Program had more replacement and rehabilitation projects ready for delivery in the first quarter than seismic retrofit projects. The Department anticipates that delivery of seismic projects this fiscal year may be impacted by the availability of Proposition 1B Bond funds, which would provide the match to the federal funds.

The use of the allocation is higher this year (21 percent) when compared to this same time last year (9 percent). Consistent with historical trends, the Department anticipates using all funds allocated by the Commission for FFY 2009.

Attachment

**LOCAL ASSISTANCE FUNDS
FY 2008-09
As of December 31, 2008
(Dollars in thousands)**

Reference No.: 3.11
March 11-12, 2009
Attachment

Fund Description	Commission Allocation			Total Expenditures			Allocation Balance			Percent of Allocation Expended	Number of Projects
	State	Federal	Total	State	Federal	Total	State	Federal	Total		
Surface Transportation Program (STP)	0	214,598	214,598	0	28,437	28,437	0	186,161	186,161	13%	19
STP State Match and Exchange	57,849	0	57,849	0	0	0	57,849	0	57,849	0%	0
Congestion Mitigation & Air Quality Program (CMAQ)	0	203,937	203,937	0	21,342	21,342	0	182,595	182,595	10%	27
Bridge Inspection	735	1,320	2,055	0	0	0	735	1,320	2,055	0%	0
Highway Bridge Program	0	35,286	35,286	0	42,436	42,436	0	-7,150	-7,150	120%	55
Bridge Seismic Retrofit State Match	24,300	0	24,300	1,140	0	1,140	23,160	0	23,160	5%	2
Bridge Seismic Retrofit	0	55,392	55,392	0	32,815	32,815	0	22,577	22,577	59%	13
Railroad Grade Crossing Protection	0	5,858	5,858	0	0	0	0	5,858	5,858	0%	0
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	3,619	0	3,619	11,381	0	11,381	24%	2
Highway Safety Improvement Program	0	23,606	23,606	0	379	379	0	23,227	23,227	2%	4
High Risk Rural Roads	0	3,714	3,714	0	250	250	0	3,464	3,464	7%	2
Safe Routes to School	24,250	10,336	34,586	474	136	610	23,776	10,200	33,976	2%	3
High Priority Projects	0	104,085	104,085	0	12,371	12,371	0	91,714	91,714	12%	12
Miscellaneous	3,000	850	3,850	0	1,669	1,669	3,000	-819	2,181	43%	9
Total Local Assistance Subvention Funds	127,134	658,982	786,116	5,233	139,835	145,068	121,901	519,147	641,048	18%	148
Federal Transit Administration (FTA) Transfers				0	16,500	16,500					1
Total Local Assistance including FTA Transfers	127,134	658,982	786,116	5,233	156,335	161,568	121,901	519,147	641,048	21%	149

Assumptions:

- * Allocations for state funds reflect June 2008 meeting vote, Item 2.5h.
- * Allocations for federal funds reflect September 2008 meeting vote, Item 2.5h.
- * Allocations reflect October 2008 meeting vote, Item 2.5h.
- * FTA transfers are \$0 for RSTP and \$16,500,000 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 CTC Resolution G-01-08, the Department reports when total transfers into or out of an expenditure category exceed 10 percent.
- * Bridge Seismic Retrofit State Match represents exchange of federal funds for state funds.