

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: December 9-10, 2009

Reference No.: 3.8  
Information Item

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Budgets

Subject: **FY 2009-10 FIRST QUARTER FINANCE REPORT**

Attached is the California Department of Transportation's Fiscal Year 2009-10 First Quarter Finance Report. This report has been discussed with the Commission's Executive Committee.

Attachment

# **Department of Transportation Quarterly Finance Report**

## **First Quarter 2009-10**

The purpose of the quarterly finance report is to provide the California Transportation Commission (Commission) with the status of capital allocations versus capacity, and to report any trends or issues that may require action by the Department of Transportation (Department) or Commission regarding transportation funding policy, allocation capacity, or forecast methodology to ensure the efficient and prudent management of transportation resources. Below is the schedule of dates for the development of the 2009-10 Quarterly Finance Reports.

**California Department of Transportation  
Quarterly Finance Report  
Schedule of Reports**

<b>Fiscal Year</b>	<b>Quarterly Report</b>	<b>Activity</b>	<b>Date</b>
<b>2009-10</b>	<b>2008-09 Q4</b>	<b>Close of Quarter</b>	<b>6/30/09</b>
		<b>Quarterly Report to Commission Staff</b>	<b>8/31/09</b>
		<b>Presented to Commission</b>	<b>9/9/09</b>
	<b>2009-10 Q1</b>	<b>Close of Quarter</b>	<b>9/30/09</b>
<b>Quarterly Report to Commission Staff</b>		<b>11/15/09</b>	
<b>Presented to Commission</b>		<b>12/10/09</b>	
<b>2009-10 Q2</b>	<b>Close of Quarter</b>	<b>12/31/09</b>	
	<b>Quarterly Report to Commission Staff</b>	<b>2/15/10</b>	
	<b>Presented to Commission</b>	<b>2/25/10</b>	
<b>2009-10 Q3</b>	<b>Close of Quarter</b>	<b>3/31/10</b>	
	<b>Quarterly Report to Commission Staff</b>	<b>5/15/10</b>	
	<b>Presented to Commission</b>	<b>7/1/10</b>	
<b>2010-11</b>	<b>2009-10 Q4</b>	<b>Close of Quarter</b>	<b>6/30/10</b>
		<b>Quarterly Report to Commission Staff</b>	<b>8/31/10</b>
		<b>Presented to Commission</b>	<b>9/23/10</b>

# Department of Transportation Quarterly Finance Report

*First Quarter 2009-10*

## EXECUTIVE SUMMARY

2009-10 Capital Allocations vs. Capacity Summary through September 30, 2009 (\$ in millions)						
	SHOPP <sup>1</sup>	STIP <sup>1</sup>	TCRP	BONDS	ARRA - TE (Non- STIP)	TOTAL
Total Allocation Capacity	\$1,785	\$965	\$60	\$4,228	\$12	\$7,050
Total Votes	314	251	61	91	-1	\$716
Authorized Changes <sup>2</sup>	-216	-3	0	-47	0	-\$266
<b>Total Remaining Capacity</b>	<b>\$1,687</b>	<b>\$717</b>	<b>-\$1</b>	<b>\$4,137</b>	<b>\$13</b>	<b>\$6,600</b>

Note: Totals may not add due to rounding

<sup>1</sup>Proposition 1B bond and Recovery Act capacity included in total: \$73 million (ARRA SHOPP); \$177 (Prop 1B SHOPP); \$514 (Prop 1B STIP)

<sup>2</sup>Authorized changes include project increases and decreases pursuant to the Commission's G-12 process, and project rescissions.

Through the first quarter of 2009-10, the Commission allocated \$716 million toward 132 projects, representing approximately 10 percent of the total capacity of \$7 billion. (See Appendix A for 2009-10 allocation capacity by fund). Total adjustments were \$266 million, leaving approximately \$6.6 billion in remaining capacity.

With the exception of the Transportation Investment Fund (TIF) and the Traffic Congestion Relief Fund (TCRF), cash balances for all of the Department's major funds were within acceptable range to the forecast (See Appendix B). The TIF ended the first quarter with a cash balance of \$239 million, \$116 million above forecast, and the TCRF ended the quarter \$95 million below forecast. Both instances were due to higher than forecast expenditures which were a result of a one month delay in posting. Although the Department's major funds are currently within forecast range, the State's fiscal crisis and the decline in revenues will continue to pose funding challenges for the Department during the coming months.

Although the 2009-10 budget included full funding of the Proposition 42 transfer, ongoing fiscal and economic conditions make future funding uncertain. Revenues are lower than this time last year and continue to be impacted by a sluggish economy and lower consumption. A projected state budget shortfall of \$7.4 billion for 2010-11 could jeopardize transportation resources and further increase funding challenges.

The State Treasurer's Office (STO) bond sales to date have been insufficient to fully fund existing projects, or support any new allocations. Federal resources are also uncertain given the lower revenues and the lack of a Federal Transportation Act. Finally, the California Appellate Court upheld the lower court ruling that the diversion of spillover revenues in 2007-08 was illegal. It is still unclear how this ruling will be executed.

The Department continues to recommend the \$7 billion capacity based on the current outlook; however, allocations of bond-funded projects should be contingent on sufficient bond proceeds becoming available.

The Department will monitor and report on any material revenue and expenditure variances and make capacity recommendations accordingly.

## STATE HIGHWAY OPERATION PROTECTION PROGRAM (SHOPP)

State Highway Operation and Protection Program					
(\$ in millions)					
Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
SHA	\$200	\$122	-\$31	\$91	\$109
Prop 1B SHOPP	177	0	0	0	177
GARVEE	0	0	0	0	0
FTF	1,335	192	-142	50	1,285
Recovery Act	73	0	-43	-43	116
<b>Total</b>	<b>\$1,785</b>	<b>\$314</b>	<b>-\$216</b>	<b>\$98</b>	<b>\$1,687</b>

### Capital Allocations vs. Capacity

SHOPP allocations totaled \$314 million through the end of the first quarter, representing 18 percent of the \$1.785 billion capacity. Adjustments for award savings processed during the first quarter totaled \$216 million, which resulted in net allocations of \$98 million. The total number of SHOPP projects allocated through the first quarter was 46. There were no SHOPP Bond or Recovery Act funds allocated during the first quarter. Net remaining capacity stands at \$1.687 billion.

### Outlook for Funding & Allocations

Fuel excise tax revenue has continued to decline. Despite a slight increase in gasoline consumption over the last two months, the decrease in diesel consumption offset any positive impact in revenues. The \$200 million SHA loan to the GF authorized in the 2008-09 Budget will be repaid in 2010-11; however, the SHA will repay a loan of \$200 million to the Traffic Congestion Relief Program (TCRP) at the same time. Consequently, the impact to the SHA will offset.

The current economic climate has made it difficult for the STO to sell sufficient bonds to fund existing projects to completion. Dependant on the Department's actual proceeds from the bond sales this fall; most, if not all, resources will go to funding existing projects.

The Federal Authorization Act, Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) expired on September 30, 2009 and there has been no new reauthorization. The Federal Highway Trust Fund is currently experiencing a decline in revenues similar to that of the SHA. The status of the Federal Highway Trust Fund, and the uncertainty surrounding the continuing resolutions which are temporarily extending SAFETEA-LU could impact federal reimbursement of SHA resources.

### Recommendations

The Department continues to recommend the current allocation capacity of \$1.785 billion. Without further information about continuing resolutions and a new Federal authorization act, the level of federal resources is uncertain and reimbursements could be delayed. The Department will continue to monitor the potential impacts, and if necessary, recommend a change to the current capacity. Proposition 1B capacity remains dependant on bond sales.

## STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)

State Transportation Improvement Program (\$ in millions)					
Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
SHA	\$0	\$5	\$0	\$5	-\$5
PTA	5	5	0	5	0
TIF	300	160	0	160	140
TDIF	0	0	0	0	0
FTF	146	81	0	81	65
Prop 1B STIP	514	0	-3	-3	517
<b>Total</b>	<b>\$965</b>	<b>\$251</b>	<b>-\$3</b>	<b>\$248</b>	<b>\$717</b>

Note: The SHA STIP capacity was identified only for Transportation Enhancement projects; however, previously approved federally funded Right-of-Way costs continue to charge against the SHA. These charges are expected to taper off in the coming years.

### Capital Allocations vs. Capacity

Of the \$965 million STIP capacity, a net total of \$248 million was allocated through the first quarter, including adjustments totaling \$3 million. The total number of projects allocated through the first quarter was 64. Remaining capacity totals \$717 million, the majority of which is bond funding. The State Highway Account (SHA) is over-allocated by \$5 million. This is a result of previously approved, federally funded Right-of-Way costs which continue to charge against the SHA. (See note above)

### Outlook for Funding & Allocations

**Transportation Investment Fund (TIF).** The 2009-10 Budget authorized full funding of Proposition 42 in the amount of \$1.441 billion. Of that amount, \$576 million is transferred to local agencies, \$288 million is transferred to PTA, and \$576 million will remain in the TIF for STIP. Because of the continued uncertainty of the current bond market, TIF resources are the only funding source immediately available for STIP, other than the \$5 million for AB3090 from PTA.

**Public Transportation Account (PTA).** PTA resources were heavily impacted by the 2009-10 Budget. To assist with budget shortfalls, \$363 million in PTA resources were authorized for redirection, and an additional \$652 million in spillover revenues were authorized for debt service. The STA transfer was eliminated through 2012-13 to offset some of the impact on the PTA. The Appellate Court decision related to the spillover redirections will have a significant impact on the PTA; however, the specifics related to the implementation of the court ruling are still uncertain.

**Transportation Facilities Account (TFA).** Bond sales to date have not been sufficient to fund new capacity. All bond proceeds received by the Department will be used to fund ongoing and recently allocated projects prior to any new allocations.

### Recommendations

The Department continues to recommend the current \$965 million allocation capacity. Dependant on the Department's share of the proceeds of the recent and possible future bond sales, and the final implementation of the disposition of the PTA lawsuit, the Department may recommend a modification to the current STIP capacity.

## TRAFFIC CONGESTION RELIEF PROGRAM (TCRP)

Traffic Congestion Relief Program (\$ in millions)					
Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
TCRF	\$60	\$61	\$0	\$61	-\$1
<b>Total</b>	\$60	\$61	\$0	\$61	-\$1

### *Capital Allocations vs. Capacity*

The TCRP allocations total \$61 million toward 12 projects. The 2009-10 capacity of \$60 million includes \$4 million which was carried over after de-allocation of three projects late last year, and accounts for the \$27 million of 2009-10 resources that were advanced to 2008-09.

### *Outlook for Funding & Allocations*

Although the TCRP continues to receive \$83 million annually, approximately \$1.1 billion in loan repayments is still outstanding from the GF (refer to Appendix D). Tribal Gaming repayments on the \$482 million loan to the GF are expected to begin in 2011-12. Repayment of a \$200 million interfund loan from the SHA is also expected to be repaid in 2010-11.

### *Recommendations*

TCRP capacity has been fully allocated through the first quarter. The Department will continue to monitor for potential impacts and, if necessary, recommend changes.

## RECOVERY ACT - TRANSPORTATION ENHANCEMENT PROJECTS (TE)

Through the first quarter, \$6 million of the \$12 million capacity was allocated for Recovery Act TE projects. In September, \$7 million was de-allocated leaving a capacity of \$13 million.

## PROPOSITION 1B OTHER BONDS

<b>Other Bonds</b> (\$ in millions)			
<b>Fund</b>	<b>Allocation Capacity</b>	<b>Allocations to Date</b>	<b>Remaining Capacity</b>
<b>CMIA</b>	\$1,858	\$80	\$1,778
<b>TCIF</b>	746	0	\$746
<b>Intercity Rail</b>	287	0	\$287
<b>State-Local Partnership</b>	360	7	\$353
<b>Local Bridge Seismic</b>	31	0	\$31
<b>Grade Separations</b>	241	0	\$241
<b>Traffic Light Synch.</b>	182	0	\$182
<b>Route 99</b>	525	3	\$521
<b>Total</b>	\$4,228	\$91	\$4,138

Note: Totals may differ due to rounding.

### ***Capital Allocations vs. Capacity***

Bond allocations for the first quarter total \$91 million. This represents less than one percent of the \$4.2 billion capacity. The total number of bond projects allocated for the first quarter is 72. Successful bond sales during last fiscal year provided resources for existing bond expenditures, and a portion of the proceeds were also used to continue funding ongoing projects into 2009-10, as well as to allow some additional projects to be awarded. Because of the bond financing difficulties, there have not been sufficient bond resources available to finance all bond projects.

### ***Outlook for Funding & Allocations***

The Department did not receive any new bond sale proceeds during the first quarter. The \$1.2 billion share of proceeds from the spring 2009 sale of General Obligation Bonds and Build America Bonds (BABs) is expected to fund select projects into March 2010.

As previously mentioned, the STO was able to sell \$4.1 billion in bonds in early October. The Department is expected to receive approximately \$300 million from this sale. Because official details have not yet been released, additional information will not be available until the next quarterly report. If sufficient resources are received, current obligations will need to be addressed prior to new allocations being authorized.

### ***Recommendations***

Because of the uncertainty of the bond market, it is not known whether resources will be available to fund new projects. Bond proceeds for transportation would go toward funding ongoing projects before any new allocations. The Department recommends continuing current practice of awaiting sufficient bond sales prior to allocation of new projects.

**APPENDICES**

**Appendix A..... Allocation Capacity and Assumptions**

**Appendix B..... Cash Forecasts**

- Forecast Methodology**
- State Highway Account**
- Public Transportation Account**
- Traffic Congestion Relief Fund**
- Transportation Investment Fund**
- Transportation Deferred Investment Fund**

**Appendix C..... Federal Funding**

**Appendix D..... Transportation Loans**

## APPENDIX A – ALLOCATION CAPACITY AND ASSUMPTIONS

2009-10 Allocation Capacity By Fund and Program (\$ in millions)					
Fund	SHOPP	STIP	TCRP	Other (Bonds)	Total
SHA	\$200	\$0	\$0	\$0	\$200
FTF	1,335	146	0	0	1,481
PTA	0	5	0	0	5
TIF	0	300	0	0	300
TCRF	0	0	60	0	60
TDIF	0	0	0	0	0
<i>Prop 1B Bonds *</i>	<i>177</i>	<i>514</i>	<i>0</i>	<i>4,228</i>	<i>4,919</i>
<b>Total Capacity</b>	<b>\$1,712</b>	<b>\$965</b>	<b>\$60</b>	<b>\$4,228</b>	<b>\$6,965</b>

\* Subject to Bond Sales

Recovery Act Rollover from 2008-09	
SHOPP	\$73
TE	\$12

The 2009-10 allocation capacity is \$7.050 billion, including Proposition 1B Bond and Recovery Act capacity. This total also reflects a \$100 million reduction from the SHA SHOPP capacity resulting from the General Fund retention of Tribal Gaming revenues.

This allocation capacity is based on:

- For SHOPP, 2009-10 Budget Act revenue and expenditure estimates, and 2010 STIP Fund Estimate federal receipts.
- The PTA allocation capacity of \$5 million reflects capacity for AB 3090 projects only, due to the distribution of spillover revenues and the redirection of resources for General Fund relief.
- Pre-Proposition 42 loan repayments are assumed to be paid in annual installments of \$100 million from Tribal Gaming compact revenues pursuant to Government Code Section 63048.65(e).
- The annual TCRF allocation capacity is based on a dollar-for-dollar ratio of actual revenues received for current year expenditures, and not on a cash flow basis used for the SHA and PTA. The allocation capacity and specific project funding is collaborated among the Commission, the Department, and Local Agencies. \$27 million of the \$83 million 2009-10 capacity was advanced to 2008-09. \$4 million was left unused at the end of 2008-09, and returned to 2009-10. (\$83M - \$27M = \$56M + \$4M = \$60M).
- SHOPP and STIP bond capacity is based on the balance of bond authority available after 2007-08 and 2008-09 allocations, budget authority, and any administrative costs. Other Proposition 1B bond capacity is based on budget authority for those funds and is dependant on the sale of sufficient bonds for funding.

## APPENDIX B – FORECAST METHODOLOGY

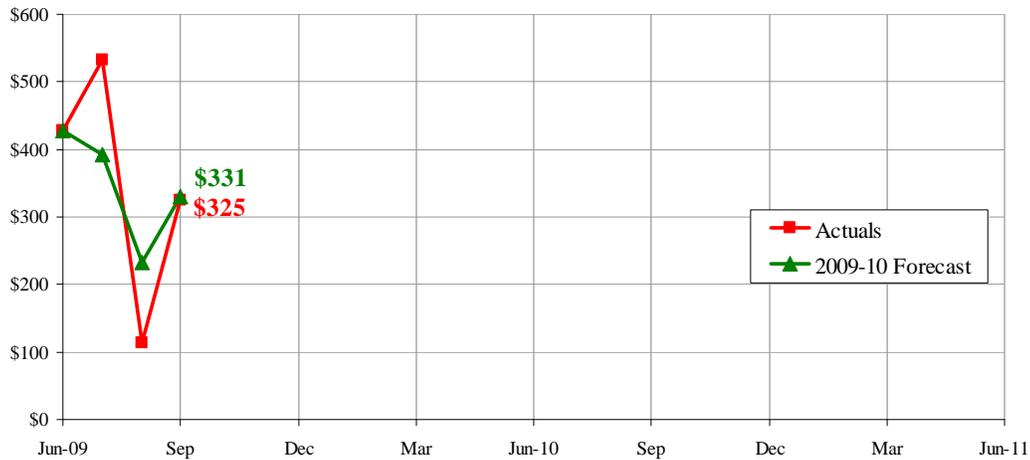
### Methodology and Assumptions

The cash forecasts for the SHA, PTA, TCRF, TIF and TDIF are used by the Department to estimate and monitor the cash balance of transportation funds to determine the level of allocations that can be supported, and to prepare for low or high cash periods. Variances are identified and reported to management and the Commission. If necessary, adjustments are made to capital allocation levels, funding policy or forecast methodology. The 2009-10 cash forecasts and allocation capacities are based on the following assumptions:

- Expenditures for state operations and Capital Outlay Support (COS) are based on the 2009-10 Budget Act.
- Capital outlay and local assistance expenditures are based on actual and projected Commission allocations, using historical seasonal construction patterns.
- Proposition 42 transfers occur quarterly in the month after the quarter ends, except in the fourth quarter, which is assumed to occur in June.
- Annual Pre-Proposition 42 loan repayments from Tribal Gaming compacts are forecast at \$100 million per year pursuant to Government Code Section 63048.65(e) and repayments are expected to begin in 2010-11.
- Monthly adjustments are not forecast since they comprise timing differences between the Department's accounting system and the State Controller's Office (SCO). These adjustments include short-term loans made to the General Fund, short-term loan repayments, Plans of Financial Adjustments (PFAs), funds transferred in and out, and reimbursements.
- PTA sales tax revenues, including spillover, are based on the 2009-10 Budget Act. There is a one quarter lag in posting of revenues, with the posting of fourth quarter revenues occurring in the first quarter of the following year.
- A \$135 million loan from the SHA to the GF authorized in the 2009-10 budget is included in the SHA forecast. Also included is the assumption that the \$200 million loan from SHA to the GF in the 2008-09 FY, and the subsequent loan from the TCRF to the SHA for \$200 million will be repaid in June 2011.
- Per the 2008-09 Budget Act, a \$60 million loan occurred in November 2008 from the TCRF to the PTA. The loan amount, based on revenue projections at the time, was intended to offset a portion of the PTA diversion for the Home-to-School program. Repayment of this loan will occur in 2010-11.
- Federal receipts of approximately \$3.0 billion are based on the 2010 STIP Fund Estimate.

## APPENDIX B – STATE HIGHWAY ACCOUNT

### 24-Month State Highway Account (SHA) Cash Forecast (\$ in millions)



### Year-to-Date SHA Summary

The SHA ended the first quarter with a cash balance of \$325 million, \$6 million (1.9 percent) below forecast. SHA first quarter revenues were \$771 million, \$27 million (3.6 percent) above forecast. Expenditures for the quarter totaled \$951 million, \$71 million (8 percent) above forecast. Adjustments, which represent timing differences, totaled a positive \$76 million.

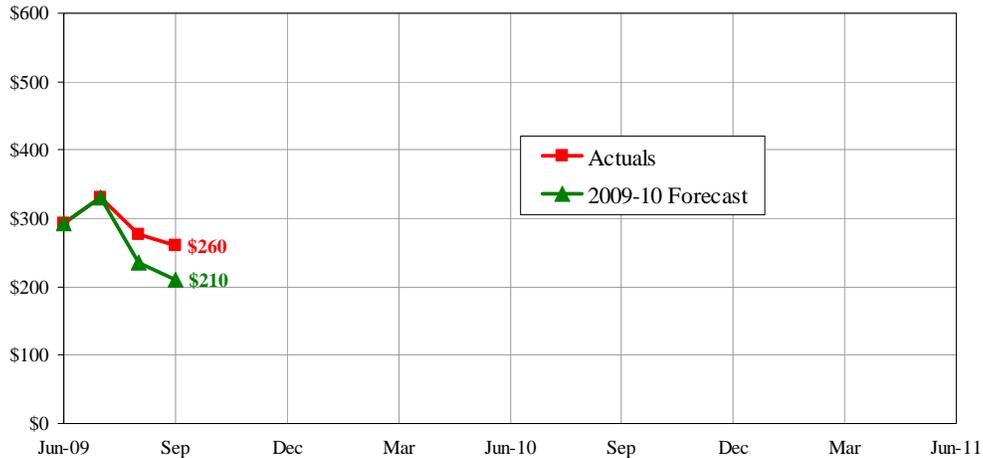
### Reconciliation

	(\$ in millions)			
	Forecast	Actual	Difference	%
<b>Beginning Cash Balance</b>	<b>\$428</b>	<b>\$428</b>	<b>\$0</b>	<b>0.0%</b>
Revenues	744	771	27	3.6%
Transfers	39	0	-39	-100%
Expenditures	-880	-951	-71	8%
Adjustments	0	76	76	0
<b>Ending Cash Balance</b>	<b>\$331</b>	<b>\$325</b>	<b>-\$6</b>	<b>1.9%</b>

Note: Ending cash balance may differ due to rounding.

## APPENDIX B – PUBLIC TRANSPORTATION ACCOUNT

### 24-Month Public Transportation Account (PTA) Cash Forecast (\$ in millions)



#### Year-to-Date PTA Summary

The PTA cash balance through the first quarter was \$260 million, \$50 million (24 percent) above the forecast amount of \$210 million. PTA revenue and transfers were on target with the forecast. The higher cash balance was due to lower than forecast expenditures. Expenditures were \$118 million, \$29 million (20 percent) below forecast. Adjustments were a positive \$20 million.

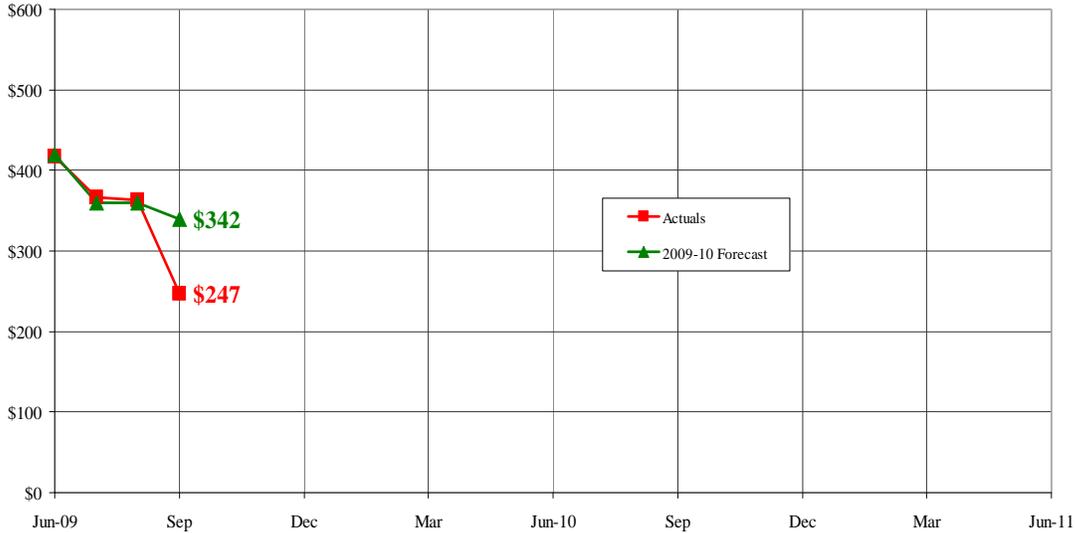
#### Reconciliation

(\$ in millions)				
	Forecast	Actual	Difference	%
<b>Beginning Cash Balance</b>	<b>\$293</b>	<b>\$293</b>	<b>\$0</b>	<b>0.0%</b>
Revenues	1	1	0	0%
Transfers	64	64	0	0%
Expenditures	-147	-118	29	-20%
Adjustments	0	20	20	N/A
<b>Ending Cash Balance</b>	<b>\$210</b>	<b>\$260</b>	<b>\$50</b>	<b>24%</b>

Note: Totals may differ due to rounding.

## APPENDIX B – TRAFFIC CONGESTION RELIEF FUND

**24-Month Traffic Congestion Relief Fund (TCRF) Cash Forecast**  
(\$ in millions)



### Year-to-Date TCRF Summary

The TCRF ending cash balance for the first quarter was \$247 million, \$95 million (27.8 percent) below the forecast amount of \$342 million. The lower cash balance was due to higher than forecast expenditures which were a result of a one month delay in posting. Expenditures were \$170 million, \$95 million (126.7 percent) above forecast. There were no revenues or transfers in the first quarter.

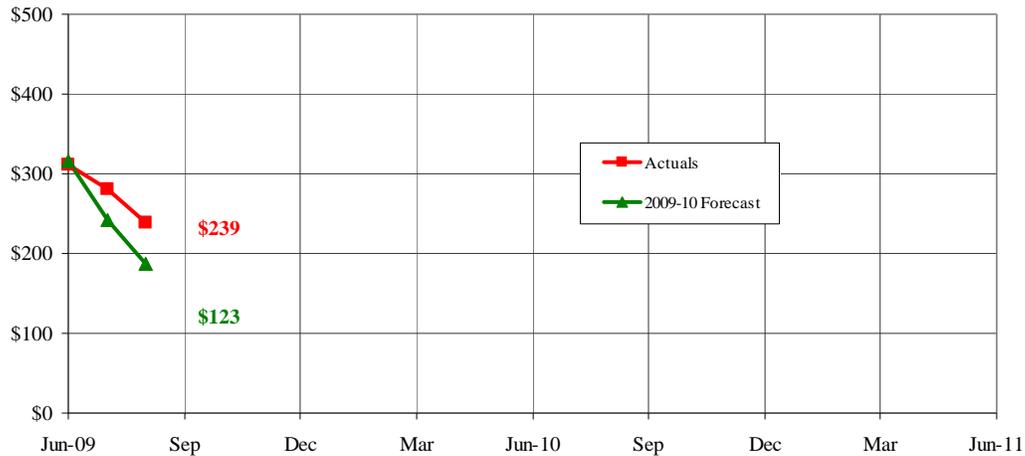
### Reconciliation

	(\$ in millions)			
	Forecast	Actual	Difference	%
<b>Beginning Cash Balance</b>	<b>\$417</b>	<b>\$417</b>	<b>\$0</b>	<b>0.0%</b>
Revenues	0	0	0	0
Transfers	0	0	0	0
Expenditures	-75	-170	-95	126.7%
Adjustments	0	0	0	0%
<b>Ending Cash Balance</b>	<b>\$342</b>	<b>\$247</b>	<b>-\$95</b>	<b>-27.8%</b>

Note: Totals may differ due to rounding.

## APPENDIX B – TRANSPORTATION INVESTMENT FUND

### 24-Month Transportation Investment Fund (TIF) Cash Forecast (\$ in millions)



#### Year-to-Date TIF Summary

The TIF ending cash balance for the fiscal year 2009-10 first quarter was \$239 million, \$116 million (94 percent) above forecast. There were no revenues or transfers during the quarter. Expenditures totaled \$74 million, \$115 million (61 percent) below the forecast. The difference between the forecast expenditures and actual was a timing issue due to a one month delay in posting of expenditures. The result is an offset in expenditures in the next quarter.

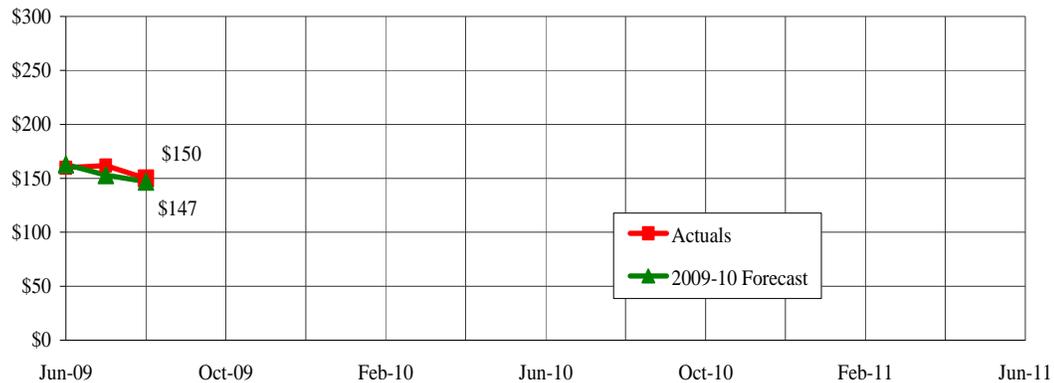
#### Reconciliation

	(\$ in millions)			
	Forecast	Actual	Difference	%
<b>Beginning Cash Balance</b>	<b>\$312</b>	<b>\$312</b>	<b>\$0</b>	<b>0%</b>
Revenues	0	0	0	0%
Transfers	0	0	0	0%
Expenditures	-189	-74	115	-61%
Adjustments	0	1	1	N/A
<b>Ending Cash Balance</b>	<b>\$123</b>	<b>\$239</b>	<b>\$116</b>	<b>94%</b>

Note: Totals may differ due to rounding.

## APPENDIX B – TRANSPORTATION DEFERRED INVESTMENT FUND

24-Month Transportation Deferred Investment Fund (TDIF) Cash Forecast  
(\$ in millions)



### Year-to-Date TDIF Summary

The TDIF ending cash balance for the fiscal year 2009-10 first quarter was \$150 million, \$3 million (2 percent) above forecast. Year-to-date expenditures totaled \$16 million, \$15 million (48 percent) below forecast. Net adjustments for the year was a positive \$8 million, 12 million (60 percent) below forecast. TDIF allocations were a one-time occurrence as a result of a General Fund repayment in FY 2006-07. The forecast assumes a pattern of project expenditures until funds are exhausted. There will be no future allocations from the TDIF unless project savings are generated.

### Reconciliation

	(\$ in millions)			
	Forecast	Actual	Difference	%
<b>Beginning Cash Balance</b>	<b>\$158</b>	<b>\$158</b>	<b>\$0</b>	<b>0%</b>
Revenues	0	0	0	0%
Transfers	0	0	0	0%
Expenditures	-31	-16	15	-48%
Adjustments	20	8	-12	-60%
<b>Ending Cash Balance</b>	<b>\$147</b>	<b>\$150</b>	<b>\$3</b>	<b>2%</b>

Note: Totals may differ due to rounding.

## APPENDIX C – FEDERAL EMERGENCY PROJECTS

There have been no new disaster declarations for the quarter ending September 30, 2009, nor has the Department received any new Emergency Relief allocations from the Federal Highway Administration (FHWA). The chart below represents disasters that have not been completely funded by FHWA.

<b>Disaster Repair Costs Approved Federal Funding and State/Local Impact (\$ millions)</b>			
<b>Disaster</b>	<b>Identified Cost of Disaster Repair</b>		
	<b>State</b>	<b>Local</b>	<b>Total</b>
Dec. 2004 Storm CA05-1	\$243	\$95	\$338
Dec. 2005 Storm CA06-1	367	45	412
So. California Wildfires CA08-3	27	5	32
California Wildfires CA08-6	9	0	9
So. California Wildfires CA09-1	5	0	5
So. California Wildfires CA09-2	12	7	19
<b>Total Damage Estimate</b>	<b>\$663</b>	<b>\$152</b>	<b>\$815</b>
<b>Amount Obligated To Date</b>			<b>\$703</b>
<b>Allocation Available for Future Project Costs</b>			<b>\$68</b>
<b>Remaining Need</b>			<b>\$44</b>

Future federal emergency relief of this type can only be used to fund emergency projects and does not represent new capacity, except to the extent that SHA funds have already been advanced for emergency projects.

## APPENDIX D – TRANSPORTATION LOANS

Status of Outstanding Transportation Loans, as of October 1, 2009 (\$ in millions)			
FUND	Original Loan	Loans/Interest Paid-to-Date	Remaining Balance
<b>Pre-Proposition 42 (Tribal Gaming Revenue):</b>			
State Highway Account (SHA)	\$473	\$341	\$132
Public Transportation Account (PTA)	275	10	265
Traffic Congestion Relief Fund (TCRF)	482	0	482
<b>Subtotal Pre-Position 42 Tribal Gaming Loans:</b>	<b>\$1,230</b>	<b>\$351</b>	<b>\$879</b>
<b>Proposition 42:</b>			
Public Transportation Account (PTA)	\$220	\$218	\$2
Transportation Investment Fund (TIF)	440	440	\$0
Transportation Congestion Relief Fund (TCRF) <sup>1</sup>	1,066	483	\$582
Locals	440	440	\$0
<b>Subtotal Proposition 42 Loans:</b>	<b>\$2,167</b>	<b>\$1,582</b>	<b>\$585</b>
<b>General Fund Loan:</b>			
State Highway Account (SHA) <sup>2</sup>	\$200	\$0	\$200
Other <sup>3</sup>	\$31	\$0	\$31
<b>Subtotal General Fund Loan:</b>	<b>\$231</b>	<b>\$0</b>	<b>\$231</b>
<b>Totals:</b>	<b>\$3,627</b>	<b>\$1,933</b>	<b>\$1,694</b>

<sup>1</sup>The remaining amount due to TCRF under Proposition 42 suspension will be repaid in equal annual installments ending in 2015-16.

<sup>2</sup>The SHA is expected to be repaid \$200 million in 2010-11.

<sup>3</sup>Includes the Bicycle Transportation Account, the Local Airport Loan Account, the Motor Vehicle Fuel Account, the Environmental Enhancement and Mitigation Program Fund, the Historic Property Maintenance Fund, and the Pedestrian Safety Account. Repayment is expected in 2010-11.

### Pre-Proposition 42 Loans (Tribal Gaming)

The Pre-Proposition 42 loans occurred in 2001-02 when the State was faced with a growing budget deficit and looked to transportation funds to help fill the budget shortfall. The Transportation Refinancing Plan, Assembly Bill (AB) 438 (Chapter 113, Statutes of 2001), authorized a series of loans that included delaying the transfers of gasoline sales tax to transportation for two years (until 2003-04), a TCRF loan to the General Fund, and loans from the SHA and PTA to the TCRF. In 2004-05, the Governor negotiated tribal gaming compacts to repay these loans through bonds, but legal challenges have prevented the bonds from being issued. In 2005-06, the Director of Finance began using the compact revenues to make annual payments towards these loan balances pursuant to GC Section 63048. The SHA is expected to be repaid \$100 million in 2010-11 and approximately \$32 million in 2011-12. The PTA repayment is expected to begin in 2014-15 and will be completed in 2016-17. The TCRF repayment is expected to begin in 2011-12 and will be completed in 2018-19. **However, there is no specific repayment plan required by statute, and no deadline for repayment of loans.**

### Proposition 42 Loans

In March 2002 Proposition 42 made the transfer of gasoline sales tax to transportation permanent. However, as state budget shortfalls continued, Proposition 42 transfers were partially suspended in 2003-04 and completely suspended in 2004-05, creating the Proposition 42 loan balances. These loans were partially repaid in 2006-07 with a payment of \$1.415 billion, leaving approximately \$752 million due to the TCRF. Outstanding Proposition 42 Loans as of July 1, 2007, shall be repaid in annual installments not less than one-tenth of the total amount required to be transferred by June 30, 2016.

With the passage of Proposition 1A in 2006, future suspensions of Proposition 42 transfers are limited to only two times during any 10-year period and these loans must be repaid within three years.

### **General Fund Loan**

The Budget Act of 2008 authorized a \$230.7 million in loans to the General Fund from the SHA, the Bicycle Transportation Account, the Local Airport Loan Account, the Motor Vehicle Fuel Account, the Environmental Enhancement and Mitigation Program, the Historic Property Maintenance Fund, and the Pedestrian Safety Account. These funds were transferred to the General Fund on November 14, 2008. These loans are required to be repaid with interest calculated at the rate earned by the PMIA, by June 30, 2011. Repayments will be made as to ensure that the programs supported by the SHA are not adversely affected by the loan. A \$135 million loan from the SHA to the General Fund was also authorized in the 2009-10 budget, but has not occurred as of the first quarter. This loan is required to be repaid no later than June 2012.