

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: December 9-10, 2009

Reference No.: 3.10
Information Item

From: NORMA ORTEGA
Chief Financial Officer (Interim)

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Local Assistance

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

SUMMARY:

Over the course of the year, the California Transportation Commission (Commission) allocated approximately \$1.5 billion to the Department of Transportation (Department) for Federal Fiscal Year (FFY) 2009 projects. As of September 30, 2009, local agencies have obligated 75 percent, or \$1.1 billion of the \$1.5 billion total allocation.

The sub-allocations reported below are based on FFY 2009, which is from October 1, 2008 through September 30, 2009. Of the \$1.5 billion allocated to the Department, approximately \$1.3 billion are federal funds and \$153 million are State funds.

As of September 30, 2009, approximately \$1.1 billion, or 75 percent of the \$1.5 billion, has been sub-allocated for 1,312 projects. The majority of the sub-allocations (approximately \$826 million) are for 1,048 projects in the following categories:

- Surface Transportation Program (STP) - 152 projects, \$182 million
- STP State Match and Exchange - 137 projects, \$53.5 million
- Freeway Service Patrol - 14 projects, \$25 million
- Congestion Mitigation and Air Quality Program (CMAQ) - 243 projects, \$187 million
- Highway Bridge Program - 192 projects, \$137.5 million
- High Priority - 136 projects, \$114.5 million
- Bridge - Seismic Retrofit - 54 projects, \$69 million
- Miscellaneous - 120 projects, \$57 million

The remaining \$292 million was sub-allocated for 264 projects in other categories and accounts for 27 percent of the expenditures reported, including 30 Federal Transit Administration transfers for 25 CMAQ projects totaling \$147.3 million and five Regional Surface Transportation Program projects totaling \$83.1 million.

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 guidelines for allocating, monitoring, and auditing of funds for local assistance projects are set forth in Commission Resolution G-99-25,

which is based on Government Code 14529.1. The Commission 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. Prior to receiving a sub-allocation, the agency provides the Department with certification that the California Environmental Quality Act (CEQA) document has been completed for the project, including the CEQA type and date of completion (or a Categorical Exemption has been received). The agency also provides certification that the National Environmental Policy Act document has been completed, if appropriate.

Local Assistance Lump Sum Allocation Status for FFY 2009:

As of September 30, 2009, the end of the fourth quarter of FFY 2009, approximately \$1.1 billion, or 75 percent of the \$1.5 billion allocated, has been sub-allocated for 1,312 projects. The Miscellaneous category is at 1,211 percent use of its allocation amount. This category is used to capture federal discretionary programs. Due to the discretionary nature of the programs, budget authority is not requested during the budget development process because it is unknown which discretionary program will be funded. However, suballocation and expenditures in this category are funded from funds available in other programs. Historically, the majority of funds expended in the Miscellaneous category are for Emergency Relief projects. The Highway Bridge Program is at 195 percent use of its allocated amount and is covered by other bridge program funds.

FFY 2009 Compared to Prior Years:

When compared to FFY 2008 delivery at the same time last year, FFY 2009 delivery is lower. The FFY 2008 delivery through September 30, 2008, was \$1.3 billion or 92 percent of the \$1.4 billion total allocation. The FFY 2009 delivery through September 30, 2009, is \$1.1 billion, or 75 percent of the \$1.5 billion allocated by the Commission. However, in FFY 2009, local agencies have the additional challenge of delivering \$1.6 billion in projects funded by the American Recovery and Reinvestment Act of 2009 (Recovery Act). To meet the strict deadlines imposed by the Recovery Act, local agencies were required to place emphasis on delivery of the \$1.6 billion Recovery Act funds early in the fiscal year. This temporarily slowed the pace of delivery for some projects funded by the regular \$1.5 billion federal funds allocated by the Commission for FFY 2009. However, historical trends show that the Department consistently suballocates all the funds allocated by the Commission, and FFY 2009 is expected to follow the same trends. Attached are lump sum allocation reports for the prior two years as of September 30, 2009. These status reports for FFY 2008 and FFY 2007 indicate that the Department sub-allocates all the funds delegated by the Commission within three years.

Attachments

**LOCAL ASSISTANCE FUNDS
FFY 2009
As of September 30, 2009
(Dollars in thousands)**

Reference No.: 3.10
December 9-10, 2009
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	429,197	429,197	0	182,253	182,253	0	246,944	246,944	42%	152
STP State Match and Exchange	57,849	0	57,849	53,429	0	53,429	4,420	0	4,420	92%	137
Congestion Mitigation & Air Quality Program (CMAQ)	0	407,874	407,874	0	186,860	186,860	0	221,014	221,014	46%	243
Freeway Service Patrol	25,479	0	25,479	25,217	0	25,217	262	0	262	99%	14
High Priority Projects	0	208,170	208,170	0	114,558	114,558	0	93,612	93,612	55%	136
Miscellaneous	3,000	1,700	4,700	1,190	55,719	56,909	1,810	-54,019	-52,209	1211%	120
Bridge Programs											
Bridge Inspection	735	2,640	3,375	54	413	467	681	2,227	2,908	14%	4
Highway Bridge Program	0	70,572	70,572	0	137,471	137,471	0	-66,899	-66,899	195%	192
Bridge Seismic Retrofit State Match	24,300	0	24,300	8,566	0	8,566	15,734	0	15,734	35%	20
Bridge Seismic Retrofit	0	135,085	135,085	0	69,090	69,090	0	65,995	65,995	51%	54
Rail Programs											
Railroad Grade Crossing Protection	0	11,716	11,716	0	1,684	1,684	0	10,032	10,032	14%	10
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	14,859	0	14,859	141	0	141	99%	5
Safety Programs											
Highway Safety Improvement Program (HSIP)	0	47,212	47,212	0	12,374	12,374	0	34,838	34,838	26%	105
High Risk Rural Roads (HRRR)	0	7,428	7,428	0	3,036	3,036	0	4,392	4,392	41%	24
Safe Routes to School	24,250	20,672	44,922	1,212	16,898	18,110	23,038	3,774	26,812	40%	65
Total Local Assistance Subvention Funds	152,613	1,342,266	1,494,879	106,527	780,356	886,883	46,086	561,910	607,996	59%	1,282
Federal Transit Administration (FTA) Transfers				0	230,430	230,430					30
Total Local Assistance including FTA Transfers	152,613	1,342,266	1,494,879	106,527	1,010,786	1,117,313	46,086	561,910	607,996	75%	1,312

Assumptions:

- * Allocations for state funds reflect June 2008 meeting vote, Item 2.5h.
- * Allocations for federal funds reflect May 2009 meeting vote, Item 2.5h.
- * Allocations reflect October 2008 meeting vote, Item 2.5h, exchange of federal funds for state funds, Bridge Seismic Retrofit.
- * FTA transfers are \$83,099,941 for RSTP and \$147,329,574 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.
- * In accordance with CTC Resolution G-01-08, the Department reports when total transfers into or out of an expenditure category exceed 10 percent.

LOCAL ASSISTANCE FUNDS
FFY 2008
As of September 30, 2009
(Dollars in thousands)

Reference No.: 3.10
December 9-10, 2009
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	417,450	417,450	0	249,744	249,744	0	167,706	167,706	60%	201
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	263,688	263,688	0	140,581	140,581	65%	234
Bridge Inspection	735	2,640	3,375	0	0	0	735	2,640	3,375	0%	1
Highway Bridge Program	0	116,945	116,945	0	219,684	219,684	0	-102,739	-102,739	188%	123
Bridge - Seismic Retrofit	0	104,000	104,000	0	94,371	94,371	0	9,629	9,629	91%	50
Railroad Grade Crossing Protection	0	11,195	11,195	0	12,539	12,539	0	-1,344	-1,344	112%	18
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	15,862	15,862	0	14,895	14,895	52%	101
High Risk Rural Roads	0	7,098	7,098	0	3,014	3,014	0	4,084	4,084	42%	22
Safe Routes to School	25,000	15,797	40,797	19,238	11,928	31,166	5,762	3,869	9,631	76%	111
High Priority Projects	0	196,605	196,605	0	184,339	184,339	0	12,266	12,266	94%	121
Miscellaneous	2,000	625	2,625	901	189,988	190,889	1,099	-189,363	-188,264	7272%	163
Total Local Assistance Subvention Funds	102,293	1,307,381	1,409,674	87,886	1,245,157	1,333,043	14,407	62,224	76,631	95%	1,282
Federal Transit Administration (FTA) Transfers					176,770	176,770					45
Total Local Assistance including FTA Transfers	102,293	1,307,381	1,409,674	87,886	1,421,927	1,509,813	14,407	62,224	76,631	107%	1,327

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, 2009
(Dollars in thousands)

Reference No.: 3.10
December 9-10, 2009
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 Program (STP)	0	382,458	382,458	0	287,821	287,821	0	94,637	94,637	75%	406
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	160,139	160,139	0	251,228	251,228	39%	167
Bridge Inspection and State Match	735	2,640	3,375	199	1,536	1,735	536	1,104	1,640	51%	5
Highway Bridge Program		138,406	138,406	0	220,976	220,976	0	-82,570	-82,570	160%	167
Bridge - Seismic Retrofit	0	94,551	94,551	0	32,200	32,200	0	62,351	62,351	34%	32
Railroad Grade Crossing Protection		8,009	8,009	0	8,072	8,072	0	-63	-63	101%	28
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	14,688	14,688	0	5,273	5,273	74%	67
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	27,000	0	27,000	0	14,624	14,624	65%	84
High Priority Projects	0	215,109	215,109	0	175,482	175,482	0	39,627	39,627	82%	111
Miscellaneous	3,000	625	3,625	7,377	102,869	110,246	-4,377	-102,244	-106,621	3041%	320
Total Local Assistance Subvented Funds	104,885	1,295,185	1,400,070	102,868	1,004,417	1,107,285	2,017	290,768	292,785	79%	1,533
Federal Transit Administration (FTA) Transfers					269,253	269,253					36
Total Local Assistance including FTA Transfers	104,885	1,295,185	1,400,070	102,868	1,273,670	1,376,538	2,017	290,768	292,785	98%	1,569

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.