

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: April 7-8, 2010

Reference No.: 3.9
Information Item

From: NORMA ORTEGA
Chief Financial Officer

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Local Assistance

Subject: **QUARTERLY REPORT ON LOCAL ASSISTANCE LUMP SUM ALLOCATION FOR FEDERAL FISCAL YEAR 2010**

SUMMARY:

For Federal Fiscal Year (FFY) 2010, the California Transportation Commission (Commission) allocated approximately \$807 million to the Department of Transportation (Department). Of the \$807 million allocated and administered by the Department, approximately \$128 million are State funds and \$676 million are federal funds.

As of December 31, 2009, approximately \$44 million, or 5.5 percent, of the \$807 million has been sub-allocated to 171 local projects.

The majority of the sub-allocations (approximately \$40.6 million) are for 148 projects in the following categories:

- Surface Transportation Program (STP) - 28 projects, \$1.89 million
- Congestion Mitigation and Air Quality Program (CMAQ) - 17 projects, \$2.43 million
- Freeway Service Patrol - 14 projects \$22.7 million
- High Priority Projects - 34 projects, \$9.85 million
- Highway Bridge Program - 14 projects, \$2.1 million
- Safe Routes to School - 14 projects, \$942 thousand
- Highway Safety Improvement Program - 27 projects, \$600 thousand

The remaining \$3.5 million was sub-allocated for 23 projects in other categories and account for 8 percent of the expenditures reported.

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 2010:

As of December 31, 2009, the end of the first quarter, approximately \$44 million, or 5.5 percent, of the \$807 million allocated by the Commission, has been sub-allocated for 171 projects. Some programs have low sub-allocations; however, this is not unusual during the first quarter of the federal fiscal year. Sub-allocations have also been affected by the Departments' focus on utilizing funds provided by the American Reinvestment and Recovery Act of 2009 (Recovery Act) in order to meet mandated deadlines.

The following programs do not have sub-allocations: STP State Match and Exchange, Bridge Inspection, Railroad Crossing Protection, Railroad Grade Crossing Maintenance, and Railroad Grade Separation. For the STP State Match and Exchange, agreements are expected to be sent out to local agencies by May 2010. For Bridge Inspection, agreements are executed bi-annually consistent with the Bridge Inspection Construction requirements; unused funds will be applied to the Highway Bridge Program. For Railroad Crossing Protection and Railroad Grade Crossing Maintenance, projects will be sub-allocated by the end of the FFY 2010. For Railroad Grade Separation, project applications from local agencies are due by April 1, 2010. Funds will be sub-allocated based on project approval.

The Department has requested obligation plans from the Metropolitan Planning Organizations and Regional Transportation Agencies for the STP and CMAQ programs. The local agencies have a deadline of April 1, 2010, to submit obligation plans to the Department. Based on historical trends, it is anticipated that the local agencies will expend all the federal funds available.

The Highway Bridge Program has projects planned to use available resources. Regions are in the process of amending the FTIP; projects are expected to be programmed by May 2010. Projects for the Local Bridge Seismic Retrofit Program have been identified and sub-allocated consistent with Local Bridge Seismic Retrofit Account guidelines. The Safety Program sub-allocations are lower than anticipated due to the local agencies continued focus on Recovery Act projects.

In total, the Federal Miscellaneous Program is within sub-allocation amounts; however, this category is primarily used to fund federal discretionary programs and has overspent the federal portion. 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, sub-allocations and expenditures in this category are funded from funds available in other programs.

As of December 31, 2009, Congress has not provided the total annual apportionments to go with current Obligation Authority, which may impact the delivery of projects. The ratio of expenditures to allocations is lower this year (5.5 percent) when compared to this time last year (21 percent). Consistent with historical trends, the Department anticipates using all funds allocated by the Commission for FFY 2010.

Attachment

LOCAL ASSISTANCE FUNDS
FY 2009-10
As of December 31, 2009
(Dollars in thousands)

Reference No.: 3.9
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	Total	Total
Surface Transportation Program (STP)		211,676	211,676	0	1,893	1,893	0	209,783	209,783	1%	28
STP State Match and Exchange	57,849		57,849			0	57,849	0	57,849	0%	
Congestion Mitigation & Air Quality Program (CMAQ)		202,633	202,633		2,430	2,430	0	200,203	200,203	1%	17
Freeway Service Patrol	25,479		25,479	22,736		22,736	2,743	0	2,743	89%	14
High Priority Projects		104,085	104,085		9,851	9,851	0	94,234	94,234	9%	34
Miscellaneous	3,000	850	3,850	0	2,030	2,030	3,000	-1,180	1,820	53%	15
Bridge Programs											
Bridge Inspection	735	1,320	2,055	0		0	735	1,320	2,055	0%	
Highway Bridge Program		99,542	99,542		2,121	2,121	0	97,421	97,421	2%	14
Local Bridge Seismic Retrofit		15,437	15,437		1,068	1,068	0	14,369	14,369	7%	2
Rail Programs											
Railroad Grade Crossing Protection		5,858	5,858		0	0	0	5,858	5,858	0%	
Railroad Grade Crossing Maintenance	2,000		2,000	0		0	2,000	0	2,000	0%	
Railroad Grade Separations	15,000		15,000	0		0	15,000	0	15,000	0%	
Safety Programs											
Highway Safety Improvement Program (HSIP)		23,606	23,606		607	607	0	22,999	22,999	3%	27
High Risk Rural Roads (HRRR)		3,714	3,714		144	144	0	3,570	3,570	4%	6
Safe Routes to School	24,250	10,336	34,586	0	942	942	24,250	9,394	33,644	3%	14
Total Local Assistance Subvention Funds	128,313	679,057	807,370	22,736	21,086	43,822	105,577	657,971	763,548	5%	171

Assumptions:

- * Allocations for state funds reflect June 2009 meeting vote, Item 2.5h.
- * Allocations for federal funds reflect May 2009 meeting vote, Item 2.5h.
- * Allocation Balances are based on project funding 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.