

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 30-July 1, 2010

Reference No.: 3.9
Information Item

From: NORMA ORTEGA
Chief Financial Officer

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Subject: **QUARTERLY REPORT ON LUMP SUM ALLOCATION FROM AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009**

SUMMARY:

On April 1, 2009, the California Transportation Commission (Commission) allocated \$1,597,292,700 of American Recovery and Reinvestment Act of 2009 (Recovery Act) funds to the Department of Transportation (Department) for Federal Fiscal Year (FFY) 2009 projects.

The sub-allocations reported are based on FFY 2009, which is from October 1, 2008, through September 30, 2009, and FFY 2010 which is from October 1, 2009, through September 30, 2010. As of March 31, 2010, approximately \$1 billion (62.5 percent) of the \$1.6 billion has been sub-allocated and encumbered for 778 projects.

BACKGROUND:

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009 (Recovery Act). This bill included \$27.5 billion of Recovery Act funding nationwide for highway transportation projects. The State of California's share is approximately \$2.5 billion. On March 27, 2009, Governor Schwarzenegger signed Assembly Bill x3 20 (ABx3 20), which established a new distribution formula of Recovery Act funds with 62.5 percent (or approximately \$1.6 billion) going to the regions and 37.5 percent (or approximately \$900 million) going to the State. The Commission approved the allocation of approximately \$1.6 billion of Recovery Act funding at the April 1, 2009 Commission meeting.

Recovery Act Allocation Status for FFY 2009 and FFY 2010:

The deadline set by the Federal Highway Administration to obligate all the federal funds to projects was March 2, 2010. By February 18, 2010, the Department obligated all Recovery Act funds allocated by the Commission for FFY 2009.

As of March 31, 2010, the end of the second quarter of FFY 2010, approximately \$1.6 billion was obligated for 840 projects. Of this amount, approximately \$1 billion has been sub-allocated and encumbered for 778 projects. The remaining \$573 million were obligated for 62 projects; 23 locally-administered projects totaling \$8.5 million are in the process of having program supplements executed, 23 projects totaling \$537 million are being implemented by the Capital Outlay program, and 16 projects totaling \$27.5 million have been transferred to the Federal Transit Administration for implementation.