

# Memorandum

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: September 22-23, 2010

Reference No.: 3.8  
Information Item

From: NORMA ORTEGA  
Chief Financial Officer

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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 \$1.5 billion to the Department of Transportation (Department). Of the \$1.5 billion allocated and administered by the Department, approximately \$128 million are State funds and \$1.4 billion are federal funds.

As of June 30, 2010, approximately \$714 million, or 48 percent, of the \$1.5 billion has been sub-allocated to 618 local projects.

The majority of the sub-allocations (approximately \$461 million) are for 401 projects in the following categories:

<u>Category</u>	<u># of Projects</u>	<u>Sub-Allocation</u>
Regional Surface Transportation Program (RSTP)	70	\$ 93.4 million
RSTP State Match and Exchange	85	\$ 51.5 million
Congestion Mitigation and Air Quality Program (CMAQ)	74	\$ 49.5 million
Freeway Service Patrol	14	\$ 22.7 million
High Priority Projects	79	\$ 99.1 million
Highway Bridge Program	60	\$ 57.8 million
Local Bridge Seismic Retrofit	19	\$ 87.1 million

The remaining \$253 million was sub-allocated for 217 projects in other categories and account for 35 percent of the expenditures reported. These totals include Federal Transit Administration transfers (totaling \$185 million) for three RSTP projects and 12 CMAQ projects.

## **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 10 percent of its allocation.

**Local Assistance Lump Sum Allocation Status for FFY 2010:**

As of June 30, 2010, the end of the third quarter, approximately \$714 million, or 48 percent, of the \$1.5 billion allocated by the Commission, has been sub-allocated for 618 projects. Some programs have low sub-allocations; however, this is not unusual for the third quarter of the federal fiscal year. Sub-allocations have also been affected by the local agencies' focus on using the American Reinvestment and Recovery Act of 2009 (Recovery Act) funds in order to meet mandated deadlines.

For the RSTP and CMAQ programs, obligation plans were submitted by the Metropolitan Planning Organizations and Regional Transportation Agencies to the Department and indicate that local agencies will utilize these available funds. Sub-allocations for projects under the bridge and rail programs are in the process of being programmed and should be obligated during the fall of 2010. Historically, expenditures for these projects occur in the last quarter of the federal fiscal year. Safety program sub-allocations are expected to remain lower due to a continued focus on completion of Recovery Act projects.

For the Miscellaneous category, total expenditures exceed sub-allocations by \$28.4 million; however, this category is primarily used to fund federal discretionary programs. Budget authority is not requested for discretionary programs during the budget development process because it is unknown which programs will be funded. In addition, sub-allocations and expenditures in this category are funded with available funds from other programs.

The amount of funds expended as of June 30, 2010 (\$714 million, or 48 percent) is slightly lower than last year's use (\$780 million or 52 percent) when compared during the same period of time. 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 June 30, 2010**  
(Dollars in thousands)

Reference No.: 3.8  
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
Regional Surface Transportation Program (RSTP)		416,749	416,749	0	93,399	93,399	0	323,350	323,350	22%	70
RSTP State Match and Exchange	57,849		57,849	51,506		51,506	6,343	0	6,343	89%	85
Congestion Mitigation & Air Quality Program (CMAQ)		405,266	405,266		49,509	49,509	0	355,757	355,757	12%	74
Freeway Service Patrol	25,479		25,479	22,736		22,736	2,743	0	2,743	89%	14
High Priority Projects		208,170	208,170		99,144	99,144	0	109,026	109,026	48%	79
Miscellaneous	3,000	1,700	4,700	1,190	31,880	33,070	1,810	-30,180	-28,370	704%	70
<b>Bridge Programs</b>											
Bridge Inspection	735	2,640	3,375	0	292	0	735	2,348	3,083	0%	0
Highway Bridge Program		199,084	199,084		57,775	57,775	0	141,309	141,309	29%	60
Local Bridge Seismic Retrofit		30,874	30,874		87,097	87,097	0	-56,223	-56,223	282%	19
<b>Rail Programs</b>											
Railroad Grade Crossing Protection		11,716	11,716		847	847	0	10,869	10,869	7%	1
Railroad Grade Crossing Maintenance	2,000		2,000	2,000	0	2,000	0	0	0	100%	1
Railroad Grade Separations	15,000		15,000	0	0	0	15,000	0	15,000	0%	0
<b>Safety Programs</b>											
Highway Safety Improvement Program (HSIP)		47,212	47,212		11,955	11,955	0	35,257	35,257	25%	66
High Risk Rural Roads (HRRR)		7,428	7,428		3,892	3,892	0	3,536	3,536	52%	10
Safe Routes to School	24,250	20,672	44,922	5,623	10,386	16,009	18,627	10,286	28,913	36%	54
<b>Total Local Assistance Subvention Funds</b>	<b>128,313</b>	<b>1,351,511</b>	<b>1,479,824</b>	<b>83,055</b>	<b>446,176</b>	<b>528,939</b>	<b>45,258</b>	<b>905,335</b>	<b>950,593</b>	<b>36%</b>	<b>603</b>
Federal Transit Administration (FTA) Transfers				0	185,123	185,123		-185,123	-185,123		15
<b>Total Local Assistance Including FTA Transfers</b>	<b>128,313</b>	<b>1,351,511</b>	<b>1,479,824</b>	<b>83,055</b>	<b>631,299</b>	<b>714,062</b>	<b>45,258</b>	<b>720,212</b>	<b>765,470</b>	<b>48%</b>	<b>618</b>

**Assumptions:**

- \* Allocations for state funds reflect June 2009 meeting vote, Item 2.5h.
- \* Allocations for federal funds reflect May 2009 and May 2010 meeting votes, Item 2.5h.
- \* The Allocation Balance is the difference between Commission Allocation and Total Expenditures.
- \* FTA Transfers are \$127,813,650 for RSTP and \$57,309,048 for CMAQ.
- \* Expenditures and Number of Projects are from the accounting system and 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.
- \* Total expenditures are encumbrances plus cash expenditures.