

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 22-23, 2011

Reference No.: 3.8
Information Item

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Steven Keck
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Budgets

Subject: **FY 2010-11 THIRD QUARTER FINANCE REPORT**

Attached is the California Department of Transportation's Fiscal Year 2010-11 Third Quarter Finance Report.

Attachment



Department of Transportation Quarterly Finance Report

Third Quarter 2010-11

Department of Transportation
Division of Budgets

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 2010-11 Quarterly Finance Reports.

California Department of Transportation Quarterly Finance Report Schedule of Reports			
Fiscal Year	Quarterly Report	Activity	Date
2010-11	2009-10 Q4	Close of Quarter	6/30/10
		Quarterly Report to Commission Staff	8/31/10
		Presented to Commission	9/22/10
	2010-11 Q1	Close of Quarter	9/30/10
Quarterly Report to Commission Staff Presented to Commission		11/15/10 1/19/11	
2010-11 Q2	Close of Quarter	12/31/10	
	Quarterly Report to Commission Staff Presented to Commission	2/15/11 3/23/11	
2010-11 Q3	Close of Quarter	3/31/11	
	Quarterly Report to Commission Staff Presented to Commission	5/16/11 6/22/11	
2011-12	2010-11 Q4	Close of Quarter Quarterly Report to Commission Staff Presented to Commission	6/30/11 8/31/11 9/14/11

Department of Transportation Quarterly Finance Report

Third Quarter 2010-11

EXECUTIVE SUMMARY

2010-11 Capital Allocations vs. Capacity Summary through March 31, 2011 (\$ in millions)					
	SHOPP ¹	STIP ¹	TCRP	BONDS	TOTAL
Total Allocation Capacity	\$2,057	\$1,094	\$84	\$3,643	\$6,878
Total Votes	1,331	745	76	676	2,829
Authorized Changes ²	-177	-28	-1	N/A	-206
Total Remaining Capacity	\$903	\$377	\$9	\$2,967	\$4,255

Note: Totals may not add due to rounding

¹Proposition 1B bond capacity included in total: \$57M (Prop 1B SHOPP); \$469M (Prop 1B STIP).

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

Through the third quarter of 2010-11, the Commission has allocated \$2.829 billion toward 490 projects. This represents approximately 41 percent of the \$6.878 billion total capacity approved by the Commission. Authorized changes totaled a negative \$206 million, leaving \$4.255 billion in remaining capacity.

Three recently enacted bills have impacted transportation resources. Senate Bill (SB) 84 authorizes a transfer of up to \$147 million as a loan to the General Fund (GF) from the State Highway Account (SHA), which shall be repaid by June 30, 2014.

Assembly Bill (AB) 105 authorizes the transfer of weight fee revenues to the GF for the purposes of offsetting transportation debt service and loans to keep the GF solvent. In addition, this bill:

- Transfers miscellaneous revenues not protected by the California Constitution to the GF for the purpose of offsetting debt service from 2010-11 through 2012-13,
- Reenacts the March 2010 fuel tax swap,
- Increases local transit funding to levels equivalent to about 75 percent of sales tax on diesel revenues,
- Delays repayment of a \$135 million loan from the SHA to the GF from June 30, 2012 to June 30, 2013,
- And extends the Department's short term interfund loans through June 30, 2014.

The President signed the Surface Transportation Extension Act of 2011 on March 4, 2011. The Extension Act, as amended, extends the surface transportation programs, including the highway and highway safety programs, under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), through September 30, 2011.

STATE HIGHWAY OPERATION AND PROTECTION PROGRAM (SHOPP)

State Highway Operation and Protection Program (\$ in millions)					
Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
SHA	\$200	\$179	-\$45	\$134	\$66
FTF	1,800	1,139	-132	1,006	794
Prop 1B SHOPP	57	14	0	14	43
Total	\$2,057	\$1,331	-\$177	\$1,154	\$903

Capital Allocations vs. Capacity

SHOPP allocations totaled \$1.331 billion toward 229 projects through the third quarter, representing 65 percent of the \$2.057 billion approved capacity. Adjustments totaled a negative \$177 million and resulted in net allocations of \$1.154 billion. Federal resources comprise the majority of the remaining capacity.

Outlook for Funding & Allocations

On October 14, 2010, an \$80 million loan was transferred from the SHA to the GF, which will be repaid by June 30, 2014.

SB 84 authorizes a loan of up to \$147.1 million from the SHA to the GF in 2010-11, which will be repaid by June 30, 2014. Although this bill will reduce the SHA cash balance when this loan is transferred, SB 84 contains two provisions to keep the SHA solvent including a partial or full repayment of the loan, and authorization of short-term loans from the GF.

AB 105 extends the repayment date of the \$135 million loan (from the SHA to the GF) from June 30, 2012 to June 30, 2013.

None of these three loans have yet to impact the 2010-11 SHOPP allocation capacity due to aggressive cash management. The Department will continue to monitor the fund balance of the SHA and will communicate any changes to the Commission regarding the 2010-11 SHOPP allocation capacity.

The favorable bidding climate has produced about \$175 million in SHOPP (non-STIP) G-12 award savings through March 2011.

Recommendations

The Department is still monitoring potential impacts from the loans discussed above. If necessary, the Department will recommend a change to the 2010-11 capacity.

STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)

State Transportation Improvement Program					
(\$ in millions)					
Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
SHA	\$200	\$226	\$0	\$226	-\$26
FTF	200	270	-28	242	-42
PTA	225	167	0	167	58
TIF	0	0	0	0	0
Prop 1B STIP	469	82	0	82	387
Total	\$1,094	\$745	-\$28	\$717	\$377

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

Capital Allocations vs. Capacity

Of the \$1.094 billion STIP capacity, a net total of \$717 million was allocated through the third quarter of 2010-11, including adjustments totaling \$28 million in award savings. There were 190 projects allocated through the third quarter, with a total remaining capacity of \$377 million. The bulk of the remaining capacity is bond resources. Because the 2011-12 Governor's Budget announced no spring bond sale, any remaining capacity in 2010-11 is likely to carry over into 2011-12.

Outlook for Funding & Allocations

Transportation Investment Fund (TIF). Fuel tax swap bills AB 6 of the eighth extraordinary session of 2009-10 (ABX8 6) and ABX8 9 require any remaining TIF obligations as of July 1, 2010, which cannot be funded with resources in that fund, to become SHA obligations. The Department projects TIF resources will be sufficient to fund its obligations through 2010-11.

State Highway Account (SHA). STIP funded from the SHA remains over allocated and the forecasted cash balance is below the prudent cash balance.

Public Transportation Account (PTA). The Controller transferred an interfund loan repayment of \$60 million from the PTA to TCRF. The passage of AB 105 requires the reversal of two debt service transfers to the GF, for a total of \$63 million. The projected year-end balance is \$279 million.

Transportation Facilities Account (TFA). There will be no general obligation bond sale in the spring of 2010-11. No bond sale is expected prior to the second quarter of 2011-12.

Federal Trust Fund (FTF). The FTF is over-allocated for STIP, and less than half of the difference has been offset through award savings.

Recommendations

The Department will monitor potential impacts, and if necessary, recommend a change to the 2010-11 capacity. No additional capacity has been identified in the third quarter from the SHA cash forecast. Therefore, the Department continues to recommend the delay of STIP SHA and FTF funded projects.

TRAFFIC CONGESTION RELIEF PROGRAM (TCRP)

Traffic Congestion Relief Program (\$ in millions)					
Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
TCRF	\$84	\$76	\$-1	\$75	\$9
Total	\$84	\$76	\$-1	\$75	\$9

Capital Allocations vs. Capacity

There were no allocations from the TCRP during the third quarter. At the end of the fourth quarter of 2009-10 the TCRP was over-allocated by \$76 million which has been deducted from current year capacity in the chart above. As a result, only \$9 million of the \$84 million 2010-11 allocation capacity is available for allocation.

Outlook for Funding & Allocations

Approximately \$898 million in loan repayments are still outstanding from the GF (refer to Appendix D). TCRP receives \$83 million per year for repayment of \$416 million in outstanding Proposition 42 loans. The 2011-12 Governor’s Budget has indicated that Tribal Gaming repayments would start no earlier than 2016-17 on the \$482 million loan to the GF (Pre-Proposition 42). The projected year-end cash balance is \$33 million.

Recommendations

The Department will continue to monitor for potential impacts, and if necessary, recommend changes.

PROPOSITION 1A & 1B BONDS

Proposition 1A & 1B Bonds (\$ in millions)			
Fund	Allocation Capacity	Allocations to Date*	Remaining Capacity
Proposition 1A	101	78	23
CMIA	\$1,492	\$149	\$1,343
TCIF	736	126	610
Intercity Rail	125	4	121
State-Local Partnership	424	234	190
Local Bridge Seismic	24	0	24
Grade Separations	216	2	214
Traffic Light Synch.	182	62	120
Route 99	343	21	322
Total	\$3,643	\$676	\$2,967

Note: Totals may differ due to rounding.

* Includes deallocations due to award savings.

Capital Allocations vs. Capacity

A total of \$676 million has been allocated in the third quarter to fund bond projects.

Outlook for Funding & Allocations

Subsequent to the bond sales in December 2010 that yielded \$1.29 billion of bond funding for Proposition 1B transportation projects and \$101 million for Positive Train Control projects under the Proposition 1A high speed rail bond, there were no further bond sales during the period of January 1, 2011, through March 31, 2011. There will be no further bond sales for the remainder of the current fiscal year. The next round of general obligation bond sales is expected to occur no earlier than fall of 2011-12.

Recommendations

The priority for the use of bond proceeds has been to fund ongoing projects before funding any new allocations. The Department recommends continuing with the current practice of securing sufficient bond sale proceeds prior to the allocation of new projects.

APPENDICES

Appendix A Allocation Capacity and Assumptions

Appendix BCash 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 DTransportation Loans

APPENDIX A – ALLOCATION CAPACITY AND ASSUMPTIONS

2010-11 Allocation Capacity By Fund and Program (\$ in millions)					
Fund	STIP	SHOPP	TCRP	Other Bonds	Total
SHA	\$200	\$200	\$0	\$0	\$400
FTF	200	1,800	0	0	2,000
PTA	225	0	0	0	225
TCRF	0	0	84	0	84
TDIF	0	0	0	0	0
<i>Prop 1A Bonds*</i>	0	0	0	101	101
<i>Prop 1B Bonds*</i>	469	57	0	3,542	4,068
Total Capacity	\$1,094	\$2,057	\$84	\$3,643	\$6,878

** Bond capacity represents total budget authority and is subject to sales in 2010-11.*

The 2010-11 allocation capacity of \$6.878 billion includes Proposition 1B and Proposition 1A capacity.

This allocation capacity is based on:

- For SHOPP, 2010-11 Budget Act revenue and expenditure estimates, and 2010 STIP Fund Estimate federal receipts.
- The PTA allocation capacity of \$225 million is based on a lowered prudent cash balance (\$100 million) and takes into consideration the anticipated \$396 million in debt service payments through 2010-11. Also taken into consideration are the changes to PTA funding enacted through ABX8 6 and ABX8 9.
- The annual TCRF allocation capacity is based on a dollar-for-dollar ratio of actual revenues received for current year expenditures. The allocation capacity and specific project funding was established by the Commission, in consultation with the Department and local agencies.
- SHOPP and STIP bond capacity is based on the remaining bond authority budget authority, less any administrative costs. Other Proposition 1B bond capacity is based on budget authority for those funds and is dependent on the sale of sufficient bonds for funding.
- Proposed Proposition 1A capacity reported in the fourth quarter of 2009-10 was updated based on the enacted budget that reduced Proposition 1A resources for high speed rail from \$234 million to \$101 million.

APPENDIX B – FORECAST METHODOLOGY

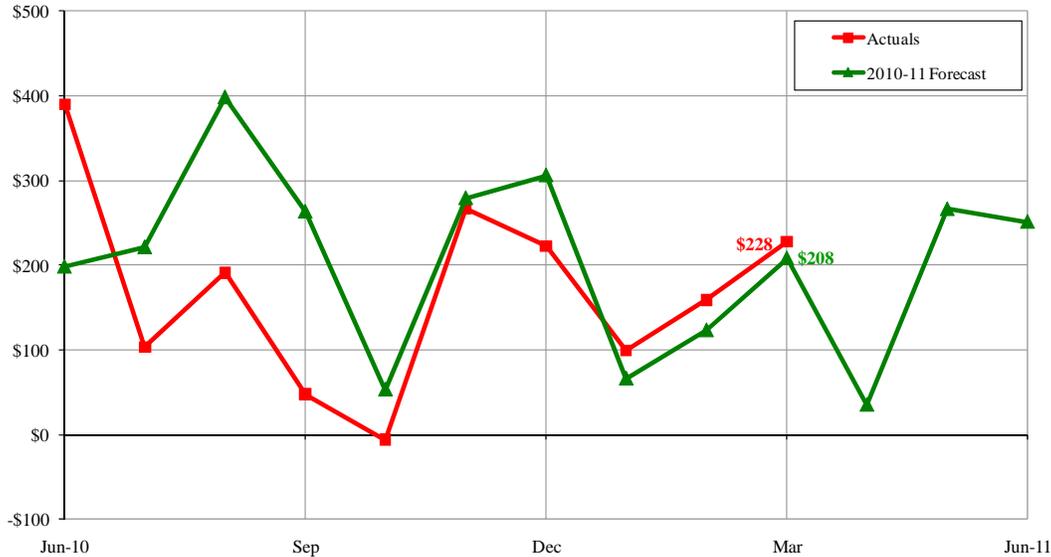
Methodology and Assumptions

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 2010-11 cash forecasts and allocation capacities are based on the following assumptions:

- Expenditures for state operations and capital outlay support (COS) are based on the 2010-11 Budget Act.
- Capital outlay and local assistance expenditures are based on actual and projected Commission allocations using historical and seasonal construction patterns.
- 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 GF, short-term loan repayments, Plans of Financial Adjustments (PFAs), funds transferred in and out, and reimbursements.
- A \$135 million loan from the SHA to the GF authorized in the 2009-10 Budget was included in the 2009-10 SHA forecast. However, the loan was not transferred until July 2010. Also included, is the assumption that the repayment of the \$200 million loan from the SHA to the GF in the 2008-09, and the subsequent intra-fund loan from the TCRF to the SHA for \$200 million will both be delayed until June 2012.
- Federal receipts of approximately \$3.0 billion are based on the 2010 STIP Fund Estimate.

APPENDIX B – STATE HIGHWAY ACCOUNT

**State Highway Account (SHA)
12-Month Cash Forecast
(\$ in millions)**



Year-to-Date SHA Summary

The SHA ended the third quarter with a cash balance of \$228 million, \$20 million (10 percent) above forecast. Revenue and transfers year-to-date were \$2.3 billion, \$154 million (6 percent) below forecast. Expenditures through the third quarter totaled \$2.6 billion, \$43 million (2 percent) above forecast. Adjustments, which represent timing difference between the Department's accounting system and the SCO's accounting system, totaled a positive \$216 million.

A loan repayment of \$140 million to the PTA occurred in March 2011, leaving a total of \$335 million in outstanding short-term loans due from the SHA.

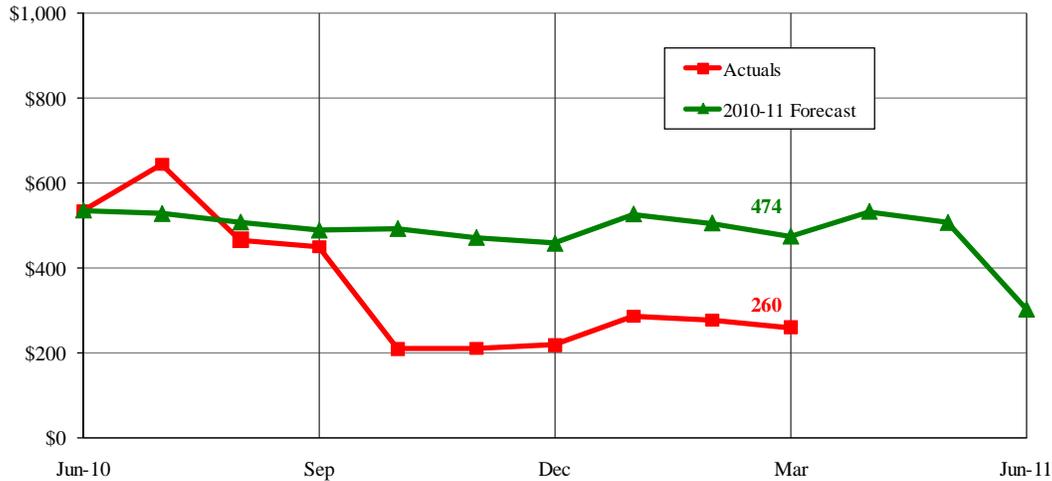
Year-to-Date Reconciliation

	(\$ in millions)			
	Forecast	Actual	Difference	%
Beginning Cash Balance	\$334	\$334	N/A	
Revenues	2,652	2,517	-136	
Transfers	-157	-175	-18	
Expenditures	-2,621	-2,664	-43	
Adjustments	0	216	216	
Ending Cash Balance	\$208	\$228	\$20	10%

Note: Ending cash balance may differ due to rounding.

APPENDIX B – PUBLIC TRANSPORTATION ACCOUNT

Public Transportation Account (PTA) 12-Month Cash Forecast (\$ in millions)



Year-to-Date PTA Summary

The PTA cash balance through the third quarter, ending March 31, 2011, was \$260 million; \$214 million (45 percent) lower than forecasted. The difference is primarily due to a \$135 million short-term interfund loan to the State Highway Account (SHA) in August 2010 and an early \$60 million loan repayment to the Transportation Congestion Relief Fund in March 2011 to ensure adequate funding for ongoing commitments.

In addition, other year-to-date transfers include a short-term loan repayment from the SHA to the PTA of \$140 million, a \$29 million loan to the General Fund, and a \$154 million transfer to the Transportation Debt Service Fund (TDSF). Of the \$154 million transferred to TDSF, AB 105 requires \$63 million to be reversed to the PTA. This total was transferred after November 3, 2010, which is in conflict with Proposition 22 of 2010. The \$63 million has not been repaid as of May 10, 2011. Total year-to-date adjustments to the PTA were a positive \$43 million.

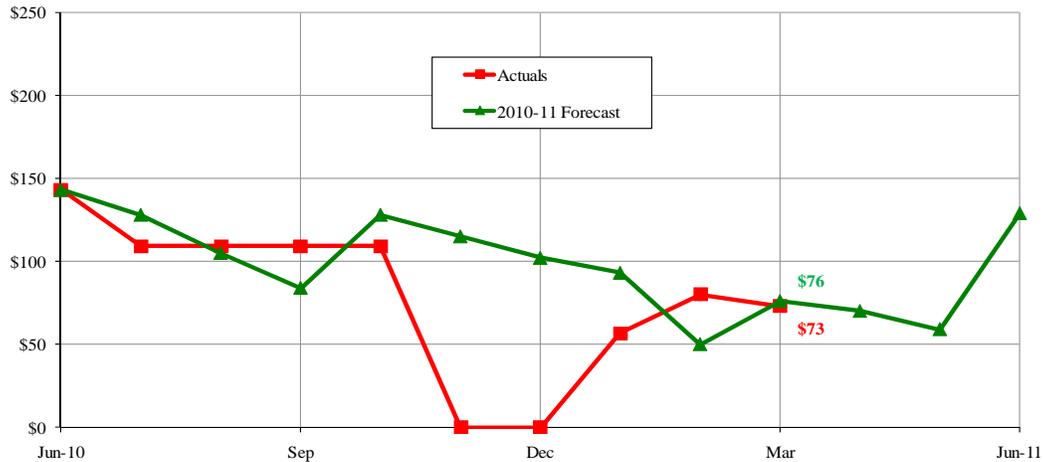
Year-to-Date Reconciliation

(\$ in millions)				
	Forecast	Actual	Difference	%
Beginning Cash Balance	\$620	\$620	N/A	
Revenues	164	150	-14	
Transfers	-47	-305	-258	
Expenditures	-18	-4	15	
Adjustments	-245	-201	43	
Ending Cash Balance	\$474	\$260	-\$214	-45%

Note: Ending cash balance may differ due to rounding.

APPENDIX B – TRAFFIC CONGESTION RELIEF FUND

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



Year-to-Date TCRF Summary

The TCRF cash balance through the third quarter, ending March 31, 2011, was \$76 million, \$3 million (4 percent) above the forecasted amount of \$73 million. There were no revenues for the third quarter. Year-to-date transfers totaled \$62 million, \$2 million above forecast. This included the loan repayment of \$60 million from the PTA in March 2011. Year-to-date expenditures were \$225 million, \$95 million (81 percent) above forecast. This difference was attributed to the processing of outstanding expenditures from the previous year, which were higher than anticipated. Net adjustments for the year were \$96 million.

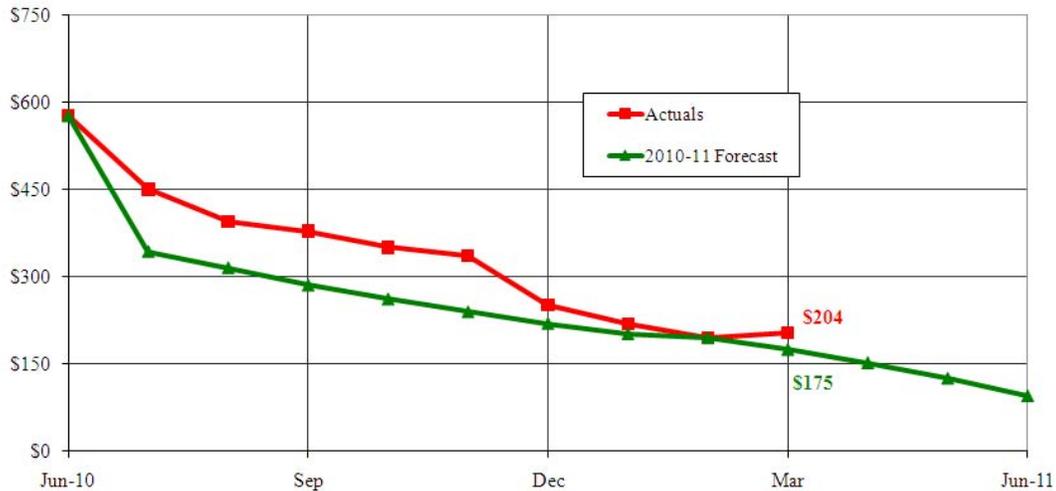
Year-to-Date Reconciliation

(\$ in millions)				
	Forecast	Actual	Difference	%
Beginning Cash Balance	\$143	\$143	N/A	
Revenues	0	0	0	0
Transfers	60	62	2	
Expenditures	-130	-225	-95	
Adjustments	0	96	96	
Ending Cash Balance	\$73	\$76	\$3	5%

Note: Ending cash balance may differ due to rounding.

APPENDIX B – TRANSPORTATION INVESTMENT FUND

**Transportation Investment Fund (TIF)
12-Month Cash Forecast
(\$ in millions)**



Year-to-Date TIF Summary

The TIF ending cash balance for the third quarter was \$204 million, \$29 million (17 percent) above forecast. TIF is no longer receiving revenue due to ABX8 6 and ABX8 9, collectively known as the fuel tax swap. Year-to-date transfers totaled \$220 million, \$60 million (37 percent) above forecast. This was due to an unscheduled interfund loan of \$60 million to the PTA, which occurred in December 2010. This loan was issued to supplement the PTA fund balance, which already had \$275 million in outstanding interfund loans transferred to the SHA (see Appendix D, Interfund Transportation Loans).

Year-to-date expenditures totaled \$158 million, \$85 million (35 percent) below forecast. Net adjustments for the third quarter were a positive \$4 million. The difference between forecast and actuals is due to expenditures being lower than anticipated.

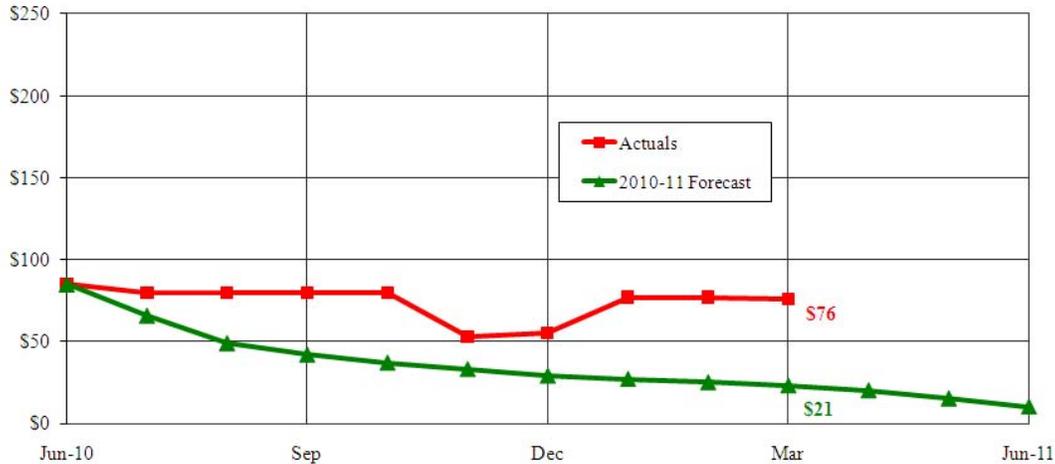
Year-to-Date Reconciliation

(\$ in millions)				
	Forecast	Actual	Difference	%
Beginning Cash Balance	\$578	\$578	N/A	
Revenues	0	0	0	
Transfers	-160	-220	-60	
Expenditures	-243	-158	85	
Adjustments	0	4	4	
Ending Cash Balance	\$175	\$204	\$29	17%

Note: Ending cash balance may differ due to rounding.

APPENDIX B – TRANSPORTATION DEFERRED INVESTMENT FUND

**Transportation Deferred Investment Fund (TDIF)
12-Month Cash Forecast
(S in millions)**



Year-to-Date TDIF Summary

The TDIF ending cash balance for the third quarter was \$32 million, \$11 million (52 percent) above forecast. There were no revenues, transfers, or expenditures during the third quarter. Year-to-date net adjustments were \$13 million. The difference between the year-to-date forecast and actual ending cash balance is due to delays in expenditures. TDIF allocations were a one-time occurrence as a result of a repayment in 2006-07. There will be no future allocations from the TDIF unless project savings are generated.

Year-to-Date Reconciliation

(\$ in millions)				
	Forecast	Actual	Difference	%
Beginning Cash Balance	\$85	\$85	N/A	
Revenues	0	0	0	
Transfers	0	0	0	
Expenditures	-64	-22	42	
Adjustments	0	13	13	
Ending Cash Balance	\$21	\$76	\$55	262%

Note: Ending cash balance may differ due to rounding.

APPENDIX C – FEDERAL EMERGENCY PROJECTS

There have been no new disaster declarations for the quarter ending March 31, 2011, 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.

Disaster Repair Costs Approved Federal Funding and State/Local Impact (\$ millions)			
Disaster	Identified Cost of Disaster Repair		
	State	Local	Total
Dec. 2004 Storm CA05-1	211	87	298
Dec. 2005 Storm CA06-1	336	59	395
So. California Wildfires CA08-3	28	8	36
California Wildfires CA08-6	9	0	9
So. California Wildfires CA09-1	8	0	8
So. California Wildfires CA09-2	12	7	19
Jan. 2010 Storm CA10-1	72	3	75
Humboldt Co. Earthquake CA10-2	1	2	3
Imperial Co. Earthquake CA10-3	1	7	8
Dec. 2010 Storm CA11-1	50	30	80
Total Damage Estimate	\$728	\$203	\$931
Amount Obligated To Date			\$715
Allocation Available for Future Project Costs			\$12
Remaining Need			\$204

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 the SHA funds have already been advanced for emergency projects.

APPENDIX D – TRANSPORTATION LOANS

Status of Outstanding Transportation Loans, as of March 31, 2011 (\$ in millions)			
FUND	Original Loan	Loans/Interest Paid-to-Date	Remaining Balance
Pre-Proposition 42 (Tribal Gaming Revenue):			
State Highway Account (SHA)	\$473	\$341	\$132
Public Transportation Account (PTA)	275	10	265
Traffic Congestion Relief Fund (TCRF)	482	0	482
Subtotal Pre-Proposition 42 Tribal Gaming Loans:	\$1,230	\$351	\$879
Proposition 42:			
Public Transportation Account (PTA)	\$220	\$218	\$2
Transportation Investment Fund (TIF)	440	440	0
Transportation Congestion Relief Fund (TCRF) ¹	1,066	650	416
Locals	440	440	0
Subtotal Proposition 42 Loans:	\$2,167	\$1,749	\$418
General Fund Loan:			
State Highway Account (SHA) ²	\$415	\$0	\$415
Public Transportation Account ³	\$29	\$0	\$29
Other transportation accounts	31	0	31
Subtotal General Fund Loan:	\$475	\$0	\$475
Totals:	\$3,871	\$2,100	\$1,771

Note: Numbers may not add due to rounding.

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

²The SHA is expected to be repaid \$200 million in 2011-12, \$135 million in 2012-13 and \$80 million in 2013-14.

³The PTA is expected to be repaid \$29 million in 2013-14.

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, 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 GF, 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 Section 63048.65 of the Government Code. However, the 2011-12 Governor's Budget has indicated that Tribal Gaming repayments would start no earlier than 2016-17 with the SHA as the first fund to be repaid. It should be noted that 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 reenactment of the fuel tax swap in March 2011 (AB 105), which eliminated the state portion of sales tax on gasoline, there are no current Proposition 42 transfers.

General Fund Loans

The Budget Act of 2008 authorized \$230.7 million in loans to the GF 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 GF on November 14, 2008. The authorized \$230.7 million in loans was scheduled to be repaid by June 30, 2011. The Budget Act of 2010 delayed the repayments by one year. These loans are now required to be repaid, with interest calculated at the rate earned by the Pooled Money Investment Account (PMIA), by June 30, 2012. Repayments will be made 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 GF was authorized in the 2009-10 Budget. The loan to the GF occurred on June 30, 2010. This loan is required to be repaid, with interest calculated at the rate earned by the PMIA, by June 30, 2013.

The 2010-11 Budget authorized an \$80 million loan from the SHA to the GF, and a \$29 million loan from the PTA to the GF. These transfers to the GF occurred on October 14, 2010. These loans are required to be repaid, with interest calculated at the rate earned by the PMIA, by June 30, 2014.

Interfund Transportation Loans

Fiscal Year Borrowed	From Account	To Account	Description	Amount	Repaid	Remaining Balance
2008-09	TCRF	SHA	Backfill SHA transfer to the GF	\$200	\$0	\$200
	TCRF	PTA	Cover PTA expenditures per GC 14556.85 ¹	60	-60	0
2009-10	PTA	SHA	Backfill SHA transfer to the GF	135	0	135
2010-11	PTA	SHA	Cover SHA expenditures per GC 14556.7 ²	140	-140	0
	TIF	PTA	Cover PTA expenditures per GC 14556.7	60	0	60
Totals				\$595	-\$200	\$395

¹Short-term loan repayment of \$60M from the PTA to the TCRF occurred on 3/7/2011.

²Short-term loan repayment of \$140M from the SHA to the PTA occurred on 3/23/2011.

A loan of \$200 million was transferred in 2008-09 to the SHA from the TCRF to backfill the \$200 million loan to the GF. A loan of \$60 million was transferred from the TCRF to the PTA to ensure adequate funding for commitments. A loan of \$135 million was transferred in 2009-10 to the SHA from the PTA to backfill the \$135 million loan to the GF. In addition, a short-term loan of \$140 million from the PTA was transferred to the SHA in October 2010 to ensure adequate funding for ongoing commitments. A loan of \$60 million was transferred in 2010-11 to the PTA from the TIF to cover PTA expenditures.

Currently \$200 million in interfund transportation loans have been repaid. A repayment of \$60 million was made from the PTA to the TCRF, and a repayment of \$140 million was made from the SHA to the PTA in March 2011, leaving a total of \$395 million in outstanding interfund transportation loans.