

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: September 24-25, 2003

Reference No.: 3.8
Information Item

From: ROBERT L. GARCIA
Chief Financial Officer

Prepared by: Terry Abbott
Division Chief
Local Assistance

Ref: **LOCAL ASSISTANCE QUARTERLY LUMP SUM ALLOCATION STATUS REPORT
FOR 2002-03 FISCAL YEAR**

Background:

The Division of Local Assistance administers the local assistance subvention budget under authority from the California Transportation Commission (Commission). The Commission provides an annual lump sum allocation consistent with the Budget Act. The Commission further delegates to the Department of Transportation (Department) the authority to adjust allocations for local assistance and reports to the Commission if any transfers in or out of an expenditure category exceed 10 percent of the total allocation.

In June 2002, the Commission passed Resolution FM-01-07, the allocation of funds for local assistance for Fiscal Year (FY) 2002-03. The allocation included approximately \$88 million in state funds and \$966 million in federal funds for a total of approximately \$1 billion.

In April 2003, the Commission passed Resolution FM 02-03 approving the substitution of \$15 million of federal funds for state funds for the Safe Routes to School Program. The state and federal allocations were adjusted to reflect the substitution as follows: \$102.6 million in state funds and \$951 million in federal funds for a total of \$1 billion. This substitution of funds was consistent with Senate Bill 10 (Soto) and approved by the Department of Finance.

Local Assistance Lump Sum Allocation Status for FY 2002-2003:

As of July 31, 2003, \$679.9 million or 64.5% of the \$1 billion allocated has been expended. These funds were allocated for 959 local projects. The majority of these expenditures, \$602 million or 89% and 708 projects are for:

Surface Transportation Program – 232 projects, \$222.4 million

Congestion Mitigation & Air Quality Program (CMAQ) – 145 projects, \$208.8 million

Bridge – Seismic Retrofit – 88 projects, \$53.7 million

Highway Bridge Rehabilitation and Replacement – 127 projects, \$45.9 million

Demo Category – 32 projects, \$38.8 million.

TEA Program – Regional Share – 84 projects, \$32.4 million

The remaining 251 projects are a summary of all other funds or 26% of the total projects. The Railroad Grade Separation category has not encumbered funds to date. It is not uncommon for this category not to incur expenditures within the first year of allocation due to the contract development and approval for the Railroad activities. In fact, it may take several years before funds are spent. This category represents about 1.4% of the total funds allocated.

The Demonstration Projects category has \$38.8 million of expenditures. The initial allocation request for this category was zero since specific projects expected to receive funds during this fiscal year were not known. Including a category for Demonstration projects in the allocation from the Commission allows the Department to make allocations for these projects using the excess funds from other categories. The Miscellaneous category has expenditures exceeding 234.3% of the allocation. Most of this category's expenditures are federal and represent only \$8.5 million of the total \$689 million expended to date.

Approximately 66% of federal funds allocated have been expended and 55% of the state funds have been used. The delivery to date for FY 2002-03 (\$679.9 million or 64.5% of the funds allocated) is lower compared to the same period last year (\$830.4 million or 83% of the funds allocated). The late approval of the FY 2002-03 budget and the delays in the authorization of the federal appropriation's act contributed to the slower use of the allocated funds. In addition, the last quarter of the federal fiscal year is typically the heaviest delivery period. However, the \$200 million loan of local federal obligation authority to the state has contributed to a lower delivery.

The allocations have not been adjusted to reflect a reduction of \$10.5 million of state funds and \$50 million of federal funds as approved in the recently passed budget for FY 2003-04.

Attachment

LOCAL ASSISTANCE FUNDS
FY 2002-03
(As of July 31, 2003)

Reference 3.8
Attachment

(Dollars in 1,000)

Fund Description	CTC Allocation		Total Expenditures		Allocation Balance			Percent of Allocation Expended		Number of Projects	
	State	Federal	State	Federal	State	Federal	Total	Total	Total	Total	Total
Surface Transportation Pgrm (STP)		372,945		172,519	0	200,426	200,426	46.3%			228
STP State Match and Exchange	46,000		42,630		3,370		3,370	92.7%			88
Congestion Mitigation & Air Qual Pgrm (CMAQ)		352,000		156,535	0	195,465	195,465	44.5%			128
Bridge Scour & State Match	900	3,300	0	474	900	2,826	3,726	11.3%			3
Highway Bridge Rehabilitation & Replacement (HBRR)		98,640		45,992	0	52,648	52,648	46.6%			127
Bridge - Seismic Retrofit	13,000	52,490	4,435	53,665	8,565	(1,175)	7,390	88.7%			88
RR Grade Crossing Protection		10,000		3,192	0	6,808	6,808	31.9%			16
RR Grade Crossing Maintenance	4,250		4,250	0	0	0	0	100.0%			1
Railroad Grade Separations	15,000		0	0	15,000	0	15,000	0.0%			0
Hazard Elimination & Safety (HES)		10,000		7,074	0	2,926	2,926	70.7%			75
Safe Routes to School	15,000	5,000	0	4,042	15,000	958	15,958	20.2%			16
Transportation Enhancement Activities, Regional Share		45,000	61	31,500	(61)	13,500	13,439	70.1%			82
Transportation Enhancement Activities Exchange	6,440		3,086		3,354	0	3,354	47.9%			24
Demonstration Projects		0		38,868	0	(38,868)	(38,868)				32
Miscellaneous	2,000	1,625	1,750	6,742	250	(5,117)	(4,867)	234.3%			28
Total Local Assistance Subvented Funds	102,590	951,000	56,212	520,603	46,378	430,397	476,775	54.7%			936
FTA Transfers				103,055	0	(103,055)	(103,055)				23
Total Local Assistance Including FTA Transfers	102,590	951,000	56,212	623,658	46,378	327,342	373,720	64.5%			959

Assumptions:

- The amounts do not include Freeway Service Patrol or Bay Area Ferry Operations.
- FTA transfers are \$49,834,952 for RSTP, \$52,275,279 for CMAQ and \$945,000 for TEA.
- Misc. expenditures include projects not included elsewhere.
- Balances are based on allocation requests.
- The Allocation balance is the difference between CTC allocation and Total Expenditures.
- FAU/FAS allotment and expenditures is shown under STP
- Expenditures and Number of Projects is from LP2000 report