

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: September 15, 2004

Reference No.: 3.1  
Information Item

From: CINDY MCKIM  
Chief Financial Officer, Acting

Prepared by: Bimla Rhinehart  
Acting Chief  
Division of Budgets

Ref: **Caltrans Monthly FY 2004-05 Finance Report**

Attached are the forecast cash balance updates for the State Highway Account (SHA), Public Transportation Account (PTA), Traffic Congestion Relief Fund (TCRF), the Toll Bridge Seismic Retrofit Account (TBSRA), and the Transportation Investment Fund (TIF).

## **STATE HIGHWAY ACCOUNT (SHA)**

### **Updated Forecast (in millions)**

<b>Year-end Balance</b>	<b>FY 2003-04</b>	<b>FY 2004-05</b>	<b>FY 2005-06</b>
September 2004 Forecast	\$288*	\$190	\$110
June 2004 Forecast	\$500	\$320	\$-90
<b>Difference</b>	<b>-\$212</b>	<b>-\$130</b>	<b>\$200</b>

\* Represents actual year end balance

### **Base Assumptions:**

#### **Revenues and Transfers:**

- Revised Federal receipts based on the limitations of apportionments and accrual categories. Base federal revenue forecasts are unchanged from those presented to the Commission in May 2004. Unhindered federal collections require four basic components:
  - Apportionments in categories that are equivalent to the types of projects that the Department is undertaking.
  - Obligational Authority.
  - Expenditures on federal projects that can be reimbursed
  - Appropriate level of staffing to handle workload associated with converting Advance Construction (AC) projects with existing accruals.
- Contains all of the revenue provisions included in the Fiscal Year (FY) 2004-05 Budget Act.
- Forecast does not assume early loan payback resulting from the renegotiation of tribal gaming compacts.

**Expenditures:**

- Expenditures assume a gross allocation of \$504 million.
- Support expenditures as approved in the FY 2004-05 Budget Act.

**Assumption Changes from Previous Forecast:**

- \$184 million loan repayment from TCRF reduced to \$20 million.
- Fuel excise tax receipts adjusted slightly upwards, and a revised monthly transfer schedule has been applied.
- Removal of expenditures in FY 2005-06 of a one-time BCP that was inadvertently carried forward in the June Forecast.
- Minor adjustment to expenditures to reflect revised expenditure ratios.

**PUBLIC TRANSPORTATION ACCOUNT (PTA)****Updated Forecast (in millions)**

<b>Year-end Balance</b>	<b>FY 2003-04</b>	<b>FY 2004-05</b>	<b>FY 2005-06</b>
September 2004 Forecast	\$143*	\$30	\$100
June 2004 Forecast	\$70	\$50	\$120
<b>Difference</b>	<b>\$73</b>	<b>-\$20</b>	<b>-\$20</b>

\* Represents actual year end balance

**Base Assumptions:****Revenues and Transfers:**

- Revenue increases based on May Revise.
- No spillover revenue for current fiscal year.
- Suspension of TIF transfer in FY 2004-05.
- Forecast does not assume early loan payback resulting from the renegotiation of tribal gaming compacts.

**Expenditures:**

- State operation expenditures increased slightly to reflect the FY 2004-05 Budget.
- Cash flow of local assistance expenditures based on updated expenditures.
- Reduction to the State Transit Assistance (STA) program due to Transportation Investment Fund (TIF) suspension.

**Assumption Changes from Previous Forecast:**

- Transfer of miscellaneous SHA revenues back to the SHA will occur in FY 2004-05 instead of FY 2003-04.
- FY 2004-05 \$36 million transfer from TCRF will not occur per enacted budget.
- FY 2004-05 expenditures lower per enacted budget.

**TRAFFIC CONGESTION RELIEF FUND (TCRF)****Updated Forecast (in millions)**

<b>Year-end Balance</b>	<b>FY 2003-04</b>	<b>FY 2004-05</b>	<b>FY 2005-06</b>
September Forecast	\$175*	\$55	\$1,830
June Forecast	\$184**	\$114**	
<b>Difference</b>	<b>-9</b>	<b>-\$59</b>	

\* Represents actual year end balance

\*\* Previous Book Item inadvertently omitted \$114 million short-term loan from displayed cash balance.

**Base Assumptions:****Revenues and Transfers:**

- Suspension of TIF transfer in FY 2004-05.
- General Fund transfer of \$43 million in September 2004.
- General Fund transfer of \$140 million in spillover revenue to occur in FY 2004-05.
- TIF transfer of \$678 million to made in quarterly payments during FY 2005-2006.
- General Fund loan repayment of \$1.2 billion to occur in June 2006.
- Forecast does not assume early loan payback resulting from the renegotiation of tribal gaming compacts.

**Expenditures:**

- Expenditure levels are based on the latest information from the program and local agencies.

**Assumption Changes from Previous Forecast:**

- FY 2004-05 transfer from General Fund changed from \$383 million to \$183 million per enacted budget.
- Transfer to SHA of \$184 million changed to \$20 million per enacted budget.
- Transfer to PTA of \$36 million deleted per enacted budget.
- FY 2004-05 expenditures increased by \$50 million based on most recent program data.

**TOLL BRIDGE SEISMIC RETROFIT ACCOUNT (TBSRA)****Updated Forecast (in millions)**

<b>Year-end Balance</b>	<b>FY 2003-04</b>	<b>FY 2004-05</b>
May 2004 Forecast	\$640	\$460
February 2004 Forecast	\$750	\$640
<b>Difference</b>	<b>-\$110</b>	<b>-\$180</b>

**Assumptions:**

Recently, the Department reported that the estimated total cost of the Toll Bridge Seismic Program has increased significantly. The Governor, the Legislature, and local agencies are working on several proposed methods of funding the new estimated cost. At this time, no agreement has been reached and an updated forecast cannot be presented. A new forecast based on the final agreement will be presented after the agreement is reached.

**TRANSPORTATION INVESTMENT FUND (TIF)****Updated Forecast (in millions)**

<b>Year-end Balance</b>	<b>FY 2003-04</b>	<b>FY 2004-05</b>	<b>FY 2005-06</b>
September 2004 Forecast	\$0	\$0	\$180
June 2004 Forecast	\$0	\$0	
<b>Difference</b>	<b>\$0</b>	<b>\$0</b>	

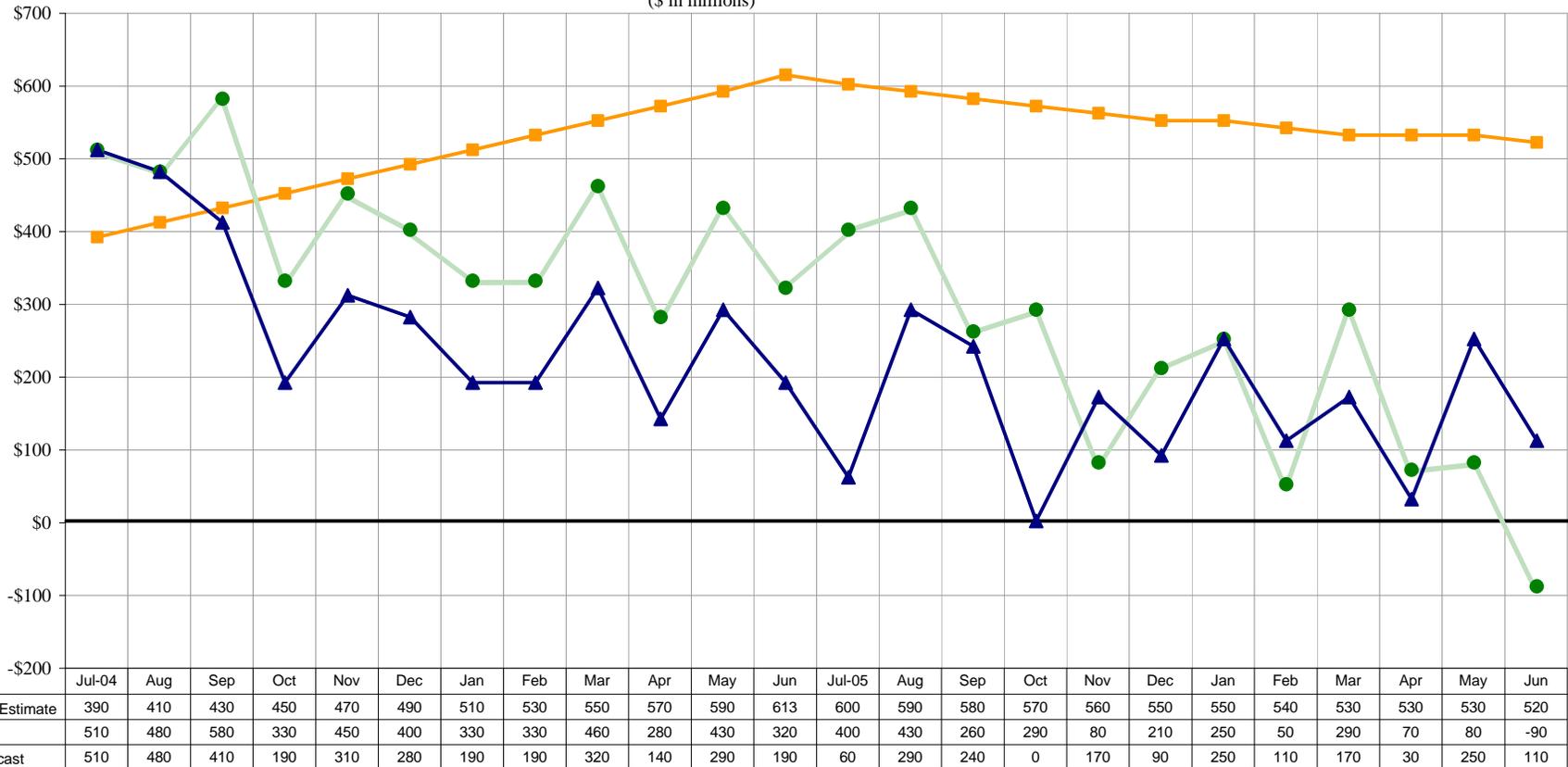
The TIF forecast is being included in the book item due to projected activity in FY 2005-06.

**Assumptions:**

- FY 2005-06 transfers from General Fund of \$949.4 million.
- FY 2005-06 transfers to PTA, TCRF and locals of \$773 million.

Attachments

STATE HIGHWAY ACCOUNT CASH FORECAST  
(\$ in millions)



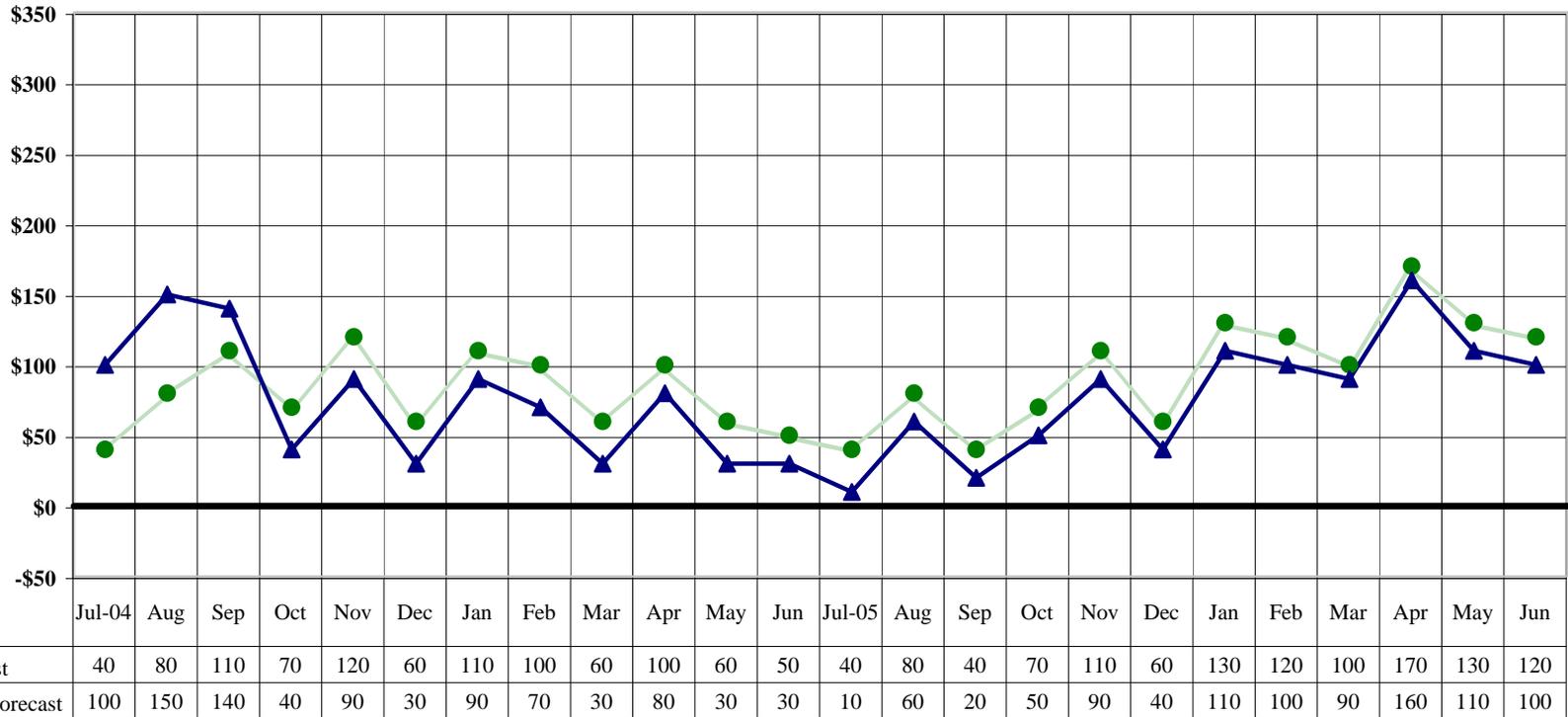
**FY 2004-05 Forecast Assumptions**

Monthly cash balances for the Fund Estimate are averaged based on beginning and ending cash balances.  
 Assumes support expenditures as approved in the FY 2004-05 Budget Act.  
 \$20 million payback from TCRF.  
 Vote of \$504 million in FY 2004-05  
 Assumes no votes beyond FY 2004-05.  
 Assumes Federal collection numbers as presented to the CTC in the May forecast.  
 Does not assume early loan payback resulting from the renegotiation of tribal gaming compacts.

**Assumption Change from June Preliminary Forecast**

\$184 million payback from TCRF reduced to \$20 million.  
 Technical adjustments to timing of revenue receipts.  
 Minor adjustment to expenditures to reflect revised expenditure ratios.  
 Removal of expenditures in FY 2005-06 of one-time BCP that was inadvertently carried forward.

**24-MONTH PUBLIC TRANSPORTATION ACCOUNT CASH FORECAST**  
(\$ in millions)



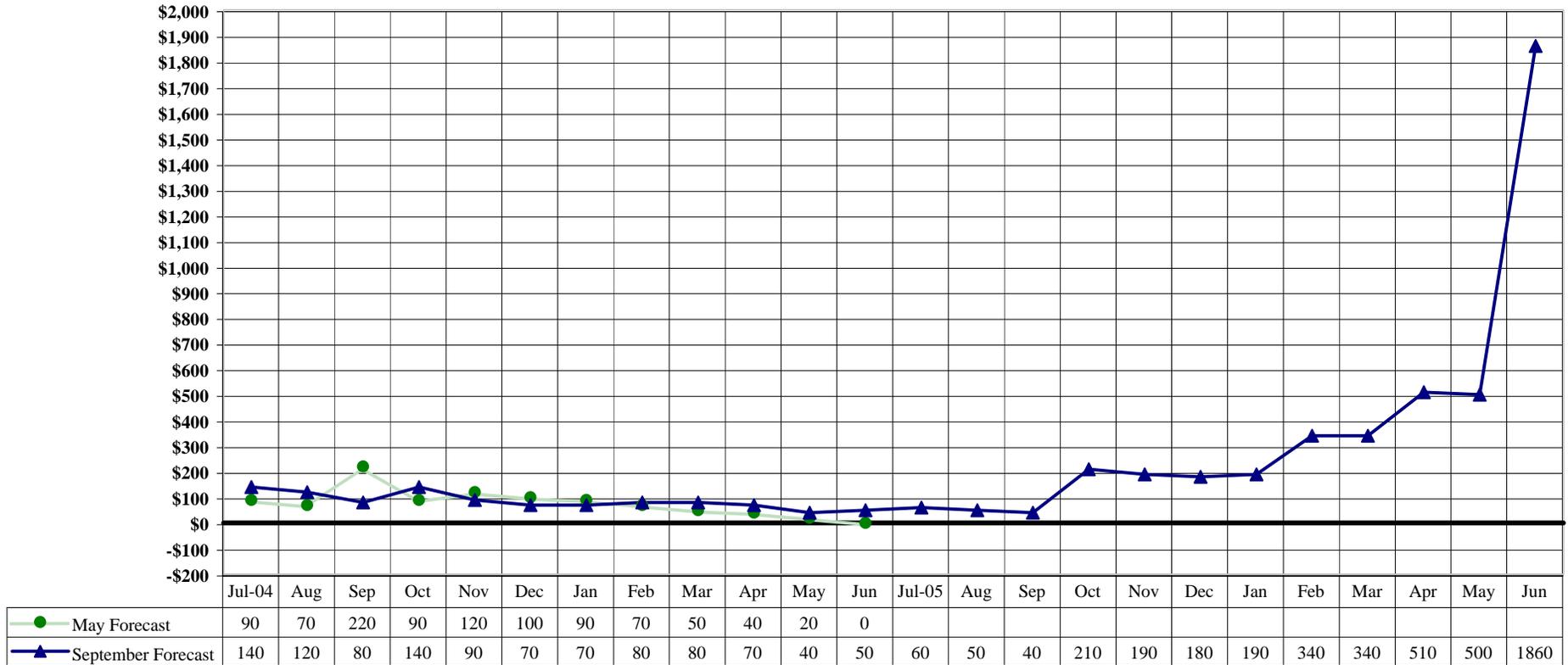
**FY 2004-05 Forecast Assumptions:**

Revenue estimates updated to reflect the 2004-05 Governor’s Budget.  
 No transfer of Non-Article XIX funds from the SHA.  
 Suspension of TIF transfer in FY 2004-05.  
 Assumes TIF Transfer occurs in FY 2005-06

**Assumption Change from June Preliminary Forecast:**

Transfer of miscellaneous SHA revenues back to the SHA will occur in FY 2004-05 instead of FY 2003-04.  
 FY 2004-05 \$36 million transfer from TCRF will not occur per enacted budget.  
 FY 2004-05 expenditures are lower based on enacted budget

**24-MONTH TRAFFIC CONGESTION RELIEF FUND FORECAST**  
(\$ in millions)



**FY 2004-05 Forecast Assumptions:**

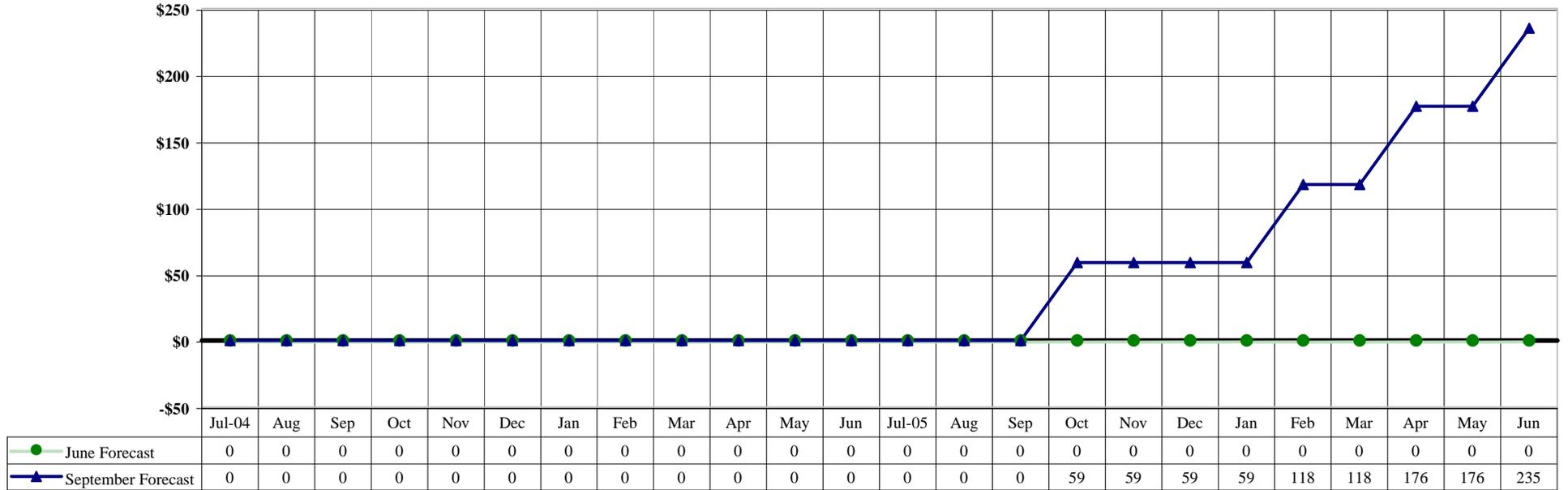
No new allocations in FY 2004-05 or FY 2005-06.  
Suspension of TIF transfer in FY 2004-05.

**Assumption Change from June Preliminary Forecast:**

General Fund transfer of \$43 million in September 2004.  
General Fund transfer of \$140 million in spillover revenue to occur in FY 2004-05.  
TIF transfer of \$678 million to occur quarterly in 2006.  
Loan repayment from General Fund of \$1.2 billion to occur June 2006.

Expenditure levels are based on latest information from the program and local agencies.

**24-MONTH TRANSPORTATION INVESTMENT FUND FORECAST**  
(\$ in millions)



**FY 2004-05 Forecast Assumption**

Suspension of TIF Transfers in FY 2004-05  
 FY 2005-06 transfers from General Fund of \$949.4 million  
 FY 2005-06 transfers to PTA, TCRF and locals of \$773 million

**STATE HIGHWAY ACCOUNT**  
**Adjusted Cash Balance as of June 30, 2004**  
(\$ in millions)

	<b>2003</b>						<b>2004</b>					
	<b>JULY</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>
<b>Beginning Cash Balance (SHA &amp; TRA)</b>	\$658	\$344	\$115	\$569	\$404	\$267	\$388	\$507	\$264	\$556	\$818	\$607
Add: Receipts for Month	232	348	840	289	269	533	426	151	667	679	137	432
Less: Disbursements for Month	(546)	(577)	(387)	(454)	(407)	(412)	(307)	(394)	(375)	(417)	(348)	(567)
<b>Ending Cash Balance</b>	<b>\$344</b>	<b>\$115</b>	<b>\$569</b>	<b>\$404</b>	<b>\$267</b>	<b>\$388</b>	<b>\$507</b>	<b>\$264</b>	<b>\$556</b>	<b>\$818</b>	<b>\$607</b>	<b>\$471</b>
<b>Cash Reconciliation (Short-term loans and Transfers)</b>												
Add: GF Short Term Loan	\$29	\$209	\$0	\$0	\$0	\$0	\$0	\$112	\$112	\$0	\$0	\$0
Less: TRA Balance from Other Funds	(32)	(11)	(25)	(32)	(86)	(47)	(52)	(37)	(65)	(118)	(42)	(68)
Less: TCRF Short Term Loan	(307)	(267)	(246)	(180)	(140)	(140)	(140)	(140)	(114)	(114)	(114)	(114)
Less: PTA Short Term Loan	(50)	0	0	0	(75)	(75)	(75)	(75)	(75)	(75)	(75)	0
<b>Adjusted SHA Cash Balance*</b>	<b>(\$16)</b>	<b>\$46</b>	<b>\$298</b>	<b>\$192</b>	<b>(\$34)</b>	<b>\$126</b>	<b>\$240</b>	<b>\$124</b>	<b>\$413</b>	<b>\$510</b>	<b>\$375</b>	<b>\$288</b>
<b>Current Commitments Against Cash:**</b>												
State Operations									\$156	\$157	\$240	
Local Assistance									247	218	232	
Capital Outlay Contracts:												
Awarded									1,188	1,231	1,181	
Advertised but not Awarded									419	376	327	
Allocated but not Advertised									131	127	102	
<b>Total Commitments</b>									<b>\$2,363</b>	<b>\$2,109</b>	<b>\$2,083</b>	
<b>Available Cash Balance</b>									<b>(\$1,853)</b>	<b>(\$1,734)</b>	<b>(\$1,794)</b>	

\* The Department's cash forecast is based on the adjusted SHA cash balance.

\*\* This section represents an estimate of all of the unpaid contractual and pending commitments against the SHA and Federal Funds:

State Operations represents the encumbered balance of State Operations.

Local Assistance represents the encumbered balance of Local Assistance projects.

Awarded Capital Outlay Contracts represents the remaining balance of all awarded SHA/Federal contracts.

Advertised but not Awarded Contracts are projects that have been allocated and advertised, but not yet awarded.

Allocated but not Advertised Contracts are projects that have been allocated, but have not been advertised.

**PUBLIC TRANSPORTATION ACCOUNT**  
**Adjusted Cash Balance as of June 30, 2004**  
(\$ in millions)

	2003						2004					
	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
<b>Beginning Cash Balance, per State Controller's Office</b>	\$101	\$39	\$95	\$95	\$172	\$90	\$91	\$83	\$64	\$52	\$115	\$102
Add: Receipts for Month	1	54	0	116	0	0	61	0	0	81	0	16
Add: Short Term Loan Repayment from SHA	0	50	0	0	0	0	0	0	0	0	0	75
Less: Disbursements for Month	-64	-47	0	-38	-82	0	-69	-19	-13	-18	-13	-76
<b>Ending Cash Balance</b>	<b>\$39</b>	<b>\$95</b>	<b>\$95</b>	<b>\$172</b>	<b>\$90</b>	<b>\$91</b>	<b>\$83</b>	<b>\$64</b>	<b>\$52</b>	<b>\$115</b>	<b>\$102</b>	<b>\$118</b>
<b>Cash Reconciliation:</b>												
Add: Short Term Loan to SHA	\$50	\$0	\$0	\$0	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$0
Add: TRA Cash Advance						\$27	\$25	\$26	\$21	\$25	\$16	\$26
<b>Adjusted PTA Cash Balance*</b>	<b>\$89</b>	<b>\$95</b>	<b>\$95</b>	<b>\$172</b>	<b>\$165</b>	<b>\$192</b>	<b>\$183</b>	<b>\$165</b>	<b>\$148</b>	<b>\$215</b>	<b>\$193</b>	<b>\$143</b>
<b>Current Commitments Against Cash:**</b>												
State Operations							\$66	\$60	\$44	\$44	\$33	\$26
Local Assistance							24	24	23	18	10	0
Capital Outlay												
Yolo Causeway Project							20	20	17	17	12	9
Pittsburg - Antioch Project							29	27	27	27	29	29
La Mirada - Basta Project							22	22	22	21	21	21
Miscellaneous Capital Outlay Projects							19	18	18	18	18	18
<b>Total Commitments</b>							<b>\$180</b>	<b>\$172</b>	<b>\$151</b>	<b>\$145</b>	<b>\$123</b>	<b>\$102</b>
<b>Available Cash Balance</b>							<b>\$2</b>	<b>-\$7</b>	<b>-\$3</b>	<b>\$70</b>	<b>\$70</b>	<b>\$41</b>

\* The Department's cash forecast is based on the adjusted PTA cash balance.

\*\* This new section represents an estimate of all of the unpaid contractual and pending commitments against the SHA and Federal Funds:

State Operations represents the encumbered balance of State Operations.

Local Assistance represents the encumbered balance of Local Assistance projects.

Capital Outlay represents the remaining unspent balance of each of the 4 awarded capital contracts.

**TRAFFIC CONGESTION RELIEF FUND**  
**Adjusted Cash Balance as of June 30, 2004**  
(\$ in millions)

	2003						2004					
	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
<b>Beginning Cash Balance, per State Controller's Office</b>	\$31	\$14	\$13	\$33	\$50	\$68	\$43	\$8	22	1	33	21
Add: Receipts for Month	18	40	20	138	40	0	0	72	26	72	1	72
Less: Disbursements for Month	(35)	(41)	0	(121)	(22)	(25)	(35)	(58)	-47	-40	-14	-57
Ending Cash Balance	\$14	\$13	\$33	\$50	\$68	\$43	\$8	\$22	1	33	21	36
<b>Cash Reconciliation:</b>												
Add: SHA Short Term Loan	\$307	\$267	\$246	\$180	\$140	\$140	\$140	\$140	114	114	114	114
Add: TRA Cash Advance						\$18	\$22	\$6	40	40	22	25
<b>Adjusted TCRF Cash Balance*</b>	<b>\$321</b>	<b>\$280</b>	<b>\$279</b>	<b>\$230</b>	<b>\$208</b>	<b>\$201</b>	<b>\$170</b>	<b>\$168</b>	<b>155</b>	<b>188</b>	<b>157</b>	<b>175</b>

\* The Department's cash forecast is based on the adjusted TCRF cash balance.

**TRANSPORTATION INVESTMENT FUND**

**Adjusted Cash Balance as of June 30, 2004**

(\$ in millions)

	2003						2004					
	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
<b>Beginning Cash Balance, per the State Controller's Office</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Add: Receipts for Month	0	0	0	72	0	0	0	72	0	72	0	72
Less: Disbursements for Month	0	0	0	(72)	0	0	0	(72)	0	(72)	0	(72)
<b>Ending Cash Balance</b>	<b>\$0</b>											

**CHART 2  
STATUS OF SEISMIC RETROFIT PROGRAM**

<b>PHASE I</b> (\$ in millions)	
	<b>TOTAL</b>
<b>Estimated Capital Cost</b>	<b>\$815.0</b>
Major Projects Funded To Date	\$843.8
Minor Projects Funded To Date	\$4.6
<b>Total Capital Costs Funded To Date</b>	<b>\$848.4</b>

<b>PHASE II</b> (\$ in millions)			
	<b>SHA FEDERAL MDL*</b>	<b>SEISMIC BOND FUND</b>	<b>TOTAL</b>
<b>Total Estimated Cost - Support and Capital</b>			<b>\$1,350.0</b>
Major Projects Funded To Date	\$63.0	\$770.4	\$833.4
Minor Projects Funded To Date	\$3.1	\$8.8	\$11.9
Right of Way Capital Costs To Date		\$18.7**	\$18.7
Support Costs Funded	\$103.0	\$256.8***	\$359.8
Prop 192 Reimbursement	(\$99.8)	\$99.8	\$0.0
<b>Total Funded To Date</b>	<b>\$69.3</b>	<b>\$1,154.5</b>	<b>\$1,223.8</b>

\* Multi-District Litigation funds received through Petroleum Products Antitrust Litigation agreement, August 12 1992.

\*\* Does not include \$81.2 million allocated for the Pooled Money Investment Account loan interest expenses as these costs are usually offset by the interest earned by the Surplus Money Investment Fund.

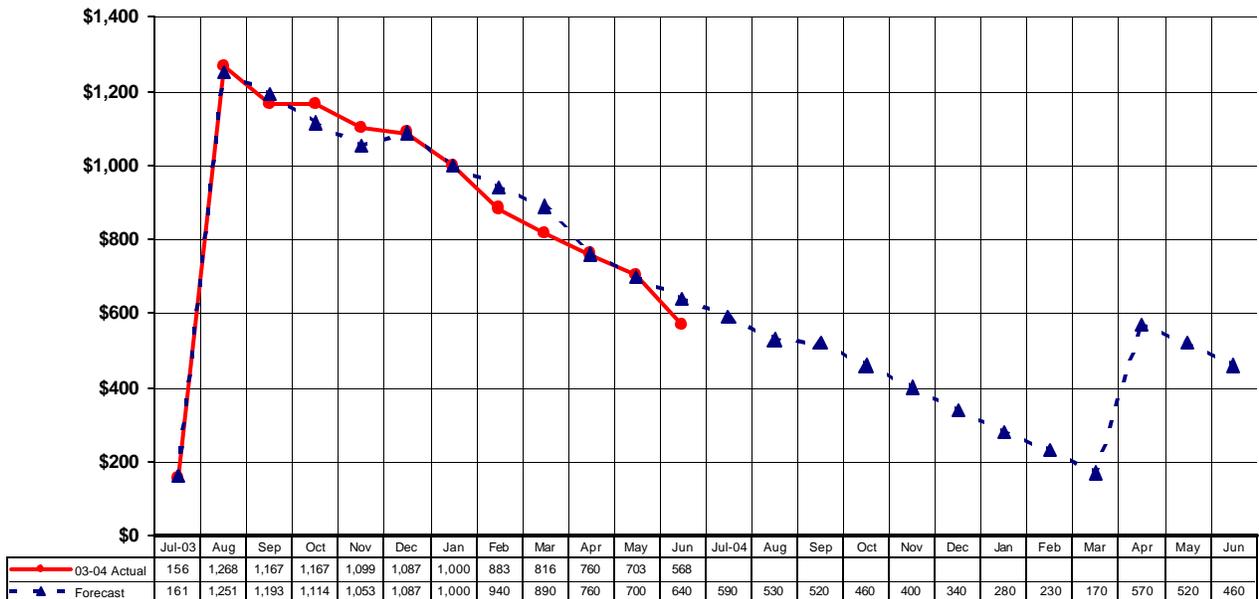
\*\*\* Indicates actual expenditures/encumbrances. (Other amounts are allocations.)

<b>TOLL BRIDGE SEISMIC RETROFIT</b> (\$ in millions)					
	<b>SHA TOLL MDL<sup>(1)</sup></b>	<b>SEISMIC BOND FUND</b>	<b>TBSR ACCT</b>	<b>HBRR<sup>(2)</sup> FUNDS (Federal)</b>	<b>TOTAL</b>
<b>Total Estimated Cost - Support and Capital</b>					<b>\$4,637.0</b>
Major Projects Funded To Date	\$22.2	\$649.3	\$2,417.4	\$627.5	\$3,716.4
Minor Projects Funded To Date					
Right of Way Capital Costs To Date		\$24.2	\$57.3		\$81.5
Support Costs Funded	\$66.2	\$106.0	\$526.5 <sup>(3)</sup>		\$698.7
Prop 192 Reimbursement	-\$9.5	\$9.5			\$0.0
<b>Total Funded To Date</b>	<b>\$78.9</b>	<b>\$789.0</b>	<b>\$3,001.2</b>	<b>\$627.5</b>	<b>\$4,496.6</b>

Total Estimated Cost increased to \$4,637.0 million per Assembly Bill 1171 (Chapter 907, Statutes of 2001).

- (1) Multi-District Litigation funds received through Petroleum Products Antitrust Litigation agreement, August 12 1992.
- (2) Federal Highway Bridge Replacement and Rehabilitation, as authorized by AB 1171.
- (3) Indicates actual expenditures/encumbrances (other amounts are allocations).

**24-MONTH TOLL BRIDGE SEISMIC RETROFIT ACCOUNT CASH FORECAST**  
(\$ in millions)



Account balance does not include debt service reserve and administrative sub-funds.

Changes from previous forecast:  
No Changes at this time.

**ADVANCE CONSTRUCTION (AC)**  
**as of June 30, 2004**  
(\$ in millions)

**Major Fund Categories (will use state OA to convert)**

<b>INTERSTATE MAINTENANCE</b>	\$	677
<b>NATIONAL HIGHWAY SYSTEM</b>	\$	1,143
<b>MINIMUM GUARANTEE</b>		N/A
<b>CONGESTION MITIGATION &amp; AIR QUALITY IMPROVEMENT</b>		-
<b>BRIDGE PROGRAM FUNDS</b>	\$	57
<b>SURFACE TRANSPORTATION PROGRAM (1)</b>	\$	1,019
<b>SURFACE TRANSPORTATION ENHANCEMENT</b>	\$	35
<b>MISCELLANEOUS (2)</b>	\$	137
<b>METROPOLITIAN PLANNING</b>		N/A
<b>STATE PLANNING AND RESEARCH FUNDS (SPR)</b>	\$	39
<b>Sub Total</b>	\$	<b>3,107</b>

**Emergency Relief Projects (ER funds come with their own OA)**

<b>ER (STP funds)</b>	\$	73
<b>Sub Total</b>		<b>73</b>

**Special Projects (will use state OA to convert but will not add to the SHA balance)**

<b>TBSR Projects (HBRR Funds)</b>	\$	394
<b>GARVEE Projects</b>	\$	808
<b>Sub total</b>	\$	<b>1,202</b>

**Local AC (will use local OA to convert)**

<b>LOCAL (3)</b>	\$	76
<b>OA - includes formula limitation, minimum Guarantee Special and Exempt.</b>		

<b>Statewide Total AC Balance</b>	<b>4,458</b>
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(1) State STP Only

(2) Includes: Interstate Construction, Statewide Infrastructure Bank, Combined Road Plan etc.

(3) Local AC projects include different federal fund categories (RSTP, CMAQ, HBRR, HES,...)

**OBLIGATION AUTHORITY (OA) <sup>(1)</sup>**  
**STATE /LOCAL USE**  
(\$ in millions)

**FFY 2004 as of June 30, 2004 <sup>(2)</sup>**

	<u>STATE</u>		<u>LOCAL</u>		<u>TOTAL</u>
2004 OBLIGATION AUTHORITY	\$ 1,311	\$	\$ 749	\$	\$ 2,060
PAYBACK FOR 2003	\$ (199)	\$	\$ 199	\$	\$ -
ADJUSTMENTS <sup>(3)</sup>	\$ 123	\$	\$ (124)	\$	\$ (1)
FTA TRANSFERS	\$ 46	\$	\$ 278	\$	\$ 324
CUMULATIVE OBLIGATIONS <sup>(4)</sup>	<u>\$ 945</u>	\$	<u>\$ 291</u>	\$	<u>\$ 1,236</u>
REMAINING OA	\$ 244	\$	\$ 255	\$	\$ 499

NOTE: REMAINING LOCAL OA INCLUDES \$199 MILLION OF PAYBACK FROM STATE

**FFY 2003**

	<u>STATE</u>		<u>LOCAL</u>		<u>TOTAL</u>
OBLIGATION AUTHORITY	\$ 1,603	\$	\$ 904	\$	\$ 2,507
OA USE <sup>(5)</sup>	<u>\$ 1,802</u>	\$	<u>\$ 705</u>	\$	<u>\$ 2,507</u>
REMAINING OA	\$ (199)	\$	\$ 199	\$	\$ -

NOTE: AS OF 9/30/03, THE STATE HAS USED \$199 MILLION OF LOCAL OA.

**FFY 2002**

	<u>STATE</u>		<u>LOCAL</u>		<u>TOTAL</u>
OBLIGATION AUTHORITY	\$ 1,621	\$	\$ 855	\$	\$ 2,476
OA USE	<u>\$ 1,622</u>	\$	<u>\$ 854</u>	\$	<u>\$ 2,476</u>
REMAINING OA	\$ (1)	\$	\$ 1	\$	\$ 0

NOTE: YEAR END ADJUSTMENT TO MAXIMIZE USE OF OA

FFY - Federal Fiscal Year (ending October)

<sup>(1)</sup> OA includes formula limitation, minimum Guarantee Special and Exempt.

<sup>(2)</sup> As of June 30, 2004, the State was operating under STEA04, part II, 9/12ths appn and OA.

<sup>(3)</sup> Adjustments include: Local Exchange, Safe Routes To Schools, Local Cash Management, and prior year adjustments

<sup>(4)</sup> Cumulative Obligations include formula, minimum guarantee, and special allocated limitation.

<sup>(5)</sup> OA Use include Cumulative Obligations, Adjustments and FTA Transfers.

**FEDERAL FUND - APPORTIONMENT STATUS**

(\$ in millions)

**MAJOR FUND CATEGORY**

	<b><u>FFY-2002</u></b>		<b><u>FFY-2003</u></b>		<b><u>FFY-2004</u></b> <b><u>(as of June 30, 2004)</u></b>	
	<u>Apportionment</u>	<u>Obligations (1)</u>	<u>Apportionment</u>	<u>Obligations (1)</u>	<u>Apportionment</u>	<u>Obligations (1)</u>
<b>INTERSTATE MAINTENANCE</b>	\$ 209	\$ 273	\$ 223	\$ 216	\$ 328	\$ 160
<b>NATIONAL HIGHWAY SYSTEM</b>	\$ 281	\$ 455	\$ 372	\$ 456	\$ 476	\$ 337
<b>MINIMUM GUARANTEE (2)</b>	\$ 196	\$ 186	\$ 210	\$ 218	\$ 158	\$ 101
<b>CONGESTION MITIGATION &amp; AIR QUALITY IMPROVEMENT</b>	\$ 372	\$ 323	\$ 332	\$ 284	\$ 318	\$ 262
<b>BRIDGE PROGRAM FUNDS</b>	\$ 316	\$ 189	\$ 301	\$ 325	\$ 288	\$ 78
<b>SURFACE TRANSPORTATION PROGRAM</b>	\$ 1,105	\$ 865	\$ 789	\$ 861	\$ 553	\$ 508
<b>SURFACE TRANSPORTATION ENHANCEMENT</b>	\$ 68	\$ 72	\$ 61	\$ 37	\$ 58	\$ 46
<b>MISCELLANEOUS (3)</b>	\$ 3	\$ 21	\$ 16	\$ 71	\$ 4	\$ 3
<b>METROPOLITIAN PLANNING</b>	\$ 30	\$ 30	\$ 29	\$ 29	\$ 27	\$ 27
<b>STATE PLANNING AND RESEARCH FUNDS (SPR)</b>	\$ 52	\$ 61	\$ 47	\$ 9	\$ 44	\$ 38
<b>TOTAL</b>	\$ 2,633	\$ 2,476	\$ 2,380	\$ 2,507	\$ 2,254	\$ 1,560
<b>AVAILABLE FEDERAL OA</b>		\$ 2,476		\$ 2,507		\$ 2,059
<b>AVAILABLE FEDERAL OA REMAINING</b>		\$ 0		\$ 0		\$ 499

**NOTES**

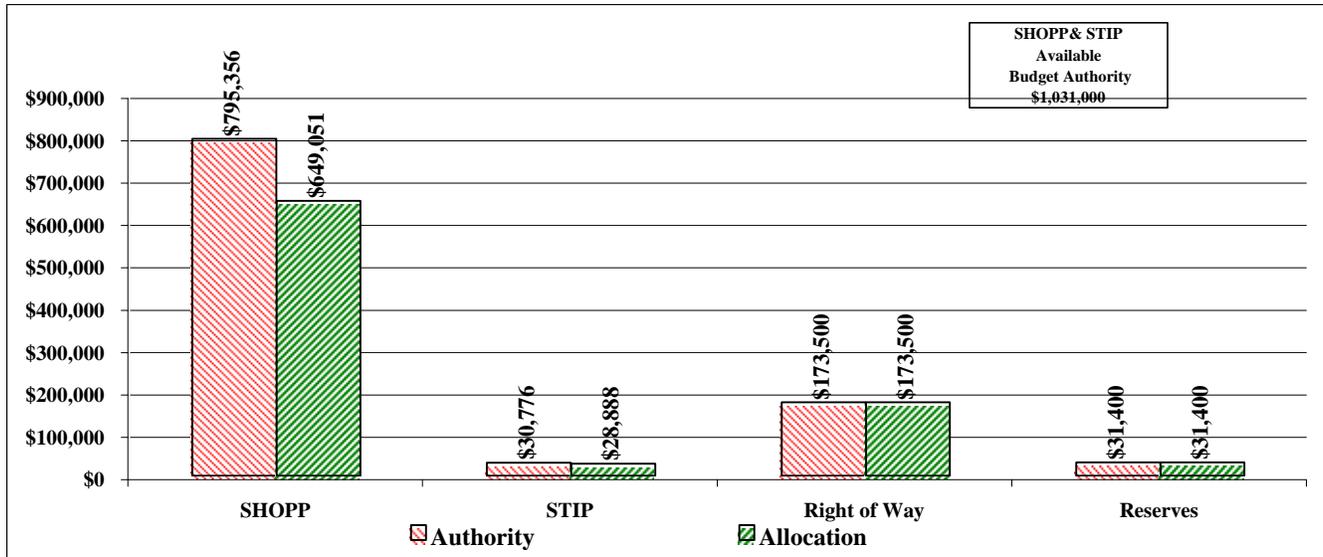
(1) Includes FTA transfers

(2) Combines Special and Exempt funding

(3) Includes Rec Trails, Redist of Certain Auth, Motor Veh Intox and various PRE-ISTEA fund types

**OA - includes formula limitation, minimum Guarantee Special and Exempt.**

**FY 2003-04 STIP/SHOPP BUDGETARY ANALYSIS REPORT**  
as of June 30, 2004  
(\$ in thousands)



**Objective:** To monitor and report the availability of FY 2003-04 Budget Authority and determine the overall capacity for meeting the current programmatic commitments.

**Measure:** The authorized levels are consistent with the enacted FY 2003-04 Budget and Commission approved adjustments necessary to conform to the FY 2003-04 SHOPP Allocation Plan. Allocations represent Commission votes, emergency project funding (G-11) and projects processed under the Department's delegated authority. The established reserve is intended to fund project specific budget adjustments pursuant to Resolution G-12, as amended by G-02-12.

**Result:** Currently there is insufficient Budget Authority to fully fund the FY 2003-04 SHOPP Allocation Plan. The \$4.7 million shortfall is directly attributable to the funding of various STIP projects (see Analysis below). Additional STIP allocations will require Commission and Department of Finance approval of a Budget Revision in order to provide the requisite budget authority. Due to the constrained nature of the current budget, additional non-SHOPP allocations will reduce the Department's ability to fully fund the FY 2003-04 SHOPP Allocation Plan.

**Analysis:** The current funding capacity for the FY 2003-04 State Highway Operations Protection Plan (SHOPP) Allocation Plan is \$795.3 million, which is \$4.7 million below the \$800 million authorized level. The funding shortfall is attributable to the allocation and or reservation of the following STIP projects:

- |  |   |
|--|---|
| Eureka Non Freeway - \$1.2 M.                      | STIP G12 Supplemental Allocations - \$11.1 M. |
| Planning Programming and Monitoring - \$3.5 M.     | Reserve for additional STIP G-12s - \$1.9 M.  |
| I-880 Corridor Allocation - \$6.1 M. (reservation) | STIP Supplemental Votes - \$7 M.              |

To date there has been a total of 416 SHOPP projects voted, totaling \$651 million. Of the 416 projects allocated, 311 have been awarded. The average timing from project allocation to award is approximately 90 days. Given this timeframe, only 29 projects fall outside the accepted norm.

Of the total amount allocated approximately \$65 million has been expended. The reported expenditure level is consistent with current projections.