

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: April 13-14, 2005

Reference No.: 3.1
Information Item

From: CINDY McKIM
Chief Financial Officer

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Chief
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Ref: **CALTRANS MONTHLY FINANCE REPORT**

This report presents activity through the month of January 2005. The “baseline” forecast used for comparison purposes is the version presented to the California Transportation Commission (Commission) at the September 2004 meeting.

STATE HIGHWAY ACCOUNT (SHA)

Current Quarter (in millions)

| <u>Adjusted Cash Balance</u> | <u>Dec</u> | <u>Jan</u> | <u>Feb</u> |
|-------------------------------------|-------------------|-------------------|-------------------|
| Forecast | \$390 | \$290 | \$280 |
| Actual | \$634 | \$463 | |
| Difference | \$244 | \$173 | |

Fiscal Year (FY)

| <u>Year-end Balance</u> | <u>2003-04</u> | <u>2004-05</u> | <u>2005-06</u> |
|--------------------------------|-----------------------|-----------------------|-----------------------|
| Forecast | \$500 | \$230 | \$260 |
| Actual | \$288 | | |
| Difference | -\$212 | | |

The adjusted ending cash balance for January 2005 was \$463 million, which was \$173 million higher than forecast. This difference is due to a number of circumstances, including slightly lower than expected revenue collections and lower than expected expenditures.

The Department of Transportation (Department) will be presenting an updated cash forecast at the April 2005 Commission meeting.

Analysis of January 2005 Data:

- Weight Fees were \$6 million (6 percent) lower than expected. Weight fees came in higher than forecast for the first six months of the year, but a little variation such as this is not unexpected.
- Federal receipts for December 2004 were \$16 million (8 percent) lower than forecast. Given the recent higher than forecast collections, this decrease is not unexpected. The Department is analyzing the most recent changes in the authorization of federal funding to determine the impact on allocation levels.

- State operations expenditures were \$71 million (39 percent) higher than expected. Last month, state operations were \$58 million lower than forecast. The increased expenditures in January may well have been a consequence of the previous months unusually low activity.
- Reimbursements for work done for others were approximately \$18 million lower than forecast. Work completed for our partners in transportation will be reimbursed in due course; the assumption is that this is merely an issue in the timing of billing and receipts.
- Expenditures for Local Assistance and work done for others was about \$15 million (14 percent) higher than forecast. Last month's expenditures were lower than forecast. For the year so far, Local Assistance expenditures are still on track with the forecast.
- Capital outlay expenditures were \$41 million lower than forecast. Before January, capital outlay expenditures were right on target. Month-to-month differences are not unusual; the following months should see a makeup of the difference.
- Net Transportation Revolving Account (TRA) activity added about \$15 million to the SHA balance for December.

FEDERAL TRUST FUND

The Transportation Reauthorization Act still has not been passed by Congress. However, Congress has recently passed a further extension of transportation funding, which provided OA through May 2005. The Department will present the new federal numbers and new assumptions included in the updated cash forecast at the April 2005 Commission meeting.

PUBLIC TRANSPORTATION ACCOUNT (PTA)

| <u>Current Quarter (in millions)</u> | | | | <u>Fiscal Year (FY)</u> | | | |
|---|-------------------|-------------------|-------------------|--------------------------------|-----------------------|-----------------------|-----------------------|
| <u>Adjusted Cash Balance</u> | <u>Dec</u> | <u>Jan</u> | <u>Feb</u> | <u>Year-end Balance</u> | <u>2003-04</u> | <u>2004-05</u> | <u>2005-06</u> |
| Forecast | \$50 | \$110 | \$100 | Forecast | \$70 | \$60 | \$130 |
| Actual | \$129 | \$167 | | Actual | \$143 | | |
| Difference | \$79 | \$57 | | Difference | \$73 | | |

Analysis of January 2005 Data:

- The main difference between forecast and actual in January is the beginning balance, which started out \$79 million higher.
- The quarterly gasoline tax revenue was received in January. Receipts were \$15 million higher than forecast.
- Expenditures for January were \$38 million higher than projected. As mentioned in the March 2005 Finance Report, the State Transit Authority (STA) transfer, previously forecast to occur in December 2004, occurred in January 2005 instead, accounting for \$29 million of the increased expenditures.
- Net TRA and other miscellaneous adjustments account for the remainder of the difference.

TRAFFIC CONGESTION RELIEF FUND (TCRF)

| <u>Current Quarter (in millions)</u> | | | | <u>Fiscal Year (FY)</u> | | | |
|---|-------------------|-------------------|-------------------|--------------------------------|-----------------------|-----------------------|-----------------------|
| <u>Adjusted Cash Balance</u> | <u>Dec</u> | <u>Jan</u> | <u>Feb</u> | <u>Year-end Balance</u> | <u>2003-04</u> | <u>2004-05</u> | <u>2005-06</u> |
| Forecast | \$20 | \$20 | \$20 | Forecast | \$184 | \$30 | \$1,830 |
| Actual | \$123 | \$193 | | Actual | \$175 | | |
| Difference | \$103 | \$173 | | Difference | -\$9 | | |

Analysis of January 2005 Data:

- The main difference between forecast and actual in January is the beginning balance, which started out \$103 million higher.
- A General Fund transfer of \$80.5 million in spill-over revenue occurred in January 2005, rather than the \$52.2 million transfer expected in February 2005. Despite the higher than expected transfers to date, the total amount of spill-over revenue diverted to the TCRF for the fiscal year will not change. \$23.8 million remains to be transferred by the end of the fiscal year.
- Expenditures for January were \$6 million lower than projected.
- The TRA cash advance for January was \$6 million higher than forecast.

TOLL BRIDGE SEISMIC RETROFIT ACCOUNT (TBSRA)**Current Quarter (in millions)**

| <u>Adjusted Cash Balance</u> | <u>Dec</u> | <u>Jan</u> | <u>Feb</u> |
|-------------------------------------|-------------------|-------------------|-------------------|
| Forecast | \$340 | \$280 | \$230 |
| Actual | \$339 | \$271 | |
| Difference | -\$1 | -\$8 | |

Fiscal Year (FY)

| <u>Year-end Balance</u> | <u>2003-04</u> | <u>2004-05</u> | <u>2005-06</u> |
|--------------------------------|-----------------------|-----------------------|-----------------------|
| Forecast | \$640 | \$460 | N/A |
| Actual | 568 | | |
| Difference | -\$72 | | |

As presented at the September 2004 Commission Meeting, the estimated total cost of the Toll Bridge Seismic Program increased. The Governor, the Legislature, and local agencies are working on several proposed methods of funding the new estimated cost. A new forecast based on the final decision will be presented after agreement is reached.

Analysis of October and December 2004 Data:

- As of September 1, 2003, this fund no longer receives toll revenue. Revenue from the seismic surcharge (\$1 per vehicle toll) is committed to repay the bonds sold in August 2003, and any future financing mechanisms.
- Despite some fluctuations from month to month, expenditures remain generally on trend. The cash balance is only \$8 million lower than projected for the end of January 2004.

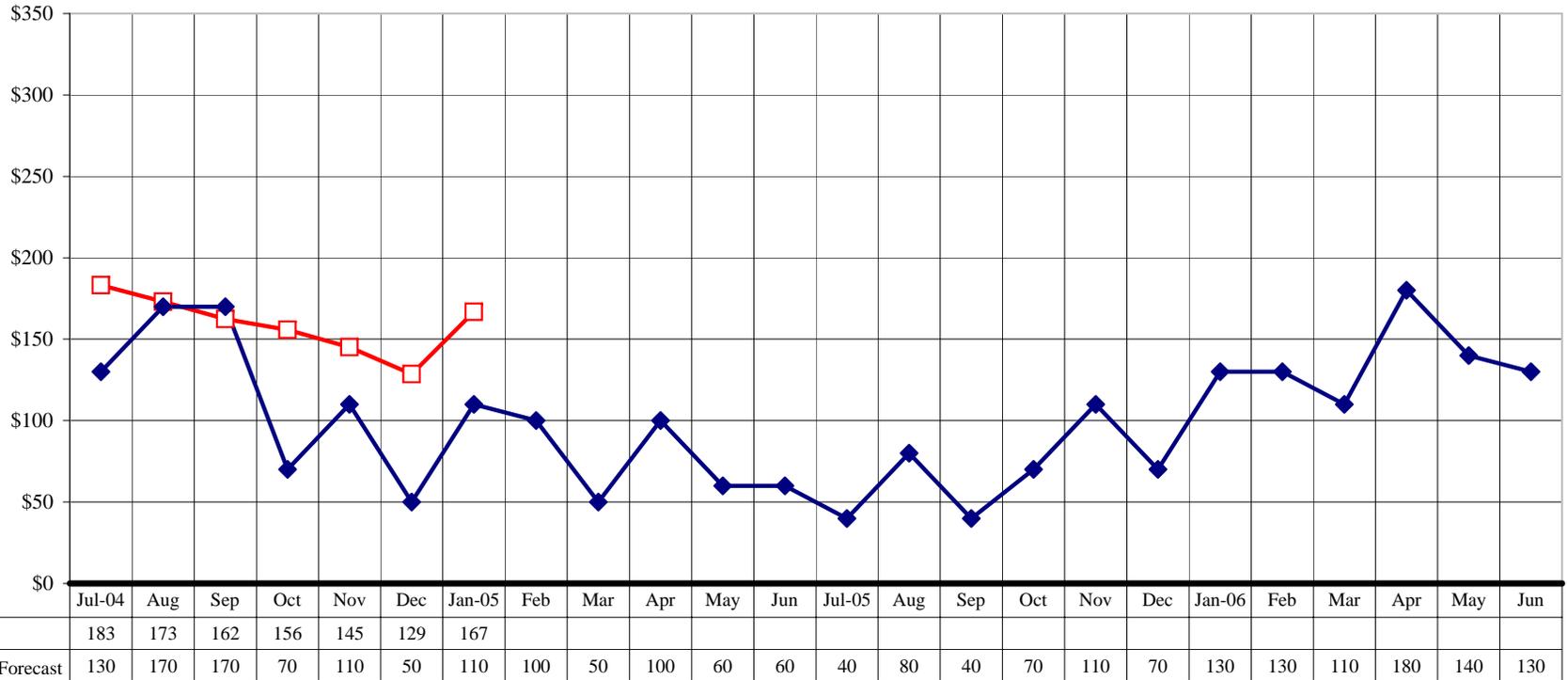
TRANSPORTATION INVESTMENT FUND (TIF)

- No net TIF activity occurred in January 2005.

Attachments

The Department will be presenting an updated cash forecast at the April 2005 Commission meeting.

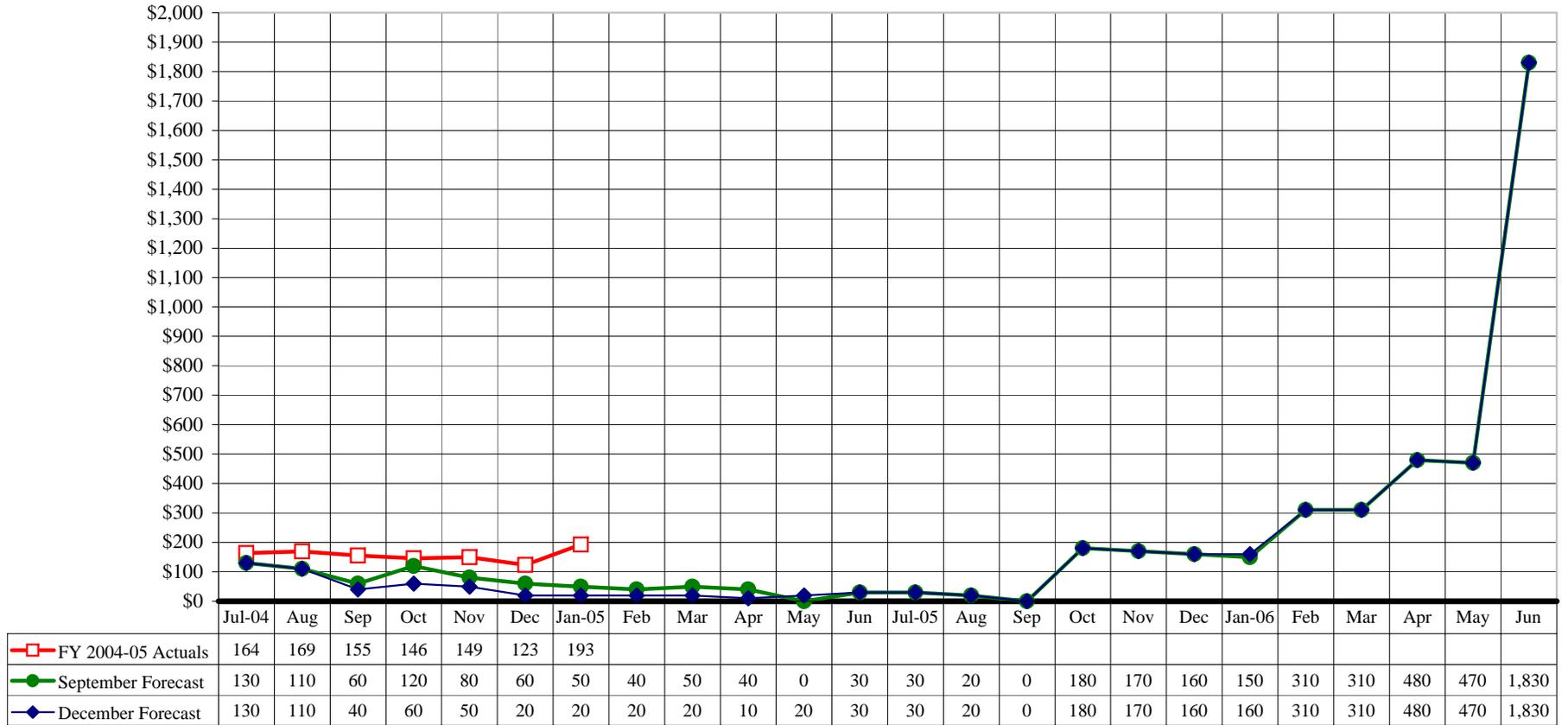
24-MONTH PUBLIC TRANSPORTATION ACCOUNT CASH FORECAST
(\$ in millions)



FY 2004-05 Forecast Assumptions:

- ▶ Revenue estimates reflect the 2004-05 Governor's Budget.
- ▶ No transfer of Non-Article XIX funds from the State Highway Account.
- ▶ Suspension of Transportation Investment Fund (TIF) transfer in FY 2004-05.
- ▶ Assumes TIF Transfer occurs in FY 2005-06.

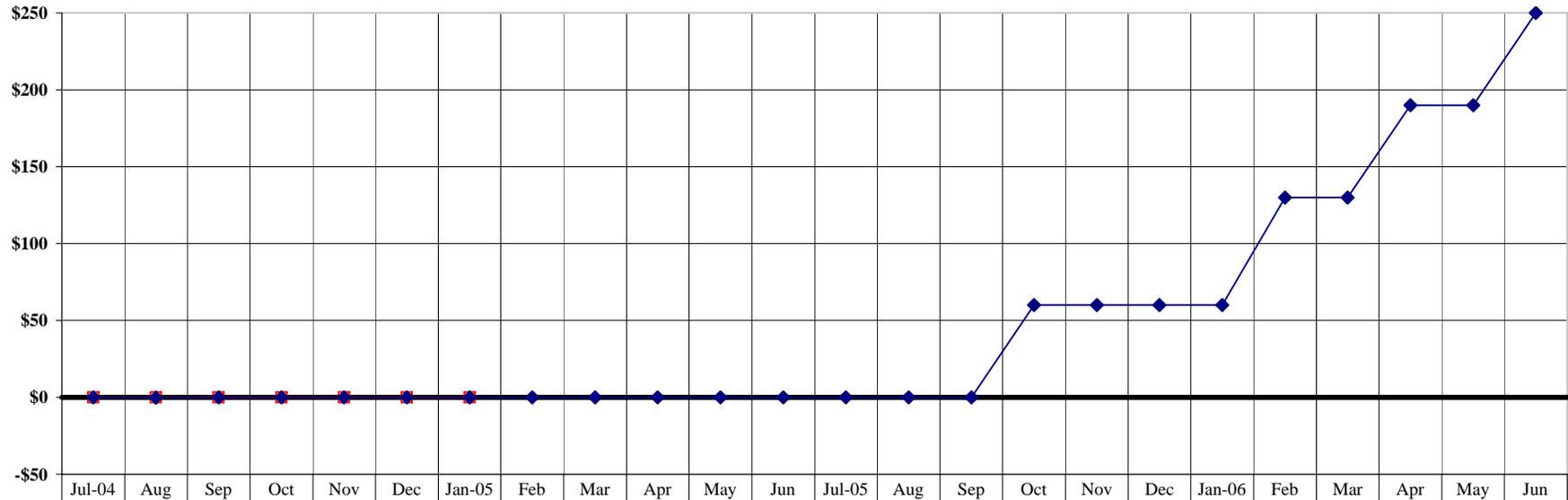
24-MONTH TRAFFIC CONGESTION RELIEF FUND CASH FORECAST
(\$ in millions)



FY 2004-05 Forecast Assumptions:

- ▶ No new allocations in FY 2004-05 or FY 2005-06.
- ▶ Suspension of Transportation Investment Fund (TIF) transfer in FY 2004-05.
- ▶ General Fund transfer of \$140 million in spillover revenue to occur in FY 2004-05.
- ▶ TIF transfer of \$678 million to occur quarterly in FY 2005-06.
- ▶ Loan repayment from General Fund of \$1.2 billion to occur June 2006.
- ▶ No early loan payback resulting from the renegotiation of tribal gambling compacts.
- ▶ General Fund transfer of \$43 million to occur in May 2005.
- ▶ Traffic Congestion Relief Fund transfer of \$20 million to State Highway Account to take place upon the receipt of the \$43 million.

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



| | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|----|----|----|----|-----|-----|-----|-----|-----|
| —■— FY 2004-05 Actuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 60 | 60 | 60 | 60 | 130 | 130 | 190 | 190 | 250 |
| —◆— December Forecast | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 60 | 60 | 60 | 60 | 130 | 130 | 190 | 190 | 250 |

FY 2004-05 Forecast Assumption

- ▶ Suspension of TIF Transfers in FY 2004-05.
- ▶ FY 2005-06 transfers from General Fund of \$1,308 million.
- ▶ FY 2005-06 transfers to Public Transportation Account, Traffic Congestion Relief Fund and local agencies of \$1,056 million.

STATE HIGHWAY ACCOUNT (SHA)
Adjusted Cash Balance as of January 31, 2005
(\$ in millions)

| | 2004 | | | | | | 2005 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| | JULY | AUG | SEP | OCT | NOV | DEC | JAN |
| Beginning Cash Balance (SHA & Transportation Revolving Account (TRA)) | \$471 | \$422 | \$611 | \$637 | \$457 | \$671 | \$766 |
| Add: Receipts for Month | 459 | 878 | 626 | 407 | 641 | 516 | 319 |
| Less: Disbursements for Month | (507) | (689) | (600) | (587) | (427) | (421) | (439) |
| Ending Cash Balance | \$422 | \$611 | \$637 | \$457 | \$671 | \$766 | \$646 |
| Cash Reconciliation (Short-term loans and Transfers) | | | | | | | |
| Add: General Fund Short Term Loan | \$170 | \$231 | \$231 | \$171 | \$0 | \$0 | \$0 |
| Less: TRA Balance from Other Funds | (91) | (110) | (79) | (159) | (57) | (58) | (110) |
| Less: Traffic Congestion Relief Fund Short Term Loan | (114) | (94) | (94) | (74) | (74) | (74) | (74) |
| Less: Public Transportation Account Short Term Loan | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted SHA Cash Balance* | \$387 | \$638 | \$695 | \$395 | \$540 | \$634 | \$463 |
| Current Commitments Against Cash:** | | | | | | | |
| State Operations | \$272 | \$397 | \$417 | \$395 | \$370 | \$375 | \$355 |
| Local Assistance | 88 | 118 | 109 | 105 | 100 | 96 | 90 |
| Capital Outlay Contracts: | | | | | | | |
| Awarded | 1,218 | 1,218 | 1,295 | 1,287 | 1,080 | 1,107 | 1,004 |
| Advertised but not Awarded | 290 | 260 | 183 | 177 | 150 | 106 | |
| Allocated but not Advertised | 91 | 202 | 162 | 163 | 114 | 44 | |
| Total Commitments | \$1,959 | \$2,195 | \$2,166 | \$2,127 | \$1,815 | \$1,728 | \$1,449 |
| Available Cash Balance | -\$1,572 | -\$1,557 | -\$1,471 | -\$1,732 | -\$1,275 | -\$1,094 | -\$986 |

* 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 (PTA)
Adjusted Cash Balance as of January 31, 2005
(\$ in millions)

| | 2004 | | | | | | 2005 |
|--|--------------|--------------|---------------|---------------|---------------|---------------|--------------|
| | JUL | AUG | SEP | OCT | NOV | DEC | JAN |
| Beginning Cash Balance, per State Controller's Office | \$118 | \$158 | \$148 | \$148 | \$132 | \$116 | \$100 |
| Add: Receipts for Month | 40 | 0 | 0 | 64 | 0 | 0 | 80 |
| Add: Short Term Loan Repayment | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Less: Disbursements for Month | 0 | (9) | (13) | (80) | (16) | (15) | (41) |
| Ending Cash Balance | \$158 | \$148 | \$136 | \$132 | \$116 | \$100 | \$139 |
| Cash Reconciliation: | | | | | | | |
| Add: Short Term Loan(s) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Add: Transportation Revolving Account Cash Advance | 25 | 25 | 27 | 24 | 29 | 28 | 28 |
| Adjusted PTA Cash Balance* | \$183 | \$173 | \$162 | \$156 | \$145 | \$129 | \$167 |
| Current Commitments Against Cash:** | | | | | | | |
| State Operations | \$26 | \$26 | \$95 | \$88 | \$82 | \$77 | \$70 |
| Local Assistance | 10 | 10 | 8 | 10 | 9 | 8 | 7 |
| Capital Outlay | | | | | | | |
| Yolo Causeway Project | 9 | 9 | 9 | 7 | 7 | 7 | 5 |
| Pittsburg - Antioch Project | 29 | 29 | 29 | 29 | 29 | 29 | 16 |
| La Mirada - Basta Project | 21 | 21 | 21 | 17 | 16 | 16 | 7 |
| Miscellaneous Capital Outlay Projects | 18 | 18 | 18 | 17 | 15 | 16 | 38 |
| Total Commitments | \$113 | \$113 | \$179 | \$169 | \$159 | \$152 | \$143 |
| Available Cash Balance | \$70 | \$60 | (\$17) | (\$13) | (\$14) | (\$24) | \$24 |

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

**The commitments shown include multi-year contracts. Expenditures associated with these contracts are included in the cash forecast.

TRAFFIC CONGESTION RELIEF FUND (TCRF)

Adjusted Cash Balance as of January 31, 2005

(\$ in millions)

| | 2004 | | | | | | 2005 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | JUL | AUG | SEP | OCT | NOV | DEC | JAN |
| Beginning Cash Balance, per State Controller's Office | \$36 | \$7 | \$27 | \$11 | \$25 | \$54 | \$21 |
| Add: Receipts for Month | 0 | 20 | 0 | 20 | 36 | 0 | 81 |
| Less: Disbursements for Month | (30) | 0 | (16) | (5) | (8) | (33) | (26) |
| Ending Cash Balance | \$7 | \$27 | \$11 | \$25 | \$54 | \$21 | \$76 |
| Cash Reconciliation: | | | | | | | |
| Add: State Highway Account Short Term Loan | \$114 | \$94 | \$94 | \$74 | \$74 | \$74 | \$74 |
| Add: Transportation Revolving Account Cash Advance | 43 | 48 | 50 | 46 | 22 | 28 | 43 |
| Adjusted TCRF Cash Balance* | \$164 | \$169 | \$155 | \$146 | \$149 | \$123 | \$193 |

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

TRANSPORTATION INVESTMENT FUND
Adjusted Cash Balance as of January 31, 2005
(\$ in millions)

| | 2004 | | | | | | 2005 |
|--|-------------|------------|------------|------------|------------|------------|-------------|
| | JULY | AUG | SEP | OCT | NOV | DEC | JAN |
| Beginning Cash Balance, per the State Controller's Office | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Add: Receipts for Month | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Less: Disbursements for Month | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Cash Balance | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

STATUS OF SEISMIC RETROFIT PROGRAM

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

| PHASE II (\$ in millions) | | | |
|---|--|----------------------------------|------------------|
| | SHA FEDERAL MDL⁽¹⁾ | SEISMIC BOND FUND | TOTAL |
| Total Estimated Cost - Support and Capital | | | \$1,350.0 |
| Major Projects Funded To Date | \$63.0 | \$771.0 ⁽⁴⁾ | \$834.0 |
| Minor Projects Funded To Date | \$3.1 | \$8.8 | \$11.9 |
| Right of Way Capital Costs To Date | | \$28.3 ⁽²⁾ | \$28.3 |
| Support Costs Funded | \$103.0 | \$256.8 ⁽³⁾ | \$359.8 |
| Prop 192 Reimbursement | (\$99.8) | \$99.8 | \$0.0 |
| Total Funded To Date | \$69.3 | \$1,164.7 | \$1,234.0 |

- (1) Multi-District Litigation funds received through Petroleum Products Antitrust Litigation agreement, August 12 1992.
- (2) 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.
- (3) Indicates actual expenditures/encumbrances (other amounts are allocations.)
- (4) Includes \$182,817 in final vouchering adjustment per HQ Accounting.

| TOLL BRIDGE SEISMIC RETROFIT | | | | | |
|---|---|----------------------------------|------------------------|---|------------------|
| (\$ in millions) | | | | | |
| | SHA TOLL MDL⁽¹⁾ | SEISMIC BOND FUND | TBSR ACCT | HBRR⁽²⁾ FUNDS (Federal) | TOTAL |
| Total Estimated Cost - Support and Capital | | | | | \$4,637.0 |
| 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 | \$608.1 ⁽³⁾ | | \$780.3 |
| Prop 192 Reimbursement | -\$9.5 | \$9.5 | | | \$0.0 |
| Total Funded To Date | \$78.9 | \$789.0 | \$3,082.8 | \$627.5 | \$4,578.2 |

Total Estimated Cost increased to \$4,637 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)

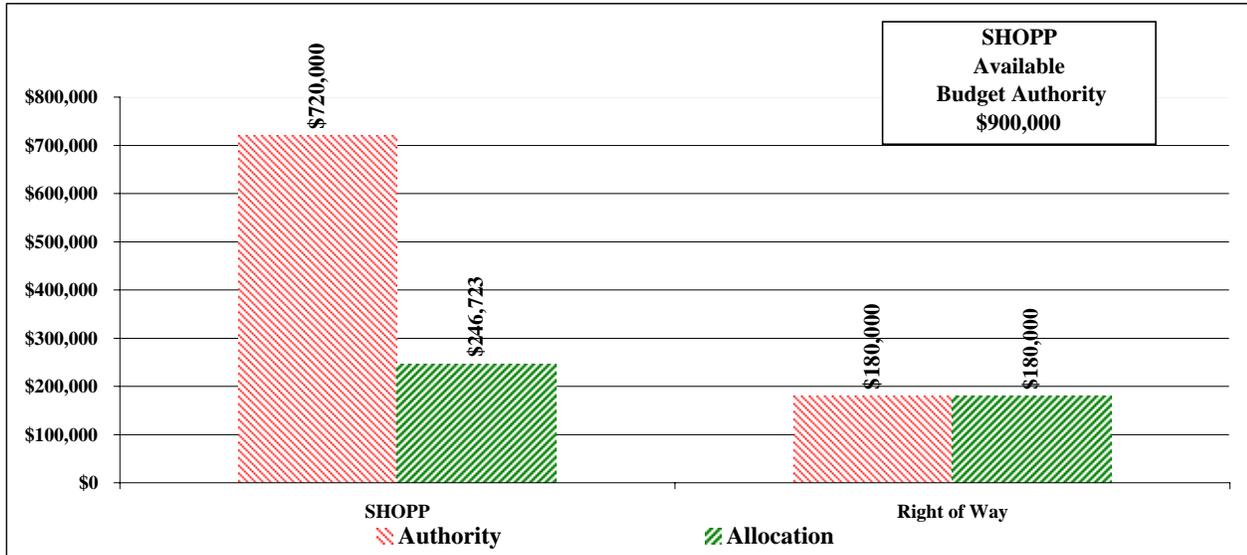


Account balance does not include debt service reserve and administrative sub-funds.

Assumptions:

Assumes \$450 million in Financing to be received in April 2005.

**FY 2004-05 STATE HIGHWAY OPERATION PROTECTION PROGRAM (SHOPP)
BUDGETARY ANALYSIS REPORT
as of January 31, 2005
(\$ in thousands)**



Objective: To monitor and report the availability of FY 2004-05 Budget Authority and determine the overall capacity for meeting the current programmatic commitments.

Measure: The authorized levels are consistent with the enacted FY 2004-05 Budget and Commission approved adjustments necessary to conform to the FY 2004-05 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 2004-05 SHOPP Allocation Plan. Due to the constrained nature of the current budget, non-SHOPP allocations will reduce the Department's ability to fully fund the FY 2004-05 SHOPP Allocation Plan.

- Analysis:**
- The current funding capacity for the FY 2004-05 SHOPP Allocation Plan is \$900 million. This represents the portion of the allocation available for the fiscal year due to budgetary constraints. The Right of Way allocation of \$180 million reduces SHOPP to \$720 million.
 - As of January 31, 2005, there has been a total of 134 SHOPP projects voted, totaling \$246.7 million. Of the 134 projects voted, 47 have been awarded. The average time from project vote to award is approximately 90 days. Since the current fiscal year began, 74 projects fall within the accepted norm.
 - Of the total amount allocated, \$6.2 million has been expended. The reported expenditure level is consistent with current projections.