

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: September 28-29, 2005

Reference No.: 3.7
Information Item

From: CINDY McKIM
Chief Financial Officer

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Local Assistance

Ref: **LOCAL ASSISTANCE LUMP SUM ALLOCATION YEAR-END REPORT
FOR FISCAL YEAR 2004-05**

SUMMARY:

In June 2004, the California Transportation Commission (Commission) passed Resolution FM-03-10, allocating a total of \$775,000,000 for the Local Assistance Program for FY 2004-05. The allocation included approximately \$95 million in state funds and \$680 million in federal funds, for a total of approximately \$775 million, for specific local assistance programs.

In January 2005, consistent with SB 1087 (Sotto), the Commission approved the exchange of \$22.7 million from federal funds for state funds for the Safe Routes to School Program (SR2S). The total state allocation was increased from approximately \$95 million to \$118 million and the federal funds were reduced from \$680 to \$657 million.

In March 2005, the Commission approved the remaining allocation of \$361 million of federal funds bring the total funds back to \$1.1 billion. Of this amount, approximately \$97 million are state funds and \$1 billion are federal funds. This action allowed for the restoration of federal funds for the Hazard Elimination Safety (HES) and Rail Road Crossing Protection programs to their initial amounts.

As of July 31, 2005, \$700 million, or 63%, of the \$1.1 billion allocated has been sub-allocated for projects. This includes \$441 million of encumbrances and \$259 million for Federal Transit Administration (FTA) transfers.

As of August 2005, there are approximately \$300 million of sub-allocations for 386 projects in process, which will increase the total allocation use to approximately \$1 billion or 90%.

BACKGROUND:

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

Local Assistance Lump sum Allocation Status for FY 2004-2005:

As of July 31, 2005, \$700 million, or 63%, of the \$1.1 billion allocated has been used. These funds were allocated to 937 local projects. The majority of these sub-allocations are 778 projects in the following categories:

Surface Transportation Program – 232 projects, \$291 million
Congestion Mitigation & Air Quality Program (CMAQ) – 225 projects, \$176 million
Bridge – Seismic Retrofit – 39 projects, \$25 million
Highway Bridge Rehabilitation and Replacement – 126 projects, \$50 million
Demonstration Category – 25 projects, \$62 million
Surface Transportation Program State Match and Exchange - 131 projects, \$47 million

The remaining 159 projects are in other categories and represent 17% of the total projects.

The Demonstration Projects category has \$62 million of expenditures. The initial allocation request for this category was zero since specific projects expected to receive an allocation were not known. Funds for these projects are available from unspent funds in other categories. The Miscellaneous category exceeded its original allocation amount. The majority of these expenditures were allocated for ER projects and represent about 1% of the total allocation. Unspent allocations from other categories will be used to cover the expenditures. The Transportation Enhancement Activities (TEA) Exchange category has no expenditures. This allocation would cover local agencies requests' to exchange old TEA apportionments.

FY 2004-05 compared to prior years as of July 31, 2005:

The delivery to date for FY 2004-05 is \$700 million, or 63%, of the \$1.1 billion allocated by the Commission. Of this amount, \$63.7 million is for state sub-allocations and \$636.6 million for federal sub-allocations. The federal sub-allocations include \$259 million for transfers made to the Federal Transit Administration.

The three-month overlap period between the federal and state fiscal years results in a high number of projects to be sub-allocated during the last quarter of the federal fiscal year. These projects will be funded from the FY 2004-05 allocation.

As of August 2005, there are approximately \$300 million of sub-allocations in process, which increases the total allocation to approximately \$1 billion or 90% for 386 projects.

For FY 2003-04, the Commission allocated \$996 million, and all funds have been sub-allocated. For FY 2002-03, the Commission allocated \$993 million, and all funds have been sub-allocated. Based on this information, all of the local assistance subvention funds allocated annually by the Commission are used by the third year the allocation is approved.

The allocation approved by the Commission for FY 2005-06 at the May 2005 meeting was reduced by 50% to \$498 million pending the final status report for FY 2004-05 and a status of allocations from prior years. The Department intends to request the remaining balance for FY 2005-06 be allocated at a later Commission meeting to fund projects at a level commensurate to federal obligation authority available for local transportation projects provided annually by the Federal Highway Administration.

Attachments

LOCAL ASSISTANCE FUNDS
FY 2004-05
(As of July 31, 2005)

Reference No.: 3.7
September 28-29, 2005
Attachment 1

(Dollars in 1,000)

Fund Description	CTC Allocation			Total Expenditures			Allocation Balance			Percent of Allocation Expended	Number of Projects
	State	Federal	Total	State	Federal	Total	State	Federal	Total	Total	Total
Surface Transportation Pgrm (STP)		376,211	376,211	0	162,255	162,255	0	213,956	213,956	43%	214
STP State Match and Exchange	46,000		46,000	47,477		47,477	-1,477	0	-1,477	103%	131
Congestion Mitigation & Air Qual Pgrm (CMAQ)		410,856	410,856	0	50,581	50,581	0	360,275	360,275	12%	168
Bridge Scour & State Match	735	2,640	3,375	81	1,734	1,815	654	906	1,560	54%	5
Highway Bridge Rehabilitation & Replacement (HBRR)		130,248	130,248	0	50,880	50,880	0	79,368	79,368	39%	126
Bridge - Seismic Retrofit	0	67,880	67,880	0	25,479	25,479	0	42,401	42,401	38%	39
RR Grade Crossing Protection		12,720	12,720	0	3,278	3,278	0	9,442	9,442	26%	17
RR Grade Crossing Maintenance	4,250		4,250	4,250	0	4,250	0	0	0	100%	1
Railroad Grade Separations	15,000		15,000	5,720	0	5,720	9,280	0	9,280	38%	3
Hazard Elimination & Safety (HES)		12,720	12,720	0	6,850	6,850	0	5,870	5,870	54%	51
Safe Routes to School	22,700	2,740	25,440	4,887	580	5,467	17,813	2,160	19,973	21%	33
Transportation Enhancement Activities Exchange	6,440		6,440	0	0	0	6,440	0	6,440	0%	0
Demonstration Projects		0	0	0	62,389	62,389	0	-62,389	-62,389	0%	25
Miscellaneous	2,000	1,625	3,625	1,288	13,305	14,593	712	-11,680	-10,968	403%	49
Total Local Assistance Subvented Funds	97,125	1,017,640	1,114,765	63,703	377,331	441,034	33,422	640,309	673,731	40%	862
FTA Transfers	0	0	0		259,323	259,323			0		75
Total Local Assistance including FTA Transfers	97,125	1,017,640	1,114,765	63,703	636,654	700,357	33,422	640,309	673,731	63%	937

Assumptions:

- The amounts do not include Freeway Service Patrol or Bay Area Ferry Operations.
- FTA Transfers are \$128,756,188 for RSTP, \$124,780,211 for CMAQ, and \$5,776,500 for TEA.
- Misc. expenditures include projects not included elsewhere.
- Balances are based on allocation requests.
- The Allocation Balance is the difference between Commission Allocation and Total Expenditures.
- Expenditures and Number of Projects is from LP2000 report.

LOCAL ASSISTANCE FUNDS
 FY 2003-04
 (As of July 31, 2005)

Reference No. : 3.7
 September 28-29, 2005
 Attachment 2

(Dollars in 1,000)

Fund Description	Allocated Funds			Total Expenditures			Allocation Balance			Percent of Allocation Spent	Number of Projects
	State	Federal	Total	State	Federal	Total	State	Federal	Total	Total	Total
Surface Transportation Pgrm (STP)		372,945	372,945	0	262,324	262,324	0	110,621	110,621	70%	200
STP State Match and Exchange	46,000		46,000	49,860	0	49,860	-3,860		-3,860	108%	131
Congestion Mitigation & Air Qual Pgrm (CMAQ)		277,000	277,000	0	211,915	211,915	0	65,085	65,085	77%	145
Local Bridge Inspection & Scour	900	3,300	4,200	0	0	0	900	3,300	4,200	0%	0
Highway Bridge Rehabilitation & Replacement (HBRR)		98,640	98,640	0	113,452	113,452	0	-14,812	-14,812	115%	169
Bridge - Seismic Retrofit	0	52,490	52,490	0	41,248	41,248	0	11,242	11,242	79%	66
Railroad Grade Crossing Protection		10,000	10,000	0	7,961	7,961	0	2,039	2,039	80%	17
Railroad Grade Crossing Maintenance	4,250		4,250	4,089	0	4,089	161	0	161	96%	2
Railroad Grade Separations	15,000		15,000	15,000	0	15,000	0	0	0	100%	12
Hazard Elimination & Safety (HES)		8,000	8,000	0	6,305	6,305	0	1,695	1,695	79%	47
Safe Routes to School	22,000	0	22,000	21,965	2,629	24,594	35	-2,629	-2,594	112%	97
Transportation Enhancement Activities (TEA), Regional Share		45,000	45,000	0	43,092	43,092	0	1,908	1,908	96%	120
Transportation Enhancement Activities Exchange	6,440		6,440	2,588	0	2,588	3,852	0	3,852	40%	15
Demonstration Projects		0	0	0	83,927	83,927	0	-83,927	-83,927		37
Miscellaneous	2,000	1,625	3,625	1,140	40,164	41,304	860	-38,539	-37,679	1139%	69
Total Local Assistance Subvented Funds	96,590	869,000	965,590	94,642	813,017	907,659	1,948	55,983	57,931	94%	1,127
Federal Transit Administration (FTA) Transfers	-	-	-	0	361,134	361,134	0	(361,134)	(361,134)		59
Total Local Assistance Including FTA Transfers	96,590	869,000	965,590	94,642	1,174,151	1,268,793	1,948	-305,151	-303,203	131%	1,186

Assumptions:

- The amounts do not include Freeway Service Patrol or Bay Area Ferry Operations.
- FTA transfers are \$93,573,085 for RSTP, \$250,634,309 for CMAQ and \$16,927,000 for TEA.
- Misc. expenditures include projects not included elsewhere.
- Balances are based on allocation requests.
- The Allocation balance is the difference between Allocated Funds and Total Expenditures.
- Total Expenditures and Number of Projects is from LP2000 report.
- Safe Routes to Schools Program Exchange on April 7-8, 200.4 CTC Resolution FM-03-06. \$22,000,000. Item 2.5g.

LOCAL ASSISTANCE FUNDS
FY 2002-03
(As of July 31, 2005)

Reference No. : 3.7
September 28-29, 2005
Attachment 3

(Dollars in 1,000)

Fund Description	CTC Allocation			Total Expenditures			Allocation Balance			Percent of	Number of
	State	Federal	Total	State	Federal	Total	State	Federal	Total	Allocation Expended	Projects
Surface Transportation Pgrm (STP)		372,945	372,945		246,384	246,384	0	126,561	126,561	66.1%	367
STP State Match and Exchange	46,000		46,000	47,159		47,159	(1,159)		(1,159)	102.5%	153
Congestion Mitigation & Air Qual Pgrm (CMAQ)		352,000	352,000		134,300	134,300	0	217,700	217,700	38.2%	193
Bridge Scour & State Match	900	3,300	4,200	224	474	698	676	2,826	3,502	16.6%	4
Highway Bridge Rehabilitation & Replacement (HBRR)		98,640	98,640		84,576	84,576	0	14,064	14,064	85.7%	198
Bridge - Seismic Retrofit	2,500	52,490	54,990	4,411	58,158	62,569	(1,911)	(5,668)	(7,579)	113.8%	175
RR Grade Crossing Protection		10,000	10,000		6,761	6,761	0	3,239	3,239	67.6%	25
RR Grade Crossing Maintenance	4,250		4,250	4,076	0	4,076	174	0	174	95.9%	2
Railroad Grade Separations	15,000		15,000	13,493	0	13,493	1,507	0	1,507	90.0%	7
Hazard Elimination & Safety (HES)		10,000	10,000		11,360	11,360	0	(1,360)	(1,360)	113.6%	89
Safe Routes to School	15,000	5,000	20,000	14,904	8,830	23,734	96	(3,830)	(3,734)	118.7%	123
Transportation Enhancement Activities, Regional Share		45,000	45,000	0	52,186	52,186	0	(7,186)	(7,186)	116.0%	149
Transportation Enhancement Activities Exchange	6,440		6,440	4,239		4,239	2,201	0	2,201	65.8%	37
Demonstration Projects		0	0		175,454	175,454	0	(175,454)	(175,454)		69
Miscellaneous	2,000	1,625	3,625	2,562	17,805	20,367	(562)	(16,180)	(16,742)	561.8%	72
Reduction of the OA Mining		(50,000)	(50,000)				0	(50,000)	(50,000)	0.0%	
Total Local Assistance Subvented Funds	92,090	901,000	993,090	91,068	796,288	887,356	1,022	104,712	105,734	89.4%	1,663
FTA Transfers					266,298	266,298	0	(266,298)	(266,298)		60
Total Local Assistance Including FTA Transfers	92,090	901,000	993,090	91,068	1,062,586	1,153,654	1,022	(161,586)	(160,564)	116.2%	1,723

Assumptions:

- The amounts do not include Freeway Service Patrol or Bay Area Ferry Operations.
- FTA transfers are \$112,728,309 for RSTP, \$144,741,346 for CMAQ and \$8,828,000 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
- Bridge Seismic allocation was reduced by DOF from \$13,000 to \$2,500
- Allcations include a reduction of \$50,000 for OA Mining