

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: February 1-2, 2006

Reference No.: 3.1
Information Item

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Chief Financial Officer

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Ref: **CALTRANS MONTHLY FINANCE REPORT**

This report represents activity for the month ending November 30, 2005. The “baseline” forecast used for comparison purposes is the cash forecast presented to the California Transportation Commission (Commission) at the November 2005 meeting.

PURPOSE:

The purpose of the cash forecast is to estimate and monitor the balance of the following funds: the State Highway Account (SHA), Public Transportation Account (PTA), Traffic Congestion Relief Fund (TCRF), and Transportation Investment Fund (TIF). Cash forecasts allow the Department of Transportation (Department) to determine the level of allocations that can be authorized and to prepare for low or high cash periods. Each month, reported actuals are compared to the forecast. Adjustments to the forecast methodology are necessary if the forecast begins to greatly differentiate from the actuals.

NOVEMBER 2005 HIGHLIGHTS

November 2005 Ending Cash Balance Actual vs. Projected			
	Forecast	Actual	Difference
SHA	\$830	\$848	\$18
PTA	\$250	\$192	-\$58
TCRF	\$250	\$210	-\$40
TIF	\$100	\$53	-\$47

- The SHA ending cash balance was \$18 million above forecast. This difference reflects the normal fluctuations of actual expenditures and receipts compared to the forecast. A transfer of \$53 million in Non-Article XIX funds to the PTA was forecast to occur in October 2005 but was delayed until December 2005.

- The PTA ending cash balance was \$58 million below forecast. This difference is primarily due to a transfer of \$53 million in Non-Article XIX funds from the SHA that was forecast to occur in October 2005 but was delayed until December 2005.
- The TCRF ending cash balance was \$40 million below forecast. This difference is due higher than expected expenditures.
- The TIF ending cash balance was \$47 million below forecast. This difference is due to higher than forecasted expenditures.

FISCAL YEAR (FY) 2005-06 ALLOCATION PLAN

The following chart shows the progress toward meeting the FY 2005-06 Allocation Plan. The funding capacity for all funds is \$4.304 billion. Allocations represent Commission votes, emergency project funding (G-11), and projects processed under the Department's delegated authority. A supplemental fund allowance of \$300 million has been included as part of the plan. Allocations shown below no longer include supplementals as the supplemental request amounts are now shown separately. This display change caused adjustments to previously reported allocation amounts.

	SHOPP	STIP	Tribal Gaming	TCRF	Total
State Highway Account (SHA)	\$1,800	\$501	\$450	\$0	\$2,751
Public Transportation Account (PTA)	0	115	120	0	235
Traffic Congestion Relief Fund (TCRF)	0	0	290	678	968
Transportation Investment Fund (TIF)	0	350	0	0	350
Total Allocation Plan	\$1,800	\$966	\$860	\$678	\$4,304
July CTC Allocation	\$579	\$528	\$0	\$152	\$1,259
August CTC Allocation	182	171	0	182	535
September CTC Allocation	85	156	0	143	384
November CTC Allocation	337	1	0	98	436
December CTC Allocation	43	10	0	0	53
Subtotal of New Allocations	\$1,226	\$866	\$0	\$575	\$2,667
Remaining Unallocated	\$574	\$100	\$860	\$103	\$1,637
\$300 Million Supplemental Allowance					\$300
July - December Supplemental	78	40			118
G-12 Allocations through December 2005	60	13			73
Subtotal Supplemental	\$138	\$53	N/A	N/A	\$191
Remaining Supplemental Allowance					\$109
Grand Total Allocations and Supplemental	\$1,364	\$919	\$0	\$575	\$2,858

FUNDS DISCUSSION***State Highway Account***

The November 2005 ending cash balance was \$18 million higher than the forecast amount of \$830 million. Highway Users Tax Account (HUTA) receipts were \$40 million higher than forecast. This increase was expected as September 2005 HUTA receipts were lower than forecast. State operations and local assistance expenditures were below forecast. The net Transportation Revolving Account activity negatively impacted the SHA cash balance. A transfer of Non-Article XIX funds to the PTA was forecast in October 2005 but was delayed until December 2005.

Overall, revenues and expenditures are on target with the forecast.

Federal Trust Fund

Approximately \$615 million of Obligation Authority (OA) remained unobligated as of November 30, 2005. Total Advance Construction, including Grant Anticipation Revenue Vehicles (GARVEE), Toll Bridge Seismic Retrofit Program, Local Assistance, and Emergency Relief, was \$4.2 billion.

GARVEE Projects Expenditure Report

All GARVEE projects have been awarded. Expenditures through November 30, 2005 total \$214 million, 51 percent below the forecast amount of \$422 million. Total interest earned on the balance is \$20 million. Total interest paid is \$39 million, at an interest rate of 3.03 percent.

Public Transportation Account

The ending cash balance for November 2005 was \$58 million below than the forecast amount of \$250 million. This difference is primarily due to a transfer of \$53 million in Non-Article XIX funds from the SHA that was forecast to occur in October 2005 but was delayed until December 2005.

Overall, revenues and expenditures are on target with the forecast.

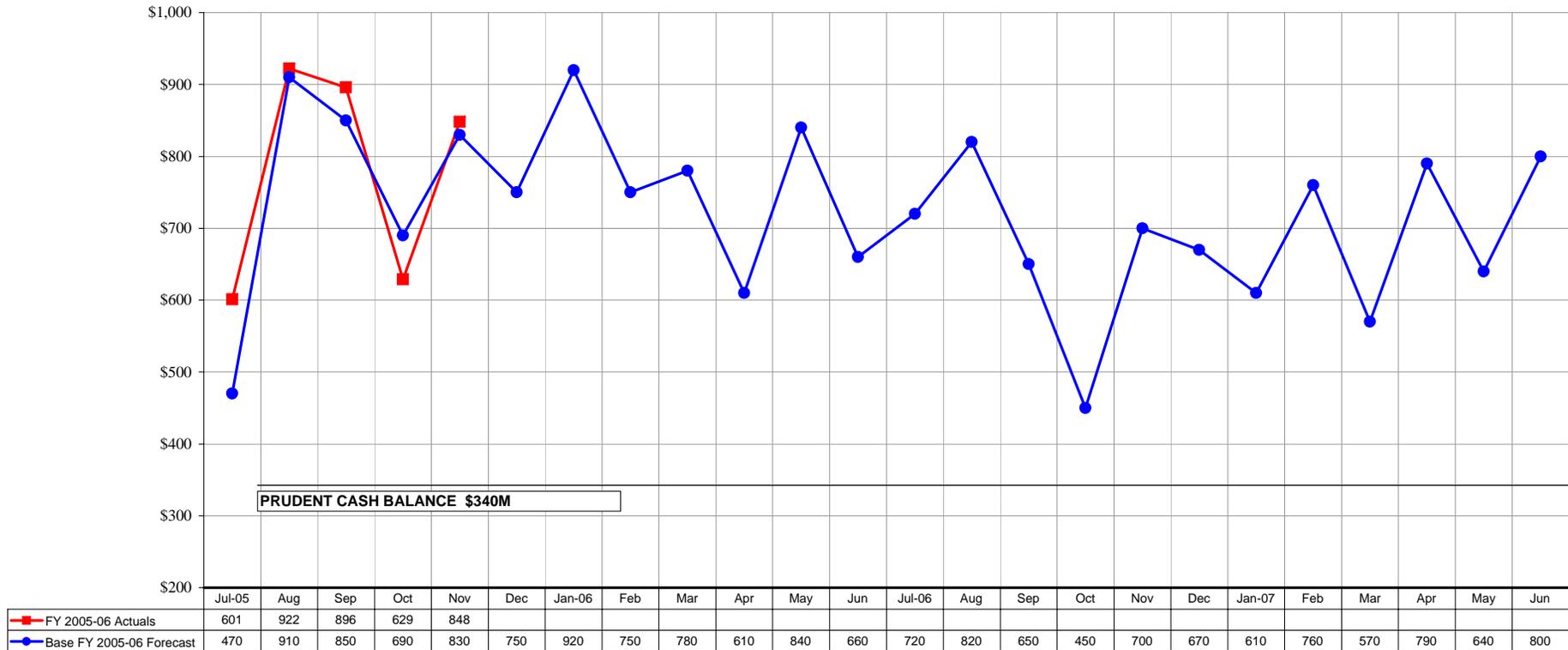
Traffic Congestion Relief Fund

The November 2005 ending cash balance was \$210 million, which was \$40 million below forecast due to higher than forecasted expenditures.

Transportation Investment Fund

The November 2005 ending cash balance was \$53 million, which was \$47 million below forecast. A transfer for local streets and roads that was forecast in October 2005 occurred in November 2005. Overall, expenditures were higher than forecast in November 2005. The fund balance is not expected to return to forecast due a calculation error that incorrectly over-estimated TIF revenue for the first quarter. This will be corrected in the next forecast update.

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



Base FY 2005-06 Forecast Assumptions:

- ▶ Based on 2006 Fund Estimate Tier 1(B).
- ▶ Does not assume tribal gaming revenue.
- ▶ Assumes FY 2005-06 non-capital outlay support expenditures at the level included in the 2005-06 Budget Act. Future years are escalated at a rate of 3.1 percent, as applied in the 2006 Fund Estimate.
- ▶ Assumes Bargaining Unit 9 salary increases.
- ▶ Prudent Cash Balance increased to \$340 million in FY 2005-06, per 2006 Fund Estimate.

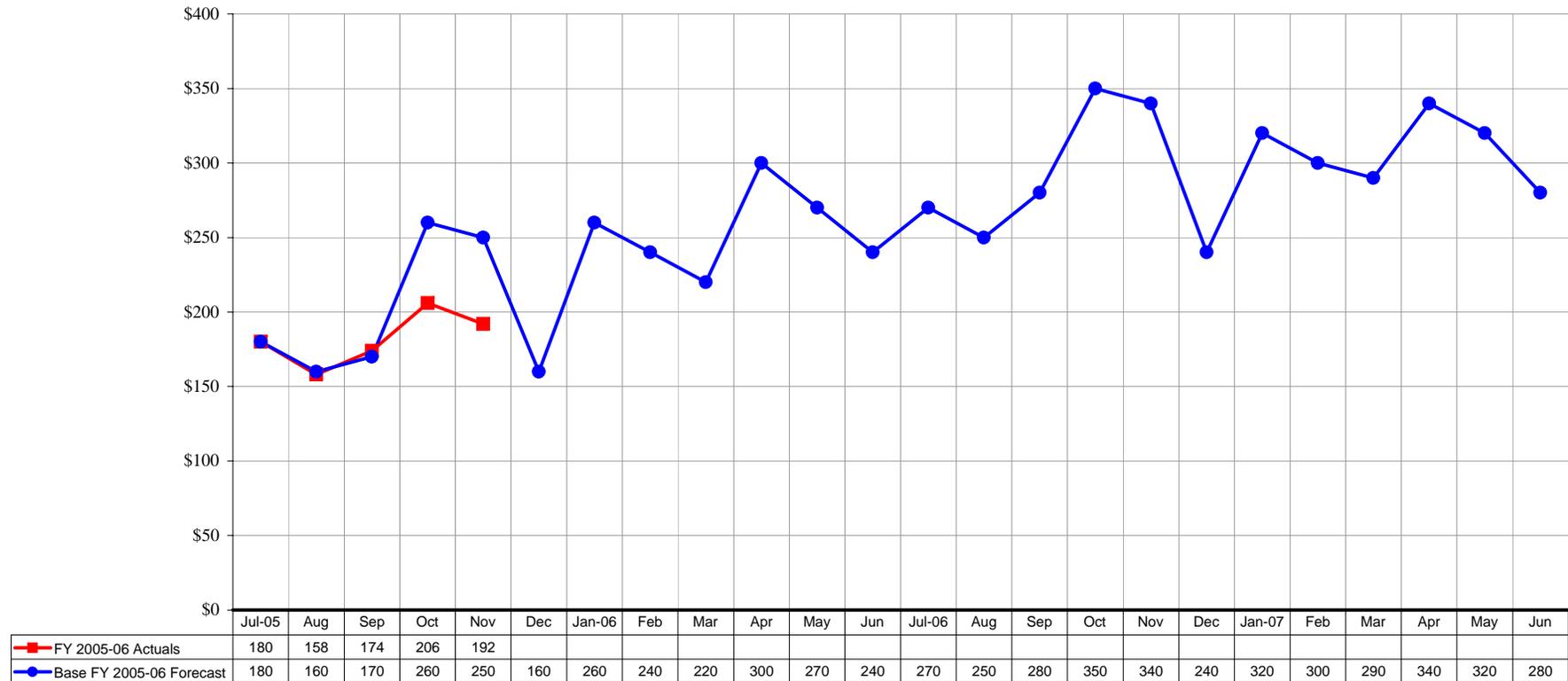
Differences from 2006 Fund Estimate:

- ▶ Assumes miscellaneous revenue and expenditures assumptions for Items in Transit and Transportation Revolving Account.

Allocation Assumptions:

- ▶ Assumes \$2.3 billion in allocations for FY 2005-06 and \$2.2 billion in FY 2006-07.

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



Base FY 2005-06 Forecast Assumptions:

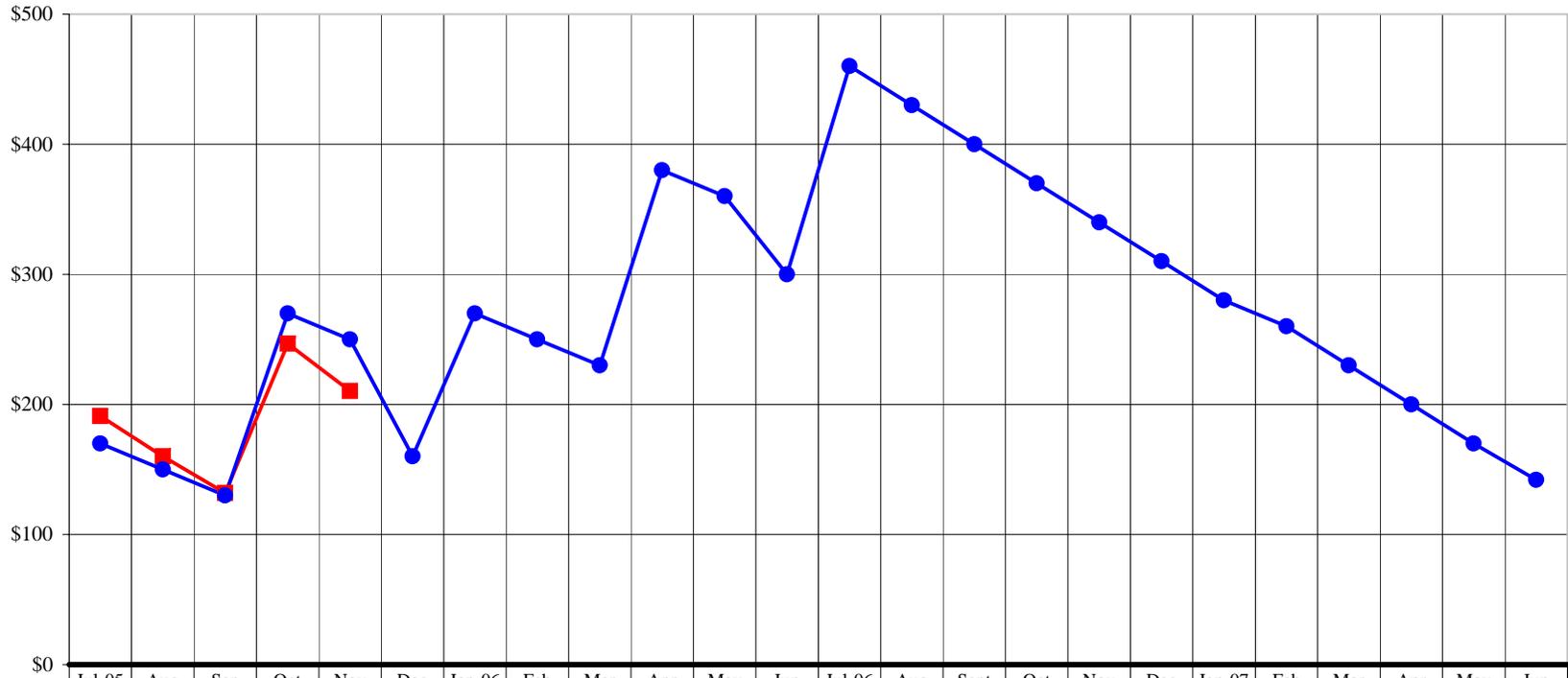
- ▶ Based on 2006 Fund Estimate Tier 1(B).
- ▶ TIF revenue in FY 2005-06 included.
- ▶ TIF suspension in FY 2006-07.
- ▶ Assumes no spillover revenue.

Allocations:

- ▶ The FY 2005-06 allocation plan proposes \$115 million in allocations.
- ▶ There are no allocations proposed for FY 2006-07, unless spillover revenue is received.

24-Month Traffic Congestion Relief Fund (TCRF) Cash Forecast

(\$ in millions)



	Jul-05	Aug	Sep	Oct	Nov	Dec	Jan-06	Feb	Mar	Apr	May	Jun	Jul-06	Aug	Sept	Oct	Nov	Dec	Jan-07	Feb	Mar	Apr	May	Jun	
■ FY 2005-06 Actuals	191	160	132	247	210																				
● Base FY 2005-06 Forecast	170	150	130	270	250	160	270	250	230	380	360	300	460	430	400	370	340	310	280	260	230	200	170	142	

Base FY 2005-06 Forecast Assumptions:

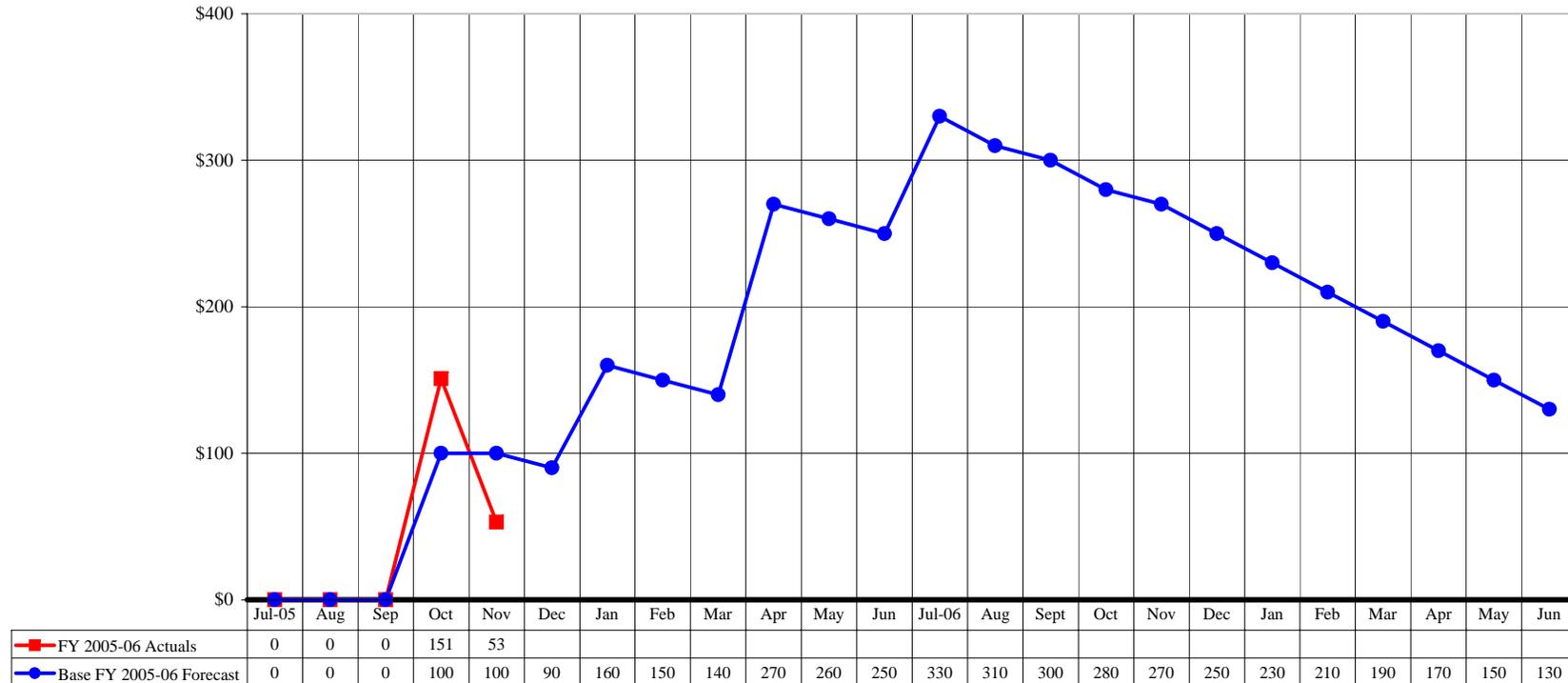
- ▶ Based on TIF 2006 Fund Estimate Tier 2(A).
- ▶ Tribal gaming revenue not included.
- ▶ Transfer from TIF of \$678 million to occur quarterly in FY 2005-06.
- ▶ Assumes no revenue from TIF in FY 2006-07.

Allocations:

- ▶ The FY 2005-06 allocation plan proposes \$678 million in allocations, including \$86 million for existing projects
- ▶ There are no allocations proposed in FY 2006-07.

24-Month Transportation Investment Fund (TIF) Cash Forecast

(\$ in millions)



Base FY 2005-06 Forecast Assumptions:

- ▶ Based on 2006 Fund Estimate Tier 2(A).
- ▶ Transfer from General Fund of \$1.313 billion.
- ▶ Transfer of \$678 million to TCRF in FY 2005-06.

Difference from 2006 Fund Estimate:

- ▶ No transfer from General Fund in FY 2006-07.
- ▶ Transfer to TCRF suspended in FY 2006-07.
- ▶ Assumes three quarterly transfers from General Fund, as portion of \$1.313 billion to be received in FY 2005-06.
- ▶ 4th quarter transfer of remaining \$1.313 billion assumed in 1st quarter of FY 2006-07.

Allocations:

- ▶ The FY 2005-06 allocation plan proposes \$350 million in allocations.
- ▶ The FY 2006-07 allocation plan proposes \$250 million in allocations.