

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: March 15-16, 2005

Reference No.: 3.12
Information Item

From: CINDY McKIM
Chief Financial Officer

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Local Assistance

Ref: **LOCAL ASSISTANCE QUARTERLY LUMP SUM ALLOCATION STATUS REPORT FOR FISCAL YEAR 2005-06**

SUMMARY:

On May 26, 2005, the California Transportation Commission (Commission) passed Resolution FM-04-06, allocating \$498 million for the Department of Transportation's (Department's) Local Assistance Program for Fiscal Year (FY) 2005-06. The initial allocation request was for \$996 million. The Commission reduced the initial allocation request to \$498 million, pending the final close-out report for FY 2004-05, which was presented to the Commission at the September 29, 2005 meeting. A concurrent request to allocate the remaining \$498 million is under Agenda Item 2.5g, and Commission action will be reflected on subsequent quarterly reports.

The amount of Local Assistance subvention funds allocated and administered by the Department's Division of Local Assistance is \$477 million. Of this amount, approximately \$96 million are State funds and \$381 million are federal funds. As of January 31, 2006, \$170.5 million, or 36 percent, of the \$477 million has been sub-allocated to 160 local projects. The majority of these sub-allocations, including Federal Transit Administration (FTA) transfers, are for:

- Surface Transportation Program (STP) – 52 projects, \$25 million
- Congestion Mitigation and Air Quality (CMAQ) Program –48 projects, \$129 million

The remaining 60 projects are sub-allocated in other categories and account for less than one percent of the expenditures reported.

BACKGROUND:

The Division of Local Assistance administers the local assistance subvention budget under delegated authority from the Commission. The Commission provides an annual lump sum allocation consistent with each fiscal year's Budget Act. The Commission further delegates to the Department the authority to adjust allocations for Local Assistance, and the Department reports to the Commission if transfers in or out of an expenditure category exceed ten percent of its allocation.

Local Assistance Lump Sum Allocation Status for FY 2005-2006:

As of January 31, 2006, \$170.5 million or 36 percent of the \$477 million of Local Assistance funds allocated has been expended. Consistent with prior years, the allocation for Demonstration Projects is zero since specific projects expected to receive funds during this fiscal year are not known. This category is included in the allocation to allow the Department to make allocations using excess funds from other categories and prevent allocation delays for demonstration projects.

The delivery to date for FY 2005-06 (\$170.5 million or 36 percent of the funds allocated) is higher when compared to the same period last year (\$137.6 million or 18 percent of the funds allocated). Typically, expenditures are lower at the beginning of each fiscal year, and this is consistent with historical trends. There are four programs with no activity and this is not uncommon. The STP State Match and Exchange Program will be placed under project agreement by March 2006. Project sub-allocations for the Railroad Grade Separations Program should begin in May or June 2006. New requirements contained in the SAFETEA-LU Act for the Safe Routes to Schools Program have caused significant delays in releasing the project list. The agreement for the Los Angeles County Bridge Inspection Program is in the final approval process and is anticipated to be reported in the next quarterly report.

The new Federal Transportation Act was enacted on August 10, 2005. It is anticipated that all funds allocated will be used consistent with prior fiscal year trends.

Attachment

(Dollars in thousands)

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)	0	144,697	144,697	0	16,947	16,947	0	127,750	127,750	12%	49
STP State Match and Exchange	51,250	0	51,250	0	0	0	51,250	0	51,250	0%	0
Congestion Mitigation & Air Qual Pgrm (CMAQ)	0	149,214	149,214		8,126	8,126	0	141,088	141,088	5%	31
Bridge Inspection & State Match	735	748	1,483	0	0	0	735	748	1,483	0%	0
Highway Bridge Rehabilitation & Replacement (HBRR)		53,860	53,860	0	3,215	3,215	0	50,645	50,645	6%	22
Bridge - Seismic Retrofit	0	23,368	23,368	0	7,616	7,616	0	15,752	15,752	33%	11
RR Grade Crossing Protection		4,363	4,363	0	374	374	0	3,989	3,989	9%	2
RR Grade Crossing Maintenance	1,000		1,000	1,000	0	1,000	0	0	0	100%	1
Railroad Grade Separations	15,000	0	15,000	0	0	0	15,000	0	15,000	0%	0
Hazard Elimination & Safety (HES)	0	4,363	4,363	0	802	802	0	3,561	3,561	18%	9
Safe Routes to School	23,000	0	23,000	0	364	364	23,000	-364	22,636	2%	1
Transportation Enhancement Activities (TEA) Exchange	2,000	0	2,000	0	0	0	2,000	0	2,000	0%	0
Demonstration Projects	0	0	0	0	555	555	0	-555	-555		5
Miscellaneous	3,000	701	3,701	1,000	1,150	2,150	2,000	-449	1,551	58%	9
Total Local Assistance Subvented Funds	95,985	381,314	477,299	2,000	39,149	41,149	93,985	342,165	436,150	9%	140
Federal Transit Administration (FTA) Transfers	0	0	0	0	129,407	129,407	0	0	0		20
Total Local Assistance including FTA Transfers	95,985	381,314	477,299	2,000	168,556	170,556	93,985	342,165	436,150	36%	160

Assumptions:

- * The amounts do not include Freeway Service Patrol or Bay Area Ferry Operations.
- * FTA Transfers are \$8,250,008 for RSTP, \$121,126,928 for CMAQ.
- * Balances are based on project allocation requests.
- * The Allocation Balance is the difference between Commission Allocation and Total Expenditures.
- * Expenditures and Number of Projects is from LP2000 report.