

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: September 6-7, 2006

Reference No.: 3.6
Information Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Terry Abbott
Division Chief
Local Assistance

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

SUMMARY:

The Department of Transportation's (Department) Division of Local Assistance is responsible for administering the \$976 million of Local Assistance subvention funding available for FY 2005-06. Of this amount, approximately \$96 million are State funds and \$880 million are federal funds. As of June 30, 2006, \$626 million or 64 percent of the \$976 million has been sub-allocated for 750 local projects. The majority of these sub-allocations, including Federal Transit Administration (FTA) transfers, are for:

- Surface Transportation Program (STP) – 195 projects, \$185 million
- Congestion Mitigation and Air Quality (CMAQ) Program – 113 projects, \$260 million

The remaining 442 projects are sub-allocated in other categories and account for 29 percent of the expenditures reported.

The delivery to date for FY 2005-06 (\$626 million or 64 percent of the \$976 million allocated) is comparable to the same period last year (\$627 million or 56 percent of the \$1.115 billion allocated). Based on historical trends, it is anticipated that all funds allocated will be used consistent with prior fiscal years.

BACKGROUND:

On May 26, 2005, the California Transportation Commission (Commission) passed Resolution FM-04-06, allocating \$498 million for the Local Assistance Program for FY 2005-06. The initial allocation request was for \$996 million and was later increased by \$2 million for the Freeway Service Patrol program. The Commission reduced the initial allocation request to \$498 million, pending the final closeout report for FY 2004-05, which was presented to the Commission at the September 29, 2005 meeting.

On March 16, 2006, the Commission passed Resolution FM-05-04, allocating the remaining \$500 million for the Local Assistance Program for FY 2005-06.

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 June 30, 2006, \$626 million or 64 percent of the \$976 million of Local Assistance funds allocated have been used. 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.

Funds allocated for projects under the Miscellaneous category show 749 percent expended. Most of the expenditures under this category are for Emergency Relief (ER) projects and will be covered by funds not used in other categories. Three programs have no expenditures. The Transportation Enhancement Activities (TEA) Exchange is not anticipated to incur expenditures; these funds were included to cover the potential exchange of old apportionments. The Railroad Grade Separation program currently has no expenditures. The Department received five applications for Railroad Grade Separation projects; however, none of the applications met the requirements of State regulations to receive an allocation. The California Public Utilities Commission (CPUC) will adopt a project priority list for FY 2006-07. Historically, some large projects require multiple year funding; the Department will allocate the oldest funds available for large projects from the FY 2006-07 priority list requiring such funding.

The High Risk Rural Roads Program is a new federal program. The Department is developing guidelines to implement the program and project selection criteria. Obligation of funds for eligible projects is dependent upon approval of the Strategic Highway Safety Plan (SHSP) anticipated before October 1, 2006.

Attachment

LOCAL ASSISTANCE FUNDS
FY 2005-06
As of June 30, 2006
(Dollars in thousands)

Reference No.: 3.6
September 6-7, 2006
Attachment

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	310,600	310,600	0	103,308	103,308	0	207,292	207,292	33%	193
STP State Match and Exchange	51,250	0	51,250	50,801	0	50,801	449	0	449	99%	137
Congestion Mitigation & Air Qual Pgrm (CMAQ)	0	333,608	333,608		95,817	95,817	0	237,791	237,791	29%	84
Bridge Inspection & State Match	735	1,725	2,460	292	1,168	1,460	443	557	1,000	59%	0
Highway Bridge Program		127,311	127,311	0	40,705	40,705	0	86,606	86,606	32%	78
Bridge - Seismic Retrofit	0	53,905	53,905	0	25,693	25,693	0	28,212	28,212	48%	25
RR Grade Crossing Protection		10,911	10,911	0	374	374	0	10,537	10,537	3%	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
Highway Safety Improvement Program	0	18,549	18,549	0	3,016	3,016	0	15,533	15,533	16%	31
High Risk Rural Roads	0	7,021	7,021	0	0	0	0	7,021	7,021	0%	0
Safe Routes to School	23,000	14,353	37,353	0	696	696	23,000	13,657	36,657	2%	2
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	23,365	23,365	0	-23,365	-23,365		24
Miscellaneous	3,000	1,616	4,616	1,000	33,576	34,576	2,000	-31,960	-29,960	749%	139
Total Local Assistance Subvented Funds	95,985	879,599	975,584	53,093	327,718	380,811	42,892	551,881	594,773	39%	716
Federal Transit Administration (FTA) Transfers	0	0	0	0	245,450	245,450	0	0	0		34
Total Local Assistance including FTA Transfers	95,985	879,599	975,584	53,093	573,168	626,261	42,892	551,881	594,773	64%	750

Assumptions:

- * Allocations reflect March 2006 Meeting vote, item 2.5g
- * The amounts do not include Freeway Service Patrol or Bay Area Ferry Operations.
- * FTA Transfers are \$81,522,008 for RSTP, \$163,927,952 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.
- * Highway Safety Improvement Program (HSIP) formerly Hazard Elimination and Safety (HES)
- * Highway Bridge Program formerly Highway Bridge Rehabilitation & Replacement (HBRR)