

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 6-7, 2007

Reference No.: 3.12
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 2006-07**

SUMMARY:

On September 7, 2006, the California Transportation Commission (Commission) passed Resolution FM-06-02, allocating \$712 million for the Department of Transportation's (Department's) Local Assistance Program for Fiscal Year (FY) 2006-07. The initial allocation request was for \$1.42 billion. The Commission reduced the initial allocation request to \$712 million, pending the final close-out report for FY 2005-06, which was presented to the Commission at its December 13-14, 2006 meeting. A concurrent request to allocate the remaining \$712 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 \$688 million. Of this amount, approximately \$78 million are State funds and \$610 million are federal funds. As of March 31, 2007, \$189 million, or 28 percent, of the \$688 million has been sub-allocated to 251 local projects. The majority of these sub-allocations, including Federal Transit Administration (FTA) transfers, are for:

- Surface Transportation Program (STP) – 89 projects, \$40 million
- Highway Bridge Program – 37 projects, \$65 million
- High Priority Projects – 17 projects, \$39 million

The remaining 108 projects are sub-allocated in other categories and account for 24 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 the Local Assistance program, 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 2006-2007:

As of March 31, 2007, the end of the second quarter of the Federal Fiscal year, \$189 million or 28 percent of the \$688 million of Local Assistance funds allocated, has been sub-allocated. As of March 31, 2007, the Miscellaneous category is 737 percent expended. The majority of these expenditures are for Emergency Relief (ER) projects. Flood related projects repairing damage caused by FY 2004-05 floods in Los Angeles County and Carlsbad account for the largest expenditures for ER projects. The Highway Bridge Program category is 102 percent expended. Funds for 37 projects for bridge replacement or bridge rehabilitation were sub-allocated in this category, including a \$42 million dollar project in District 2. Categories currently showing little or no expenditures include the following:

- The Surface Transportation Program (STP) State Match and Exchange agreements are expected to be completed and sent to local agencies by May 18, 2007. The Bridge Inspection and State Match program is currently showing no expenditures. However, a program supplement has been executed with Santa Clara County for bridge inspections, and an expenditure adjustment is currently in process to reflect expenditures in this category.
- The Highway Safety Improvement Program list of approved projects is due for release by May 31, 2007, and the High Risk Rural Roads program released its list of projects on April 30, 2007. The federally funded Safe Routes to School (SRTS) program projects were selected by the SRTS Advisory Committee, and a list of approved projects was scheduled for release in May 2007. These projects will require to be amended into the Federal Transportation Improvement Program (FTIP) by the Metropolitan Planning Organizations before they can be sub-allocated.
- Recently, two grade separation project contracts were awarded for a total \$10 million. In addition, one other project has met all regulatory requirements and is in the contract award process. Once these projects are sub-allocated, the total grade separation allocation will be fully used.

As of March 31, 2007, \$189 million or 28 percent of the \$688 million of Local Assistance funds allocated has been sub-allocated. At this time last year, \$379 million or 39 percent of the \$976 million allocated had been sub-allocated. Although expenditures are lower than for the same period last year, obligation plans were received from the regions. Preliminary analysis of the plans shows that the regions plan to use over \$1 billion during the fiscal year. Consistent with trends in prior fiscal years, it is anticipated that all funds allocated will be used.

Attachment

LOCAL ASSISTANCE FUNDS
 FY 2006-07
 As of March 31, 2007
 (Dollars in thousands)

Reference No.: 3.12
 June 6-7, 2007
 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 Program (STP)	0	176,568	176,568	0	40,154	40,154	0	136,414	136,414	23%	89
STP State Match and Exchange	58,150	0	58,150	0	0	0	58,150	0	58,150	0%	0
Congestion Mitigation & Air Quality Program (CMAQ)	0	189,915	189,915	0	10,867	10,867	0	179,048	179,048	6%	19
Bridge Inspection and State Match	735	1,219	1,954	0	0	0	735	1,219	1,954	0%	0
Highway Bridge Program		63,898	63,898	0	65,392	65,392	0	-1,494	-1,494	102%	37
Bridge - Seismic Retrofit	0	43,651	43,651	42	2,284	2,326	-42	41,367	41,325	5%	7
Railroad Grade Crossing Protection		3,697	3,697	0	0	0	0	3,697	3,697	0%	0
Railroad Grade Crossing Maintenance	1,000	0	1,000	0	0	0	1,000	0	1,000	0%	0
Railroad Grade Separations	15,000	0	15,000	0	0	0	15,000	0	15,000	0%	0
Highway Safety Improvement Program	0	21,680	21,680	0	1,231	1,231	0	20,449	20,449	6%	8
High Risk Rural Roads	0	3,433	3,433	0	0	0	0	3,433	3,433	0%	0
Safe Routes to School	0	6,751	6,751	0	68	68	0	6,683	6,683	1%	1
High Priority Projects (formerly Demonstration Projects)	0	99,309	99,309	0	39,108	39,108	0	60,201	60,201	39%	17
Miscellaneous	3,000	289	3,289	1,000	23,237	24,237	2,000	-22,948	-20,948	737%	70
Total Local Assistance Subvented Funds	77,885	610,410	688,295	1,042	182,341	183,383	76,843	428,069	504,912	27%	248
Federal Transit Administration (FTA) Transfers	0	0	0	0	6,071	6,071	0	0	0		3
Total Local Assistance including FTA Transfers	77,885	610,410	688,295	1,042	188,412	189,454	76,843	428,069	504,912	28%	251

Assumptions:

- * Allocations reflect September 2006 meeting vote, Item 2.5h
- * The amounts do not include Freeway Service Patrol or Bay Area Ferry Operations.
- * FTA Transfers are \$6,071,000 for CMAQ projects only.
- * 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.