

# Memorandum

To: CHAIR AND COMMISSIONERS  
CTC Meeting: September 19-20, 2007  
Reference No.: 3.12  
Information Item

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Local Assistance

Subject: **LOCAL ASSISTANCE QUARTERLY LUMP SUM ALLOCATION STATUS REPORT FOR FISCAL YEAR 2006-07**

## **SUMMARY:**

The amount of Local Assistance subvention funds administered by the Department of Transportation's (Department's) Division of Local Assistance is \$1.4 billion. Of this amount, approximately \$78 million are State funds and \$1.32 billion are federal funds. As of June 30, 2007, \$628 million, or 45 percent, of the \$1.4 billion has been suballocated to 699 local projects. The majority of these suballocations, including Federal Transit Administration (FTA) transfers, are for:

- Surface Transportation Program (STP) – 161 projects, \$103 million
- Highway Bridge Program – 74 projects, \$105 million
- Congestion Mitigation and Air Quality Program – 68 projects, \$183 million
- High Priority Projects – 36 projects, \$51 million
- STP State Match and Exchange – 133 projects, \$52 million

The remaining 227 projects are suballocated in other categories and account for 29 percent of the expenditures reported.

## **BACKGROUND:**

The Department administers the local assistance subvention budget under delegated authority from the California Transportation Commission (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 2006-07:**

On September 7, 2006, the Commission passed Resolution FM-06-02, allocating \$712 million for the 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 the December 13-14, 2006 meeting.

On June 7, 2007, the Commission passed Resolution FM-06-04, allocating the remaining \$711,774,500 for the Local Assistance Program for FY 2006-07.

On July 26, 2007, the Commission approved Resolution FM-07-02, authorizing the exchange of Local Assistance Federal Highway Safety Improvement Program (HSIP) funds with Capital Outlay Highway Operation and Protection Plan (SHOPP) State funds for the State Safe Routes to School Program (SR2S).

As of June 30, 2007, the end of the third quarter of Federal Fiscal Year 2006, \$628 million, or 45 percent of the \$1.4 billion of Local Assistance funds allocated, has been suballocated.

Categories currently showing little or no expenditures include the federally funded safety programs such as the Highway Safety Improvement Program (HSIP), Safe Routes to School (SRTS), and High Risk Rural Roads (HR3). The Department released the lists of approved projects for both HSIP and SRTS on June 21, 2007. On April 27, 2007, the list of approved projects for HR3 was released. Currently, Metropolitan Planning Organizations (MPOs) are amending their Federal Transportation Improvement Programs (FTIPs) to include the approved safety projects.

Although the Railroad Grade Crossing Maintenance Program showed no expenditures as of June 30, 2007, an invoice was paid in July 2007 that fully expended the allocation. The July 2007 expenditure, however, is not reflected on the attachment. The Railroad Grade Crossing Protection Program is also showing no expenditures as of June 30, 2007. The Department's Division of Rail obligated funds to projects in August 2007, and contracts will be executed in August and September 2007 that will fully expend the allocation.

The Miscellaneous category includes expenditures of approximately \$33 million over its allocation. These represent expenditures for federal Emergency Relief (ER) projects and will be covered by other categories.

As of June 30, 2007, \$628 million or 45 percent, of the \$1.4 billion has been suballocated to 699 local projects. At this time last year, \$626 million or 64 percent, of the \$976 million allocated had been suballocated. Although expenditures are comparable to the same period last year, the percent of allocation expended is lower. This is due to the overall increase in the total amount of funds available this year as compared to last year. During the months of July and August 2007, the Department has suballocated approximately \$254 million in federal funds. Execution of the pending Program Supplements will use the remaining allocations. Consistent with prior fiscal year expenditure trends, the Department anticipates that all funds allocated will be expended.

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		
Surface Transportation Program ( STP)	\$ -	\$ 382,458	\$ 382,458	\$ -	\$ 102,974	\$ 102,974	\$ -	\$ 279,484	\$ 279,484	27%	161
STP State Match and Exchange	\$ 58,150	\$ -	\$ 58,150	\$ 52,292	\$ -	\$ 52,292	\$ 5,858	\$ -	\$ 5,858	90%	133
Congestion Mitigation & Air Quality Program (CMAQ)	\$ -	\$ 411,367	\$ 411,367	\$ -	\$ 31,103	\$ 31,103	\$ -	\$ 380,264	\$ 380,264	8%	48
Bridge Inspection and State Match	\$ 735	\$ 2,640	\$ 3,375	\$ 42	\$ 320	\$ 362	\$ 693	\$ 2,320	\$ 3,013	11%	2
Highway Bridge Program		\$ 138,406	\$ 138,406	\$ -	\$ 104,640	\$ 104,640	\$ -	\$ 33,766	\$ 33,766	76%	74
Bridge - Seismic Retrofit	\$ -	\$ 94,551	\$ 94,551	\$ -	\$ 6,423	\$ 6,423	\$ -	\$ 88,128	\$ 88,128	7%	12
Railroad Grade Crossing Protection		\$ 8,009	\$ 8,009	\$ -	\$ -	\$ -	\$ -	\$ 8,009	\$ 8,009	0%	0
Railroad Grade Crossing Maintenance	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000	0%	0
Railroad Grade Separations	\$ 15,000	\$ -	\$ 15,000	\$ 10,000	\$ -	\$ 10,000	\$ 5,000	\$ -	\$ 5,000	67%	2
Highway Safety Improvement Program	\$ -	\$ 19,961	\$ 19,961	\$ -	\$ 4,191	\$ 4,191	\$ -	\$ 15,770	\$ 15,770	21%	23
High Risk Rural Roads	\$ -	\$ 7,435	\$ 7,435	\$ -	\$ -	\$ -	\$ -	\$ 7,435	\$ 7,435	0%	0
Safe Routes to School	\$ 27,000	\$ 14,624	\$ 41,624	\$ -	\$ 68	\$ 68	\$ 27,000	\$ 14,556	\$ 41,556	<1%	1
High Priority Projects	\$ -	\$ 215,109	\$ 215,109	\$ -	\$ 50,735	\$ 50,735	\$ -	\$ 164,374	\$ 164,374	24%	36
Miscellaneous	\$ 3,000	\$ 625	\$ 3,625	\$ 1,287	\$ 35,483	\$ 36,770	\$ 1,713	\$ (34,858)	\$ (33,145)	1014%	184
<b>Total Local Assistance Subvented Funds</b>	<b>\$ 104,885</b>	<b>\$ 1,295,185</b>	<b>\$ 1,400,070</b>	<b>\$ 63,621</b>	<b>\$ 335,937</b>	<b>\$ 399,558</b>	<b>\$ 41,264</b>	<b>\$ 959,248</b>	<b>\$ 1,000,512</b>	<b>29%</b>	<b>676</b>
<b>Federal Transit Administration (FTA) Transfers</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 228,321</b>	<b>\$ 228,321</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>23</b>
<b>Total Local Assistance including FTA Transfers</b>	<b>\$ 104,885</b>	<b>\$ 1,295,185</b>	<b>\$ 1,400,070</b>	<b>\$ 63,621</b>	<b>\$ 564,258</b>	<b>\$ 627,879</b>	<b>\$ 41,264</b>	<b>\$ 959,248</b>	<b>\$ 1,000,512</b>	<b>45%</b>	<b>699</b>

**Assumptions:**

- \* Allocations reflect June 2007 Meeting vote, Item 2.5g.
- \* Allocations reflect July 2007 Meeting vote, Item 2.5i SR2S Exchange.
- \* The amounts do not include Freeway Service Patrol or Bay Area Ferry Operations.
- \* FTA Transfers are \$76,731,000 for RSTP and \$151,590,244 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 are from LP2000 report.