

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: December 9-10, 2009

Reference No.: 3.11
Information Item

From: NORMA ORTEGA
Chief Financial Officer (Interim)

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Subject: **QUARTERLY REPORT ON LUMP SUM ALLOCATION FROM AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009**

SUMMARY:

On April 1, 2009, the California Transportation Commission (Commission) allocated \$1,597,292,700 of American Recovery and Reinvestment Act of 2009 (Recovery Act) funds to the Department of Transportation (Department) for Federal Fiscal Year (FFY) 2009 projects.

The sub-allocations reported are based on FFY 2009, which is from October 1, 2008 through September 30, 2009. As of September 30, 2009, approximately \$647 million (40 percent) of the \$1.6 billion has been sub-allocated and encumbered for 540 projects.

BACKGROUND:

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009 (H.R.1,S.1). This bill included \$27.5 billion of Recovery Act funding nationwide for highway transportation projects. The State of California's share is approximately \$2.5 billion. On March 27, 2009, Governor Schwarzenegger signed Assembly Bill x3 20 (ABx3 20), which established a new distribution formula of Recovery Act funds with 62.5 percent (or approximately \$1.6 billion) going to the regions and 37.5 percent (or approximately \$900 million) going to the State. The Commission approved the allocation of approximately \$1.6 billion of Recovery Act funding at the April 1, 2009 Commission meeting.

Recovery Act Allocation Status for FFY 2009:

As of September 30, 2009, the end of the fourth quarter of FFY 2009, approximately \$1.3 billion has been obligated for 621 projects. Of this amount, approximately \$647 million (40 percent of the almost \$1.6 billion allocated) has been sub-allocated and encumbered for 517 projects. The remaining \$653 million dollars in obligations is for 81 locally-administered projects where the agencies are in the process of executing the program supplement agreements to encumber the sub-allocated funds and will be reflected in future quarterly reports as encumbered; eight projects funded with local Recovery Act funds and implemented by the Capital Outlay program; and 15 projects for which the funds have been transferred to the Federal Transit Administration for implementation.

The Federal Highway Administration deadline to obligate all the federal funds to projects is March 2, 2010. The Department anticipates using all Recovery Act funds allocated by the Commission for FFY 2009.