

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: April 7-8, 2010

Reference No.: 3.5  
Information Item

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Chief Financial Officer

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Budgets

Subject: **FY 2009-10 SECOND QUARTER FINANCE REPORT**

Attached is the California Department of Transportation's Fiscal Year 2009-10 Second Quarter Finance Report. This report has been discussed with the Commission's Executive Committee.

Attachment

# **Department of Transportation Quarterly Finance Report**

## **Second Quarter 2009-10**

The purpose of the quarterly finance report is to provide the California Transportation Commission (Commission) with the status of capital allocations versus capacity, and to report any trends or issues that may require action by the Department of Transportation (Department) or Commission regarding transportation funding policy, allocation capacity, or forecast methodology to ensure the efficient and prudent management of transportation resources. Below is the schedule of dates for the development of the 2009-10 Quarterly Finance Reports.

**California Department of Transportation  
Quarterly Finance Report  
Schedule of Reports**

<b>Fiscal Year</b>	<b>Quarterly Report</b>	<b>Activity</b>	<b>Date</b>
<b>2009-10</b>	<b>2008-09 Q4</b>	<b>Close of Quarter</b>	<b>6/30/09</b>
		<b>Quarterly Report to Commission Staff</b>	<b>8/31/09</b>
		<b>Presented to Commission</b>	<b>9/9/09</b>
	<b>2009-10 Q1</b>	<b>Close of Quarter</b>	<b>9/30/09</b>
<b>Quarterly Report to Commission Staff Presented to Commission</b>		<b>11/15/09 12/10/09</b>	
<b>2009-10 Q2</b>	<b>Close of Quarter</b>	<b>12/31/09</b>	
	<b>Quarterly Report to Commission Staff Presented to Commission</b>	<b>2/15/10 4/7/10</b>	
<b>2009-10 Q3</b>	<b>Close of Quarter</b>	<b>3/31/10</b>	
	<b>Quarterly Report to Commission Staff Presented to Commission</b>	<b>5/15/10 7/1/10</b>	
<b>2010-11</b>	<b>2009-10 Q4</b>	<b>Close of Quarter Quarterly Report to Commission Staff Presented to Commission</b>	<b>6/30/10 8/31/10 9/22/10</b>

# Department of Transportation Quarterly Finance Report

Second Quarter 2009-10

## EXECUTIVE SUMMARY

2009-10 Capital Allocations vs. Capacity Summary through December 31, 2009 (\$ in millions)						
	SHOPP <sup>1</sup>	STIP <sup>1</sup>	TCRP	BONDS	ARRA-TE (Non-STIP)	TOTAL
Total Allocation Capacity	\$1,785	\$965	\$60	\$4,228	\$12	\$7,050
Total Votes	558	375	61	134	8	\$1,136
Authorized Changes <sup>2</sup>	-439	-39	0	N/A	0	-\$478
<b>Total Remaining Capacity</b>	<b>\$1,666</b>	<b>\$629</b>	<b>-\$1</b>	<b>\$4,094</b>	<b>\$4</b>	<b>\$6,392</b>

**Note: Totals may not add due to rounding**

<sup>1</sup>Proposition 1B bond & Recovery Act capacities included in total: \$73M (Recovery Act SHOPP); \$177M (Prop 1B SHOPP); \$514M (Prop 1B STIP)

<sup>2</sup>Authorized changes include project increases and decreases pursuant to the Commission's G-12 process and project rescissions.

Through the second quarter of 2009-10, the Commission allocated \$1.136 billion toward 242 projects, representing approximately 16 percent of the \$7 billion in total capacity. (See Appendix A for 2009-10 allocation capacity by fund). Total adjustments were \$478 million, leaving approximately \$6.4 billion in remaining capacity.

With the exception of the Public Transportation Account (PTA), cash balances for all of the Department's major funds were within acceptable range of the forecast (See Appendix B). The PTA balance increased in the second quarter due to the Third Appellate Court's decision which ruled spillover diversions from the PTA to the Mass Transportation Fund (MTF) and other PTA-funded expenditures were invalid.

In November, the State Treasurer's Office (STO) was able to execute another bond sale for \$2.2 billion. In addition to the \$307 million received from the October sale, transportation will receive approximately \$716 million from the November sale to fund existing projects, new-start project expenditures, right-of-way, and local transit grants through March 2011.

The 2010-11 Governor's Budget was released on January 8, 2010. The Administration has proposed several solutions to address the expected General Fund (GF) shortfall of \$19.9 billion through 2010-11. Although transportation funding levels are expected to remain relatively unchanged in 2010-11, the proposed fuel tax swap will impact future transportation funding. The Budget proposes a tax swap that would eliminate a portion of the sales tax on gasoline and diesel fuel and replace these revenues with a 10.8 cent increase to the state excise tax.

Based on the current outlook, the Department continues to recommend the \$7 billion capacity for 2009-10; however, allocation of bond-funded projects should be contingent on sufficient bond proceeds becoming available. The Department will monitor and report on any material revenue and expenditure variances and make capacity recommendations accordingly.

## STATE HIGHWAY OPERATION AND PROTECTION PROGRAM (SHOPP)

State Highway Operation and Protection Program (\$ in millions)					
Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
SHA	\$200	\$159	-\$54	\$105	\$95
Prop 1B SHOPP	177	0	0	0	177
FTF	1,335	336	-290	46	1,289
Recovery Act	73	63	-95	-32	105
<b>Total</b>	<b>\$1,785</b>	<b>\$558</b>	<b>-\$439</b>	<b>\$119</b>	<b>\$1,666</b>

### Capital Allocations vs. Capacity

SHOPP allocations totaled \$558 million towards 103 projects through the end of the second quarter, representing 31 percent of the \$1.785 billion capacity. Adjustments totaled \$439 million, the majority of which stem from savings on projects allocated last year. This resulted in net allocations of \$119 million. Federal funds comprise the majority of the remaining \$1.666 billion in SHOPP capacity. The remaining \$105 million in Recovery Act capacity is expected to be fully obligated by the March 1, 2010 deadline.

### Outlook for Funding & Allocations

Through the first two quarters, the SHOPP has benefited significantly from the favorable bidding climate. However, the economic climate continues to make it difficult for the STO to sell sufficient bonds to fund existing projects to completion. As previously mentioned, \$716 million from the November 2009 bond sale is expected to fund existing and new-start project expenditures through March 2011, as well as other FY 2010-11 expenditures including right-of-way and local transit grants.

Although SHOPP funding will essentially remain the same, the tax swap proposed in the 2010-11 Governor's Budget would transfer \$629 million to the State Highway Account (SHA) for STIP. Funding STIP and SHOPP from the same fund may provide some flexibility in the use of state and federal resources for these programs. However, the STIP funding will be set at the level provided by the new revenues.

### Recommendations

The Department continues to recommend the current allocation capacity of \$1.785 billion in 2009-10. Proposition 1B capacity remains dependent on bond sales. The Department will monitor any potential impacts and, if necessary, recommend a change to the capacity.

## STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)

State Transportation Improvement Program (\$ in millions)					
Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
SHA	\$0	\$5	\$0	\$5	-\$5
PTA	5	5	0	5	0
TIF	300	279	0	279	21
FTF	146	86	-1	85	61
Prop 1B STIP	514	0	-38	-38	552
<b>Total</b>	<b>\$965</b>	<b>\$375</b>	<b>-\$39</b>	<b>\$336</b>	<b>\$629</b>

Note: The FTF STIP capacity was identified only for Transportation Enhancement projects; however, previously approved federally funded Right-of-Way costs continue to charge against the FTF. These charges are expected to taper off in the coming years.

### Capital Allocations vs. Capacity

Of the \$965 million STIP capacity, a net total of \$336 million was allocated through the second quarter, including adjustments totaling \$39 million in award savings. A total of 106 projects were allocated through the second quarter. Remaining capacity totals \$629 million, the majority of which is bond funding. The SHA is over-allocated by \$5 million. This allocation is for pre-certification of certain obligations for STIP projects that cannot be funded by the Transportation Improvement Fund (TIF).

### Outlook for Funding & Allocations

**Transportation Investment Fund (TIF).** The 2009-10 Budget authorized full funding of Proposition 42 in the amount of \$1.441 billion.

**Public Transportation Account (PTA).** The PTA was significantly impacted by the Third Appellate Court's ruling which found spillover and other PTA redirections invalid. In addition, the State Transit Assistance (STA) transfer was suspended through 2012-13. These actions have caused an increase to the PTA's cash balance in the second quarter.

**Transportation Facilities Account (TFA).** The bulk of the remaining STIP capacity is Bonds. Because of the current fiscal climate, bond sales have not been sufficient to fund new capacity. Bond proceeds received by the Department for the October and November sales will be used to fund ongoing and recently allocated projects prior to any new allocations.

In lieu of the Proposition 42 transfer to TIF and sales tax revenues to the PTA, estimated revenues from the 2010-11 proposed tax swap would be distributed as follows: \$629 million to Locals, \$629 million to the SHA for STIP, and \$603 million to the Transportation Debt Service Fund (TDSF). The SHA would become the funding source for STIP. Existing TIF expenditures and encumbrances would be transferred to the SHA, and existing PTA obligations would be funded from the PTA until those resources are exhausted. Future PTA obligations, including those programmed in the 2008 STIP, would be funded from the GF. Elimination of the sales tax, as proposed, also permanently eliminates the STA transfer.

### Recommendations

Although the Appellate Court ruled that PTA diversions were invalid, these resources will be retained in the PTA until additional information becomes available. This results in a high cash balance in this fund. The Department continues to recommend the current allocation capacity of \$965 million in 2009-10.

## TRAFFIC CONGESTION RELIEF PROGRAM (TCRP)

Traffic Congestion Relief Program (\$ in millions)					
Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
TCRF	\$60	\$61	\$0	\$61	-\$1
<b>Total</b>	\$60	\$61	\$0	\$61	-\$1

### *Capital Allocations vs. Capacity*

TCRP has been fully allocated since the first quarter, totaling \$61 million toward 12 projects. The 2009-10 capacity of \$60 million includes \$4 million which was carried over after de-allocation of three projects late last year, and accounts for the \$27 million of 2009-10 resources that were advanced to 2008-09.

### *Outlook for Funding & Allocations*

There has been no activity in the TCRP during the second quarter. Approximately \$1.01 billion in loan repayments are still outstanding from the GF (refer to Appendix D). TCRP receives \$83 million annually for repayment of \$582 million in Proposition 42 loans. These payments are expected to continue through June of 2016. Tribal Gaming repayments on the \$482 million loan to the GF (Pre-Proposition 42) are expected to begin in 2011-12. The 2010-11 Governor's Budget does not include a Tribal Gaming loan repayment to transportation.

### *Recommendations*

The Department will continue to monitor for potential impacts and, if necessary, recommend changes.

## RECOVERY ACT - TRANSPORTATION ENHANCEMENT PROJECTS (TE)

The Recovery Act TE resources have been fully obligated. Through the second quarter, \$8 million has been allocated toward 11 projects. Remaining Recovery Act TE capacity is \$4 million. These resources are expected to be fully utilized by the March deadline.

## PROPOSITION 1B BONDS

Proposition 1B Bonds (\$ in millions)			
Fund	Allocation Capacity	Allocations to Date	Remaining Capacity
CMIA	\$1,858	\$80	\$1,778
TCIF	746	25	\$721
Intercity Rail	287	0	\$287
State-Local Partnership	360	7	\$353
Local Bridge Seismic	31	12	\$19
Grade Separations	241	6	\$235
Traffic Light Synchron.	182	0	\$182
Route 99	525	3	\$521
<b>Total</b>	<b>\$4,228</b>	<b>\$134</b>	<b>\$4,095</b>

Note: Totals may differ due to rounding.

### ***Capital Allocations vs. Capacity***

Bond allocations through the second quarter totaled \$134 million, representing three percent of the \$4.2 billion capacity. A total of 8 bond projects were allocated through the second quarter. Successful bond sales during last calendar year provided resources to continue funding ongoing projects into 2009-10, as well as allowed some additional projects to be awarded. Because of the bond financing difficulties, there have not been sufficient bond resources available to finance all bond projects. Projects continue to be delivered and await future bond proceeds.

### ***Outlook for Funding & Allocations***

The State Treasurer's Office successfully sold approximately \$4.1 billion in bonds in October 2009 and another \$2.2 billion in November 2009. The Department received approximately \$308 million from the October sale to fund ongoing projects through June 30, 2010. From the November sale, the Department received approximately \$716 million, which is expected to fund existing and new-start project expenditures through March 2011, as well as other FY 2010-11 expenditures, including right-of-way and local transit grants.

### ***Recommendations***

The priority for the use of Bond proceeds has been to fund ongoing projects before funding any new allocations. The Department recommends continuing with the current practice of securing sufficient bond sale proceeds prior to allocation of new projects.

**APPENDICES**

**Appendix A..... Allocation Capacity and Assumptions**

**Appendix B..... Cash Forecasts**

- Forecast Methodology**
- State Highway Account**
- Public Transportation Account**
- Traffic Congestion Relief Fund**
- Transportation Investment Fund**
- Transportation Deferred Investment Fund**

**Appendix C..... Federal Funding**

**Appendix D..... Transportation Loans**

## APPENDIX A – ALLOCATION CAPACITY AND ASSUMPTIONS

2009-10 Allocation Capacity By Fund and Program (\$ in millions)					
Fund	SHOPP	STIP	TCRP	Other (1B Bonds)	Total
SHA	\$200	\$0	\$0	\$0	<b>\$200</b>
FTF	1,335	146	0	0	<b>1,481</b>
PTA	0	5	0	0	<b>5</b>
TIF	0	300	0	0	<b>300</b>
TCRF	0	0	60	0	<b>60</b>
<i>Prop 1B Bonds*</i>	<i>177</i>	<i>514</i>	<i>0</i>	<i>4,228</i>	<i><b>4,919</b></i>
<b>Total Capacity</b>	<b>\$1,712</b>	<b>\$965</b>	<b>\$60</b>	<b>\$4,228</b>	<b>\$6,965</b>

\* *Subject to Bond sales*

Recovery Act Rollover from 2008-09	
SHOPP	\$73
TE	\$12

The 2009-10 allocation capacity is \$7.050 billion, including Proposition 1B Bond and Recovery Act capacity. This total also reflects a \$100 million reduction from the SHA SHOPP capacity resulting from the General Fund retention of Tribal Gaming revenues.

This allocation capacity is based on:

- For SHOPP, 2009-10 Budget Act revenue and expenditure estimates, and 2010 STIP Fund Estimate federal receipts.
- The PTA allocation capacity of \$5 million reflects capacity for AB 3090 projects only. Although the Third Appellate Court ruled PTA diversions were invalid, these resources will be retained in the PTA until additional information become available.
- The annual TCRF allocation capacity is based on a dollar-for-dollar ratio of actual revenues received for current year expenditures. The allocation capacity and specific project funding was established by the Commission, in cooperation with the Department and Local Agencies. The 2009-10 capacity of \$60 million accounts for the \$27 million of 2009-10 capacity that was advanced to 2008-09, and \$4 million that was left unused at the end of 2008-09 and returned to 2009-10. ( $\$83M - \$27M = \$56M + \$4M = \$60M$ ).
- SHOPP and STIP bond capacity is based on the balance of bond authority available after 2007-08 and 2008-09 allocations, budget authority, and any administrative costs. Other Proposition 1B bond capacity is based on budget authority for those funds and is dependent on the sale of sufficient bonds for funding.

## APPENDIX B – FORECAST METHODOLOGY

### Methodology and Assumptions

The cash forecasts for the SHA, PTA, TCRF, TIF and TDIF are used by the Department to estimate and monitor the cash balance of transportation funds to determine the level of allocations that can be supported, and to prepare for low or high cash periods. Variances are identified and reported to management and the Commission. If necessary, adjustments are made to capital allocation levels, funding policy or forecast methodology. The 2009-10 cash forecasts and allocation capacities are based on the following assumptions:

- Expenditures for state operations and Capital Outlay Support (COS) are based on the 2009-10 Budget Act.
- Capital outlay and local assistance expenditures are based on actual and projected Commission allocations, using historical seasonal construction patterns.
- Proposition 42 transfers occur quarterly in the month after the quarter ends, except in the fourth quarter, which is assumed to occur in June.
- Monthly adjustments are not forecast since they comprise timing differences between the Department's accounting system and the State Controller's Office (SCO). These adjustments include short-term loans made to the General Fund, short-term loan repayments, Plans of Financial Adjustments (PFAs), funds transferred in and out, and reimbursements.
- PTA sales tax revenues, including spillover, are based on the 2009-10 Budget Act. There is a one quarter lag in posting of revenues, with the posting of fourth quarter revenues occurring in the first quarter of the following year.
- A \$135 million loan from the SHA to the GF authorized in the 2009-10 budget is included in the SHA forecast. Also included, is the assumption that the \$200 million loan from SHA to the GF in the 2008-09 FY, and the subsequent loan from the TCRF to the SHA for \$200 million will both be repaid in June 2011.
- Per the 2008-09 Budget Act, a \$60 million loan occurred in November 2008 from the TCRF to the PTA. The loan amount, based on revenue projections at the time, was intended to offset a portion of the PTA diversion for the Home-to-School Program. Repayment of this loan will occur in 2010-11.
- Federal receipts of approximately \$3.0 billion are based on the 2010 STIP Fund Estimate.

## APPENDIX B – STATE HIGHWAY ACCOUNT

### State Highway Account (SHA) 24-Month Cash Forecast (\$ in millions)



#### Year-to-Date SHA Summary

The SHA ended the second quarter with a cash balance of \$309 million, \$27 million (10 percent) above forecast. SHA second quarter revenues and transfers were in acceptable range of forecast. Expenditures through the quarter totaled \$1.6 billion, \$24 million (2 percent) below forecast. Adjustments, which represent timing differences, totaled a positive \$90 million.

As expected, the November cash balance dropped due to the November HUTA payment being received in December and a transfer of \$78 million being made to the PTA for Non-Article XIX, Section 183.1. The subsequent return to higher levels in December resulted from the receipt of a double HUTA payment (November and December).

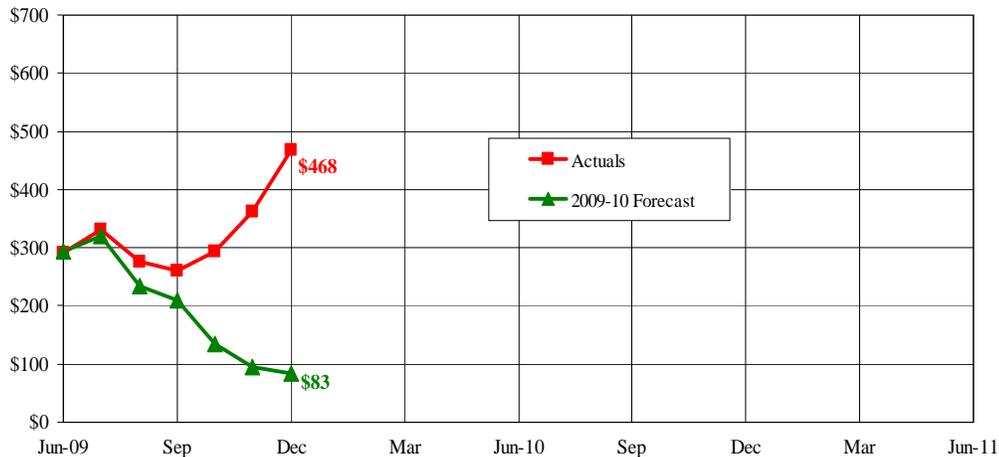
#### Year –to-Date Reconciliation

	(\$ in millions)			
	Forecast	Actual	Difference	%
<b>Beginning Cash Balance</b>	<b>\$428</b>	<b>\$428</b>	<b>\$0</b>	<b>0.0%</b>
Revenues	1,464	1,476	\$12	1%
Transfers	-94	-92	\$1	-1%
Expenditures	-1,617	-1,593	\$24	-2%
Adjustments	100	90	-\$10	-10%
<b>Ending Cash Balance</b>	<b>\$282</b>	<b>\$309</b>	<b>\$27</b>	<b>10%</b>

Note: Ending cash balance may differ due to rounding.

## APPENDIX B – PUBLIC TRANSPORTATION ACCOUNT

### Public Transportation Account (PTA) 24-Month Cash Forecast (\$ in millions)



#### Year-to-Date PTA Summary

The PTA year-to-date ending cash balance through the second quarter was \$468 million, \$385 million above the forecast amount of \$83 million. The high cash balance is due to the Third Appellate Court of California decision, which determined that redirections of current and prior fiscal year spillover revenue from the PTA to the MTF are invalid. Therefore, through the end of the fiscal year the PTA will continue to carry a higher cash balance than forecast. Revenue and transfers year-to-date were \$341 million, \$270 million above forecast. Expenditures were \$229 million, \$52 million (20 percent) below forecast. Lower than forecast expenditures on the LACMTA Mid-City Light Rail project contributed to the decreased expenditures. Adjustments were a positive \$63 million.

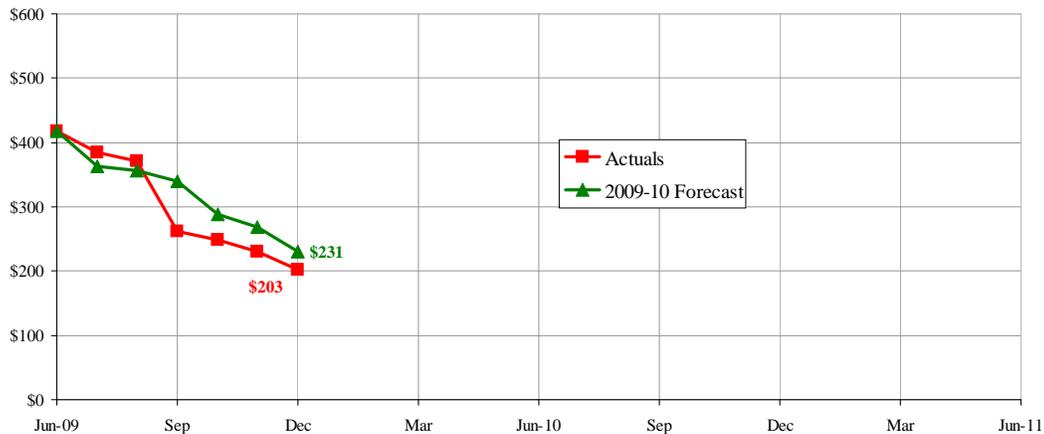
#### Year-to-Date Reconciliation

(\$ in millions)				
	Forecast	Actual	Difference	%
<b>Beginning Cash Balance</b>	<b>\$293</b>	<b>\$293</b>	<b>\$0</b>	<b>0.0%</b>
Revenues	80	138	\$58	73%
Transfers	-9	203	\$212	N/A
Expenditures	-281	-229	\$52	-20%
Adjustments	0	63	\$63	N/A
<b>Ending Cash Balance</b>	<b>\$83</b>	<b>\$468</b>	<b>\$385</b>	<b>N/A</b>

Note: Totals may differ due to rounding.

## APPENDIX B – TRAFFIC CONGESTION RELIEF FUND

### Traffic Congestion Relief Fund (TCRF) 24-Month Cash Forecast (\$ in millions)



### Year-to-Date TCRF Summary

The TCRF ending cash balance for the second quarter was \$204 million, \$27 million (12 percent) below the forecast amount of \$231 million. Expenditures were \$170 million, \$16 million (9 percent) below forecast. There were no revenues or transfers in the second quarter. Net adjustments for the year were a negative \$43 million.

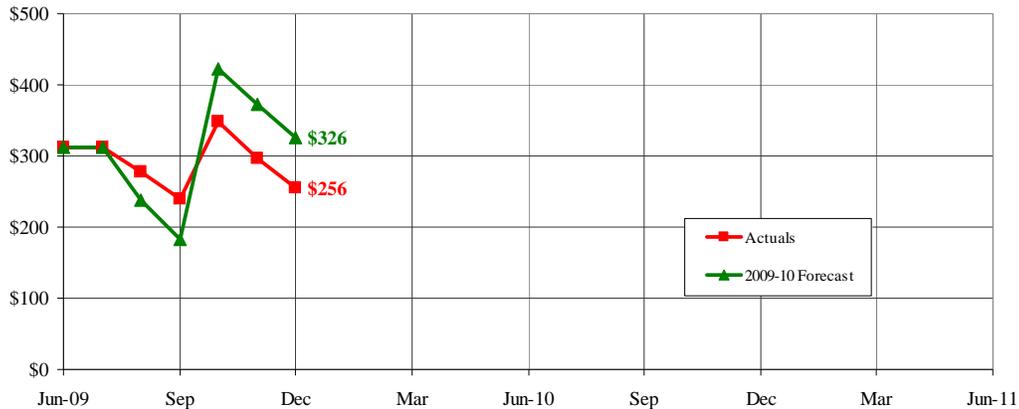
### Year –to-Date Reconciliation

	(\$ in millions)			
	Forecast	Actual	Difference	%
<b>Beginning Cash Balance</b>	<b>\$417</b>	<b>\$417</b>	<b>N/A</b>	<b>N/A</b>
Revenues	0	0	\$0	0%
Transfers	0	0	\$0	0%
Expenditures	-186	-170	\$16	-9%
Adjustments	0	-43	-\$43	N/A
<b>Ending Cash Balance</b>	<b>\$231</b>	<b>\$204</b>	<b>-\$27</b>	<b>-12%</b>

Note: Totals may differ due to rounding.

## APPENDIX B – TRANSPORTATION INVESTMENT FUND

### Transportation Investment Fund (TIF) 24-Month Cash Forecast (\$ in millions)



#### Year-to-Date TIF Summary

The TIF ending cash balance for the second quarter was \$256 million, \$70 million (21 percent) below forecast. Revenues totaled \$271 million, \$89 million (25 percent) lower than forecast. Transfers totaled \$54 million, \$18 million (25 percent) below forecast. The correlation between the transfers and revenues resulted in the proportionate difference. Expenditures totaled \$329 million, \$55 million (20 percent) above forecast. Net adjustments for the year were a positive \$56 million.

*(Note: Per Revenue and Taxation Code 7104.2 (h) (1) transfers of local apportionments for Q1 and Q2 will be delayed until May 31, 2010 and has been included in the forecast.)*

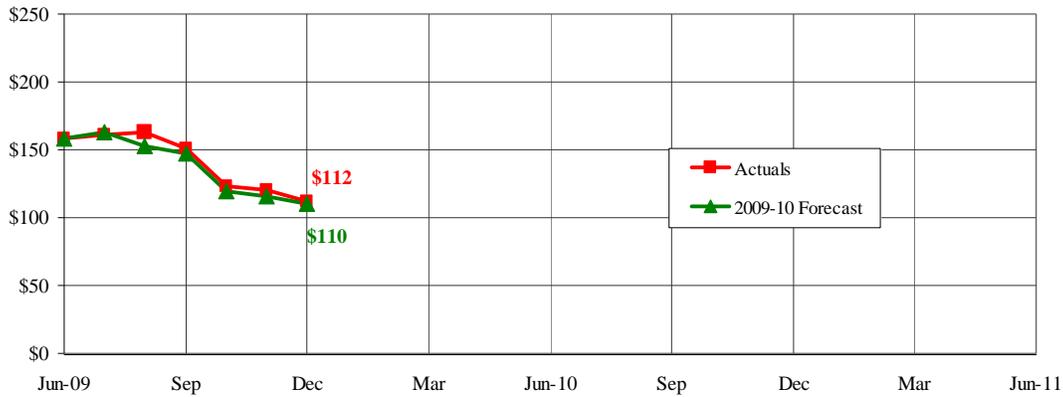
#### Year –to-Date Reconciliation

	(\$ in millions)			
	Forecast	Actual	Difference	%
<b>Beginning Cash Balance</b>	<b>\$312</b>	<b>\$312</b>	<b>N/A</b>	<b>N/A</b>
Revenues	360	271	-\$89	-25%
Transfers	-72	-54	\$18	-25%
Expenditures	-274	-329	-\$55	20%
Adjustments	0	56	\$56	N/A
<b>Ending Cash Balance</b>	<b>\$326</b>	<b>\$256</b>	<b>-\$70</b>	<b>-21%</b>

Note: Totals may differ due to rounding.

## APPENDIX B – TRANSPORTATION DEFERRED INVESTMENT FUND

### Transportation Deferred Investment Fund (TDIF) 24-Month Cash Forecast (\$ in millions)



#### Year-to-Date TDIF Summary

The TDIF ending cash balance for the second quarter was \$112 million, \$2 million (2 percent) above forecast. Year-to-date expenditures totaled \$49 million, \$1 million (2 percent) above forecast. Net adjustments through the second quarter were a positive \$3 million. TDIF allocations were a one-time occurrence as a result of a General Fund repayment in FY 2006-07. The forecast assumes the continued pattern of project expenditures until funds are exhausted. There will be no future allocations from the TDIF unless project savings are generated.

#### Year –to-Date Reconciliation

	(\$ in millions)			
	Forecast	Actual	Difference	%
<b>Beginning Cash Balance</b>	<b>\$158</b>	<b>\$158</b>	<b>N/A</b>	<b>N/A</b>
Revenues	0	0	\$0	0%
Transfers	0	0	\$0	0%
Expenditures	-48	-49	-\$1	2%
Adjustments	0	3	\$3	N/A
<b>Ending Cash Balance</b>	<b>\$110</b>	<b>\$112</b>	<b>\$2</b>	<b>2%</b>

Note: Totals may differ due to rounding.

## APPENDIX C – FEDERAL EMERGENCY PROJECTS

There have been no new disaster declarations for the quarter ending December 31, 2009, nor has the Department received any new Emergency Relief allocations from the Federal Highway Administration (FHWA). The chart below represents disasters that have not been completely funded by FHWA.

<b>Disaster Repair Costs</b>			
<b>Approved Federal Funding and State/Local Impact</b>			
<b>(\$ millions)</b>			
<b>Disaster</b>	<b>Identified Cost of Disaster Repair</b>		
	<b>State</b>	<b>Local</b>	<b>Total</b>
Dec. 2004 Storm CA05-1	243	95	338
Dec. 2005 Storm CA06-1	367	45	412
So. California Wildfires CA08-3	27	5	32
California Wildfires CA08-6	9	0	9
So. California Wildfires CA09-1	5	0	5
So. California Wildfires CA09-2	12	7	19
<b>Total Damage Estimate</b>	<b>\$663</b>	<b>\$152</b>	<b>\$815</b>
<b>Amount Obligated To Date</b>			<b>\$707</b>
<b>Allocation Available for Future Project Costs</b>			<b>\$63</b>
<b>Remaining Need</b>			<b>\$45</b>

Future federal emergency relief of this type can only be used to fund emergency projects and does not represent new capacity, except to the extent that SHA funds have already been advanced for emergency projects.

## APPENDIX D – TRANSPORTATION LOANS

Status of Outstanding Transportation Loans, as of January 1, 2010 (\$ in millions)			
FUND	Original Loan	Loans/Interest Paid-to-Date	Remaining Balance
<b>Pre-Proposition 42 (Tribal Gaming Revenue):</b>			
State Highway Account (SHA)	\$473	\$341	\$132
Public Transportation Account (PTA)	\$275	\$10	\$265
Traffic Congestion Relief Fund (TCRF)	\$482	\$0	\$482
<b>Subtotal Pre-Proposition 42 Tribal Gaming Loans:</b>	<b>\$1,230</b>	<b>\$351</b>	<b>\$879</b>
<b>Proposition 42:</b>			
Public Transportation Account (PTA)	\$220	\$218	\$2
Transportation Investment Fund (TIF)	\$440	\$440	\$0
Transportation Congestion Relief Fund (TCRF) <sup>1</sup>	\$1,066	\$483	\$582
Locals	\$440	\$440	\$0
<b>Subtotal Proposition 42 Loans:</b>	<b>\$2,167</b>	<b>\$1,582</b>	<b>\$585</b>
<b>General Fund Loan:</b>			
State Highway Account (SHA) <sup>2</sup>	\$200	\$0	\$200
Other transportation accounts	\$31	\$0	\$31
<b>Subtotal General Fund Loan:</b>	<b>\$231</b>	<b>\$0</b>	<b>\$231</b>
<b>Totals:</b>	<b>\$3,627</b>	<b>\$1,933</b>	<b>\$1,694</b>

Note: Numbers may not add due to rounding.

<sup>1</sup>The remaining amount due to TCRF under Proposition 42 suspension will be repaid in equal annual installments ending in 2015-16.

<sup>2</sup>The SHA is expected to be repaid \$200 million in 2010-11.

### Pre-Proposition 42 Loans (Tribal Gaming)

The Pre-Proposition 42 loans occurred in 2001-02 when the State was faced with a growing budget deficit and looked to transportation funds to help fill the budget shortfall. The Transportation Refinancing Plan, Assembly Bill (AB) 438 (Chapter 113, Statutes of 2001), authorized a series of loans that included delaying the transfers of gasoline sales tax to transportation for two years (until 2003-04), a TCRF loan to the General Fund, and loans from the SHA and PTA to the TCRF. In 2004-05, the Governor negotiated tribal gaming compacts to repay these loans through bonds, but legal challenges have prevented the bonds from being issued. In 2005-06, the Director of Finance began using the compact revenues to make annual payments towards these loan balances pursuant to GC Section 63048. The SHA is expected to be repaid \$100 million in 2010-11 and approximately \$32 million in 2011-12. The PTA repayment is expected to begin in 2014-15 and will be completed in 2016-17. The TCRF repayment is expected to begin in 2011-12 and will be completed in 2018-19. **However, there is no specific repayment plan required by statute, and no deadline for repayment of loans.**

### Proposition 42 Loans

In March 2002 Proposition 42 made the transfer of gasoline sales tax to transportation permanent. However, as state budget shortfalls continued, Proposition 42 transfers were partially suspended in 2003-04 and completely suspended in 2004-05, creating the Proposition 42 loan balances. These loans were partially repaid in 2006-07 with a payment of \$1.415 billion, leaving approximately \$752 million due to the TCRF. Outstanding Proposition 42 Loans, as of July 1, 2007, shall be repaid in annual installments not less than one-tenth of the total amount required to be transferred by June 30, 2016. With the passage of Proposition 1A in 2006, future suspensions of Proposition 42 transfers are limited to only two times during any 10-year period and these loans must be repaid within three years.

### **General Fund Loans**

The Budget Act of 2008 authorized \$230.7 million in loans to the General Fund from the SHA, the Bicycle Transportation Account, the Local Airport Loan Account, the Motor Vehicle Fuel Account, the Environmental Enhancement and Mitigation Program, the Historic Property Maintenance Fund, and the Pedestrian Safety Account. These funds were transferred to the General Fund on November 14, 2008. These loans are required to be repaid with interest calculated at the rate earned by the PMIA, by June 30, 2011. Repayments will be made to ensure that the programs supported by the SHA are not adversely affected by the loan. A \$135 million loan from the SHA to the General Fund was also authorized in the 2009-10 Budget, but has not occurred as of the second quarter. This loan is required to be repaid no later than June 2012.