

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 30-July 1, 2010

Reference No.: 3.8
Information Item

From: NORMA ORTEGA
Chief Financial Officer

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Local Assistance

Subject: **QUARTERLY REPORT ON LOCAL ASSISTANCE LUMP SUM ALLOCATION FOR FEDERAL FISCAL YEAR 2010**

SUMMARY:

For Federal Fiscal Year (FFY) 2010, the California Transportation Commission (Commission) allocated approximately \$807 million to the Department of Transportation (Department). Of the \$807 million allocated and administered by the Department, approximately \$128 million are State funds and \$679 million are federal funds.

As of March 31, 2010, approximately \$128 million, or 16 percent, of the \$807 million has been sub-allocated to 386 local projects.

The majority of the sub-allocations (approximately \$92.1 million) are for 314 projects in the following categories:

- Surface Transportation Program (STP) - 51 projects, \$26.5 million
- Congestion Mitigation and Air Quality Program (CMAQ) - 57 projects, \$5 million
- Freeway Service Patrol - 14 projects, \$22.7 million
- High Priority - 64 projects, \$23 million
- Highway Bridge Program - 42 projects, \$9.2 million
- Safe Routes to School - 35 projects, \$3.7 million
- Highway Safety Improvement Program - 51 projects, \$2 million

The remaining \$35.3 million was sub-allocated for 72 projects in other categories and account for 19 percent of the expenditures reported. These totals include Federal Transit Administration transfers (totaling \$13.3 million) for six CMAQ projects.

BACKGROUND:

The Department's 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 between categories, and the Department reports to the Commission if transfers in or out of an expenditure category exceed 10 percent of its allocation.

Local Assistance Lump Sum Allocation Status for FFY 2010:

As of March 31, 2009, the end of the second quarter, approximately \$128 million, or 16 percent, of the \$807 million allocated by the Commission, has been sub-allocated for 386 projects. Some programs have low sub-allocations; however, this is not unusual for the second quarter of the federal fiscal year. Sub-allocations have also been affected by the Local Agencies' focus on using the American Reinvestment and Recovery Act of 2009 (Recovery Act) funds in order to meet mandated deadlines.

The following programs do not have sub-allocations: STP State Match and Exchange, Bridge Inspection, Railroad Crossing Protection, Railroad Grade Crossing Maintenance, and Railroad Grade Separation. For the STP State Match and Exchange, the agreements were sent to local agencies in April 2010 and will be reflected on the next quarterly report. For Bridge Inspection, agreements are executed bi-annually consistent with the Bridge Inspection federal requirements and any unused funds can be used for the Highway Bridge Program. The Railroad Crossing Protection program anticipates sub-allocating all funds by the end of the federal fiscal year. For Railroad Grade Crossing Maintenance, it is anticipated that the Public Utilities Commission will bill by the end of FFY 2010. For Railroad Grade Separation, project applications have been received from local agencies. The Rail Program will review the project applications by June 30, 2010, and will sub-allocate funds after projects are selected.

For the RSTP and CMAQ programs, obligation plans were submitted by the Metropolitan Planning Organizations and Regional Transportation Agencies to the Department and indicate that local agencies will utilize these available funds.

For the Highway Bridge Program, FTIP amendments have been received and approved and agencies may request authorization for projects in the fundable element of the FTIP. For the Local Bridge Seismic Retrofit Account, details for projects and sub-allocations are discussed in the quarterly book item for Bond Funded Projects. For the Safety Program, sub-allocations in the second quarter remain low due to a continued focus on completion of Recovery Act projects.

For the Miscellaneous category, total expenditures exceed sub-allocations by \$16 million; however, this category is primarily used to fund federal discretionary programs. Budget authority is not requested for discretionary programs during the budget development process because it is unknown which programs will be funded. In addition, sub-allocations and expenditures in this category are funded with available funds from other programs.

The ratio of expenditures to allocations is lower this year (16 percent) when compared to this time last year (54 percent). Consistent with historical trends, the Department anticipates using all funds allocated by the Commission for FFY 2010.

Attachment

LOCAL ASSISTANCE FUNDS
FY 2009-10
As of March 31, 2010
(Dollars in thousands)

Reference No.: 3.8
Attachment

Fund Description	Commission 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)		211,676	211,676	0	26,487	26,487	0	185,189	185,189	13%	51
STP State Match and Exchange	57,849		57,849			0	57,849	0	57,849	0%	
Congestion Mitigation & Air Quality Program (CMAQ)		202,633	202,633		5,000	5,000	0	197,633	197,633	2%	57
Freeway Service Patrol	25,479		25,479	22,736		22,736	2,743	0	2,743	89%	14
High Priority Projects		104,085	104,085		22,981	22,981	0	81,104	81,104	22%	64
Miscellaneous	3,000	850	3,850	0	19,460	19,460	3,000	-18,610	-15,610	505%	46
Bridge Programs											
Bridge Inspection	735	1,320	2,055	0		0	735	1,320	2,055	0%	
Highway Bridge Program		99,542	99,542		9,223	9,223	0	90,319	90,319	9%	42
Local Bridge Seismic Retrofit		15,437	15,437		1,068	1,068	0	14,369	14,369	7%	11
Rail Programs											
Railroad Grade Crossing Protection		5,858	5,858		0	0	0	5,858	5,858	0%	
Railroad Grade Crossing Maintenance	2,000		2,000	0		0	2,000	0	2,000	0%	
Railroad Grade Separations	15,000		15,000	0		0	15,000	0	15,000	0%	
Safety Programs											
Highway Safety Improvement Program (HSIP)		23,606	23,606		2,011	2,011	0	21,595	21,595	9%	51
High Risk Rural Roads (HRRR)		3,714	3,714		1,494	1,494	0	2,220	2,220	40%	9
Safe Routes to School	24,250	10,336	34,586	0	3,744	3,744	24,250	6,592	30,842	11%	35
Total Local Assistance Subvention Funds	128,313	679,057	807,370	22,736	91,468	114,204	105,577	587,589	693,166	14%	380
Federal Transit Administration (FTA) Transfers				0	13,328	13,328					6
Total Local Assistance Including FTA Transfers	128,313	679,057	807,370	22,736	104,796	127,532	105,577	587,589	693,166	16%	386

Assumptions:

- * Allocations for state funds reflect June 2009 meeting vote, Item 2.5h.
- * Allocations for federal funds reflect May 2009 meeting vote, Item 2.5h.
- * The Allocation Balance is the difference between Commission Allocation and Total Expenditures.
- * FTA Transfers are \$13,328,328 for CMAQ.
- * Expenditures and Number of Projects are from LP2000 report.
- * In accordance with CTC Resolution G-01-08, the Department reports when total transfers into or out of an expenditure category exceed 10 percent.
- * Total expenditures are encumbrances plus cash expenditures.