

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: September 22-23, 2010

Reference No.: 3.13
Information Item

From: NORMA ORTEGA
Chief Financial Officer

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Division Chief
Budgets

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

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

Attachment

Department of Transportation Quarterly Finance Report

Fourth 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**

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

Department of Transportation Quarterly Finance Report

Fourth Quarter 2009-10

EXECUTIVE SUMMARY

2009-10 Revised Capital Allocations vs. Capacity Summary through June 30, 2010 (\$ in millions)						
	SHOPP ¹	STIP ¹	TCRP	BONDS	ARRA-TE (Non-STIP)	TOTAL
Total Allocation Capacity	\$2,022	\$1,275	\$60	\$4,228	\$12	\$7,597
Total Votes	1,483	796	141	888	27	\$3,335
Authorized Changes ²	-396	-54	-5	N/A	-1	-\$456
Total Remaining Capacity	\$935	\$533	-\$76	\$3,340	-\$15	\$4,719

Note: Totals may not add due to rounding

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

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

The Commission has allocated \$3.335 billion toward 730 projects through the fourth quarter of 2009-10. This represents approximately 43 percent of the \$7.597 billion total revised capacity approved by the Commission in April. Adjustments totaled \$456 million, leaving \$4.719 billion in remaining capacity.

In April, the Commission approved an increase in capacity of \$620 million; \$310 million for the State Highway Operations Protection Program (SHOPP) and \$310 million for the State Transportation Improvement Program (STIP). The increase stemmed from receipt of additional federal obligation authority and savings from prior year federal de-obligations. The Department is taking a proactive approach to ensure all federal resources are committed prior to the end of the Federal Fiscal Year in September. In addition to prioritizing the commitment of federal funds on all projects, the Department has been advancing projects into 2009-10 that were originally programmed for commitment in 2010-11 and later. Many of the advanced projects were allocated during the August 2010 Commission meeting.

The Governor's May Revision was released on May 14, 2010, and it contained items which impact Transportation. The revision includes a delay in the repayment of \$230 million in loans from the General Fund until June 2012. The bulk of this repayment would have been to the State Highway Account (SHA) in the amount of \$200 million. The Department will mitigate the impact of this delay by utilizing short-term loans between transportation funds. The revision also includes a \$650 million loan from the Highway Users Tax Account (HUTA); however, the Department does not expect this loan to impact transportation, as these resources were never made available for transportation purposes. This loan is expected to be repaid by June 2013.

Another item of concern for transportation is Proposition 22 on the November ballot. This proposition would repeal sections of the fuel tax swap, eliminate short term cash loans from the Public Transportation Account (PTA), and restrict the legislature from borrowing from the PTA. The Department will present a detailed analysis on the effects of Proposition 22 at the September Commission meeting.

With the exception of the PTA and the SHA, cash balances for all primary Departmental funds were within acceptable range of the forecast through the end of the fourth quarter, (see Appendix B). The PTA cash balance was high due to the Third Appellate Court's ruling that spillover diversions from the PTA to the Mass Transportation Fund (MTF) were illegal. The higher than forecast SHA balance was due to the delay in transfer of the \$135 million loan to the General Fund.

There were no bond sales during the fourth quarter; however, the Department of Finance (DOF) is anticipating a fall 2010 bond sale by the State Treasurer's Office (STO).

During the June/July Commission meeting, the Department put forth its expected allocation capacity for the 2010-11 fiscal year. (See Appendix A for detail by fund)

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	\$330	-\$71	\$259	-\$59
Prop 1B SHOPP	177	10	-3	6	170
FTF	1,645	1,143	-322	821	824
Total	\$2,022	\$1,483	-\$396	\$1,086	\$935

Capital Allocations vs. Capacity

SHOPP allocations totaled \$1.483 billion toward 423 projects through the fourth quarter, representing 73 percent of the \$2.022 billion revised capacity. Adjustments totaled \$396 million, the majority of which stem from savings on projects allocated last year. This resulted in net allocations of \$1.086 billion. Federal resources and bond funds comprise the majority of the remaining capacity. The Department has advanced projects into 2009-10 in order to ensure all federal resources are encumbered prior to the end of the Federal fiscal year; however, continued difficulty in selling bonds by the STO has made allocating bond projects difficult.

Outlook for Funding & Allocations

The SHOPP continues to benefit from a favorable bidding climate as the State's economy struggles to improve. Prior year project savings allowed the Commission to approve a \$310 million increase in the Federal Trust Fund (FTF) capacity for SHOPP in April. The Department is working to move projects forward to ensure the commitment of all federal resources prior to the end of the federal fiscal year in September. To that end, more than \$800 million in SHOPP projects were voted in August.

The fuel tax swap bills (ABX8-6 and ABX8-9) are expected to provide additional SHOPP funding through increased excise taxes on gasoline beginning July 1, 2011. The Department estimates SHOPP increased funding to be approximately \$650 million over a 5-year period. ABX8-9 also requires any remaining TIF obligations as of July 1, 2010, which cannot be funded with resources in that fund, will become SHA obligations. The Department projects TIF resources will be sufficient to fund its obligations through 2010-11; therefore, we do not anticipate this requirement to impact SHA until the 2011-12 fiscal year.

Proposition 22, on the November ballot, may impact SHA resources by changing the accessibility of transportation funds.

Recommendations

The Department will monitor potential impacts and, if necessary, recommend a change to the preliminary 2010-11 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	335	-13	322	-22
FTF	456	393	-1	392	64
Prop 1B STIP	514	58	-40	18	496
Total	\$1,275	\$796	-\$54	\$742	\$533

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 \$1.275 billion STIP capacity, a net total of \$742 million was allocated through the fourth quarter, including adjustments totaling \$54 million in award savings. There were 202 projects allocated through the fourth quarter, with a total remaining capacity of \$533 million. The bulk of the remaining capacity is bond resources. Because of the current economic climate, the STO has been unable to sell sufficient bonds to fund new projects. The SHA \$5 million over-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. Fuel tax swap bill ABX8-6 and 9 redirects the use of Proposition 42 to the General Fund and requires any remaining TIF obligations as of July 1, 2010, which cannot be funded with resources in that fund, will become SHA obligations. The Department projects TIF resources will be sufficient to fund its obligations through 2010-11.

Public Transportation Account (PTA). Fuel tax swap bill ABX8-9 lifted the suspension of the transfer from the PTA to State Transit Assistance (STA). In June, a \$400 million disbursement was made. This disbursement represents funding for fiscal years 2009-10 and 2010-11. \$79 million not subject to Article XIX was also re-transferred back to the SHA. PTA debt service payments through 2010-11 total \$396 million. The Department estimates these actions, along with the elimination of all sales taxes on gasoline, will have an impact on PTA resources. The Department estimates little to no PTA capacity for STIP by 2011-12. If passed, Proposition 22, which is on the November ballot, could impact the PTA significantly. This Proposition would repeal portions of ABX8-6 and 9 and eliminate short term cash loans from the PTA.

Transportation Facilities Account (TFA). With the current fiscal climate, bond sales have not been sufficient to fund new capacity, and there were no sales during the fourth quarter. The DOF is anticipating a fall 2010 bond sale by the STO. The Department will likely receive funding for the remainder of Fiscal Year 2010-11 from this sale; however, no specific details are available at this time.

Federal Trust Fund (FTF). In April, the Commission approved a \$620 million increase to the current FTF capacity. Half of the total increase, or \$310 million, was approved for STIP. The increased capacity is a result of additional federal funds and prior year project savings.

Recommendations

The Department will monitor potential impacts and, if necessary, recommend a change to the preliminary 2010-11 capacity.

TRAFFIC CONGESTION RELIEF PROGRAM (TCRP)

Traffic Congestion Relief Program (\$ in millions)					
Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
TCRF	\$60	\$141	-\$5	\$136	-\$76
Total	\$60	\$141	-\$5	\$136	-\$76

Capital Allocations vs. Capacity

Through the fourth quarter, a total of \$141 million toward 15 projects has been allocated from the TCRP. Because the TCRP is currently over allocated by \$76 million, the TCRP's 2010-11 allocation capacity will be reduced accordingly. 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

Approximately \$981 million in loan repayments are still outstanding from the GF (refer to Appendix D). TCRP receives \$83 million annually for repayment of \$499 million in outstanding 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 fourth quarter, all \$28 million has been allocated toward 46 projects.

PROPOSITION 1B BONDS

Proposition 1B Bonds (\$ in millions)			
Fund	Allocation Capacity	Allocations to Date	Remaining Capacity
CMIA	\$1,858	\$370	\$1,488
TCIF	746	66	\$679
Intercity Rail	287	3	\$284
State-Local Partnership	360	83	\$277
Local Bridge Seismic	31	12	\$19
Grade Separations	241	147	\$94
Traffic Light Synch.	182	35	\$147
Route 99	525	172	\$352
Total	\$4,228	\$888	\$3,340

Note: Totals may differ due to rounding.

Capital Allocations vs. Capacity

Bond allocations through the fourth quarter totaled \$888 million, representing 21 percent of the \$4.228 billion capacity. A total of 101 bond projects were allocated through the fourth quarter. The \$3.34 billion in remaining capacity is due to 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 Department did not receive any proceeds from the sale of bonds during the fourth quarter. Per Budget Letter 10-09, released on April 27, 2010, the Department of Finance is anticipating a Fall 2010 bond sale by the State Treasurer's Office. The Department will likely receive funding for the remainder of Fiscal Year 2010-11 from this sale; however, no specific details of a fall 2010 bond sale have been released at this time.

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

2010-11 Proposed Allocation Capacity By Fund and Program (\$ in millions)					
Fund	SHOPP	STIP	TCRP	Other Bonds	Total
SHA	\$200	\$200	\$0	\$0	\$400
FTF	1,800	200	0	0	2,000
PTA	0	225	0	0	225
TCRF	0	0	84	0	84
<i>Prop 1A Bonds*</i>	0	0	0	234	234
<i>Prop 1B Bonds*</i>	57	469	0	3,471	3,997
Total Capacity	\$2,057	\$1,094	\$84	\$3,705	\$6,940

** Bond capacity represents total budget authority and is subject to sales in 2010-11.*

The 2010-11 proposed allocation capacity of \$6.9 billion includes Proposition 1B and Proposition 1A capacity.

This allocation capacity is based on:

- For SHOPP, 2010-11 Budget Act revenue and expenditure estimates, and 2010 STIP Fund Estimate federal receipts.
- The PTA allocation capacity of \$225 million is based on a lowered prudent cash balance (\$100 million) and takes into consideration the anticipated \$396 million in debt service payments through 2010-11. Also taken into consideration are the changes to PTA funding enacted through ABX8-6 and 9.
- 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.
- 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

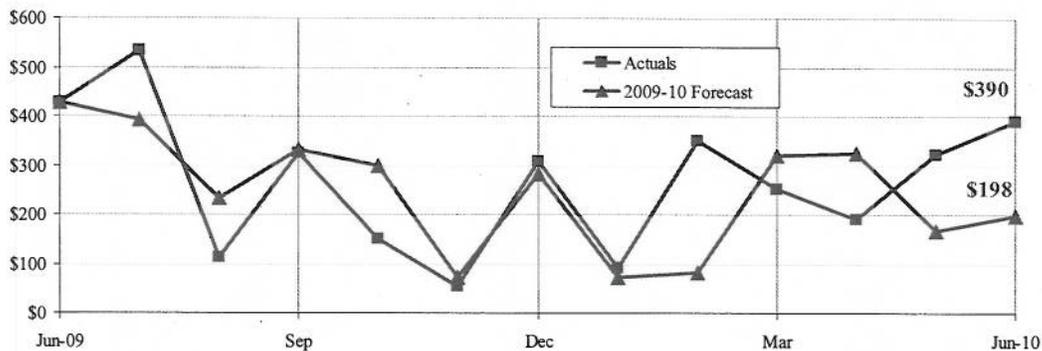
Methodology and Assumptions

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 2010-11 cash forecasts and allocation capacities are based on the following assumptions:

- Expenditures for state operations and Capital Outlay Support (COS) are based on the 2010-11 Budget Act.
- Capital outlay and local assistance expenditures are based on actual and projected Commission allocations, using historical seasonal construction patterns.
- 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.
- A \$135 million loan from the SHA to the GF authorized in the 2009-10 Budget was included in the 2009-10 SHA forecast; however, the loan was not taken until July 2010. Also included, is the assumption that the repayment of 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 delayed until June 2012.
- 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 October of 2010.
- Federal receipts of approximately \$3.0 billion are based on the 2010 STIP Fund Estimate.

APPENDIX B – STATE HIGHWAY ACCOUNT

**State Highway Account (SHA)
12-Month Cash Forecast
(\$ in millions)**



Year-to-Date SHA Summary

The SHA ended the fourth quarter with a cash balance of \$390 million, \$192 million (97 percent) above forecast. The higher ending cash balance was due, in most part, to the \$135 million loan to the General Fund which has not yet occurred. The transfer was forecasted in June, however, will not occur until July. Revenue and transfers year-to-date were \$2.8 billion, \$36 million above forecast. Expenditures through the fourth quarter totaled \$2.9 billion, \$229 million (7 percent) below forecast. The difference was largely due to the lower than forecast expenditures for Non-Departmental and State Operations. Adjustments, which represent revenue receipt timing differences, totaled a positive \$126 million.

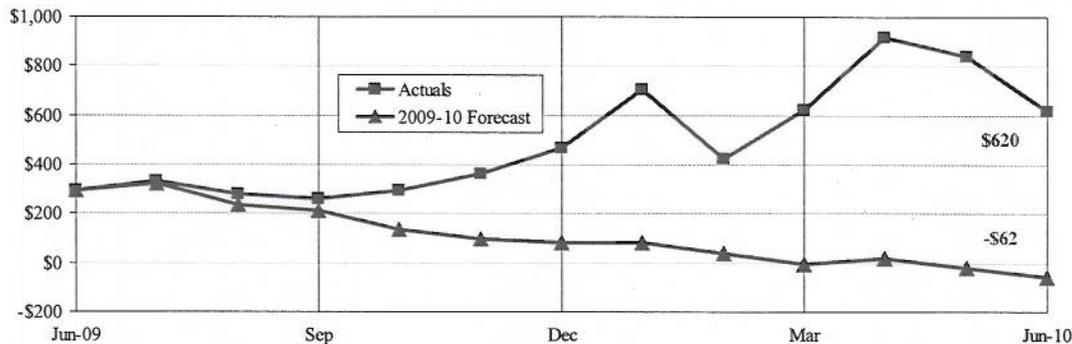
Year-to-Date Reconciliation

	(\$ in millions)			
	Forecast	Actual	Difference	%
Beginning Cash Balance	\$428	\$428	\$0	0.0%
Revenues	2,998	2,908	-90	-3%
Transfers	-249	-122	127	-51%
Expenditures	-3,180	-2,951	229	-7%
Adjustments	200	126	-74	-37%
Ending Cash Balance	\$198	\$390	\$192	97%

Note: Ending cash balance may differ due to rounding.

APPENDIX B – PUBLIC TRANSPORTATION ACCOUNT

Public Transportation Account (PTA) 12-Month Cash Forecast (\$ in millions)



Year-to-Date PTA Summary

The PTA ending cash balance through the fourth quarter was \$620 million, \$682 million above the forecast amount of -\$62 million. The high cash balance is due to on June 30, 2009 the California Third Appellate Court ruled that funds in the PTA may only be used for “transportation planning” and “mass transportation” purposes. As a result, redirections of current and prior fiscal year spillover revenues of approximately \$960 million were deemed invalid. Revenue and transfers year-to-date were \$1.3 billion, \$844 million above forecast. The PTA Expenditures were \$623 million, \$179 million (41 percent) above forecast. On March 22, 2010 Governor Schwarzenegger signed Assembly Bill 6 and 9 of the eighth extraordinary session (ABX8 6 and ABX8 9), which lifted the suspended transfers from the PTA to STA, authorizing the State Controller to distribute \$400 million from PTA to STA covering 2009-10 and 2010-11. The Department estimates reinstatement of allocations to the STA will affect the availability of PTA resources.

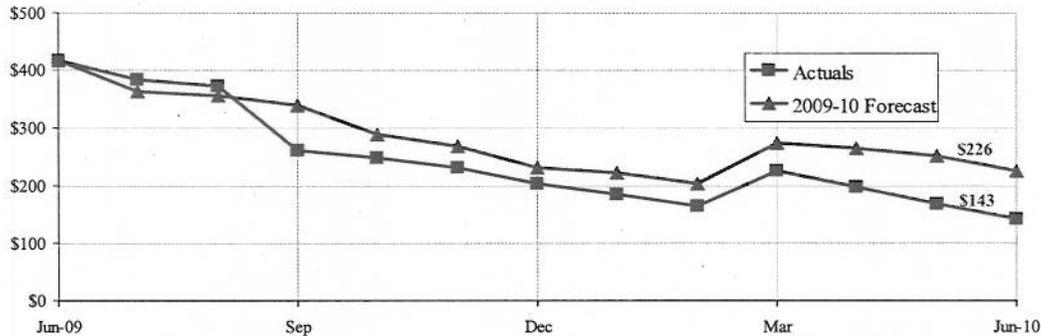
Year-to-Date Reconciliation

	(\$ in millions)			
	Forecast	Actual	Difference	%
Beginning Cash Balance	\$293	\$293	N/A	N/A
Revenues	238	931	693	291.5%
Transfers	225	376	151	66.8%
Expenditures	-444	-623	-179	40.5%
Adjustments	-375	-357	18	-4.7%
Ending Cash Balance	-\$62	\$620	\$682	N/A

Note: Totals may differ due to rounding.

APPENDIX B – TRAFFIC CONGESTION RELIEF FUND

**Traffic Congestion Relief Fund (TCRF)
12-Month Cash Forecast
(\$ in millions)**



Year-to-Date TCRF Summary

The TCRF ending cash balance for the fourth quarter was \$143 million, \$83 million (37 percent) below the forecast amount of \$226 million. Expenditures were \$246 million, \$28 million (10 percent) below forecast. The lower than forecast ending cash balance was a result of higher than anticipated outlays. There were no revenues for the fourth quarter. Net adjustments for the year were a negative \$111 million.

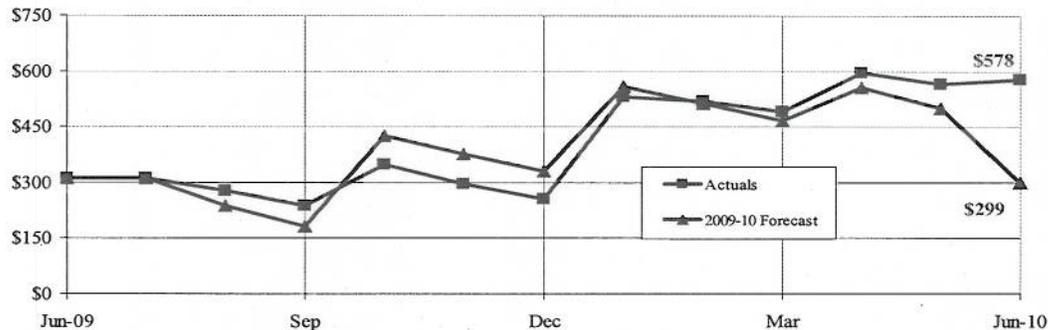
Year-to-Date Reconciliation

	(\$ in millions)			
	Forecast	Actual	Difference	%
Beginning Cash Balance	\$417	\$417	N/A	N/A
Revenues	0	0	0	0%
Transfers	83	83	0	0%
Expenditures	-274	-246	28	-10%
Adjustments	0	-111	-111	N/A
Ending Cash Balance	\$226	\$143	-\$83	-37%

Note: Totals may differ due to rounding.

APPENDIX B – TRANSPORTATION INVESTMENT FUND

Transportation Investment Fund (TIF) 12-Month Cash Forecast (\$ in millions)



Year-to-Date TIF Summary

The TIF ending cash balance for the fourth quarter was \$578 million, \$279 million (93 percent) above forecast. TIF fourth quarter revenues were in acceptable range of forecast. Transfers totaled \$702 million, \$163 million (19 percent) below forecast. Expenditures totaled \$514 million, \$75 million (13 percent) below forecast. Net adjustments for the year were a positive \$45 million. The difference between the forecast and actual ending cash balance is due primarily to an outstanding Local Streets and Roads transfer for the fourth quarter in the amount of \$160 million.

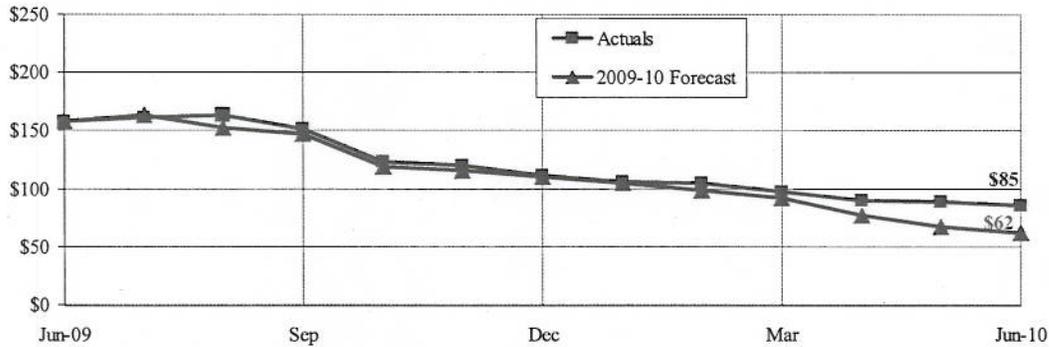
Year-to-Date Reconciliation

	(\$ in millions)			
	Forecast	Actual	Difference	%
Beginning Cash Balance	\$312	\$312	N/A	N/A
Revenues	1,441	1,437	-4	0%
Transfers	-865	-702	163	-19%
Expenditures	-589	-514	75	-13%
Adjustments	0	45	45	N/A
Ending Cash Balance	\$299	\$578	\$279	93%

Note: Totals may differ due to rounding.

APPENDIX B – TRANSPORTATION DEFERRED INVESTMENT FUND

Transportation Deferred Investment Fund (TDIF) 12-Month Cash Forecast (\$ in millions)



Year-to-Date TDIF Summary

The TDIF ending cash balance for the fourth quarter was \$85 million, \$23 million (38 percent) above forecast. Year-to-date expenditures totaled \$66 million. Net adjustments through the fourth quarter were a negative \$8 million. The difference between the forecast and actual ending cash balance is due to a delay in expenditures being processed near the end of the quarter. 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	%
Beginning Cash Balance	\$158	\$158	N/A	N/A
Revenues	83	83	0	0%
Transfers	-83	-83	0	0%
Expenditures	-96	-66	30	-31%
Adjustments	0	-8	-8	N/A
Ending Cash Balance	\$62	\$85	\$23	37%

Note: Totals may differ due to rounding.

APPENDIX C – FEDERAL EMERGENCY PROJECTS

There have been no new disaster declarations for the quarter ending June 30, 2010, nor has the Department received any new Emergency Relief allocations from the Federal Highway Administration. The chart below represents disasters that have not been completely funded by FHWA.

Disaster Repair Costs Approved Federal Funding and State/Local Impact (\$ millions)			
Disaster	Identified Cost of Disaster Repair		
	State	Local	Total
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
Jan. 2010 Storm CA10-1	80	24	104
Humboldt Co. Earthquake CA10-2	1	3	4
Total Damage Estimate	\$663	\$179	\$923
Amount Obligated To Date			\$730
Allocation Available for Future Project Costs			\$46
Remaining Need			\$147

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 June 30, 2010 (\$ in millions)			
FUND	Original Loan	Loans/Interest Paid-to-Date	Remaining Balance
Pre-Proposition 42 (Tribal Gaming Revenue):			
State Highway Account (SHA)	\$473	\$341	\$132
Public Transportation Account (PTA)	\$275	\$10	\$265
Traffic Congestion Relief Fund (TCRF)	\$482	\$0	\$482
Subtotal Pre-Proposition 42 Tribal Gaming Loans:	\$1,230	\$351	\$879
Proposition 42:			
Public Transportation Account (PTA)	\$220	\$218	\$2
Transportation Investment Fund (TIF)	\$440	\$440	\$0
Transportation Congestion Relief Fund (TCRF) ¹	\$1,066	\$566	\$499
Locals	\$440	\$440	\$0
Subtotal Proposition 42 Loans:	\$2,167	\$1,665	\$501
General Fund Loan:			
State Highway Account (SHA) ²	\$335	\$0	\$335
Other transportation accounts	\$31	\$0	\$31
Subtotal General Fund Loan:	\$366	\$0	\$366
Totals:	\$3,762	\$2,016	\$1,746

Note: Numbers may not add due to rounding.

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

²The SHA is expected to be repaid \$335 million in 2011-12.

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, 2012. 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. The loan to the General Fund occurred on June 30, 2010. This loan is required to be repaid no later than June 2012.