

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: September 22-23, 2010

Reference No.: 3.9
Information Item

From: NORMA ORTEGA
Chief Financial Officer

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Local Assistance

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). As of June 30, 2010, approximately \$995 million (63.7 percent) of the \$1.6 billion has been sub-allocated and encumbered for 813 projects.

BACKGROUND:

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009 (Recovery Act). 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 and FFY 2010:

The deadline set by the Federal Highway Administration to obligate all the federal funds to projects was March 2, 2010. By February 18, 2010, the Department obligated all Recovery Act funds allocated by the Commission for FFY 2009.

As of June 30, 2010, the end of the third quarter of FFY 2010, approximately \$1.6 billion was obligated for 860 projects. Of this amount, approximately \$995 million has been sub-allocated and encumbered for 813 projects. The remaining \$568 million were obligated for 47 projects; 21 projects totaling \$529 million are being implemented by the Capital Outlay program, 17 projects totaling \$29 million have been transferred to the Federal Transit Administration for implementation, and there are nine locally-administered projects that are in the process of having program supplements executed. As a result of cost adjustments to projects, there is currently a net amount of \$9 million available for encumbrance; this and any additional savings will be used for other projects as it becomes available.