

# Memorandum

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: January 20-21, 2016

Reference No.: 4.16  
Action Item

From: NORMA ORTEGA  
Chief Financial Officer

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Division of Budgets

Subject: **REVISED 2016 AERONAUTICS ACCOUNT FUND ESTIMATE**

## **RECOMMENDATION:**

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve the Revised 2016 Aeronautics Account Fund Estimate, which includes an update to 2015-16 Program Allocation.

## **ISSUE:**

In August 2015, the Commission approved the 2016 Aeronautics Account Fund Estimate. In December 2015, the Commission approved the updated assumptions for the Fund Estimate. This update included a \$1.3 million transfer from the Local Airport Loan Account (LALA) to the Aeronautics Account in Fiscal Year 2015-16, and annual transfers of \$4 million from the LALA for future years over the fund estimate period. The Department has revised the 2016 Aeronautics Account Fund Estimate to incorporate these transfers. The Department's Division of Aeronautics revised the 2015-16 Program Allocation to reflect changes that occurred after adoption of the Fund Estimate.

## **BACKGROUND:**

The Department's Division of Aeronautics allocates funds through the California Aid to Airports Program (CAAP), which includes three separate grant programs; the Annual Credit grant, Airport Improvement Program (AIP) grant, and the Acquisition and Development (A&D) grant. The Annual Credit grant program provides \$10,000 per year to eligible publicly-owned General Aviation (GA) airports. The second statutory priority is the state's AIP match, which is required for the federal AIP grant. This program provides state match funding of five percent of the federal grant amount to eligible GA airports. Finally, the A&D grant program provides grants to eligible publicly-owned GA airports for 90 percent of project costs, subject to cash availability after funding the previous two grant aid programs.

State law allows for a transfer of funds from the LALA to the Aeronautics Account with the approval of the Commission and the Department of Finance. Transfers must be used to fund the CAAP, and shall not reduce the LALA balance below \$5 million dollars.

Attachment

# PROPOSED

## REVISED 2016 FUND ESTIMATE AERONAUTICS ACCOUNT (\$ in thousands)

	2015-16	2016-17	2017-18	2018-19	2019-20	4-Year Total
<b>RESOURCES</b>						
Beginning Balance	\$8,473	\$1,087	\$200	\$200	\$200	
Adjustment for Prior Commitments <sup>1</sup>	(4,133)					
<b>ADJUSTED BEGINNING BALANCE</b>	<b>\$4,340</b>	<b>\$1,087</b>	<b>\$200</b>	<b>\$200</b>	<b>\$200</b>	<b>\$1,687</b>
Aviation Gas Excise Tax <sup>2</sup>	\$3,051	\$3,128	\$3,207	\$3,289	\$3,372	\$12,996
Jet Fuel Excise Tax <sup>2</sup>	2,392	2,379	2,367	2,354	2,342	9,442
Interest (SMIF)	19	15	12	11	11	49
Federal Trust Funds	439	449	459	469	479	1,855
Sale of Documents	1	1	1	1	1	3
Transfer to PTA Account	(30)	(30)	(30)	(30)	(30)	(120)
Transfers from Local Airport Loan Account <sup>3</sup>	1,300	4,000	4,000	4,000	4,000	16,000
<b>TOTAL RESOURCES</b>	<b>\$11,512</b>	<b>\$11,028</b>	<b>\$10,216</b>	<b>\$10,293</b>	<b>\$10,374</b>	<b>\$41,911</b>
<b>STATE OPERATIONS</b>						
State Operations	(\$3,924)	(\$4,011)	(\$4,099)	(\$4,189)	(\$4,279)	(\$16,578)
State Controller (0840)	(1)	(1)	(1)	(1)	(1)	(4)
Financial Information System for California (8880)	(7)	(7)	(7)	(7)	(8)	(30)
<b>TOTAL STATE OPERATIONS</b>	<b>(\$3,932)</b>	<b>(\$4,019)</b>	<b>(\$4,107)</b>	<b>(\$4,198)</b>	<b>(\$4,288)</b>	<b>(\$16,612)</b>
<b>LOCAL ASSISTANCE</b>						
Grants to Local Agencies (Annual Credit Program)	(\$1,490)	(\$1,490)	(\$1,490)	(\$1,490)	(\$1,490)	(\$5,960)
Airport Improvement Program (AIP) Match <sup>4</sup>	(2,500)	0	0	0	0	0
Acquisition & Development (A&D) <sup>4</sup>	(2,503)	0	0	0	0	0
Program Capacity	\$0	(\$5,319)	(\$4,418)	(\$4,406)	(\$4,396)	(\$18,539)
<b>TOTAL LOCAL ASSISTANCE</b>	<b>(\$6,493)</b>	<b>(\$6,809)</b>	<b>(\$5,908)</b>	<b>(\$5,896)</b>	<b>(\$5,886)</b>	<b>(\$24,499)</b>
<b>FUND BALANCE</b>	<b>\$1,087</b>	<b>\$200</b>	<b>\$200</b>	<b>\$200</b>	<b>\$200</b>	

Note: Amounts may not sum to totals due to independent rounding.

<sup>1</sup> Includes outstanding Plans of Financial Adjustment and encumbrances.

<sup>2</sup> Excise tax revenues are based on the 2015-16 projection from the 2015-16 Governor's Budget and escalated each year from 2016-17 through 2019-20 per Aeronautics Account Assumption #2.

<sup>3</sup> Fiscal year transfers from Local Airport Loan Account were approved by the Commission in December 2015.

<sup>4</sup> Revised Programming prepared by Division of Aeronautics in December 2015.