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CALIFORNIA
TRANSPORTATION COMMISSION

CALIFORNIA TRANSPORTATION COMMISSION
Adoption of 2004 STIP Fund Estimate

Resolution No. G-03-20

1.1 WHEREAS the 2004 State Transportation Improvement Program (STIP) will include the five fiscal years ending with fiscal year 2008-09 and the 2004 State Highway Operation and Protection Program (SHOPP) will include the four fiscal years ending with fiscal year 2007-08, and

1.2 WHEREAS the first three years of the 2004 STIP are the last three years of the 2002 STIP, so that two new program years are added, and

1.3 WHEREAS the two new program years include the last year of one four-year STIP county share period and the first year of the following share period, and

1.4 WHEREAS Government Code Sections 14524 and 14525 call for the Department of Transportation to present and the Commission to adopt a biennial STIP Fund Estimate to include an estimate of all state and federal funds reasonably expected to be available for the biennial STIP, including the amount that may be programmed in each county for regional improvement programs, and

1.5 WHEREAS the Department, in accordance with Government Code Section 14524, presented its Proposed 2004 STIP Fund Estimate at the Commission meeting of November 24, 2003, and

1.6 WHEREAS the Department's Proposed 2004 STIP Fund Estimate is generally consistent with the requirements in Government Code 14524, and

1.7 WHEREAS the Proposed Fund Estimate identifies a total of $415 million in additional programming capacity for the STIP, including $407 million for Transportation Enhancement (TE) projects and $8 million for other projects, and

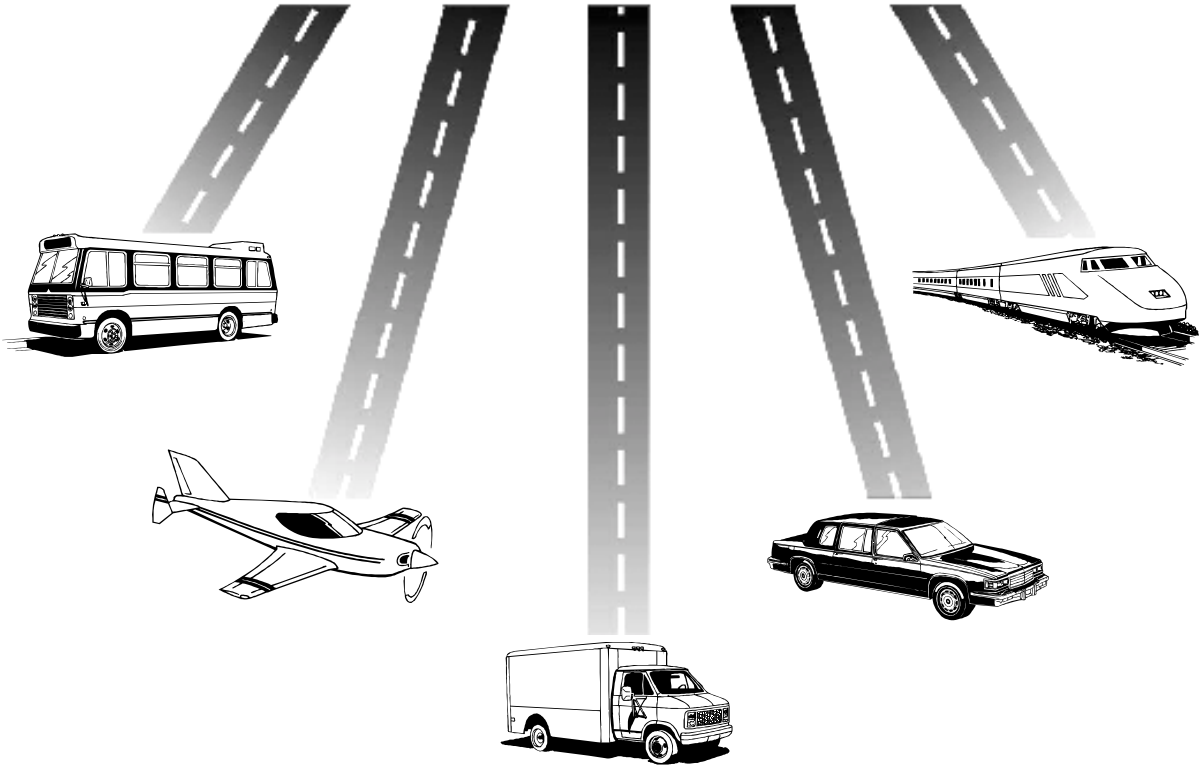
1.8 WHEREAS the Commission has considered the assumptions and information in the Proposed 2004 STIP Fund Estimate, which include projections of revenue for state and federal transportation funds, existing STIP project commitments, and a review of the needs and requirements for funding other parts of the state transportation program including the State Highway Operation and Protection Program (SHOPP),

2.0 NOW THEREFORE BE IT RESOLVED that the California Transportation Commission hereby adopts the 2004 STIP Fund Estimate, as updated by the Department at the Commission's December 11, 2003 meeting, and

2.4 BE IT FURTHER RESOLVED that the Commission requests that the Department, in cooperation with Commission staff, distribute copies of the 2004 STIP Fund Estimate, including estimates of county and interregional shares and annual targets to regional agency and county transportation commission.

2004 STATE TRANSPORTATION IMPROVEMENT PROGRAM FUND ESTIMATE

Adopted by
California Transportation Commission
December 10, 2003



Prepared by
Department of Transportation
Business, Transportation and Housing Agency

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2004 STATE TRANSPORTATION IMPROVEMENT PROGRAM FUND ESTIMATE

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This publication is available at the Commission Liaison Site on the Internet at
www.dot.ca.gov/hq/transprog/ctcliaison.htm

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ACRONYMS

A&D	Acquisition and Development
AC	Advanced Construction
AIP	Airport Improvement Program
AB	Assembly Bill
CCCI	California Construction Cost Index
DOF	California Department of Finance
Department	California Department of Transportation
CHCCI	California Highway Construction Cost Index
CHP	California Highway Patrol
Commission	California Transportation Commission
COS	Capital Outlay Support
FHWA	Federal Highway Administration
HBRR	Federal Highway Bridge Replacement and Rehabilitation
FE	Fund Estimate
GARVEE	Grant Anticipation Revenue Vehicles
HSRA	High-Speed Rail Authority
HUTA	Highway Users Tax Account
OA	Obligational Authority
PPM	Planning, Programming, and Monitoring
PMIA	Pooled Money Investment Account
PTA	Public Transportation Account
PUC	Pursuant to Public Utilities Code
RTIP	Regional Transportation Improvement Programs
RTPA	Regional Transportation Planning Agencies
RABA	Revenue Aligned Budget Authority
R & T Code	Revenue and Taxation Code
SB	Senate Bill
SHA	State Highway Account
SHOPP	State Highway Operation Protection Program
STA	State Transit Assistance
STIP	State Transportation Improvement Program
SMIF	Surplus Money Investment Fund
TBSRA	Toll Bridge Seismic Retrofit Account
TBSRP	Toll Bridge Seismic Retrofit Program
TCRF	Traffic Congestion Relief Fund
TDIF	Transportation Deferred Investment Fund
TE	Transportation Enhancement
TIF	Transportation Investment Fund

EXECUTIVE SUMMARY

The California Department of Transportation (Department) manages the nation's largest and most complex multi-modal transportation system. Administration of such a system requires extensive planning and a comprehensive long-term financial forecast. The State Transportation Improvement Program (STIP) Fund Estimate (FE) is an estimate of all resources available at the state level for the State's transportation infrastructure over a specific period of time. The FE provides an estimate, in annual increments, for all Federal and State funds reasonably expected to be available for programming in the subsequent STIP.

Statutes require the Department to present a FE to the California Transportation Commission (Commission) by July 15, and the Commission to adopt a FE by August 15 of each odd-numbered year. Each even-numbered year, the Commission is required to adopt a STIP based on funding identified in the adopted FE. Statutes allow the Commission to delay a FE if there is legislation before the Legislature or Congress that may have a significant effect on the FE. Due to the uncertainties that the state budget and related legislation would have on available funding, as well as continuing uncertainty over the still-pending Federal reauthorization, the Commission exercised its option to delay the adoption of the FE.

The Commission at its September 2003 meeting adopted the FE assumptions, and the proposed FE, based on the approved assumptions, was presented to the Commission in November 2003. In December 2003, the Commission adopted the 2004 STIP FE, including estimates of STIP shares and programming targets for each county and the STIP interregional program. The 2004 STIP FE covers a five-year period from 2004-05 through 2008-09.

The 2004 STIP FE estimates that there will be over $20 billion available for Local Assistance, State Highway Operation Protection Program (SHOPP), and STIP over the FE period and estimates a total statewide new programming capacity of $416 million. The capacity includes $407 million in Federal Transportation Enhancement (TE) funds, with the remaining capacity available for new non-TE programming. Most programming in the 2004 STIP will consist of rescheduling $5.4 billion in projects carried forward from the 2002 STIP.

The following table outlines the resources and the amount available for programming by the Commission for each fund over the FE period. It is important to note that over $3 billion in programming capacity in this estimate is supported by funding from the Transportation Investment Fund (TIF), the Transportation Deferred Investment Fund (TDIF), and the Public Transportation Account (PTA). Given the General Fund budget problems that are expected to continue into 2004-

05, there is a significant risk that these funds will be redirected to help solve the General Fund problem. The largest change in FE assumptions since the last fund estimate is in federal funding. There is an anticipated decline in federal gasoline excise tax revenue under current federal law due to California's conversion to ethanol-blended gasoline. California's conversion will reduce the State's contribution to the federal Highway Trust Fund, and likely reduce the amount of federal revenue received by California. The impact from ethanol is expected to affect federal revenue beginning in 2005-06, and this alone could result in a decline of $2.7 billion in federal revenues during the FE period.

Available for Programming, All Funds
Fund Estimate Five-Year Period
($ in millions)

Existing Program	**2003-04**	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**5-Year Total**	**6-Year Total**
SHOPP	$985	$2,134	$1,470	$2,019	$1,465	$1,892	$8,979	$9,964
Local Assistance	$1,170	$1,232	$1,050	$1,006	$1,015	$1,038	$5,341	$6,511
STIP	$243	$2,616	$875	$1,722			$5,213	$5,456
Total Existing Program	*$2,398*	*$5,982*	*$3,395*	*$4,747*	*$2,480*	*$2,930*	*$19,534*	*$21,932*
Programming/(Rescheduling)								
SHA	-$278	-$2,591	$67	-$1,126	$487	$375	-$2,787	-$3,065
PTA[1]	$0	$0	$215	$258	$297	$297	$1,068	$1,068
TIF	$0	$324	$389	$467	$512	$512	$2,204	$2,204
TDIF	$0	$0	$0	$0	$0	$208	$208	$208
STIP Total	**-$278**	**-$2,267**	**$672**	**-$401**	**$1,297**	**$1,392**	**$693**	**$416**
Aeronautics	$0	-$3	$4	$4	$4	$5	$14	$14
All Funds	**-$278**	**-$2,270**	**$676**	**-$397**	**$1,301**	**$1,397**	**$707**	**$430**

Note: Numbers may not add due to rounding.

[1] The PTA includes revenue from TIF. If TIF funding is redirected over the FE period, not only will TIF funding be lost, but also an estimated additional $417 million in programming will be lost from the PTA.

INTRODUCTION

The California Department of Transportation is required by Government Code Sections 14524 and 14525 to develop a State Transportation Improvement Program (STIP) Fund Estimate (FE). The purpose of the FE is to provide an estimate in annual increments of all Federal and State funds reasonably expected to be available for programming in the subsequent STIP.

The Department is required to present a FE to the Commission by July 15, and the Commission to adopt a FE by August 15 of each odd-numbered year. Each even number year, the Commission is required to adopt a STIP based on funding identified in the adopted FE.

Due to uncertainty in both State and Federal budgets, and pending reauthorization of the federal transportation programs, the Commission delayed adoption of the Fund Estimate until December 2003.

Economy

According to the September UCLA Anderson Forecast, moderate growth in tax revenues is the best that can be expected through 2004. It is unlikely that this moderate growth will be enough, however, to offset the continued statewide budget shortfalls. General Fund revenue has fallen substantially from its 2000-01 peak, and will require multiple years of normal growth to regain this level.

Although transportation fuel tax revenues are relatively inelastic, and are therefore not affected by economic conditions as much as other State revenue sources, statewide economic influences manifest in other ways. For instance, the revenue shortfalls have hurt the General Fund. The General Fund, to partially compensate, has borrowed Transportation dollars. Even though these loans are projected to be repaid in the FE period, there is still an impact to programming.

Transportation construction projects are multi-year projects, and so require a stable commitment of resources to facilitate planning. The existing loans impact the ability of the Department to program new projects. Note that the State Highway Account (SHA) was forced to take short-term loans from both the Traffic Congestion Relief Fund (TCRF) and the Public Transportation Account (PTA) during 2003-04 to meet monthly operating commitments. It is also likely that the General Fund will require more Transportation funds in the coming years to offset commitments made during peak revenue years.

Methodology

The methodology and assumptions used for the FE are determined by the Commission in consultation with the Department, Regional Transportation Planning Agencies (RTPA), and county transportation commissions. The Commission approved the assumptions utilized to build the FE at its September 2003 meeting.

Since the 1996 FE, the Commission has directed the Department to base the SHA FE on a "Cash Flow Allocation Basis" model. This methodology schedules funding capacity based upon cash flow requirements and is reflective of the method used to manage the allocation of capital projects. The "Cash Flow Allocation Basis" continues in the 2004 SHA FE. Federal Local Assistance and Local STIP expenditures are not cash flowed and are forecast on an accrual basis. Other Fund Estimates are on a modified accrual basis.

State law requires the FE to be based on current statutes for estimating revenues and the most recent enacted Budget Act adjusted for the annual inflation rate for State Operations. Revenue estimates are developed based on historical trends, the economic outlook, and in consultation with the California Department of Finance (DOF). State Operations costs are escalated at the rate established by DOF, which is 2.0 percent for the 2004 FE. The escalation rate for capital projects contained in the 2004 STIP is set at 3.0 percent, based on the historical California Highway Construction Cost Index (CHCCI) performance. Expenditure estimates for each program were developed by working with the applicable Department Divisions. The detailed assumptions for revenues and expenditures are included in the appendix.

The FE is required to identify funds available for programming by county. The level of programming by county is identified by the county share system established by Senate Bill (SB) 45 (Chapter 622, Statutes of 1997).

Current Law Assumed

The FE is based on existing statute, including the 2003-04 Budget Act (Chapter 157, Statutes of 2003). Another significant piece of legislation that was recently signed into law is SB 1055, which contains increases in weight fees to correct revenue neutrality issues with previous legislation governing weight fees.

County Shares

The FE is required by law to include County Share estimates. The STIP consists of two broad programs, the regional program funded from 75 percent of new STIP funding and the interregional program funded from 25 percent of new STIP funding. The 75 percent regional program is further subdivided by formula into

County Shares. County Shares are available solely for projects nominated by regions in their Regional Transportation Improvement Programs (RTIP). A detailed explanation of this methodology is included in the County Share portion of this document.

Federal Transportation Act Impacts

Federal resources are generated primarily from the Federal tax on gasoline and diesel fuel, which is reflected in the annual Obligational Authority (OA) level expected under the Transportation Equity Act for the 21st Century (TEA-21).

TEA-21 expired on September 30, 2003. Congress extended its provision through February 29, 2004, but has not passed a new five-year reauthorization at this time. Because the outcome of the new Act cannot be predicted, the Commission directed the Department to use, in preparing the FE, the mid-point between the House and Senate appropriations proposals pending before Congress and an escalation factor of 2 percent annually. The Department, in consultation with the Commission, has modified this assumption. The 2003-04 OA now matches the actual OA received in 2002-03, and the mid-point of the House and Senate is used beginning in 2004-05. In addition, beginning in FY 2005-06, it assumes that California will receive less federal revenue returned to the state because more than 80 percent of the gasoline consumed in California will be an ethanol blend. Current federal law provides a lower tax rate for ethanol-blended gasoline. It is estimated this will negatively affect California's federal funds by $2.7 billion during the FE period.

Following are sections that detail the FE for each of the transportation funds. Those funds are the State Highway Account (SHA), the PTA, the Transportation Investment Fund (TIF), the Transportation Deferred Investment Fund (TDIF), the Aeronautics Account, and the Rail Bond Account.

In addition, a later section displays and explains County and Interregional Share Estimate.

STATE HIGHWAY ACCOUNT

The State Highway Account is the main funding source for California's Highway Transportation program. The principle sources of funds are the excise taxes on motor vehicle fuels, truck weight fees, and Federal Highway Trust Funds. This program commits major resources for improving highway safety, rehabilitation of existing system, improving the interregional road system, and ensuring the efficient operation of the State Highway System.

Resources Available for Programming

The table below summarizes the programming and rescheduling amounts available per year for the SHA FE. These figures are derived by applying the estimated expenditure rates against the projected cash balance if all projects approved in the 2002 STIP were allocated, and determining the amount of program that can be added (or that must be subtracted) to achieve a target cash balance. Constraints for the conversion included the requirements that the FE rolling cash balance remain as close to the prudent cash balance as possible, and that the annual program levels not fluctuate significantly year to year. Further details of the resources, expenditures and funds available for programming are presented in the following pages and in Appendix A.

State Highway Account								
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	6-Year Total
Available For Programming/ (Deprogramming) ($ in millions)	($278)	($2,591)	$67	($1,126)	$487	$375	($2,787)	($3,065)

Highlights

- The cash balance on July 1, 2003 was $293 million.
- Because TEA-21 has expired, the 2004 FE assumes in 2003-04 an OA level equal to the 2002-03 year, and the average of the House (HR 2989) and Senate (SR 1589) proposals for 2004-05, escalated at 2 percent annually thereafter. The impact of California's conversion to ethanol use on OA receipts is also estimated beginning in 2005-06. This impact is significant, reducing federal OA by $2.7 billion over the 5 year FE period.
- The FE proposes to reduce Advanced Construction (AC) by $1 billion over the FE period.
- Fuel excise tax revenues are estimated to grow at an average annual rate of 2.3 percent for the five-year FE period, based on historical growth patterns.

- Weight Fee growth in the 2004 FE is estimated at 1.0 percent annually over the five year FE period. The impact of SB 2084 to Weight Fees is assumed to be a one-time drop in revenue. SB 1055 signed on October 12, 2003 seeks to correct this drop by increasing weight fees on vehicles over 10,000 pounds by approximately 20 percent in 2003-04, and through a second increase in the fee schedule if a revenue target is not met.
- State Highway Operation Protection Program (SHOPP) expenditure levels for the first three years of the 2004 FE (2004-05 through 2006-07) are consistent with the levels identified in the 2002 FE. Expenditures for the final two years of the 2004 FE (2007-08 and 2008-09) are equivalent to the 2006-07 year as displayed in the 2002 FE.
- STIP expenditure levels reflect a continuation of all projects authorized under the current program (2002 STIP) and all amendments, based on Commission allocations through September 2003.

STATE HIGHWAY AND FEDERAL TRUST FUND ACCOUNTS
2004 STIP FUND ESTIMATE
($ millions)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	6-Year Total
RESOURCES								
Beginning Balance	$293							$293
Fuel Taxes	$2,069	$2,116	$2,165	$2,215	$2,266	$2,318	$11,079	$13,148
Motor Vehicle Registration (Weight Fees)	741	799	825	833	842	850	4,149	4,890
Misc. Revenues	69	74	79	78	78	76	386	455
TCRF Loan Repayment	100	0	0	463	0	0	463	563
Other Loan Repayments	182	5	5	0	0	0	10	192
Net Transfers - Other	(75)	(76)	(76)	(81)	(80)	(81)	(395)	(470)
Expenditures - Other Agencies	(88)	(89)	(91)	(95)	(95)	(96)	(465)	(553)
Subtotal - State Resources	3,290	2,829	2,906	3,413	3,011	3,067	15,227	18,517
Toll Bridge Seismic Retrofit	0	0	(342)	(8)	0	0	(350)	(350)
Total State Resources	**$3,290**	**$2,829**	**$2,565**	**$3,405**	**$3,011**	**$3,067**	**$14,877**	**$18,167**
Federal Resources	$2,409	$2,619	$2,677	$2,726	$2,784	$2,832	$13,639	$16,047
Toll Bridge HBRR Expenditure	0	(50)	(100)	(100)	(100)	(42)	($392)	($392)
Ethanol Impact	0	0	(563)	(718)	(732)	(747)	($2,761)	($2,761)
Net Federal Resources	**$2,409**	**$2,569**	**$2,014**	**$1,908**	**$1,952**	**$2,043**	**$10,486**	**$12,894**
TOTAL STATE & FEDERAL RESOURCES	**$5,699**	**$5,398**	**$4,579**	**$5,312**	**$4,963**	**$5,110**	**$25,362**	**$31,061**
COMMITMENTS								
MAINTENANCE	**($739)**	**($754)**	**($769)**	**($785)**	**($800)**	**($816)**	**($3,925)**	**($4,664)**
STATE OPERATIONS	**($826)**	**($852)**	**($839)**	**($871)**	**($834)**	**($846)**	**($4,243)**	**($5,069)**
SHOPP								
SHOPP	($889)	($959)	($1,114)	($1,198)	($1,215)	($1,226)	($5,713)	($6,602)
Stormwater	(32)	(58)	(69)	(75)	(67)	(48)	(317)	(349)
Facilities - Office Buildings	(81)	(26)	(29)	(0)	(0)	0	(56)	(137)
Minor Program	(115)	(92)	(90)	(90)	(90)	(90)	(454)	(569)
Capital Outlay Support	(361)	(346)	(338)	(355)	(345)	(353)	(1,737)	(2,098)
Total SHOPP	**($1,479)**	**($1,482)**	**($1,641)**	**($1,718)**	**($1,718)**	**($1,718)**	**($8,277)**	**($9,756)**
TOLL BRIDGE SEISMIC RETROFIT CONTINGENCY	**$0**	**$0**	**$0**	**$0**	**$0**	**($180)**	**($180)**	**($180)**
LOCAL ASSISTANCE								
Local Assistance	($1,087)	($1,151)	($1,000)	($953)	($970)	($983)	($5,058)	($6,145)
Retrofit Sound Walls	(63)	(31)	(17)	(7)	(3)	(1)	(59)	(122)
Capital Outlay Support	(39)	(31)	(30)	(29)	(29)	(29)	(149)	(188)
Total Local Assistance	**($1,190)**	**($1,213)**	**($1,048)**	**($990)**	**($1,002)**	**($1,013)**	**($5,265)**	**($6,455)**
SUBTOTAL AVAILABLE	**$1,464**	**$1,098**	**$282**	**$949**	**$608**	**$536**	**$3,473**	**$4,937**
STIP								
STIP Highway and Local Roads	($850)	($996)	($1,230)	($1,180)	($930)	($451)	($4,787)	($5,637)
AB 3090 Cash Reimbursement Projects	0	(18)	(44)	(75)	(44)	(44)	(224)	(224)
Rail	(55)	(51)	(44)	(33)	(35)	(39)	(203)	(258)
Mass Trans	(31)	(120)	(91)	(93)	(12)	(5)	(321)	(353)
Capital Outlay Support	(210)	(272)	(278)	(246)	(188)	(156)	(1,140)	(1,349)
GARVEE Debt Service	0	(58)	(58)	(71)	(71)	(71)	(327)	(327)
Total STIP Commitments	**($1,147)**	**($1,515)**	**($1,744)**	**($1,697)**	**($1,280)**	**($766)**	**($7,002)**	**($8,149)**
Cash Available for Programming	**$318**	**($417)**	**($1,462)**	**($749)**	**($671)**	**($229)**	**($3,529)**	**($3,211)**

* Note: Numbers may not add due to rounding.

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	6-Year Total
Target Program Level - SHA/FEDERAL	**$950**	**$2,159**	**$2,412**	**$2,615**	**$1,952**	**$2,267**	**$11,405**	**$12,355**
Current Program - SHOPP	985	2,134	1,470	2,019	1,465	1,892	8,979	9,964
Current Program - STIP	243	2,616	875	1,722	-	-	5,213	5,456
Total Program (State & Fed)	**$1,228**	**$4,750**	**$2,345**	**$3,741**	**$1,465**	**$1,892**	**$14,192**	**$15,420**
Programming (Deprogramming) to Achieve Taget Level	**($278)**	**($2,591)**	**$67**	**($1,126)**	**$487**	**$375**	**($2,787)**	**($3,065)**

Current Draft FE Ending Balance	**318**	**(417)**	**(1,462)**	**(749)**	**(671)**	**(229)**	**n/a**	**n/a**
Program Adjustments	(278)	(2,591)	67	(1,126)	487	375	n/a	(3,065)
Cash Flow of Program Adjustements	56	657	1,365	969	445	19	n/a	3,511
Adjusted Cash Balance	**373**	**240**	**(96)**	**220**	**(226)**	**(211)**	n/a	**(211)**
Adjusted Cumulative Cash Balance	**373**	**613**	**516**	**736**	**510**	**300**	**n/a**	**300**

Note: Numbers may not add due to rounding.

Conversion from Cash to Programming

The Department converts the ending cash balance for each year to a programming level. This level corresponds to an amount that can be committed each year for projects. This level of program will be liquidated over several years, and the Department assumes that a given program level will spend at percentage rates of 20%/50%/30% over a three year period.

The "Target Program Level" is the level of SHA and federal programming that maximizes the program while still maintaining a positive cash balance throughout the FE period. The "Programming (Deprogramming) to Achieve Target Level" is the annual increase or decrease in the SHA and federal program necessary to reach the targeted level.

The "Adjusted Cumulative Cash Balance" takes into account the cash cost of current program commitments over the period of the FE, and the cash flow of any new programming or rescheduling of programming.

PUBLIC TRANSPORTATION ACCOUNT

The Public Transportation Account trust fund supports the costs for the Department's transportation planning, mass transportation and Rail programs and also provides funding for the State's Intercity Rail services operated by Amtrak and STIP projects. Revenues in the account are derived from the sales taxes on gasoline and diesel fuels estimated by the Board of Equalization, with the concurrence of DOF, and transferred quarterly into the account. Funds are also transferred into the account from the SHA and the Aeronautics Account to pay for the Department's highway and airport planning activities that are not payable from sales tax revenue in the PTA. Additionally, the PTA receives a transfer from the SHA of funds not subject to Article XIX of the California Constitution.

Resources Available for Programming

The table below summarizes the programming amounts available per year for the PTA FE. These figures are derived by applying the estimated expenditure rates against the projected cash balance if all program were allocated, and determining the amount of program that can be added (or that must be subtracted) to achieve a target cash balance. Constraints for the conversion included the requirement that the FE rolling cash balance remains as close to the prudent cash balance as possible. Further details of the resources and funds available for programming are presented in the following pages.

Public Transportation Account						
	2004-05	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**Total**
Available For Programming ($ in millions)	$0	$215	$258	$297	$297	$1,068

Highlights

- The beginning balance for 2003-04 of $9.7 million is calculated on an accrual basis.
- DOF forecasts gasoline and diesel fuel sales tax revenues for 2003-04. Future years reflect the average annual growth of past transfers at an escalation rate of 1.25 percent on gasoline and 4.8 percent on diesel fuel.
- Assembly Bill (AB) 438 authorized the TCRF to borrow $280 million from the PTA to fund transit projects. The actual loan authorized through the 2001-02 and 2002-03 Budget Acts was $275 million, which must be repaid to the PTA by 2007-08.

- AB 1750 (Chapter 223, Statutes of 2003) suspends the TIF transfer in 2003-04. The TIF transfer will resume in 2004-05. The 2003-04 suspended transfer of $93.4 million will be repaid to PTA from the TDIF by 2008-09 according to AB 1751. Proposition 42 added Article XIXB to the California Constitution. This Article made permanent the transfer of the sales tax on gasoline to the TIF. Of the gasoline sales tax revenue transferred to the TIF, 20 percent of the amount remaining after funds are transferred to the TCRF is allocated to the PTA.
- AB 1751 eliminates the transfer of spillover in 2003-04 and instead transfers the funds to the General Fund.
- PTA share of the Toll Bridge Seismic Retrofit Program costs per AB 1171 is $70 million during the FE period.
- The TIF revenue accounts for approximately $326 million of the available PTA resources over the FE period, and $46 million in 2004-05 (available resources are one-half of the resources received, since half goes to the State Transit Assistance (STA) program). If the TIF transfer is not included in the annual State budget, these resources would be lost.

PUBLIC TRANSPORTATION ACCOUNT
2004 STIP FUND ESTIMATE

($ in thousands)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	FE TOTAL
RESOURCES							
Beginning Reserve	$9,707	($7,131)					($7,131)
Prudent Cash Reserve	(52,000)						
Sales Tax On Gasoline-Spillover*	0	0	0	0	0	0	0
Sales Tax On Gasoline-Prop 111*	66,199	67,026	67,864	68,713	69,572	70,441	343,616
Sales Tax On Diesel*	143,012	149,877	157,071	164,610	172,511	180,792	824,860
Transfer from Aeronautics Account	30	30	30	30	30	30	150
TCRP Loan Payback	0	0	0	0	274,900	0	274,900
Non Article XIX Transfer from SHA	60,395	45,907	45,743	49,894	48,920	48,893	239,357
Transfer from TIF*	0	91,947	94,887	97,210	119,911	248,009	651,964
Transfer from TDIF*	0	0	0	0	0	103,892	103,892
Transfer from State Highway Account	25,865	21,600	22,000	22,500	22,900	23,400	112,400
Interest (SMIF)	1,551	1,102	932	1,389	4,596	5,906	13,926
Transfer to Toll Bridge Seismic Retrofit Account	0	(50,000)	(20,000)	0	0	0	(70,000)
TOTAL RESOURCES	**$254,759**	**$320,358**	**$368,527**	**$404,346**	**$713,340**	**$681,363**	**$2,487,934**
STATE TRANSIT ASSISTANCE	(104,606)	(154,425)	(159,911)	(165,266)	(180,997)	(301,567)	(962,166)
SUB TOTAL AVAILABLE RESOURCES	**$150,153**	**$165,933**	**$208,616**	**$239,079**	**$532,343**	**$379,796**	**$1,525,768**
STATE OPERATIONS							
Rail & Mass Trans Staff & Support	($17,461)	($17,810)	($18,166)	($18,530)	($18,900)	($19,278)	($92,684)
Planning Staff & Support	(18,922)	(19,301)	(19,687)	(20,080)	(20,482)	(20,892)	(100,441)
Administration & Technical Services	(1,074)	(2,160)	(2,203)	(2,247)	(2,292)	(2,338)	(11,238)
California Transportation Commission	(1,136)	(1,159)	(1,182)	(1,206)	(1,230)	(1,254)	(6,030)
High-Speed Rail Authority	(2,545)	(2,596)	(2,648)	(2,701)	(2,755)	(2,810)	(13,509)
Institute of Transportation Studies	(980)	(1,000)	(1,020)	(1,040)	(1,061)	(1,082)	(5,202)
Public Utilities Commission	(2,266)	(2,311)	(2,358)	(2,405)	(2,453)	(2,502)	(12,028)
TOTAL STATE OPERATIONS	**($44,384)**	**($46,336)**	**($47,262)**	**($48,208)**	**($49,172)**	**($50,155)**	**($241,133)**
INTERCITY RAIL OPERATIONS							
Intercity Rail & Bus Operations - State Operations Base	($73,138)	($73,138)	($73,138)	($73,138)	($73,138)	($73,138)	($365,690)
Additional Services on Existing Routes	0	0	0	0	0	0	0
New Routes	0	0	0	0	0	0	0
Intercity Rail Equipment - Heavy Overhaul	(10,052)	(13,500)	(13,800)	(14,000)	(12,300)	(8,100)	(61,700)
TOTAL INTERCITY RAIL OPERATIONS	**($83,190)**	**($86,638)**	**($86,938)**	**($87,138)**	**($85,438)**	**($81,238)**	**($427,390)**
LOCAL ASSISTANCE							
Bay Area Ferry Operations/Waterborne	($2,850)	($2,878)	($2,906)	($2,936)	($2,965)	($2,995)	($14,680)
TOTAL LOCAL ASSISTANCE	**($2,850)**	**($2,878)**	**($2,906)**	**($2,936)**	**($2,965)**	**($2,995)**	**($14,680)**
CAPITAL OUTLAY							
Intercity rail track improvement	(26,860)	0	0	0	0	0	0
TOTAL CAPITAL OUTLAY	**(26,860)**	**0**	**0**	**0**	**0**	**0**	**0**
AVAILABLE FOR PROGRAMMING	**($7,131)**	**$30,081**	**$71,510**	**$100,798**	**$394,768**	**$245,408**	**$842,565**

* Items subject to 50% split with STA

TRANSPORTATION INVESTMENT FUND

The Transportation Investment Fund provides new transportation funding as a result of the passage of the Traffic Congestion Relief Act of 2000 established through Chapter 91, Statutes of 2000 (AB 2928) and Chapter 656, Statutes of 2000 (SB 1662). The source of funds is General Fund transfers derived from state sales tax on motor vehicle fuel. This fund commits major resources to 141 designated transportation projects that relieve traffic congestion (the Traffic Congestion Relief Fund), to the STIP to the repair and maintenance of local streets and roads, and to the PTA. The transfers were originally scheduled to begin in 2001-02. The transfers were postponed in 2001-02 and 2002-03, while the 2003-04 Budget Act only provides a partial transfer of $289 million for transfer to the TCRF. TIF funding for STIP projects is expected to begin in 2004-05.

Resources Available for Programming

The table below summarizes the programming amounts available per year for the TIF FE. These figures are derived by applying the estimated expenditure rates against the projected cash balance if all program were allocated, and determining the amount of program that can be added (or that must be subtracted) to achieve a target cash balance. Constraints for the conversion included the requirement that the FE rolling cash balance remains as close to $50 million as possible. Further details of the resources and funds available for programming are presented in the following pages.

Transportation Investment Fund						
	2004-05	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**Total**
Available For Programming ($ in millions)	$324	$389	$467	$512	$512	$2,204

Highlights

- Proposition 42 added Article XIXB to the California Constitution. This Article made permanent the transfer of the sales tax on gasoline to the TIF. The measure requires that the gasoline sales tax revenue transferred to the TIF to be used for State and local transportation purposes and the revenues would be allocated as follows:
  - Fixed transfers to the TCRF ($678 million in 2004-05 through 2006-07, and $602 million in 2007-08)
  - 20 percent of the remaining revenue to the PTA.
  - 40 percent of the remaining revenue to transportation improvement projects funded in the STIP.

- 40 percent of the remaining revenue to local streets and roads improvements; with half of the amount (20 percent) allocated to counties and half to cities.

- AB 1750 authorizes a partial suspension of the 2003-04 fiscal year General Fund revenue transfer to the TIF.
- The 2004 FE period provides a total of $1,738 million in the TIF for new programming.

TRANSPORTATION INVESTMENT FUND
2004 STIP FUND ESTIMATE
($ millions)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total
RESOURCES							
Beginning Reserves:							
Revenues from the General Fund	$1,145	$1,138	$1,152	$1,164	$1,201	$1,240	$5,896
General Fund Loan	($856)	0	0	0	0	0	0
Less Transfers Out:							
Traffic Congestion Relief Fund	(289)	(678)	(678)	(678)	(602)	0	(2,636)
Local Street and Road Repairs	0	(184)	(190)	0	0	(496)	(870)
Public Transportation Account	0	(92)	(95)	(97)	(120)	(248)	(652)
TOTAL RESOURCES	$0	$184	$190	$389	$480	$496	$1,738
CASH AVAILABLE FOR PROGRAMMING	$0	$184	$190	$389	$480	$496	$1,738

Note: Numbers may not add due to rounding.

TRANSPORTATION DEFERRED INVESTMENT FUND

The Transportation Deferred Investment Fund was established by AB 1751. The Legislature created the TDIF to facilitate the repayment of funds from the General Fund not transferred from the General Fund to the TIF in 2003-04. The funds shall be transferred to the TDIF by June 30, 2009.

Resources Available for Programming

The table below summarizes the resources available for additional programming in the TDIF. Further details of the resources and funds available for programming are presented in the following pages.

Transportation Deferred Investment Fund						
	2004-05	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**Total**
Available For Programming ($ in millions)	$0	$0	$0	$0	$208	$208

Highlights

- AB 1750 added Section 14557 to the Government Code. This section, pursuant to Article XIX B of the California Constitution, partially suspends the transfer of motor vehicle fuel sales tax revenues from the General Fund to the TIF for the 2003-04.
- AB 1751 added Section 7105 to the Revenue and Taxation Code that requires the General Fund to transfer $856 million (the amount not transferred to the TIF in 2003-04) to the TDIF by June 30, 2009. The $856 million is to be transferred in the same manner and amounts that would have been made in 2003-04 from the TIF pursuant to Revenue and Taxation Code 7104 (Chapter 113, Statutes of 2001).

TRANSPORTATION DEFERRED INVESTMENT FUND
2004 STIP FUND ESTIMATE
($ millions)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total
RESOURCES							
Beginning Reserves:							
General Fund Loan Payback	$0	0	0	0	0	$856	$856
PMIA Interest	0	0	0	0	0	96	96
Less Transfers Out:							
Traffic Congestion Relief Fund	0	0	0	0	0	(433)	(433)
Local Street and Road Repairs	0	0	0	0	0	(208)	(208)
Public Transportation Account	0	0	0	0	0	(104)	(104)
TOTAL RESOURCES	$0	$0	$0	$0	$0	$208	$208
CASH AVAILABLE FOR PROGRAMMING	$0	$0	$0	$0	$0	$208	$208

Note: Numbers may not add due to rounding.

AERONAUTICS ACCOUNT

The Division of Aeronautics promotes optimum use of existing airports. This is achieved by overseeing a statewide system of safe and environmentally compatible airports that are integrated with surface transportation systems. The majority of the revenues supporting the Division of Aeronautics come from an eighteen-cent per-gallon excise tax on aviation gasoline and a two-cent per-gallon tax on jet fuel. The tax is levied on general aviation aircraft only.

The Division of Aeronautics allocates funds through three programs. The Grants to Local Agencies program provides $10,000 grants to qualifying airports and is projected to remain at the same level through the FE period. The Acquisition and Development (A&D) program provides grants for eligible projects subject to programming and allocation. The Airport Improvement Program (AIP) matches Federal funds given directly to local agencies.

Resources Available for Programming

The table below summarizes the resources available for additional programming and rescheduling in the Aeronautics Account. Further details of the resources and funds available for programming are presented in the following pages.

Aeronautics Account						
	2004-05	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**FE Total**
Available for Programming ($ in thousands)	-$2,795	$3,743	$4,047	$4,391	$4,776	$14,161

Highlights

- The Budget Act of 2002 (Chapter 379, Statutes of 2002) contained a transfer of $6 million to the General Fund, which decreased the amount available for programming in the Aeronautics Account. The Budget Act of 2003 (Chapter 157, Statutes of 2003) contains a $4.8 million transfer to the General Fund, which also decreased available programming.

AERONAUTICS ACCOUNT
2004 FUND ESTIMATE
($ in thousands)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	FE Total
RESOURCES							
Beginning Reserves	$3,283	($2,382)					($2,382)
Aviation Gas Excise Tax	4,750	4,750	4,750	4,750	4,750	4,750	23,750
Jet Fuel Excise Tax	2,694	2,990	3,319	3,684	4,089	4,538	18,620
Interest (SMIF)	169	187	187	187	187	187	935
Federal Trust Funds	437	446	455	464	473	482	2,320
Sale of Documents	6	6	6	6	6	6	30
Transfer To General Fund	(4,762)	0	0	0	0	0	0
Transfer To PTA Account	(30)	(30)	(30)	(30)	(30)	(30)	(150)
TOTAL RESOURCES	$6,547	$5,967	$8,687	$9,061	$9,475	$9,933	$43,123
STATE OPERATIONS							
State Operations*	($3,330)	($3,397)	($3,464)	($3,534)	($3,604)	($3,677)	($17,676)
TOTAL STATE OPERATIONS	($3,330)	($3,397)	($3,464)	($3,534)	($3,604)	($3,677)	($17,676)
LOCAL ASSISTANCE							
Grants to Local Agencies	($1,480)	($1,480)	($1,480)	($1,480)	($1,480)	($1,480)	($7,400)
Acquisition & Development	(1,919)	(1,686)	0	0	0	0	(1,686)
Airport Improvement Program match	(2,200)	(2,200)	0	0	0	0	(2,200)
TOTAL LOCAL ASSISTANCE	($5,599)	($5,366)	($1,480)	($1,480)	($1,480)	($1,480)	($11,286)
AVAILABLE FOR PROGRAMMING	($2,382)	($2,795)	$3,743	$4,047	$4,391	$4,776	$14,161

* State Operations includes Federal Trust Matching Funds

RAIL BOND ACCOUNT

The Clean Air and Transportation Improvement Bond Act of 1990 (Proposition 116) has commonly been referred to as the Rail Bond Account. This voter initiative provided $1.99 billion for passenger and commuter rail systems, with limited funds available for public mass transit guideways, paratransit vehicles, bicycle and ferry facilities, and a railroad technology museum. This portion of the FE is provided for informational use only. These funds are not available for STIP programming.

- As of June 2003 the Clean Air and Transportation Improvement Bond Act of 1990 (Proposition 116) had $183 million available for programming.
- Of the $1.99 billion available from the sales of bonds, 1.8 billion has been committed to projects and support.

Pursuant to Public Utilities Code (PUC), Section 99684 (a), if funds allocated to an agency in Proposition 116 are not expended or allocated by July 1, 2000, the Legislature may, by a two-thirds vote, reallocate those funds for another rail project within that agency's jurisdiction. Additionally, if any of the funds are not expended or encumbered prior to July 1, 2010, the Legislature may, in the same manner, reallocate the funds for any other passenger rail project in the state (PUC 99684 (b)).

CLEAN AIR AND TRANSPORTATION IMPROVEMENT BOND FUND
Proposition 116
($ in millions)
As of June, 2003

		STIP TOTAL
Resources		
Bond Authorization		$1,990.00
Support Costs		
Administrative Support	$10.00	
Committed Program		
Rail Projects	$1,674.85	
Non-Urban County	$72.73	
Competitive Bicycle	$20.00	
Waterborne Ferry Program	$29.41	
Approved Applications*	$1,796.99	
Total Committed Program		$1,806.99
AVAILABLE FOR PROGRAMMING		$183.01

* Of this amount, approximately $1,780.1 million has been allocated.

COUNTY AND INTERREGIONAL SHARE ESTIMATES

The charts on the following pages display STIP county and interregional shares and targets for the 2004 STIP. The share estimates include separate calculations for (1) the 4-year county share period from FY 2004-05 through FY 2007-08 and (2) FY 2008-09, the first year of a new 4-year share period. Annual programming targets are provided separately for Transportation Enhancement (TE) and non-TE projects.

Page 1, Calculation of STIP Shares, FY 2004-05 through FY 2007-08

Unprogrammed Balance (Balance Advanced). These 2 columns identify the current county and interregional share balances being carried forward. These balances include allocations and STIP amendments through November 2003.

FY 2007-08 Committed. This column lists commitments already made in the 2002 STIP for FY 2007-08, including an AB 3090 cash reimbursement for Los Angeles and programmed GARVEE debt service payments for Riverside, San Diego, and Santa Clara counties.

Carryover Balance. This is the net of the first 3 columns.

Formula Distribution. The amounts in this column are distributed among counties and the interregional share in accordance with the formula in statute. The statewide total is calculated so that the sum of the Carryover Balance and the Formula Distribution equals the statewide amount to be deleted for the 4-year period, which is in the next column.

4-Year Share. This is the sum of the Carryover Balance and the Formula Distribution for each county and the interregional share. It includes all estimated funding, including Transportation Enhancement (TE) funds.

4-Year TE Target. This is each share's target for TE programming, distributed among the shares according to the statutory formula for STIP shares.

STIP Share Less TE. This is the full 4-Year Share less the 4-Year TE Target.

Page 2. Calculation of STIP Shares, FY 2008-09

Projects Lapsed. This is the amount of projects lapsed from the STIP during FY 2001-02, FY 2002-03, and to date during FY 2003-04. These amounts are returned to the appropriate share for the following share period.

FY 2008-09 Committed. This column lists commitments already made in the 2002 STIP for FY 2008-09, including an AB 3090 cash reimbursement for Los Angeles

and programmed GARVEE debt service payments for Riverside, San Diego, and Santa Clara counties.

Carryover Balance. This is the sum of the first 2 columns.

Formula Distribution. The amounts in this column are distributed among counties and the interregional share in accordance with the formula in statute. The statewide total is calculated so that the sum of the Carryover Balance and the Formula Distribution equals the statewide amount available for FY 2008-09, which is in the next column.

5th Year STIP Share. This is the sum of the Carryover Balance and the Formula Distribution for each county and the interregional share. It includes all estimated funding, including Transportation Enhancement (TE) funds.

5th Year TE Target. This is each share's FY 2008-09 target for TE programming, distributed among the shares according to the statutory formula for STIP shares.

STIP Share Less TE. This is the full 5th Year STIP Share less the 5th Year TE Target.

Page 3, Summary of Overall Share Balances and Programming Targets

STIP Share Balances, by Share Period. The first 2 columns carryover the shares from the first 2 pages, the 4-Year Share for FY 2004-05 through FY 2007-08 and the 5th Year STIP Share for FY 2008-09.

STIP Share Balances, Total Unprogrammed Share (Share Advanced). These 2 columns represent the sum of share balances for the two periods.

Overall Targets. The next 3 columns represent programming targets for the full 5 years.

- 5-Year TE Target. This is the sum of the TE targets from the first two pages.

- Non-TE Add Share. This share for adding non-TE projects is calculated as the total unprogrammed share (from column 3) less the 5-year TE target (column 5). Where the 5-year TE target exceeds the unprogrammed share, share for adding non-TE is zero.

- Non-TE Add Target. This target for each share is calculated as a proportion of the share in the prior column, so that the statewide sum is equal to the statewide new capacity less the 5-year TE target.

Shift Projects to beyond FY 2007-08. The last 2 columns represent programming targets for shifting current 2002 STIP programming out of the first 4 years, either by programming in FY 2008-09 or by deletion from the STIP altogether.

- Base. For each share, this base is the share advance, less TE, for the period ending FY 2007-08 (see the last column of page 1). The base is zero if there is no share advance.

Target. This target for each share is calculated as a proportion of the base in the prior column, so that the statewide sum is equal to the statewide share advance for the period ending FY 2007-08 (from the last column of page 1).

Page 4, Calculation of Planning, Programming, and Monitoring (PPM) Limitations

Base County Share, FY 2004-05 through FY 2007-08. The first 3 columns display the calculation of the base against which PPM limitations are calculated for this period. The first column lists the formula distribution for the first 3 years of the period from the 2002 STIP. The second column is formula distribution (negative) for the 4-year period from page 1. The third column is the sum of the first two.

Base County Share, FY 2008-09. The 4th column is the formula distribution for FY 2008-09, from page 2.

PPM Percentage. The 5th column is the applicable percentage in statute that applies to each county.

PPM Limitations. The last 2 columns display the limitations for the 4-year period (FY 2004-05 through FY 2007-08) and for FY 2008-09, respectively. They are calculated by applying the PPM percentage to the base shares in the 3rd and 4th columns.

Page 5, Annual Transportation Enhancement (TE) Programming Targets

This table displays the year-by-year STIP targets for projects eligible for Federal Transportation Enhancement (TE) funds. The targets are derived by applying the STIP share formula to the estimated annual amounts of California's Federal TE apportionment.

As described in the STIP guidelines, each target represents a portion of the total county or interregional share. The targets do not limit the amount that may be programmed for TE projects from any particular share in any particular year. At a minimum, the Commission must assure that the statewide TE apportionment is programmed for TE-eligible projects.

Page 6, Annual Programming Targets (Excluding TE)

Programmed in 2002 STIP. The first 4 columns display the amounts programmed in the 2002 STIP that are subject to rescheduling in the 2004 STIP. These amounts exclude projects already allocated, prior cash commitments for GARVEE debt service and AB 3090 cash reimbursements, and amounts programmed for Caltrans project development or right-of-way prior to FY 2003-04. The 4 columns display the total and the amounts for each of the three overlapping fiscal years, FY 2004-05 through FY 2006-07. The amount for FY 2004-05 includes projects programmed for earlier years.

Respread of 2002 STIP Programming. The next 5 columns display year-by-year targets for the respreading of the total from the first column. The statewide target for FY 2008-09 is equal to the statewide amount by which shares are overprogrammed for the period ending FY 2007-08 (the last column on page 1). Each county's target for respreading to FY 2008-09 is then calculated as a proportion of the amount by which the county's share is overprogrammed for the period ending FY 2007-08 (see the last 2 columns of page 3). Counties with no share advance are assigned a zero target for respreading current projects to FY 2008-09. The statewide targets for FY 2004-05 through FY 2007-08 are the amounts of statewide programming capacity available less the annual TE targets. For each county, the year-by-year targets for respreading 2002 STIP projects are calculated as a proportion of the statewide target.

New, FY 2008-09. The far right column represents a target for new capacity. The statewide target is the statewide new programming capacity less the TE target. The target for each share is calculated as proportion of the unprogrammed balance less the TE target (see page 3).

2004 STIP FUND ESTIMATE
COUNTY AND INTERREGIONAL SHARES

Calculation of STIP Shares, 2004-05 through 2007-08

($1,000's)

	2002 STIP Carryover, FY 2004/05 - FY 2007/08				2004 STIP, FY 2004/05 - FY 2007/08			
County	Unprogr'd Balance	Balance Advanced	FY 2007/08 Committed	Carryover Balance	Formula Distribution	4 Year STIP Share	4-Yr TE Target	STIP Share Less TE
Alameda	0	21,116	0	(21,116)	**(32,058)**	(53,174)	**9,112**	(62,286)
Alpine/Amador/Calaveras	2,673	0	0	2,673	**(5,427)**	(2,754)	**1,542**	(4,296)
Butte	13,260	0	0	13,260	**(6,130)**	7,130	**1,743**	5,387
Colusa	3,138	0	0	3,138	**(1,616)**	1,522	**459**	1,063
Contra Costa	11,762	0	0	11,762	**(20,778)**	(9,016)	**5,906**	(14,922)
Del Norte	338	0	0	338	**(1,546)**	(1,208)	**439**	(1,647)
El Dorado LTC	0	8,267	0	(8,267)	**(3,923)**	(12,190)	**1,115**	(13,305)
Fresno	0	58,182	0	(58,182)	**(22,152)**	(80,334)	**6,296**	(86,630)
Glenn	342	0	0	342	**(1,725)**	(1,383)	**490**	(1,873)
Humboldt	15,529	0	0	15,529	**(6,205)**	9,324	**1,764**	7,560
Imperial	30,593	0	0	30,593	**(10,365)**	20,228	**2,946**	17,282
Inyo	3,058	0	0	3,058	**(8,414)**	(5,356)	**2,391**	(7,747)
Kern	750	0	0	750	**(28,994)**	(28,244)	**8,241**	(36,485)
Kings	0	0	0	0	**(4,348)**	(4,348)	**1,236**	(5,584)
Lake	12,954	0	0	12,954	**(2,656)**	10,298	**755**	9,543
Lassen	0	938	0	(938)	**(3,945)**	(4,883)	**1,121**	(6,004)
Los Angeles	121,431	0	43,800	77,631	**(196,505)**	(118,874)	**55,853**	(174,727)
Madera	7,219	0	0	7,219	**(3,937)**	3,282	**1,119**	2,163
Marin	0	521	0	(521)	**(6,071)**	(6,592)	**1,726**	(8,318)
Mariposa	1,045	0	0	1,045	**(1,606)**	(561)	**457**	(1,018)
Mendocino	3,013	0	0	3,013	**(5,857)**	(2,844)	**1,665**	(4,509)
Merced	9,643	0	0	9,643	**(7,075)**	2,568	**2,011**	557
Modoc	3,723	0	0	3,723	**(2,095)**	1,628	**595**	1,033
Mono	2,934	0	0	2,934	**(6,230)**	(3,296)	**1,771**	(5,067)
Monterey	0	1,204	0	(1,204)	**(11,381)**	(12,585)	**3,235**	(15,820)
Napa	13,011	0	0	13,011	**(3,762)**	9,249	**1,069**	8,180
Nevada	0	8,640	0	(8,640)	**(3,285)**	(11,925)	**934**	(12,859)
Orange	199,347	0	0	199,347	**(59,251)**	140,096	**16,841**	123,255
Placer TPA	0	80,713	0	(80,713)	**(6,258)**	(86,971)	**1,779**	(88,750)
Plumas	5,694	0	0	5,694	**(2,374)**	3,320	**675**	2,645
Riverside	226,945	0	25,798	201,147	**(42,414)**	158,733	**12,055**	146,678
Sacramento	0	18,084	0	(18,084)	**(27,643)**	(45,727)	**7,857**	(53,584)
San Benito	2,023	0	0	2,023	**(2,063)**	(40)	**586**	(626)
San Bernardino	0	39,385	0	(39,385)	**(55,199)**	(94,584)	**15,689**	(110,273)
San Diego	0	16,629	17,080	(33,709)	**(64,606)**	(98,315)	**18,363**	(116,678)
San Francisco	0	13,902	0	(13,902)	**(16,381)**	(30,283)	**4,656**	(34,939)
San Joaquin	776	0	0	776	**(14,411)**	(13,635)	**4,096**	(17,731)
San Luis Obispo	9,636	0	0	9,636	**(11,584)**	(1,948)	**3,292**	(5,240)
San Mateo	0	0	0	0	**(16,870)**	(16,870)	**4,795**	(21,665)
Santa Barbara	21,786	0	0	21,786	**(13,235)**	8,551	**3,762**	4,789
Santa Clara	5,525	0	16,542	(11,017)	**(37,533)**	(48,550)	**10,668**	(59,218)
Santa Cruz	3,841	0	0	3,841	**(6,594)**	(2,753)	**1,874**	(4,627)
Shasta	356	0	0	356	**(6,700)**	(6,344)	**1,904**	(8,248)
Sierra	3,134	0	0	3,134	**(1,118)**	2,016	**318**	1,698
Siskiyou	108	0	0	108	**(4,653)**	(4,545)	**1,323**	(5,868)
Solano	0	350	0	(350)	**(9,839)**	(10,189)	**2,797**	(12,986)
Sonoma	0	16,201	0	(16,201)	**(12,010)**	(28,211)	**3,414**	(31,625)
Stanislaus	19,776	0	0	19,776	**(11,160)**	8,616	**3,172**	5,444
Sutter	0	1,956	0	(1,956)	**(2,523)**	(4,479)	**717**	(5,196)
Tahoe RPA	3,143	0	0	3,143	**(1,679)**	1,464	**477**	987
Tehama	2,160	0	0	2,160	**(3,363)**	(1,203)	**956**	(2,159)
Trinity	432	0	0	432	**(2,418)**	(1,986)	**687**	(2,673)
Tulare	14,976	0	0	14,976	**(13,622)**	1,354	**3,872**	(2,518)
Tuolumne	0	0	0	0	**(2,749)**	(2,749)	**781**	(3,530)
Ventura	0	24,625	0	(24,625)	**(19,416)**	(44,041)	**5,519**	(49,560)
Yolo	5,926	0	0	5,926	**(5,373)**	553	**1,527**	(974)
Yuba	0	1,565	0	(1,565)	**(1,932)**	(3,497)	**549**	(4,046)
Statewide Regional	782,000	312,278	103,220	366,502	**(883,057)**	(516,555)	**250,992**	(767,547)
Interregional	0	155,847	10,245	(166,092)	**(294,353)**	(460,445)	**83,664**	(544,109)
Statewide Total	782,000	468,125	113,465	200,410	**(1,177,410)**	(977,000)	**334,656**	(1,311,656)

2004 STIP FUND ESTIMATE
COUNTY AND INTERREGIONAL SHARES

CALCULATION OF STIP SHARES, 2008-09
($1,000's)

	2002 STIP Carryover, FY 2008/09			2004 STIP, FY 2008-09			
County	**Projects Lapsed**	**FY 2008/09 Committed**	**Carryover Balance**	**Formula Distribution**	**5th Year STIP Share**	**5th Yr TE Target**	**STIP Share Less TE**
Alameda	269	0	269	**38,947**	39,216	**1,960**	37,256
Alpine/Amador/Calaveras	0	0	0	**6,593**	6,593	**332**	6,261
Butte	966	0	966	**7,448**	8,414	**375**	8,039
Colusa	0	0	0	**1,963**	1,963	**99**	1,864
Contra Costa	5,270	0	5,270	**25,244**	30,514	**1,270**	29,244
Del Norte	0	0	0	**1,878**	1,878	**95**	1,783
El Dorado LTC	0	0	0	**4,766**	4,766	**240**	4,526
Fresno	795	0	795	**26,913**	27,708	**1,354**	26,354
Glenn	121	0	121	**2,096**	2,217	**106**	2,111
Humboldt	1,964	0	1,964	**7,538**	9,502	**379**	9,123
Imperial	0	0	0	**12,593**	12,593	**634**	11,959
Inyo	561	0	561	**10,222**	10,783	**514**	10,269
Kern	0	0	0	**35,226**	35,226	**1,772**	33,454
Kings	0	0	0	**5,283**	5,283	**266**	5,017
Lake	0	0	0	**3,227**	3,227	**162**	3,065
Lassen	5,579	0	5,579	**4,792**	10,371	**241**	10,130
Los Angeles	4,737	43,800	(39,063)	**238,736**	199,673	**12,013**	187,660
Madera	353	0	353	**4,783**	5,136	**241**	4,895
Marin	251	0	251	**7,376**	7,627	**371**	7,256
Mariposa	0	0	0	**1,952**	1,952	**98**	1,854
Mendocino	116	0	116	**7,115**	7,231	**358**	6,873
Merced	734	0	734	**8,595**	9,329	**432**	8,897
Modoc	0	0	0	**2,545**	2,545	**128**	2,417
Mono	52	0	52	**7,569**	7,621	**381**	7,240
Monterey	3,586	0	3,586	**13,827**	17,413	**696**	16,717
Napa	0	0	0	**4,571**	4,571	**230**	4,341
Nevada	0	0	0	**3,991**	3,991	**201**	3,790
Orange	1,760	0	1,760	**71,985**	73,745	**3,622**	70,123
Placer TPA	0	0	0	**7,603**	7,603	**383**	7,220
Plumas	395	0	395	**2,885**	3,280	**145**	3,135
Riverside	1,648	25,789	(24,141)	**51,529**	27,388	**2,593**	24,795
Sacramento	846	0	846	**33,583**	34,429	**1,690**	32,739
San Benito	466	0	466	**2,506**	2,972	**126**	2,846
San Bernardino	1,584	0	1,584	**67,062**	68,646	**3,374**	65,272
San Diego	2,622	17,080	(14,458)	**78,491**	64,033	**3,949**	60,084
San Francisco	389	0	389	**19,902**	20,291	**1,001**	19,290
San Joaquin	1,000	0	1,000	**17,508**	18,508	**881**	17,627
San Luis Obispo	2,293	0	2,293	**14,073**	16,366	**708**	15,658
San Mateo	265	0	265	**20,496**	20,761	**1,031**	19,730
Santa Barbara	0	0	0	**16,079**	16,079	**809**	15,270
Santa Clara	1,805	16,542	(14,737)	**45,599**	30,862	**2,294**	28,568
Santa Cruz	7,860	0	7,860	**8,011**	15,871	**403**	15,468
Shasta	313	0	313	**8,140**	8,453	**410**	8,043
Sierra	1,077	0	1,077	**1,358**	2,435	**68**	2,367
Siskiyou	50	0	50	**5,653**	5,703	**284**	5,419
Solano	737	0	737	**11,953**	12,690	**601**	12,089
Sonoma	246	0	246	**14,591**	14,837	**734**	14,103
Stanislaus	164	0	164	**13,558**	13,722	**682**	13,040
Sutter	0	0	0	**3,065**	3,065	**154**	2,911
Tahoe RPA	500	0	500	**2,040**	2,540	**103**	2,437
Tehama	22	0	22	**4,086**	4,108	**206**	3,902
Trinity	1,255	0	1,255	**2,938**	4,193	**148**	4,045
Tulare	1,326	0	1,326	**16,550**	17,876	**833**	17,043
Tuolumne	35	0	35	**3,340**	3,375	**168**	3,207
Ventura	425	0	425	**23,588**	24,013	**1,187**	22,826
Yolo	260	0	260	**6,528**	6,788	**329**	6,459
Yuba	84	0	84	**2,347**	2,431	**118**	2,313
			0				
Statewide Regional	54,781	103,211	(48,430)	**1,072,836**	1,024,406	**53,982**	970,424
Interregional	20,226	10,244	9,982	**357,612**	367,594	**17,994**	349,600
Statewide Total	75,007	113,455	(38,448)	**1,430,448**	1,392,000	**71,976**	1,320,024

2004 STIP FUND ESTIMATE
COUNTY AND INTERREGIONAL SHARES

Summary of Overall Share Balances and Programming Targets
($1,000's)

	STIP Share Balances				2004 STIP Targets				
	By Share Period		Total		Overall Programming Targets			Shift Projects to beyond FY 2007/08	
County	FY 04/05 - FY 07/08	FY 08/09	Unprog'd Share	Share Advanced	5-Yr TE Target	Non-TE Add Share	Non-TE Add Target	Base	Target
Alameda	(53,174)	39,216	0	13,958	11,072	0	0	62,286	49,516
Alpine/Amador/Calaveras	(2,754)	6,593	3,839	0	1,874	1,965	27	4,296	3,415
Butte	7,130	8,414	15,544	0	2,118	13,426	183	0	0
Colusa	1,522	1,963	3,485	0	558	2,927	40	0	0
Contra Costa	(9,016)	30,514	21,498	0	7,176	14,322	196	14,922	11,863
Del Norte	(1,208)	1,878	670	0	534	136	2	1,647	1,309
El Dorado LTC	(12,190)	4,766	0	7,424	1,355	0	0	13,305	10,577
Fresno	(80,334)	27,708	0	52,626	7,650	0	0	86,630	68,869
Glenn	(1,383)	2,217	834	0	596	238	3	1,873	1,489
Humboldt	9,324	9,502	18,826	0	2,143	16,683	228	0	0
Imperial	20,228	12,593	32,821	0	3,580	29,241	399	0	0
Inyo	(5,356)	10,783	5,427	0	2,905	2,522	34	7,747	6,159
Kern	(28,244)	35,226	6,982	0	10,013	0	0	36,485	29,005
Kings	(4,348)	5,283	935	0	1,502	0	0	5,584	4,439
Lake	10,298	3,227	13,525	0	917	12,608	172	0	0
Lassen	(4,883)	10,371	5,488	0	1,362	4,126	56	6,004	4,773
Los Angeles	(118,874)	199,673	80,799	0	67,866	12,933	177	174,727	138,905
Madera	3,282	5,136	8,418	0	1,360	7,058	96	0	0
Marin	(6,592)	7,627	1,035	0	2,097	0	0	8,318	6,613
Mariposa	(561)	1,952	1,391	0	555	836	11	1,018	809
Mendocino	(2,844)	7,231	4,387	0	2,023	2,364	32	4,509	3,585
Merced	2,568	9,329	11,897	0	2,443	9,454	129	0	0
Modoc	1,628	2,545	4,173	0	723	3,450	47	0	0
Mono	(3,296)	7,621	4,325	0	2,152	2,173	30	5,067	4,028
Monterey	(12,585)	17,413	4,828	0	3,931	897	12	15,820	12,577
Napa	9,249	4,571	13,820	0	1,299	12,521	171	0	0
Nevada	(11,925)	3,991	0	7,934	1,135	0	0	12,859	10,223
Orange	140,096	73,745	213,841	0	20,463	193,378	2,639	0	0
Placer TPA	(86,971)	7,603	0	79,368	2,162	0	0	88,750	70,555
Plumas	3,320	3,280	6,600	0	820	5,780	79	0	0
Riverside	158,733	27,388	186,121	0	14,648	171,473	2,340	0	0
Sacramento	(45,727)	34,429	0	11,298	9,547	0	0	53,584	42,598
San Benito	(40)	2,972	2,932	0	712	2,220	30	626	498
San Bernardino	(94,584)	68,646	0	25,938	19,063	0	0	110,273	87,665
San Diego	(98,315)	64,033	0	34,282	22,312	0	0	116,678	92,757
San Francisco	(30,283)	20,291	0	9,992	5,657	0	0	34,939	27,776
San Joaquin	(13,635)	18,508	4,873	0	4,977	0	0	17,731	14,096
San Luis Obispo	(1,948)	16,366	14,418	0	4,000	10,418	142	5,240	4,166
San Mateo	(16,870)	20,761	3,891	0	5,826	0	0	21,665	17,223
Santa Barbara	8,551	16,079	24,630	0	4,571	20,059	274	0	0
Santa Clara	(48,550)	30,862	0	17,688	12,962	0	0	59,218	47,077
Santa Cruz	(2,753)	15,871	13,118	0	2,277	10,841	148	4,627	3,678
Shasta	(6,344)	8,453	2,109	0	2,314	0	0	8,248	6,557
Sierra	2,016	2,435	4,451	0	386	4,065	56	0	0
Siskiyou	(4,545)	5,703	1,158	0	1,607	0	0	5,868	4,665
Solano	(10,189)	12,690	2,501	0	3,398	0	0	12,986	10,324
Sonoma	(28,211)	14,837	0	13,374	4,148	0	0	31,625	25,141
Stanislaus	8,616	13,722	22,338	0	3,854	18,484	252	0	0
Sutter	(4,479)	3,065	0	1,414	871	0	0	5,196	4,131
Tahoe RPA	1,464	2,540	4,004	0	580	3,424	47	0	0
Tehama	(1,203)	4,108	2,905	0	1,162	1,743	24	2,159	1,716
Trinity	(1,986)	4,193	2,207	0	835	1,372	19	2,673	2,125
Tulare	1,354	17,876	19,230	0	4,705	14,525	198	2,518	2,002
Tuolumne	(2,749)	3,375	626	0	949	0	0	3,530	2,806
Ventura	(44,041)	24,013	0	20,028	6,706	0	0	49,560	39,399
Yolo	553	6,788	7,341	0	1,856	5,485	75	974	774
Yuba	(3,497)	2,431	0	1,066	667	0	0	4,046	3,216
Statewide Regional	(516,555)	1,024,406	804,241	296,390	304,974	613,147	8,368	1,105,811	879,099
Interregional	(460,445)	367,594	0	92,851	101,658	0	0	544,109	432,557
Statewide Total	(977,000)	1,392,000	804,241	389,241	406,632	613,147	8,368	1,649,920	1,311,656

2004 STIP FUND ESTIMATE
COUNTY AND INTERREGIONAL SHARES

Calculation of Planning, Programming, and Monitoring (PPM) Limitations ($1,000's)

	Base County Share, FY 2004/05-FY 2007/08			Base	PPM Limitation		
County	2002 STIP Estimate	2004 STIP Revision	Total 1st 4 Yrs	Share FY 2008/09	PPM Pct	FY 2004/05 - FY 2007/08	FY 2008/09
Alameda	98,345	(32,058)	66,287	38,947	1.0%	663	389
Alpine/Amador/Calaveras	16,648	(5,427)	11,221	6,593	5.0%	561	330
Butte	18,807	(6,130)	12,677	7,448	1.0%	127	74
Colusa	4,958	(1,616)	3,342	1,963	5.0%	167	98
Contra Costa	63,743	(20,778)	42,965	25,244	1.0%	430	252
Del Norte	4,743	(1,546)	3,197	1,878	5.0%	160	94
El Dorado LTC	12,036	(3,923)	8,113	4,766	5.0%	406	238
Fresno	67,957	(22,152)	45,805	26,913	1.0%	458	269
Glenn	5,293	(1,725)	3,568	2,096	5.0%	178	105
Humboldt	19,034	(6,205)	12,829	7,538	5.0%	641	377
Imperial	31,799	(10,365)	21,434	12,593	5.0%	1,072	630
Inyo	25,811	(8,414)	17,397	10,222	5.0%	870	511
Kern	88,948	(28,994)	59,954	35,226	1.0%	600	352
Kings	13,340	(4,348)	8,992	5,283	5.0%	450	264
Lake	8,147	(2,656)	5,491	3,227	5.0%	275	161
Lassen	12,101	(3,945)	8,156	4,792	5.0%	408	240
Los Angeles	602,827	(196,505)	406,322	238,736	5.0%	20,316	11,937
Madera	12,077	(3,937)	8,140	4,783	5.0%	407	239
Marin	18,626	(6,071)	12,555	7,376	1.0%	126	74
Mariposa	4,928	(1,606)	3,322	1,952	5.0%	166	98
Mendocino	17,966	(5,857)	12,109	7,115	5.0%	605	356
Merced	21,703	(7,075)	14,628	8,595	1.0%	146	86
Modoc	6,426	(2,095)	4,331	2,545	5.0%	217	127
Mono	19,112	(6,230)	12,882	7,569	5.0%	644	378
Monterey	34,914	(11,381)	23,533	13,827	5.0%	1,177	691
Napa	11,542	(3,762)	7,780	4,571	1.0%	78	46
Nevada	10,078	(3,285)	6,793	3,991	5.0%	340	200
Orange	181,767	(59,251)	122,516	71,985	5.0%	6,126	3,599
Placer TPA	19,198	(6,258)	12,940	7,603	5.0%	647	380
Plumas	7,284	(2,374)	4,910	2,885	5.0%	246	144
Riverside	130,115	(42,414)	87,701	51,529	5.0%	4,385	2,576
Sacramento	84,801	(27,643)	57,158	33,583	1.0%	572	336
San Benito	6,328	(2,063)	4,265	2,506	5.0%	213	125
San Bernardino	169,337	(55,199)	114,138	67,062	5.0%	5,707	3,353
San Diego	198,196	(64,606)	133,590	78,491	1.0%	1,336	785
San Francisco	50,254	(16,381)	33,873	19,902	1.0%	339	199
San Joaquin	44,208	(14,411)	29,797	17,508	1.0%	298	175
San Luis Obispo	35,536	(11,584)	23,952	14,073	1.0%	240	141
San Mateo	51,753	(16,870)	34,883	20,496	1.0%	349	205
Santa Barbara	40,600	(13,235)	27,365	16,079	1.0%	274	161
Santa Clara	115,142	(37,533)	77,609	45,599	1.0%	776	456
Santa Cruz	20,228	(6,594)	13,634	8,011	5.0%	682	401
Shasta	20,555	(6,700)	13,855	8,140	1.0%	139	81
Sierra	3,429	(1,118)	2,311	1,358	5.0%	116	68
Siskiyou	14,275	(4,653)	9,622	5,653	5.0%	481	283
Solano	30,183	(9,839)	20,344	11,953	1.0%	203	120
Sonoma	36,843	(12,010)	24,833	14,591	1.0%	248	146
Stanislaus	34,236	(11,160)	23,076	13,558	1.0%	231	136
Sutter	7,740	(2,523)	5,217	3,065	1.0%	52	31
Tahoe RPA	5,150	(1,679)	3,471	2,040	5.0%	174	102
Tehama	10,318	(3,363)	6,955	4,086	5.0%	348	204
Trinity	7,419	(2,418)	5,001	2,938	5.0%	250	147
Tulare	41,790	(13,622)	28,168	16,550	1.0%	282	166
Tuolumne	8,433	(2,749)	5,684	3,340	5.0%	284	167
Ventura	59,562	(19,416)	40,146	23,588	5.0%	2,007	1,179
Yolo	16,485	(5,373)	11,112	6,528	1.0%	111	65
Yuba	5,926	(1,932)	3,994	2,347	1.0%	40	23
Statewide	2,709,000	(883,057)	1,825,943	1,072,836		58,838	34,570

2004 STIP FUND ESTIMATE
COUNTY AND INTERREGIONAL SHARES

Annual Transportation Enhancement (TE) Programming Targets
($1,000's)

County	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	Total
Alameda	3,460	1,847	1,884	1,921	1,960	11,072
Alpine/Amador/Calaveras	586	313	319	324	332	1,874
Butte	662	353	360	368	375	2,118
Colusa	174	93	95	97	99	558
Contra Costa	2,243	1,197	1,221	1,245	1,270	7,176
Del Norte	167	89	91	92	95	534
El Dorado LTC	423	226	231	235	240	1,355
Fresno	2,391	1,276	1,302	1,327	1,354	7,650
Glenn	186	99	101	104	106	596
Humboldt	670	357	365	372	379	2,143
Imperial	1,119	597	609	621	634	3,580
Inyo	908	485	494	504	514	2,905
Kern	3,130	1,670	1,704	1,737	1,772	10,013
Kings	469	250	255	262	266	1,502
Lake	287	153	156	159	162	917
Lassen	426	227	232	236	241	1,362
Los Angeles	21,210	11,320	11,546	11,777	12,013	67,866
Madera	425	227	231	236	241	1,360
Marin	655	350	357	364	371	2,097
Mariposa	173	93	94	97	98	555
Mendocino	632	337	344	352	358	2,023
Merced	764	407	416	424	432	2,443
Modoc	226	121	123	125	128	723
Mono	672	359	366	374	381	2,152
Monterey	1,228	656	669	682	696	3,931
Napa	406	217	221	225	230	1,299
Nevada	355	189	193	197	201	1,135
Orange	6,395	3,413	3,481	3,552	3,622	20,463
Placer TPA	676	360	368	375	383	2,162
Plumas	256	137	139	143	145	820
Riverside	4,578	2,443	2,492	2,542	2,593	14,648
Sacramento	2,984	1,592	1,624	1,657	1,690	9,547
San Benito	223	119	121	123	126	712
San Bernardino	5,958	3,180	3,243	3,308	3,374	19,063
San Diego	6,973	3,722	3,796	3,872	3,949	22,312
San Francisco	1,768	944	963	981	1,001	5,657
San Joaquin	1,555	830	847	864	881	4,977
San Luis Obispo	1,250	667	681	694	708	4,000
San Mateo	1,821	972	991	1,011	1,031	5,826
Santa Barbara	1,429	762	778	793	809	4,571
Santa Clara	4,051	2,162	2,205	2,250	2,294	12,962
Santa Cruz	712	380	387	395	403	2,277
Shasta	723	386	394	401	410	2,314
Sierra	121	64	66	67	68	386
Siskiyou	502	268	273	280	284	1,607
Solano	1,062	567	578	590	601	3,398
Sonoma	1,296	692	706	720	734	4,148
Stanislaus	1,205	643	656	668	682	3,854
Sutter	272	145	148	152	154	871
Tahoe RPA	181	97	99	100	103	580
Tehama	363	194	198	201	206	1,162
Trinity	261	139	142	145	148	835
Tulare	1,470	785	800	817	833	4,705
Tuolumne	297	158	161	165	168	949
Ventura	2,096	1,118	1,141	1,164	1,187	6,706
Yolo	580	310	316	321	329	1,856
Yuba	209	111	113	116	118	667
					0	
Statewide Regional	95,314	50,868	51,886	52,924	53,982	304,974
					0	
Interregional	31,772	16,956	17,295	17,641	17,994	101,658
					0	
Statewide Total	127,086	67,824	69,181	70,565	71,976	406,632

2004 STIP FUND ESTIMATE

Annual Programming Targets (excluding TE)

($1,000's)

					2004 STIP Annual Targets					
	Programmed in 2002 STIP				Respread of 2002 STIP Programming					New
County	Total	FY 05	FY 06	FY 07	FY 05	FY 06	FY 07	FY 08	FY 09	FY 09
Alameda	151,369	55,109	47,891	48,369	3,790	36,659	31,012	30,392	49,516	0
Alpine - Amador - Calaveras	15,267	10,777	4,285	205	441	4,266	3,609	3,536	3,415	27
Butte	26,055	18,990	5,915	1,150	969	9,378	7,933	7,775	0	183
Colusa	6,572	3,737	0	2,835	245	2,365	2,001	1,961	0	40
Contra Costa	76,366	55,925	1,650	18,791	2,400	23,216	19,640	19,247	11,863	196
Del Norte	1,849	20	96	1,733	20	194	164	162	1,309	2
El Dorado LTC	36,998	17,426	127	19,445	983	9,509	8,045	7,884	10,577	0
Fresno	90,214	43,847	6,175	40,192	794	7,683	6,499	6,369	68,869	0
Glenn	7,522	3,100	1,126	3,296	224	2,171	1,837	1,801	1,489	3
Humboldt	26,775	12,607	4,572	9,596	996	9,637	8,152	7,990	0	228
Imperial	10,152	8,550	1,602	0	378	3,654	3,091	3,029	0	399
Inyo	57,655	14,856	37,959	4,840	1,916	18,534	15,679	15,367	6,159	34
Kern	208,979	67,155	0	141,824	6,696	64,776	54,798	53,704	29,005	0
Kings	20,422	550	9,302	10,570	595	5,753	4,866	4,769	4,439	0
Lake	4,353	424	0	3,929	162	1,567	1,325	1,299	0	172
Lassen	18,811	11,038	4,408	3,365	522	5,053	4,274	4,189	4,773	56
Los Angeles	728,256	349,547	160,390	218,319	21,927	212,119	179,443	175,862	138,905	177
Madera	9,169	5,153	2,758	1,258	341	3,300	2,792	2,736	0	96
Marin	45,517	38,868	6,344	305	1,447	14,002	11,845	11,610	6,613	0
Mariposa	4,579	1,979	658	1,942	140	1,357	1,148	1,125	809	11
Mendocino	37,061	7,058	20,504	9,499	1,246	12,049	10,193	9,988	3,585	32
Merced	29,571	26,154	3,332	85	1,100	10,643	9,004	8,824	0	129
Modoc	3,328	1,748	785	795	124	1,198	1,013	993	0	47
Mono	32,487	16,430	12,771	3,286	1,059	10,243	8,665	8,492	4,028	30
Monterey	122,847	12,807	10,019	100,021	4,103	39,688	33,575	32,904	12,577	12
Napa	2,709	2,709	0	0	101	975	825	808	0	171
Nevada	16,753	5,928	175	10,650	243	2,350	1,988	1,949	10,223	0
Orange	157,576	72,290	58,924	26,362	5,863	56,715	47,978	47,020	0	2,639
Placer TPA	91,675	8,936	75	82,664	786	7,602	6,431	6,301	70,555	0
Plumas	6,799	3,886	1,828	1,085	253	2,447	2,070	2,029	0	79
Riverside	95,091	42,917	30,191	21,983	3,538	34,225	28,953	28,375	0	2,340
Sacramento	66,616	8,389	20,369	37,858	894	8,645	7,313	7,166	42,598	0
San Benito	13,352	9,302	1,618	2,432	478	4,626	3,914	3,836	498	30
San Bernardino	297,300	81,249	15,219	200,832	7,800	75,452	63,829	62,554	87,665	0
San Diego	203,849	113,280	16,876	73,693	4,133	39,984	33,825	33,150	92,757	0
San Francisco	57,197	28,456	7,678	21,063	1,095	10,589	8,958	8,779	27,776	0
San Joaquin	98,692	72,750	5,931	20,011	3,147	30,448	25,757	25,244	14,096	0
San Luis Obispo	65,929	45,733	14,331	5,865	2,298	22,230	18,805	18,430	4,166	142
San Mateo	88,216	50,636	11,890	25,690	2,641	25,552	21,616	21,184	17,223	0
Santa Barbara	118,340	83,677	6,818	27,845	4,403	42,593	36,032	35,312	0	274
Santa Clara	48,928	26,236	1,979	20,713	69	666	564	552	47,077	0
Santa Cruz	66,330	55,501	8,130	2,699	2,331	22,550	19,076	18,695	3,678	148
Shasta	30,011	9,004	903	20,104	873	8,442	7,141	6,998	6,557	0
Sierra	854	471	52	331	32	307	260	255	0	56
Siskiyou	21,094	12,951	2,120	6,023	611	5,913	5,002	4,903	4,665	0
Solano	50,142	14,179	19,428	16,535	1,481	14,331	12,124	11,882	10,324	0
Sonoma	107,551	65,951	2,200	39,400	3,066	29,661	25,092	24,591	25,141	0
Stanislaus	58,344	37,246	0	21,098	2,171	20,999	17,764	17,410	0	252
Sutter	16,546	8,096	13	8,437	462	4,468	3,780	3,705	4,131	0
Tahoe RPA	3,390	3,390	0	0	126	1,220	1,032	1,012	0	47
Tehama	14,503	5,883	5,919	2,701	476	4,602	3,893	3,816	1,716	24
Trinity	20,476	9,217	7,684	3,575	683	6,605	5,587	5,476	2,125	19
Tulare	77,554	16,281	2,780	58,493	2,811	27,193	23,004	22,544	2,002	198
Tuolumne	3,099	791	761	1,547	11	105	89	88	2,806	0
Ventura	140,315	106,817	1,813	31,685	3,755	36,322	30,726	30,113	39,399	0
Yolo	8,805	7,423	91	1,291	299	2,891	2,445	2,396	774	75
Yuba	13,560	8,319	4,825	416	385	3,723	3,149	3,087	3,216	0
Statewide Regional	3,833,770	1,801,749	593,290	1,438,731	109,933	1,063,445	899,625	881,668	879,099	8,368
Interregional	1,587,948	1,023,256	281,829	282,863	42,987	415,849	351,788	344,767	432,557	0
TOTAL	5,421,718	2,825,005	875,119	1,721,594	152,920	1,479,294	1,251,413	1,226,435	1,311,656	8,368

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APPENDIX A – PROGRAM AMOUNTS

State and Federal Program Levels Included in the 2004 Fund Estimate

STATE + FEDERAL PROGRAM ($ in millions)	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	6-Year Total
SHOPP								
SHOPP	$726	$1,677	$1,115	$1,557	$1,173	$1,462	$6,984	$7,710
Stormwater	43	87	50	108	10	90	346	389
Facilities - Office Buildings	0	3	28	0	0	0	31	31
Minor Program	100	100	100	100	100	100	500	600
Capital Outlay Support (Estimate)	116	267	176	254	182	239	1118	1234
Total SHOPP Program	**$985**	**$2,134**	**$1,470**	**$2,019**	**$1,465**	**$1,892**	**$8,979**	**$9,964**
STIP								
Highway	$81	$1,814	$414	$956	$0	$0	$3,185	$3,265
Local Roads	0	516	266	488	0	0	1270	1270
Rail	0	75	61	34	0	0	170	170
Mass Trans	0	134	81	131	0	0	346	346
Capital Outlay Support	162	77	52	112	0	0	242	404
Total STIP Program	**$243**	**$2,616**	**$875**	**$1,722**	**$0**	**$0**	**$5,213**	**$5,456**

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	6-Year Total
Target Program Level - SHA/FEDERAL	**$950**	**$2,159**	**$2,412**	**$2,615**	**$1,952**	**$2,267**	**$11,405**	**$12,355**
Current Program - SHOPP	985	2,134	1,470	2,019	1,465	1,892	8,979	9,964
Current Program - STIP	243	2,616	875	1,722	-	-	5,213	5,456
Total Program (State & Fed)	**$1,228**	**$4,750**	**$2,345**	**$3,741**	**$1,465**	**$1,892**	**$14,192**	**$15,420**
Programming (Deprogramming) to Achieve Taget Level	**($278)**	**($2,591)**	**$67**	**($1,126)**	**$487**	**$375**	**($2,787)**	**($3,065)**
PTA - Program Capacity	0	$0	$215	$258	$297	$297	$1,068	$1,068
TIF - Program Capacity	0	$324	$389	$467	$512	$512	$2,204	$2,204
TDIF - Program Capacity	0	$0	$0	$0	$0	$208	$208	$208
Net Programming (Deprogramming) - All Funds	**($278)**	**($2,267)**	**$672**	**($401)**	**$1,297**	**$1,392**	**$693**	**$416**

Note: Numbers may not add due to rounding.

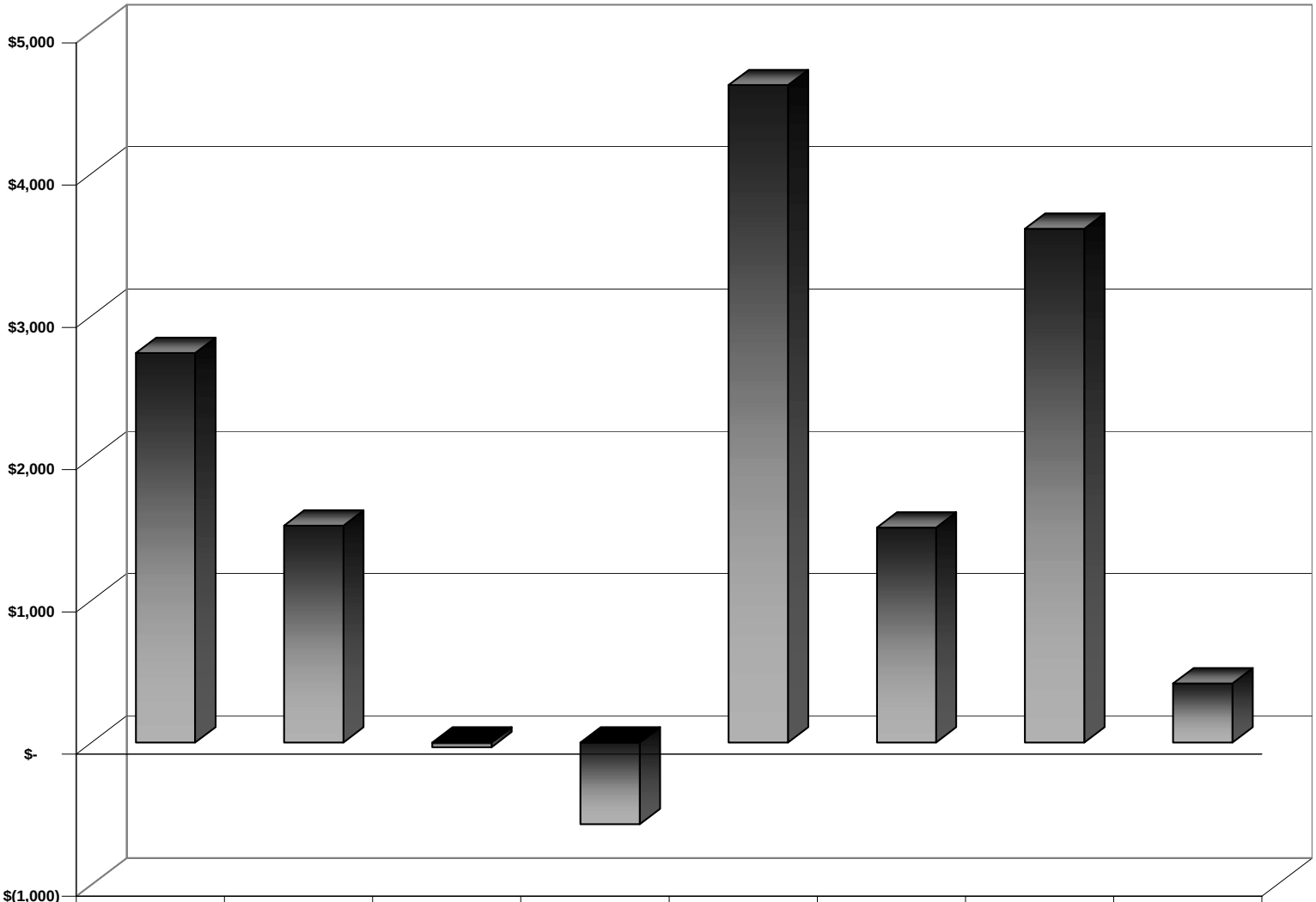
The first table above shows the entire State and federal program levels for STIP and SHOPP that drive the cash expenditure levels shown in the FE. These amounts, if voted, can be committed by each program on an annual basis. Each program has generated multi-year cash flow ratios that are used to convert the program levels to the cash expenditures in the FE.

The second table shows the annual target program levels that the FE can actually afford, based on the bottom line cash available. The targeted levels are compared with actual programming each year. The line "Programming (Rescheduling) to Achieve Target Levels" is the total annual amount of program that must be shifted (based on SHA & federal funding) to ensure a positive cash balance in the SHA.

The third table shows additional program capacity available from other Funds.

The final line shows the annual net program that must be shifted or that can be added based on the combined capacity from all Funds.

APPENDIX B – PRIOR FUND ESTIMATE PROGRAMMING CAPACITY



	1990	1992	1994	1996	1998	2000	2002	2004
Programming Avail.	$2,738	$1,525	$(33)	$(574)	$4,623	$1,511	$3,612	$416

APPENDIX C – SHA FUND ESTIMATE DETAILS

2004 FE - SHA and Federal Fund Estimate Detail

STATE REVENUES	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total
FUEL TAXES							
HUTA - Gas (F00062)	$ 1,737.966	$ 1,778.036	$ 1,819.028	$ 1,860.962	$ 1,903.861	$ 1,947.747	$ 9,309.635
HUTA - Diesel (F00062)	$ 325.642	$ 333.150	$ 340.831	$ 348.688	$ 356.726	$ 364.949	$ 1,744.344
HUTA - Other (F00062)	$ 5.000	$ 5.000	$ 5.000	$ 5.000	$ 5.000	$ 5.000	$ 25.000
Total Fuel Taxes	**$ 2,068.608**	**$ 2,116.186**	**$ 2,164.859**	**$ 2,214.650**	**$ 2,265.587**	**$ 2,317.696**	**$ 11,078.978**
MOTOR VEHICLE REGISTRATION (WEIGHT FEES) (114100)	**$ 741.000**	**$ 799.000**	**$ 825.000**	**$ 833.000**	**$ 842.000**	**$ 850.000**	**$ 4,149.000**
MISCELLANEOUS RESOURCES							
General Fund Loan Repayment	$ 177.350	$ -	$ -	$ -	$ -	$ -	$ -
SMIF (150300)	$ 13.401	$ 19.059	$ 19.059	$ 19.059	$ 19.059	$ 19.059	$ 95.295
Misc. Revenue from use of property/money (152300)	$ 15.283	$ 16.451	$ 16.791	$ 16.282	$ 16.621	$ 16.231	$ 82.376
Rentals of State Property (152200)	$ 25.598	$ 24.316	$ 26.799	$ 26.527	$ 26.095	$ 23.608	$ 127.345
Reimbursement from TIF & TCRP	$ 100.000	$ -	$ -	$ 463.000	$ -	$ -	$ 463.000
Other revenues	$ 19.471	$ 19.669	$ 21.289	$ 16.350	$ 16.666	$ 16.862	$ 90.837
Total Miscellaneous Resources	**$ 351.103**	**$ 79.495**	**$ 83.939**	**$ 541.217**	**$ 78.442**	**$ 75.760**	**$ 858.853**
TRANSFERS TO/FROM OTHER FUNDS							
PTA for Planning 2660-021-0042 (T00046)	$ (25.865)	$ (21.600)	$ (22.000)	$ (22.500)	$ (22.900)	$ (23.400)	$ (112.400)
PTA for Street and Highways Code 183.1 (T00046)	$ (60.395)	$ (45.907)	$ (45.743)	$ (49.894)	$ (48.920)	$ (48.893)	$ (239.357)
Other transfers	$ 11.058	$ (8.703)	$ (350.454)	$ (16.996)	$ (8.647)	$ (8.656)	$ (393.455)
Total Transfers To/From Other Funds	**$ (75.202)**	**$ (76.210)**	**$ (418.197)**	**$ (89.389)**	**$ (80.467)**	**$ (80.949)**	**$ (745.212)**
EXPENDITURES (Other Departments)							
DMV State Ops - Weight Fee Collection Costs (2740)	$ (38.608)	$ (39.380)	$ (40.168)	$ (40.971)	$ (41.791)	$ (42.626)	$ (204.936)
California Highway Patrol State Ops (2720)	$ (43.787)	$ (44.663)	$ (45.556)	$ (46.467)	$ (47.396)	$ (48.344)	$ (232.427)
Other expenditures	$ (5.456)	$ (5.011)	$ (5.223)	$ (7.376)	$ (5.318)	$ (4.653)	$ (27.581)
Total Expenditures (Other Departments)	**$ (87.851)**	**$ (89.054)**	**$ (90.947)**	**$ (94.814)**	**$ (94.505)**	**$ (95.623)**	**$ (464.943)**
FEDERAL REVENUES							
FEDERAL RESOURCES							
Obligation Authority (OA)	$ 2,458.000	$ 2,670.000	$ 2,730.000	$ 2,780.000	$ 2,840.000	$ 2,890.000	$ 13,910.000
August Redistribution Bonus	$ 29.263	$ 29.263	$ 29.263	$ 29.263	$ 29.263	$ 29.263	$ 146.317
Total Federal Resources	**$ 2,487.263**	**$ 2,699.263**	**$ 2,759.263**	**$ 2,809.263**	**$ 2,869.263**	**$ 2,919.263**	**$ 14,056.317**
FEDERAL ADJUSTMENTS							
PTA expenditure adjustments per the Gov. Bud.	$ (78.659)	$ (80.232)	$ (81.837)	$ (83.474)	$ (85.143)	$ (86.846)	$ (417.531)
Toll Bridge HBRR expenditure per Ch.907/01	$ -	$ (50.000)	$ (100.000)	$ (100.000)	$ (100.000)	$ (42.000)	$ (392.000)
Ethanol Impact	$ -	$ -	$ (563.242)	$ (718.134)	$ (732.496)	$ (747.146)	$ (2,761.018)
Total Federal Adjustments	**$ (78.659)**	**$ (130.232)**	**$ (745.079)**	**$ (901.608)**	**$ (917.639)**	**$ (875.992)**	**$ (3,570.549)**

2004 FE - SHA and Federal Fund Estimate Detail

STATE & FEDERAL EXPENDITURES	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total
STATE OPERATIONS							
Program Development	$ (71.182)	$ (72.606)	$ (74.058)	$ (75.539)	$ (77.050)	$ (78.591)	$ (377.843)
Legal	$ (60.638)	$ (61.851)	$ (63.088)	$ (64.350)	$ (65.637)	$ (66.949)	$ (321.874)
Operations	$ (117.039)	$ (119.380)	$ (121.767)	$ (124.203)	$ (126.687)	$ (129.221)	$ (621.257)
Maintenance	$ (739.388)	$ (754.176)	$ (769.259)	$ (784.644)	$ (800.337)	$ (816.344)	$ (3,924.761)
Mass Transportation	$ (0.338)	$ (0.345)	$ (0.352)	$ (0.359)	$ (0.366)	$ (0.373)	$ (1.794)
Transportation Planning	$ (32.094)	$ (32.736)	$ (33.391)	$ (34.058)	$ (34.740)	$ (35.434)	$ (170.359)
Administration	$ (262.556)	$ (267.807)	$ (273.163)	$ (278.627)	$ (284.199)	$ (289.883)	$ (1,393.679)
Capital Outlay Support - Indirect	$ (252.973)	$ (266.938)	$ (242.566)	$ (262.758)	$ (213.479)	$ (213.479)	$ (1,199.220)
Local Assistance Support	$ (29.490)	$ (30.080)	$ (30.681)	$ (31.295)	$ (31.921)	$ (32.559)	$ (156.536)
BCP Reservation	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total State Operations	**$ (1,565.698)**	**$ (1,605.918)**	**$ (1,608.325)**	**$ (1,655.832)**	**$ (1,634.415)**	**$ (1,662.834)**	**$ (8,167.323)**
SHOPP							
SHOPP	$ (858.183)	$ (928.453)	$ (1,087.929)	$ (1,173.078)	$ (1,191.005)	$ (1,208.433)	$ (5,588.898)
Stormwater	$ (32.190)	$ (58.000)	$ (69.340)	$ (74.500)	$ (67.070)	$ (48.010)	$ (316.920)
SHOPP Capital Outlay Office Projects	$ (81.100)	$ (26.245)	$ (29.014)	$ (0.200)	$ (0.200)	$ -	$ (55.659)
SHOPP Minor	$ (115.480)	$ (92.020)	$ (90.470)	$ (90.400)	$ (90.400)	$ (90.400)	$ (453.690)
SHOPP Right of Way	$ (30.958)	$ (31.010)	$ (25.900)	$ (25.350)	$ (24.150)	$ (18.000)	$ (124.410)
SHOPP Support	$ (361.225)	$ (345.986)	$ (338.161)	$ (354.577)	$ (345.037)	$ (353.468)	$ (1,737.229)
Total SHOPP	**$ (1,479.136)**	**$ (1,481.713)**	**$ (1,640.814)**	**$ (1,718.104)**	**$ (1,717.862)**	**$ (1,718.312)**	**$ (8,276.806)**
Toll Bridge Seismic Retrofit Contingency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (180.000)**	**$ (180.000)**
LOCAL ASSISTANCE							
Local Assistance Non-STIP	$ (1,060.850)	$ (1,140.024)	$ (985.050)	$ (937.176)	$ (954.754)	$ (965.945)	$ (4,982.950)
TEA Regional (Existing)	$ (20.856)	$ (11.261)	$ (15.392)	$ (16.231)	$ (15.086)	$ (17.086)	$ (75.056)
Retrofit Soundwalls	$ (62.983)	$ (31.064)	$ (17.205)	$ (6.971)	$ (3.038)	$ (0.550)	$ (58.829)
State/Local Partnership	$ (5.480)	$ -	$ -	$ -	$ -	$ -	$ -
Local Assistance COS	$ (39.405)	$ (30.581)	$ (29.887)	$ (29.353)	$ (29.353)	$ (29.353)	$ (148.528)
Total Local Assistance	**$ (1,189.573)**	**$ (1,212.931)**	**$ (1,047.534)**	**$ (989.731)**	**$ (1,002.231)**	**$ (1,012.935)**	**$ (5,265.363)**
STIP CAPITAL OUTLAY COMMITMENTS							
State STIP	$ (563.108)	$ (618.956)	$ (855.111)	$ (752.681)	$ (700.171)	$ (362.872)	$ (3,289.792)
Local Roads-STIP	$ (117.892)	$ (238.766)	$ (281.693)	$ (365.370)	$ (197.286)	$ (74.248)	$ (1,157.364)
AB 3090 Cash Reimbursement Projects	$ -	$ (17.528)	$ (43.600)	$ (75.124)	$ (43.800)	$ (43.800)	$ (223.852)
STIP Transit Capital Outlay - Rail	$ (55.373)	$ (51.466)	$ (44.004)	$ (32.733)	$ (35.100)	$ (39.478)	$ (202.781)
STIP Transit Local Assistance - Mass Transit	$ (31.222)	$ (120.461)	$ (90.825)	$ (92.835)	$ (12.256)	$ (5.085)	$ (321.462)
STIP COS Support	$ (209.774)	$ (272.426)	$ (278.270)	$ (245.768)	$ (187.568)	$ (155.662)	$ (1,139.695)
GARVEE Debt Service	$ -	$ (57.682)	$ (57.682)	$ (70.604)	$ (70.604)	$ (70.604)	$ (327.176)
STIP Right of Way	$ (169.450)	$ (138.090)	$ (92.720)	$ (62.130)	$ (32.840)	$ (13.810)	$ (339.590)
Total STIP CAPITAL OUTLAY COMMITMENTS	**$ (1,146.819)**	**$ (1,515.376)**	**$ (1,743.906)**	**$ (1,697.245)**	**$ (1,279.626)**	**$ (765.559)**	**$ (7,001.712)**

APPENDIX D – SHA FE BY BUDGET CATEGORY

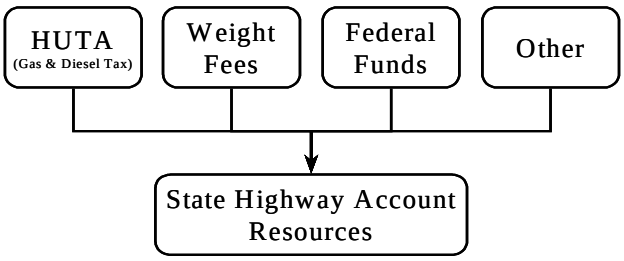
STATE HIGHWAY AND FEDERAL TRUST FUND ACCOUNTS
2004 STIP FUND ESTIMATE
BUDGETARY LOOK - Arranged by Budgetary Character
($ millions)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	FE Total	FE Total
RESOURCES								
Beginning Balance	$293						$293	$293
Fuel Taxes	$2,069	$2,116	$2,165	$2,215	$2,266	$2,318	$11,079	$13,148
Motor Vehicle Registration (Weight Fees)	741	799	825	833	842	850	4,149	4,890
Misc. Revenues	69	74	79	78	78	76	386	455
TCRF Loan Repayment	100	0	0	463	0	0	463	563
Other Loan Repayments	182	5	5	0	0	0	10	192
AB 487	0	0	0	0	0	0	0	0
Toll Bridge Seismic Retrofit	0	0	(342)	(8)	0	0	(350)	(350)
Net Transfers - Other	(75)	(76)	(76)	(81)	(80)	(81)	(395)	(470)
Expenditures - Other Agencies	(88)	(89)	(91)	(95)	(95)	(96)	(465)	(553)
Total State Resources	**$3,291**	**$2,829**	**$2,565**	**$3,405**	**$3,011**	**$3,067**	**$14,877**	**$18,167**
Federal Revenues	$2,409	$2,619	$2,677	$2,726	$2,784	$2,832	$13,639	$16,047
Toll Bridge HBRR Expenditure	0	(50)	(100)	(100)	(100)	(42)	($392)	($392)
Ethanol Impact	0	0	(563)	(718)	(732)	(747)	($2,761)	($2,761)
Net Federal Resources	**$2,409**	**$2,569**	**$2,014**	**$1,908**	**$1,952**	**$2,043**	**$10,486**	**$12,894**
TOTAL RESOURCES	**$5,699**	**$5,398**	**$4,579**	**$5,312**	**$4,963**	**$5,110**	**$25,362**	**$31,062**
TOLL BRIDGE SEISMIC RETROFIT CONTINGENCY	**$0**	**$0**	**$0**	**$0**	**$0**	**($180)**	**($180)**	**($180)**
STATE OPERATIONS								
Maintenance	($739)	($754)	($769)	($785)	($800)	($816)	($3,925)	($4,664)
Traffic Operations	($117)	($119)	($122)	($124)	($127)	($129)	($621)	($738)
General State Operations	($680)	($702)	($687)	($716)	($675)	($685)	($3,465)	($4,145)
SHOPP - Capital Outlay Support	(361)	(346)	(338)	(355)	(345)	(353)	(1,737)	(2,098)
Local Assistance - Capital Outlay Support	(39)	(31)	(30)	(29)	(29)	(29)	(149)	(188)
Local Assistance State Operations	(29)	(30)	(31)	(31)	(32)	(33)	(157)	(186)
STIP - Capital Outlay Support	(210)	(272)	(278)	(246)	(188)	(156)	(1,140)	(1,349)
State Operations Total	**($2,176)**	**($2,255)**	**($2,255)**	**($2,286)**	**($2,196)**	**($2,201)**	**($11,193)**	**($13,369)**
LOCAL ASSISTANCE								
Local Assistance	($1,082)	($1,151)	($1,000)	($953)	($970)	($983)	($5,058)	($6,140)
State Local Partnership	(5)	0	0	0	0	0	0	(5)
Local Assistance Total	**($1,087)**	**($1,151)**	**($1,000)**	**($953)**	**($970)**	**($983)**	**($5,058)**	**($6,145)**
CAPITAL OUTLAY								
SHOPP								$0
SHOPP	($858)	($928)	($1,088)	($1,173)	($1,191)	($1,208)	($5,589)	($6,447)
Stormwater	(32)	(58)	(69)	(75)	(67)	(48)	(317)	(349)
Right of Way	(31)	(31)	(26)	(25)	(24)	(18)	(124)	(155)
Facilities - Office Buildings	(81)	(26)	(29)	(0)	(0)	0	(56)	(137)
Minor Program	(115)	(92)	(90)	(90)	(90)	(90)	(454)	(569)
Local Assistance								
Retrofit Sound Walls	(63)	(31)	(17)	(7)	(3)	(1)	(59)	(122)
AB 3090 Cash Reimbursement Projects	0	(18)	(44)	(75)	(44)	(44)	(224)	(224)
STIP								
Highway & Local Roads	($681)	($858)	($1,137)	($1,118)	($897)	($437)	($4,447)	($5,128)
Rail	(55)	(51)	(44)	(33)	(35)	(39)	(203)	(258)
Mass Trans	(31)	(120)	(91)	(93)	(12)	(5)	(321)	(353)
Right of Way	(169)	(138)	(93)	(62)	(33)	(14)	(340)	(509)
GARVEE Debt Service	0	(58)	(58)	(71)	(71)	(71)	(327)	(327)
Total Capital Outlay	**($2,118)**	**($2,410)**	**($2,785)**	**($2,822)**	**($2,468)**	**($1,975)**	**($12,460)**	**($14,578)**
Cash Available for Programming	**$318**	**($417)**	**($1,462)**	**($749)**	**($671)**	**($229)**	**($3,529)**	**($3,211)**

APPENDIX E - SHA FUND ESTIMATE ASSUMPTIONS

The State Highway Account is the main funding source for the State's highway transportation program. Excise tax on motor vehicle fuels, motor vehicle weight fees, and reimbursements from the Federal Trust Fund for Federal-aid highway projects are the three major funding sources.

The Department receives the Federal funds from the Federal fuel taxes deposited in the Federal Highway Trust Fund. Through the Federal Transportation Act and the Federal budget, the fuel taxes are apportioned and allocated back to California. Before the funds can flow back to California, the Federal Highway Administration (FHWA) must authorize each Federal-aid highway project in advance, and Federal funds must be obligated. After this formal authorization process and obligation of funds, Federal funds are reimbursed based on the monthly expenditure of work accomplished on each authorized Federal-aid project.



The Commission approved the assumptions used to develop the SHA FE at its September 2003 meeting.

Resources

- The enacted 2003-04 Budget is used as the base for developing the FE.

SHA 1 The beginning balance of the FE is $293 million.

SHA 2 The 2004 FE includes a prudent cash balance of $330 million for the FE period. Based on historical cash fluctuations, the prudent cash balance will cover 96 percent of monthly volatility in the cash balance.

State Revenues

SHA 3 Fuel excise tax revenues are estimated to grow at an average annual rate of 2.3 percent for the five year FE period. This average growth rate is consistent with the DOF forecast for motor vehicle fuel consumption and corresponding growth in fuel tax revenues in the 2003-04 Budget.

SHA 4 Revenue from the excise tax on liquefied petroleum gas, natural gas, ethanol and methanol is projected to remain constant at $5 million throughout the FE.

SHA 5 The impact of SB 2084 to weight fees is assumed to be a one-time drop in revenue. SB 2084, also known as the Commercial Vehicle Registration Act, was enacted to bring the State's weight fee tax structure in compliance with the Federal Inter-modal Surface Transportation Efficiency Act of 1991. SB 2084 made significant changes to the weight fee structure for commercial vehicles, but was intended to be revenue neutral. Immediately after implementation of the act, weight fees experience a marked decline. SB 1055, which was signed by the Governor on October 12, 2003, contains increases in weight fees to correct revenue neutrality issues with SB 2084. SB 1055 includes language that would allow the DOF to direct the Department of Motor Vehicles to increase weight fees if the revenues in 2003-04 do not reach at least $789 million.

SHA 6 Weight fee growth in the 2004 FE is assumed to be approximately 1.0 percent annually over the five year FE period.

SHA 7 Surplus Money Investment Fund (SMIF) income is based on the projected year ending cash balances and the current SMIF rate of 1.859 percent. The SMIF is an interest-bearing fund where cash not immediately needed for expenditure is deposited to generate revenue.

Risk Issues

- There appears to be little or no risk in assuming the growth trend in Highway Users Tax Account (HUTA) revenues. Historical trends are very consistent.

Transfers

Major transfers from the SHA to other funds include: to the PTA for Planning (Section 194 of the Streets and Highways Code) and revenue not subject to Article XIX of the California Constitution (Section 183.1 of the Streets and Highways Code). Other transfers include: Motor Vehicle Account (Section 1675 of the Government Code) and the Equipment Service Fund (Item 2660-031-0608, Budget Act of 2003).

SHA 8 Historical growth trends are used to forecast rental income as well as other miscellaneous income. Rental and miscellaneous income deposited in the SHA are transferred to the PTA per Section 183.1 of the Streets and Highways Code the year after they are received.

SHA 9 The transfer to PTA for planning pursuant to Streets and Highways Code Section 194 is determined by formula and is based on the forecast of PTA State Operations expenditures.

SHA 10 Pursuant to Section 42273 of the Vehicle Code, the Motor Vehicle Account must transfer by the 10th day of each calendar month the balance remaining at the close of business on the last day of the preceding calendar month that is not needed for immediate use, to the credit of the SHA. The SHA will not receive this transfer in the FE period.

Toll Bridge Seismic Retrofit Contribution

The 2002 FE included transfers, per SB 60 (Chapter 327, Statutes of 1997) from the SHA to the Toll Bridge Seismic Retrofit Account (TBSRA) scheduled as $342 million in 2001-02, and $8.3 million in 2002-03. These transfers did not occur as planned. The schedule for the cash transfers from the SHA to the TBSRA has been changed per the Plan of Finance developed to meet the requirements of AB 1171 (Chapter 907, Statutes of 2001). See Appendix F for more detail on the TBSRP.

Toll Bridge Seismic Retrofit SHA Contribution Transfers				
2004-05	**2005-06**	**2006-07**	**2007-08**	**2008-09**
$-	$342M	$8.3M	$-	$-

Loans

Loans have been directed by the Legislature from the SHA over the past several fiscal years. Actions taken by the Legislature in 2003-04 Budget have modified these loans but have not specified the repayment schedules for all of these loans.

- A loan to the General Fund from the SHA, in the amount of $173 million was made pursuant to Chapter 445, Statutes of 2002. This loan was repaid early in 2003-04.
- The SHA made a loan of $474 million to the TCRF in 2002-03. A partial repayment of $100 million is scheduled to occur in 2003-04. The balance of the loan must be repaid by June 30, 2007; however, an exact repayment schedule has not been specified.

SHA 11 A loan of $35 million was made from the SHA to the California Highway Patrol (CHP) pursuant to the Budget Act of 1997 (Chapter 282 Statutes of 1997). The 2004 FE assumes no repayment during the FE period.

SHA 12 DOF has not yet developed a repayment schedule for the remaining $463 million loaned from the SHA to the TCRF. This loan includes the $89 million the SHA paid in Capital Outlay Support (COS) costs for the TCRF from 2000-01 through 2002-03, and the $474 million, loaned to the TCRF in 2002-03, for a total of $563 million. $100 million will be repaid in 2003-04, leaving the balance of $463 million.

Actual data is now available for the COS costs paid by the SHA for the TCRF for 2002-03. The actual amount was $46 million, $14 million below the forecast of $60 million. The total amount owed is actually $463 million.

The Commission directed the Department to include estimated revenue from rental fees as specified in AB 487 as partial payback of funds loaned to the TCRF from the SHA. However, the Governor vetoed AB 487. Therefore, the FE assumes payback of the loan in 2006-07, as specified in AB 438 (Chapter 113, Statutes of 2001).

Federal Revenues

- TEA-21 expired September 30, 2003. Congress is currently considering a new transportation bill along with funding levels for the next several years.
- Revenue Aligned Budget Authority (RABA) is included in both the President and Senate's proposals for SAFTEA beginning federal fiscal year 2006.

SHA 13 The 2004 FE assumes an August Redistribution of $29 million in each year based on the average amount received over the last six years. The FHWA, through the August Redistribution process, allows States to compete for any unused OA. Those States unable to fully use their OA relinquish the authority and the FHWA distributes the anticipated unused OA by formula to those States asking for more. This distribution of unused OA is commonly referred to as August Redistribution.

SHA 14 Existing federal programs currently authorized are assumed to continue into the next federal transportation act.

SHA 15 The FHWA provides the Department OA that represents the total amount of funds that can be obligated in a year.

The Commission directed the Department to use, for the purpose of preparing the proposed FE for November, the mid-point between the House and Senate appropriations proposals in 2003-04 and an escalation factor of 2 percent annually beginning in 2004-05.

The Department has since changed the assumption to set the OA level in 2003-04 equal to the actual received in 2002-03, and to use the mid-point between the House and Senate appropriations proposals in 2004-05, and an escalation factor of 2 percent annually beginning in 2005-06. This issue must be addressed based on any subsequent action taken by Congress.

The federal tax structure for motor vehicle fuels taxes ethanol-gasoline blends at a lower tax rate than gasoline with methyl tertiary butyl ether (MTBE). In addition, a portion of the tax goes to the Federal General Fund, thereby reducing the amount of federal excise tax received by the Federal Highway Trust Fund. Under current federal law, California's

switch from gasoline with MTBE to gasohol with a 5.7 percent ethanol blend could reduce California's contribution to the Federal Highway Trust Fund – Highway Account by as much as $850 million per year, if changes in the tax structure are not made. A Departmental analysis indicates that if 50 percent of the gasoline consumed in California is blended, and 90 percent of the federal fuel tax revenues are returned to California, the State would receive about $385 million less in apportionment than the amount it would have received from gasoline tax. With 100 percent ethanol-blended gasohol, the amount of the federal fuel tax loss to California would amount to $775 million annually given the same level of gasoline/gasohol consumption. The Department's assumption of $560 million impact in 2005-06 is based on 80 percent ethanol usage.

The Commission directed the Department to factor in the impact of ethanol use to OA receipts. Due to the lag between the collection and distribution of the fuel tax revenue, the reduction in the state share of OA due to the lower taxes on ethanol is expected to begin in 2005-06. The impact in 2005-06, with no fix to the tax on ethanol, is projected to be $560 million.

SHA 16 The Department exercised a provision in federal law to authorize project expenditures against future federal funds. This provision is known as Advanced Construction (AC). If expenditures on these projects materialize before federal funding is available, State resources support the expenditures and future federal revenues will reimburse the SHA. As of September 2003, there was approximately $3.9 billion worth of projects authorized under AC. The Department's goal is to reduce AC to a manageable level over the FE period.

The Commission adopted the assumption to dedicate $200 million of OA per year beginning in 2004-05 to apply against the AC balance in order to reduce the AC balance by $1 billion in the FE period.

Toll Bridge Seismic Retrofit Contribution

- Over the term of the 2004 FE, $392 million of the authorized $642 million Federal Highway Bridge Replacement and Rehabilitation (HBRR) funds will be used to fund the Toll Bridge Seismic Retrofit Program (TBSRP) as outlined in AB 1171. See Appendix F for details on the TBSRP.

Toll Bridge Seismic Retrofit HBRR Contribution Levels						
2002-03	**2003-04**	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**
$250M	$0	$50M	$100M	$100M	$100M	$42M

Expenditures

SHA 17 The 2004 FE displays existing commitments as currently programmed for the purposes of calculating expenditures for the FE.

The Department has changed the display of existing commitments so that the program aligns with the current allocation plan.

Escalation Rates

SHA 18 The Department will use the average growth of the California Highway Construction Cost Index (CHCCI) over the last ten years for estimating future capital construction costs. The CHCCI has grown by an average of 3.0 percent annually.

SHA 19 The Department will use DOF's California Construction Cost Index (CCCI) escalation rate for the estimating construction of office buildings. The CCCI is 2.02 percent annually.

State Operations

Section 163 of the Streets and Highways Code requires that the FE incorporate "the most recent Budget Act" as the base in projecting future State Operations expenditures.

State Operations includes expenses for the operation of the Department such as Maintenance, Program Development, Traffic Operations, Administration, Legal, Equipment Service Center, Transportation Planning, Mass Transportation, and Local Assistance support.

SHA 20 The Commission directed the Department not to include a reservation for Budget Change Proposals and Finance letters in the 2004 FE.

SHA 21 The Commission directed the Department to use the 2003-04 enacted Budget and all post-budget reductions to estimate State Operations expenditures, which are escalated at 2 percent annually over the FE period. Currently, $132 million in reductions have been approved and removed from SHA State Operations costs.

State Highway Operation and Protection Program (SHOPP)

SHA 22 The Commission directed the Department to assign 85 percent of the annual funding to the four categories of Safety, Bridge Preservation, Roadway Preservation and Mobility, which is an increase of 5 percent from what the Department proposed. The Department was directed to come back to the October meeting with a revised SHOPP funding allocation by categories with revised performance outcomes. These

performance outcomes would then be used to review the Department's progress towards their achievement on an annual basis.

SHOPP Expenditure Levels (millions)				
2004-05	**2005-06**	**2006-07**	**2007-08**	**2008-09**
$1,482	$1,641	$1,718	$1,718	$1,718

In addition, the following assumptions were also made:

- Capital Outlay Support will be based on workload.
- Annual amounts for Stormwater will be shown.

SHA 23 SHOPP funded minor safety projects are not included in minor, but instead are part of the forecast for the SHOPP.

SHA 24 A review of the 2002 SHOPP indicated that Right of Way costs are about 3 percent of total SHOPP capital. Right of Way costs are programmed through 2005-06.

SHOPP Right of Way costs have been adjusted to reflect the estimated level necessary to deliver the SHOPP program.

SHA 25 The TBSRP contingency is assumed to equal the full amount of the $448 million authorized by AB 1171, although not all of this amount will spend in the five-year FE period. The cash flow of the contingency is based on the Department's TBSRP cash flow projections, developed to meet the requirements of AB 1171. Though expenditures are expected to occur late in the FE period and beyond the FE period, due to the long-term nature of the TBSRP, allocation could be required as early as 2004-05 to allow contract award. See Appendix F for details on the TBSRP.

Toll Bridge Seismic Retrofit Contingency Funding Levels				
2004-05	**2005-06**	**2006-07**	**2007-08**	**2008-09**
$-	$-	$-	$-	$180M

SHA 26 The Commission directed the Department to use annual levels for SHOPP Capital Outlay Support (COS) expenditures such that the total SHOPP program expenditures would match the 2002 FE.

SHA 27 The Commission directed the Department to use annual levels for SHOPP facilities expenditures for State owned office buildings such that the total SHOPP program expenditures would match the 2002 FE.

SHA 28 The Commission directed the Department to use specific annual levels for SHOPP for stormwater treatment projects required by regulatory

agencies, such that the total SHOPP program expenditures would match the 2002 FE. The 201.335 Stormwater Fund in the SHOPP is for "stand alone" Stormwater projects that have no parent highway project that could include the Stormwater improvements. These projects arise primarily because of lawsuit settlements or from an enforcement order from a Regional Water Quality Control Board.

SHA 29 Award savings factors are used to reduce the allocation levels to estimated contract award values. These factors are based on actual experience for the individual fiscal years. For 2003-04 and beyond, award savings are based on actual levels for 1995-96 through 2001-02.

Local Assistance

SHA 30 Local Assistance project delivery is 100 percent over the FE period.

SHA 31 Any OA borrowed from locals in the 2003-04 year will be paid back within the 2003-04 fiscal year. There is no long-term impact to the SHA balance. OA borrowed from locals before 2003–04 is, identified in the FE with a proposed payback timeline of $50 million per year for four years beginning in 2005-06.

SHA 32 Federal lump sum allocations are not cash flowed. Previously, the lump sum amount was treated as a program level and cash flowed using a multi-year percentage spread. The methodology has changed to reflect the fact that the State no longer has use of that OA, regardless of how the actual cash expenditures occur.

SHA 33 The State and Local percentage split for allocation of federal funds is estimated at 60 percent and 40 percent respectively. The 60/40 split is the result of federal regulation, State statutes, and Commission resolutions regarding apportionment divisions.

SHA 34 No State funds are set aside for Local Seismic Retrofit projects in the 2003-04 Governor's Budget. This is based on current State policy, and the FE will not include the match for this item for the entire FE period.

SHA 35 The STIP match is assumed to be fully expended within one year. Expenditure levels reflected continuation of all programs authorized under current statutes.

SHA 36 Expenditures for Safe Routes to School assume that funding for this program ends in January 2005.

- The FE reflects the Retrofit Soundwalls program based upon the statutory commitment to fund a specific list of specific soundwall projects (Streets & Highways Code Section 215.5).

Reservations

SHA 37 The amount held for the Prudent Cash Balance is assumed to encompass any need for a reservation for economic uncertainties over the FE period. No additional amount is held for economic uncertainties.

Prior STIP Commitments

SHA 38 STIP expenditure levels reflect a continuation of all projects authorized under the current program and all amendments, based on Commission allocations through September 2003. Unvoted program for 2002-03 and 2003-04 has been shifted to 2004-05.

SHA 39 Since cash expenditures for State Highway Projects are based on contract values, it is necessary to use award savings factors to reduce allocation levels to contract award values. Award savings factors are based on actual experience for the individual fiscal years. For 2003-04 and beyond, award savings are based on actual levels from 1995-96 through 2001-02.

GARVEE Bonds

Grant Anticipation Revenue Vehicles (GARVEE bonds or GARVEEs) are tax-exempt anticipation notes, bonds or other debt instrument financing mechanisms involving the payment of future federal-aid highway funds to retire debt. GARVEEs can be used to finance right of way and/or construction costs to advance critical transportation projects sooner than through traditional funding mechanisms.

SHA 40 Three GARVEE projects are currently programmed. Revenue from the sale of bonds for these projects, if approved, will be dedicated to those projects, and cannot be used for any other purpose. The sale of these GARVEE bonds requires that payment of debt service receive first call against annual federal OA.

- The Commission has programmed three projects for GARVEE funding, totaling $556.1 million in bond sales.
  - SD-15 Managed Lanes
    - Programmed into the STIP - Included in the Adoption of the 2002 STIP, April 17, 2002
    - Funds from Bond $178.0 million (10-year bond)
    - Estimated annual debt service $22.8 million beginning 2004-05
    - Total cost of financing: $227.7 million
  - SCL-880, 87 Coleman Interchange and Route 87 HOV Lanes
    - Amended into the STIP May 22, 2003

- Funds from Bond $143.4 million (11-year bond)
- Estimated annual debt service $16.1 million beginning 2003-04 (first year $2.868 million)
- Total cost of financing: $187.4 million

➢ RIV-215, 60, 91 Interchange
- Amended into the STIP June 26, 2003
- Funds from Bond $238.8 million (two bonds: $139.3 million in Jan. 2004 and $100 million in Jan. 2006)
- Estimated annual debt service $17.6 million beginning 2004-05 increasing to $30.4 million in 2006-07
- Total cost of financing: $305.5 million

- Debt service for these projects is included in the STIP expenditures. It is also an obligation against future federal OA. The debt service for these projects is projected at approximately 10 percent of OA available for capital projects for each year of the FE.

SHA 41 Any plans to use GARVEE, or any project utilizing GARVEE funding, that was approved by the Commission through September 2003, is included as part of the 2004 FE.

SHA 42 Project costs assume a 1 percent cost of issuance.

SHA 43 The interest rate for bond debt service used to calculate payments is approximately 4.75 percent.

SHA 44 The FE assumes that any new GARVEE project(s) is programmed within the identified resources for programming.

Contingency for Delivery Shortfall

A contingency for delivery shortfall would assume that a certain number of projects that are programmed are not delivered, and makes the funds otherwise used by those projects available for additional programming.

SHA 45 The FE does not include a contingency for delivery shortfall.

AB 3090 Projects

Under Government Code Section 14529.7, as amended by AB 3090 (Chapter 1243, Statutes of 1992), the Commission, Department, region, and local agency may enter into either one of two types of arrangements whereby a local agency pays for the delivery of a STIP project with its own funds earlier than the year in which the project is programmed.

SHA 46 The FE assumes that replacement or reimbursement projects for any new AB 3090 projects are within the identified resources for programming.

SHA 47 At the April 3, 2003 Commission meeting, the Commission established an annual statewide AB 3090 cap of $200 million and a $50 million cap for any regional agency. The following amounts for cash reimbursements are already programmed, and are included as commitments in the 2004 FE:

AB 3090 Cash Reimbursement Commitment Levels				
2004-05	**2005-06**	**2006-07**	**2007-08**	**2008-09**
$18 M	$44 M	$75 M	$44 M	$44 M

Advanced Project Development Element

SHA 48-50 Dollars available for advancement are up to 25 percent of the amount available for programming in the two years following the FE period. Any funds brought forward for APDE must be considered as part of the programming costs and would therefore further reduce programming in earlier years. Due to low cash balances and the future revenue outlook, the Commission has adopted the assumption that APDE authority will not be used for the 2004 STIP.

APPENDIX F – PTA STATE OPERATIONS DETAILS

State Operations expenditures in the PTA includes Rail and Mass Transportation Staff and Support; Planning Staff and support; and Administration and Technical Services. Intercity Rail is part of Rail and Mass Transportation Staff and Support Expenditures but in the Fund Estimate, Intercity Rail are separated to present program expenditures.

The Commission directed the Department to use the 2003-04 enacted Budget with all post-budget reductions and executive orders to estimate State Operations expenditures, which are escalated at the state and local government price deflator for purchases of 2 percent annually over the FE period.

- 2003-04 - The Budget Act of 2003 allocated $123.3 million for State Operations expenditures. Recent actions have reduced the amount of State Operations for the PTA. Pursuant to the provision of Control Section 4.10 of the Budget Act of 2003, appropriations for State Operations were reduced by $2.6 million in the PTA.
- 2004-05 - Pro rata is the amount of administrative costs chargeable to the PTA. An estimated $1 million of pro rata expenditures was included in 2004-05.

STATE OPERATIONS (# in Thousands)	**2003-04**	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**FE TOTAL**
Rail & Mass Trans Staff & Support	$17,461	$17,810	$18,166	$18,530	$18,900	$19,276	**$92,684**
Intercity Rail & Bus Operations - Base	73,138	73,138	73,138	73,138	73,138	73,138	**365,690**
Intercity Rail Equipment - Heavy Overhaul	10,052	13,500	13,800	14,000	12,300	8,100	**61,700**
Planning Staff & Support	18,922	19,301	19,687	20,080	20,482	20,892	**100,441**
Administration & Technical Services	1,074	2,160	2,203	2,247	2,292	2,338	**11,238**
TOTAL PTA STATE OPERATIONS	**$120,647**	**$125,909**	**$126,994**	**$127,995**	**$127,112**	**$123,744**	**$631,753**

APPENDIX G – PTA FUND ESTIMATE ASSUMPTIONS

The Public Transportation Account trust fund supports the costs for the Department's transportation planning, mass transportation and Rail programs and also provides funding for the State's Intercity Rail services operated by Amtrak and STIP projects. Revenues in the account are derived from the sales taxes on gasoline and diesel fuels as estimated by the Board of Equalization, with the concurrence of DOF, and transferred quarterly into the account. The retail sales tax on diesel fuel and gasoline sales is transferred to the PTA pursuant to Revenue and Taxation Code (R & T Code) Sections 7102(a)(2) and 7102(a)(3).

Fifty percent of the annual tax revenues and the TIF transfers are appropriated to the State Controller for allocation to local transit operations under the STA Program. The remaining funds are appropriated to staff and support for mass transportation responsibilities and transportation planning for bus and passenger rail services; STIP projects; planning activities not payable from the SHA; the Commission's activities not payable from the SHA; the Public Utilities Commission's passenger rail safety responsibilities on commuter rail, intercity rail and urban rail transit lines; and the Institute for Transportation Studies of the University of California.

In 2003, the general sales tax in California is 7.25 percent and is allocated to various uses by formula. The 7.25 percent current sales tax is distributed accordingly:

- 0.25 percent flows to the Local Transportation Trust Fund
- 2.0 percent to Local Governments
  - 1.0 percent Cities and Counties General Fund
  - 0.5 percent to Local Revenue Fund
  - 0.5 percent to Local Public Safety Fund
- 4.75 percent to State Retail Sales Tax Fund and a portion of the sales tax goes to the PTA:
  - 4.75 percent tax on the 9 cents Gasoline Excise Tax (R & T Code, Section 7102(a)(2)); and
  - 4.75 percent tax on diesel fuel sales, (R & T Code, Sections 7102(a)(3)) are transferred to the PTA. AB 426 (Chapter 156, Statutes of 2001) exempts diesel fuel from 4.75 percent sales taxes when used in farming activities and food processing, including the transportation and delivery of farm products to the marketplace.

- Remaining 0.25 percent is transferred to the General Fund.
- An amount equal to the Sales Tax on gasoline deposited in the General Fund is transferred to the TIF.

A spillover formula (R & T Code, Section 7102(a)(1)) was added to the law when gasoline was made subject to the sales tax base. At the same time, the General Fund sales tax rate was reduced by 1/4 percent. The concept was that adding gasoline to the sales tax base should not increase General Fund revenues; the revenue loss from the 1/4 percent reduction was supposed to offset the additional revenue from taxing gasoline. To ensure that the General Fund would not benefit from taxing gasoline, the spillover formula was added. The spillover formula essentially states that when the revenue from gasoline sales is greater than 1/4 percent of all other sales, the additional revenue goes to the PTA. AB 1751 eliminates the transfer of spillover in 2003-04 and instead transfers the funds to the General Fund.

Resources

- Proposition 42 added Article XIXB to the California Constitution. This Article also made permanent the transfer of the sales tax on gasoline to the TIF. Of the gasoline sales tax revenue transferred to the TIF, 20 percent of the amount remaining after funds are transferred to the TCRF is allocated to the PTA.
- AB 438 authorized the TCRF to borrow $280 million from the PTA to fund transit projects. The actual loan authorized through the 2001-02 and 2002-03 Budget Acts was $275 million, which must be repaid to the PTA by 2007-08.
- Interest income is projected using the SMIF interest rate of 1.859 percent determined by the SCO as of June 30, 2003.

PTA 1 The beginning balance for 2003-04 of $9.7 million is calculated on an accrual basis.

PTA 2 DOF forecasts gasoline and diesel fuel sales tax revenues for 2003-04. Future years reflect the average annual growth of past transfers at an escalation rate of 1.25 percent on gasoline and 4.8 percent on diesel fuel.

PTA 3 AB 1751 eliminates the transfer of spillover in 2003-04 and instead transfers the funds to the General Fund.

PTA 4 Federal Trust Funds are matching resources for support functions of eligible mass transit and planning expenditures within State Operations.

PTA 5 Transfer from the Aeronautics Account per Public Utilities Code, Section 21682.5 is $30,000 per fiscal year.

PTA 6 AB 2928 (Chapter 91, Statutes of 2000) mandates the transfer of non-Article XIX revenues from the SHA into the PTA under Streets and

Highways Code Section 183.1. Transfers are based on previous year revenues.

PTA 7 AB 1750 suspends the TIF transfer in 2003-04. The TIF transfer will resume in 2004-05. The 2003-04 suspended transfer of $93.4 million will be repaid to PTA from the TDIF by 2008-09 according to AB 1751.

PTA 8 Streets & Highways Code Section 194 requires the transfer of SHA funds into the PTA to fund planning activities attributable to highways and mass transit guideways. The transfer is determined by formula based on a breakdown of PTA state operations expenditures.

PTA 9 The Commission adopted the assumption that the PTA transfer to the TBSRA is scheduled as $30 million in 2005-06 and $40 million in 2006-07.

The Richmond-San Rafael Bridge replacement is primarily funded with Federal HBRR funds. Federal funds are received on a reimbursement basis, so expenditures are first paid from the TBSRA. Because of the tax-free status of the revenue bonds recently sold for the Toll Bridge Seismic Retrofit Program, the revenue bond funds cannot be used to fund the bridge in anticipation of federal reimbursement. Consequently, the non-bond portion of the TBSRA must fund expenditures on the bridge until federal OA becomes available for reimbursement.

Due to a lower than expected non-bond portion of the TBSRA, the Department recommends an earlier transfer from PTA. The PTA would transfer $50 million in 2004-05 and $20 million in 2005-06. The PTA has an adequate balance to support an earlier transfer.

Toll Bridge Seismic Retrofit PTA Contribution Transfers				
2004-05	**2005-06**	**2006-07**	**2007-08**	**2008-09**
$50M	$20M	$-	$-	$-

PTA 10 Based on the monthly fluctuations in the PTA cash balance, the proposed prudent cash balance is $52 million. This amount is based on analysis of the greatest monthly draw on cash from receipts minus disbursements.

Expenditures

- High-Speed Rail Authority (HSRA) expenditures have increased by $3.8 million, of which $1.2 million was federally funded. The remaining $2.6 million will be expended from the PTA per the Budget Act of 2003.
- In 2001-02, $91 million was allocated for capital outlay for Intercity rail track improvements on the Pacific Surfliner ($41 million), the San Joaquin ($29.4

million), and Capitol Corridor ($20.6 million) lines. In 2003-04, $26 million of capital outlay reflects the remaining unencumbered funds.

PTA 11 Intercity Rail is a part of the State Operations expenditures in the PTA (see Appendix C). In the FE, Intercity Rail is separated to present program expenditures.

- Intercity rail and bus operations base expenditures represent existing services. The base reflects the assumption that increased costs will be offset by higher revenue from ridership gains and fare increases. The base is $73.1 million for each year of the FE.
- The Commission directed the Department to hold operations expenditures constant at the 2003-04 level for the five years of the FE. Pending the presentation of proposed funding levels and resulting performance outcomes.
- Intercity Rail Equipment – Heavy Overhaul. The Department is responsible for a fleet of 17 locomotives and 88 passenger rail cars used in state-supported train service in California. As presented to the Commission in October, the equipment, valued in excess of $250 million was purchased with rail bond funds approved by California voters. The equipment is subject to a lease/lease-back agreement, which requires the Department to maintain the railcars at full service levels. Most car systems and components are no longer under warranty, and while all car systems undergo regular maintenance, inspection, and repairs, many of them are due for overhaul or rebuild based on their mileage and years of service. The Rail Program provided estimates for the Fund Estimate. Funding for heavy maintenance/overhaul will insure that the equipment lasts its entire forty year design life, reduce life-cycle costs, improve the availability of the equipment, enhance passenger and crew safety and conform with Federal maintenance and safety requirements.
- The Commission accepted the numbers presented by the Department for heavy equipment overhaul. The total estimated amount needed for overhaul over the FE period is $61.7 million. Funding for 2004-05 would start at $13.5 million and increase to $14.0 million by 2006-07 and then decrease over the next two fiscal years to $8.1 million.

PTA 12 $2.8 million is authorized for Bay Area Ferry operations. Future expenditures are escalated by 1.01 percent based on historical expenditures.

PTA 13 State operations expenditures includes staff and support for mass transportation responsibilities and transportation planning for bus and passenger rail services; planning activities not payable from the SHA; the Commission's activities not payable from the SHA; the Public

Utilities Commission's passenger rail safety responsibilities on commuter rail, intercity rail and urban rail transit lines; and the Institute for Transportation Studies of the University of California.

Pro rata is the amount of administrative costs chargeable to the PTA. An estimated $1 million of pro rata expenditures was included in 2004-05.

The Commission directed the Department to use the 2003-04 enacted Budget with all post-budget reductions and executive orders to estimate State Operations expenditures, which are escalated at 2 percent annually over the FE period.

APPENDIX H – TIF FUND ESTIMATE ASSUMPTIONS

The 2003-04 Budget Act partially suspends the General Fund transfer of sales tax on motor vehicle fuel to the TIF in 2003-04. The 2004 FE adjusts for current revenue estimates from DOF. The Commission approved the assumptions used to develop the TIF FE at its September 2003 meeting.

Resources

- The 2003-04 Budget Act provides a partial transfer of $289 million in revenue, to fund TCRP projects, from the General Fund to the TIF in 2003-04. The remaining $856 million in revenue will not be transferred, but rather kept by the General Fund in 2003-04. These funds are considered a loan to the General Fund and will be repaid to the TDIF by 2008-09. AB 1750 authorizes a partial suspension of the transfer.
- The level of TIF funding will fluctuate depending on both the price and the amount of gasoline consumed in the state. Revenue estimates are provided by DOF.

TIF 1. TIF revenue is assumed to continue in 2004-05.

TIF 2. There is no need for a TIF prudent cash balance until the 2006 Fund Estimate, because the resources have not been programmed and expenditures are not expected until 2004-05.

Transfers Out

Traffic Congestion Relief Fund

- Statutory quarterly transfers to the TCRF, per Revenue and Taxation Code Section 7104 (c)(1), begin in 2003-04, and end in fiscal year 2007-08.

Local Street and Road Repairs

- Beginning in fiscal year 2004-05, forty percent of TIF revenue remaining after the quarterly transfer to the TCRF will be distributed to cities and counties for transportation purposes pursuant to per Revenue and Taxation Code Section 7104 (c)(4)(5). No transfers will be made in 2006-07 and 2007-08. Effective 2008-09, 40 percent of the total TIF revenue will be transferred annually.

Public Transportation Account

- Twenty percent of TIF revenue remaining after the quarterly transfer to the TCRF will be transferred to the PTA, beginning in fiscal year 2004-05 and ending in fiscal year 2007-08. Beginning in fiscal year 2008-09 twenty percent of the total TIF revenue will be continuously appropriated to the PTA. The

funds will be appropriated by the Legislature, with fifty percent staying in the PTA for transit capital purposes. The Controller will allocate the remaining fifty-percent for STA.

State Highway Account

- The SHA funded apportionments for local roads in the amount of $354 million ($154 million in fiscal year 2001-02 and $200 million in fiscal year 2002-03). This loan eliminated any adverse fiscal impact to cities and counties during the two-year gasoline sales tax revenue deferral period. Cities and counties will not receive allocations during 2006-07 and 2007-08, the two-year extension period of the Transportation Refinancing Plan. The SHA will not be reimbursed directly for its $354 million loan to local roads. Instead, there will be increased STIP funding in the TIF.

Total Resources

The amount of resources remaining in the fund after all the statutory quarterly transfers are made, represents the amount of TIF funding available for STIP programming. Because cities and counties will not be participating in the plan during 2006-07 and 2007-08 fiscal year, the amount of funding available to the STIP represents eighty percent of TIF remaining resources in those years. These funds are available for programming for transportation capital improvement projects subject to all of the provisions governed by the STIP. TIF revenues for the STIP will be available beginning in fiscal year 2004-05 and continue annually.

APPENDIX I – TDIF FUND ESTIMATE ASSUMPTIONS

The Transportation Deferred Investment Fund was established by AB 1751. The Legislature created the TDIF to facilitate the repayment of funds from the General Fund not transferred from the General Fund to the TIF in 2003-04 due to the partial suspension of the transfer pursuant to AB 1750. The funds shall be transferred to the TDIF by June 30, 2009.

Resources

- TDIF funds will be distributed similarly to the TIF distribution: 40 percent of the funds remaining in the TDIF after funds are transferred to the TCRF will be available for STIP programming.

TDIF 1 The General Fund, per AB 1751, must also transfer interest calculated at the Pooled Money Investment Account (PMIA) rate into the TDIF. The current PMIA rate is 2.2 percent. The interest deposited into the TDIF will be allocated to each program element based on the amount that each program did not receive in 2003-04.

TDIF 2 The repayment of the $856 million is assumed to occur in 2008-09.

Transfers Out

Traffic Congestion Relief Fund

- In fiscal year 2008-09 $433 million will be transferred to the TCRF, per Revenue and Taxation Code Section 7104 (c)(1).

Local Street and Road Repairs

- In fiscal year 2008-09 $208 million will be distributed to cities and counties for transportation purposes pursuant to Revenue and Taxation Code Section 7104 (c)(4)(5).

Public Transportation Account

- In fiscal year 2008-09 $104 million will be transferred to the PTA. The funds will be appropriated by the Legislature, with fifty percent staying in the PTA for transit capital purposes. The Controller will allocate the remaining fifty-percent for STA.

Total Resources

The amount of resources remaining in the fund after all the statutory quarterly transfers are made, represents the amount of TDIF funding available for STIP programming. These funds are available for programming for transportation

capital improvement projects subject to all of the provisions governed by the STIP. TDIF revenues for the STIP will be available beginning in fiscal year 2008-09.

APPENDIX J – AERONAUTICS ACCOUNT ASSUMPTIONS

The majority of the revenues supporting the Division of Aeronautics come from an eighteen-cent per-gallon excise tax on aviation gasoline and a two-cent per-gallon tax on jet fuel. The tax is levied on general aviation aircraft only.

Revenues

- Interest on revenues is projected using the SMIF interest rate of 1.859 percent based on the SCO as of June 30, 2003.
- Miscellaneous revenue projections were based on the average of historical sales of documents.

AERO 1 The beginning balance for 2003-04 of $3.3 million is calculated on an accrual basis.

AERO 2 Jet fuel excise tax revenues for current and future years reflect the average annual growth/decline of past transfers. Revenue from the tax on jet fuel is forecast to increase at a rate of 10.9 percent per year.

Aviation gas tax revenues in the 2002 FE also reflected the average annual growth/decline of past transfers. In October 2003, the aviation gasoline transfer included two prior year adjustments by BOE shown below.

Aviation Gas Revenues ($ in thousands)			
	Previous Transfer	**Adjustment**	**Updated Transfer**
2001-02	$3,615	$2,051	$5,666
2002-03	$2,800	$1,763	$4,563

Due to an irregular historical pattern of past aviation gas revenues, a straight-line forecast with the average of the past three years which include the prior year adjustments ($4.7 million) is used to more accurately reflect current aviation tax revenues.

AERO 3 Transfer to the PTA per Public Utilities Code Section 21682.5 is $30,000 per fiscal year.

Expenditures

- Grants to Local Agencies are assumed to be $1.48 million per year based on current qualifying airports and is projected to remain at the same level through the FE period.
- Federal Trust Funds are matching funds against State Operations for support functions of eligible Aeronautics program expenditures. Federal Trust Funds

are escalated at the state and local government price deflator for purchases of 2 percent annually over the FE period.

AERO 4 The AIP is based on the Aeronautic Program adopted in 2002. The remainder of the STIP period is shown without AIP spending. The AIP match for these years will be determined when the Commission adopts the next three-year Aeronautics program.

AERO 5 The A&D is based on the Aeronautic Program adopted in 2002. The remainder of the STIP period is shown without A&D spending. The A&D match for these years will be determined when the Commission adopts the next three-year Aeronautics program.

AERO 6 The President's reauthorization proposal (Flight 100) puts forward the same level of funding for the federal program, with the share for small airports increasing by 3 percent. The FE assumes the President's proposal, and no significant changes to existing programs.

AERO 7 State Operations include support staff for Aeronautics, and planning activities. The Commission directed the Department to use the 2003-04 enacted Budget and all post-budget reductions to estimate State Operations expenditures, which are escalated at the state and local government price deflator for purchases of 2 percent annually over the FE period.

APPENDIX K – TOLL BRIDGE SEISMIC RETROFIT

In response to the Department's 2001 Toll Bridge Seismic Retrofit Annual Report, the Legislature passed AB 1171 (Chapter 907, Statutes of 2001) which provided additional expenditure authority for the Department. AB 1171 established the State-Owned Toll Bridge Seismic Retrofit Financing Act of 2001, recognizing the increased cost of the bridges and provided the authority to finance additional capital through bonds and/or direct federal loans. The bill provides new funding sources to meet the new program cost of $4.637 billion. The funding includes the $2.620 billion originally provided in statute, and new sources totaling $2.017 billion. AB 1171 recognized the potential for increased project costs and included an additional contingency of $448 million. The funding provided in AB 1171 is as follows:

Funding Provided in AB 1171 for TBSRP
(Dollars in millions)

Fund Source	Amount
Seismic Bond Act of 1996	$650
Surplus from Phase II (Seismic Bond Act of 1996)	$140
Vincent Thomas TBRA	$15
San Diego-Coronado TBRF	$33
Seismic Surcharge (Bond principal amount)	$2,282
State Highway Account	$1,437
- State: $795	
- Federal (HBRR): $642	
Public Transportation Account	$80
Total	$4,637
ITIP/SHOPP/Federal Contingency	$448
Total with Contingency	$5,085

Major Fund Sources and Contributions from Other Funds

Bond Financing

AB 1171 authorized the Department to use financing mechanisms such as bonds, loans, and commercial paper to meet the cash flow needs of the program. AB 1171 authorized a principal amount of $2.282 billion to be financed with the Seismic Surcharge ($1 per toll paying vehicle). Some of the Seismic Surcharge has and will be spent directly on construction, and a portion will be used for financing. Based on current and projected expenditure schedules, $1.160 billion in Toll Revenue Bonds were issued in August 2003. The bond proceeds will fund a portion of the project's capital expenditures needs for the ensuing 18 months. The pricing and sale of the Toll Bridge Seismic Retrofit Revenue Bonds were completed on August 5, 2003. The bonds were assigned the following ratings: Aa3, AA and AA- by

Moody's, Fitch and Standard and Poor's respectively. Bond insurance, which provided an Aaa/AAA/AAA rating, was used to further reduce the net interest cost on all but two maturities, which were more economic to leave uninsured.

The sale generated $1.062 billion of net proceeds for the Project. The bond issue settled on August 20th, 2003 at which time the net proceeds of the transaction were deposited in the TBSRA Construction Fund. To complete the financing plan, another interim financing in the form of either Toll Revenue Bonds or Commercial Paper is planned during the 2004-05 fiscal year. This sale will generate about $500 million from bond proceeds to complete construction of the Seismic Retrofit projects. The Department retains the option of selling long-term Toll Revenue Bonds to retire the interim financing.

SHA and PTA

AB 1171 required the use of funds from the PTA and SHA. The amounts for SHA and PTA were somewhat flexible in AB 1171, provided that the two funds contributed a total of $875 million. The Department has determined that the SHA will contribute $795 million, and $80 million will come from the PTA.

- The 2002 FE included the full impact of the SHA transfer to the TBSRA. However, since adoption of the 2002 FE the transfer of approximately $350 million has been moved from 2001-02 and 2002-03 to 2005-06 and 2006-07. The new transfer schedule is included in the 2004 FE.
- The 2002 FE included the full impact of the PTA. However, since adoption of the 2002 FE the transfer of approximately $70 million has been moved from 2001-02 and 2002-03 to 2004-05 and 2005-06. The new transfer schedule is included in the 2004 FE.

Federal HBRR Funds

AB 1171 required the use of $642 million in HBRR funds. HBRR funds have been fully allocated by the Commission, and to date $250 million has been expended. The schedule for utilization of the HBRR funds is shown below, as detailed in the Department's latest financing plan.

- HBRR used for the TBSRP is included in the 2004 Fund Estimate as a reduction to available OA.

Contingency Funds

AB 1171 authorized an additional $448 million in federal or state funds, if necessary for completion of the San Francisco-Oakland Bay Bridge. The 2004 FE assumes that the contingency used will be to equal the full amount of the $448 million authorized by AB 1171. The schedule and cash flow of the contingency is based on the Department's TBSRP Plan of Finance. Because of the large size and

length of the TBSRP projects, allocation of the contingency could be required as early as 2003-04 to allow award of retrofit contracts.

The table below shows the current schedule of contributions of all funds authorized by AB 1171, including the contingency.

Schedule of Contributions to the Toll Bridge Seismic Retrofit Program
($ in millions)

	02-03 and Prior	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	Total
Toll Revenue (Principal)	$663	$1,062	$500	$57							$2,282
Proposition 192	$779	$6	$5								$790
San Deigo Coronado TRA	$33										$33
Vincent Thomas TRA								$15			$15
SHA	$445			$342	$8						$795
PTA	$10		$50	$20							$80
HBRR	$250		$50	$100	$100	$100	$42				$642
Contingency							$180	$85	$115	$68	$448
Total	$2,180	$1,068	$605	$519	$108	$100	$222	$100	$115	$68	$5,085

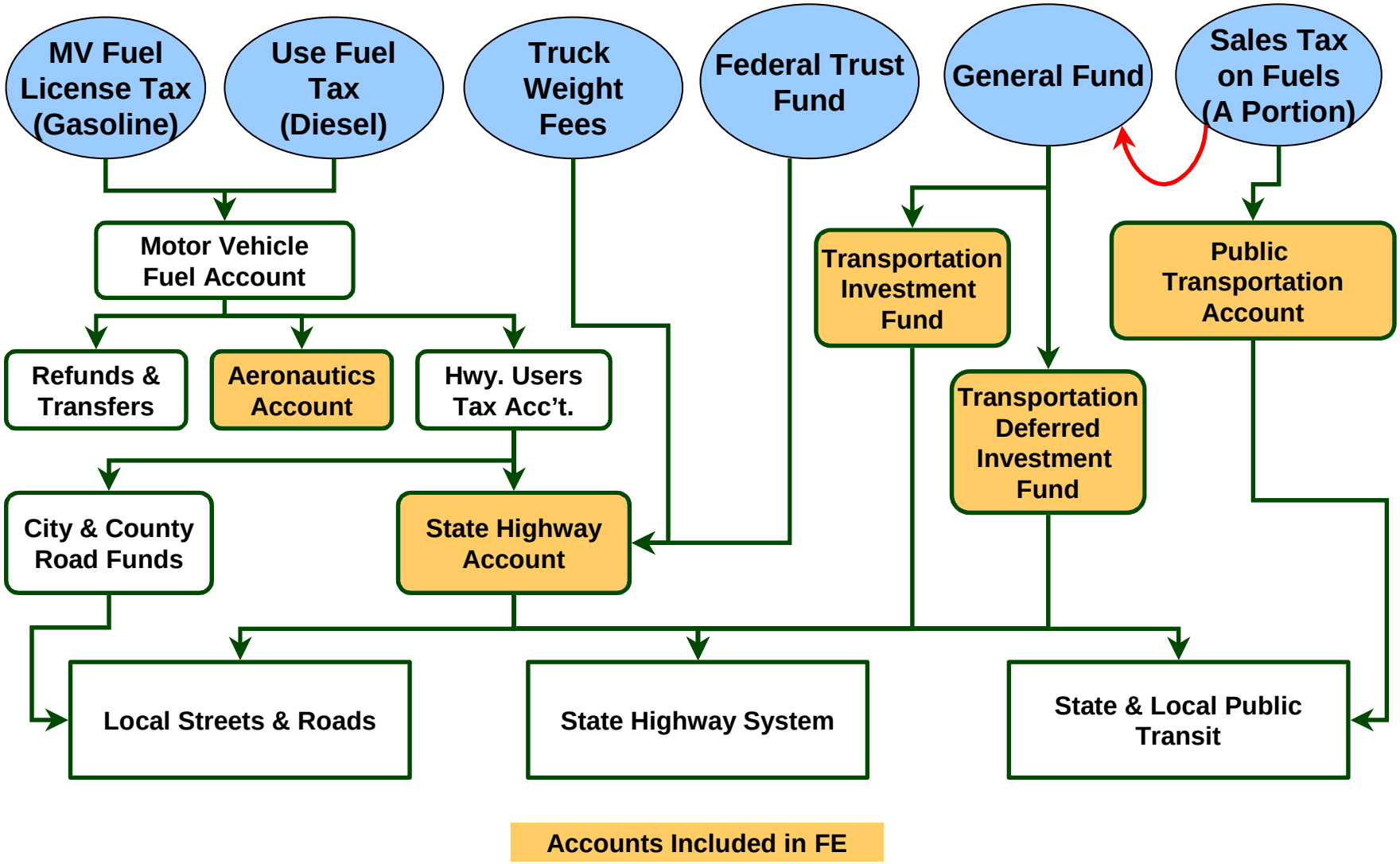
Current Status

The table below shows the historical TBSRP expenditures by year and by bridge.

TBSRP Annual Expenditure Detail through 2002-03
($ in millions)

Bridge	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	Total
SFOBB - East	$1.6	$5.1	$14.8	$24.5	$25.7	$54.3	$47.4	$44.4	$69.6	$366.2	$653.0
SFOBB - West	$0.5	$2.4	$5.2	$9.3	$15.3	$40.4	$45.8	$64.3	$61.1	$84.1	$328.0
San Mateo - Hayward	$0.0	$1.1	$5.7	$5.2	$24.8	$77.8	$37.6	$11.1	$0.1	$0.0	$163.0
Richmond - San Rafael	$0.0	$0.8	$9.6	$14.3	$5.8	$4.0	$2.6	$31.3	$127.4	$191.0	$386.0
Carquinez	$0.0	$0.1	$6.8	$8.3	$5.0	$19.0	$31.6	$27.9	$11.4	$1.5	$111.0
Benicia - Martinez	$0.0	$0.6	$4.9	$5.9	$3.8	$39.6	$51.4	$38.3	$29.1	$4.2	$177.0
Vincent Thomas	$0.0	$0.2	$2.9	$3.5	$18.2	$14.8	$18.1	$1.2	($0.5)	$0.0	$58.0
San Diego - Coronado	$0.0	$0.3	$4.4	$8.0	$5.9	$10.3	$16.6	$26.1	$24.7	$1.7	$97.0
Indirect Costs	$0.0	$1.0	$2.2	$7.9	$9.1	$4.9	$10.1	($4.2)	$0.7	($5.7)	$26.0
Total Expenditures	$2	$12	$57	$87	$114	$265	$261	$240	$323	$643	$2,004

APPENDIX L – SIMPLIFIED FLOW OF FUNDS



APPENDIX M – FUND ESTIMATE ASSUMPTION CHANGES

Following the adoption of the 2004 FE Assumptions by the Commission at the September meeting, minor changes were made to certain assumptions. Details of each change made are provided below.

Aeronautics Fuel Revenues

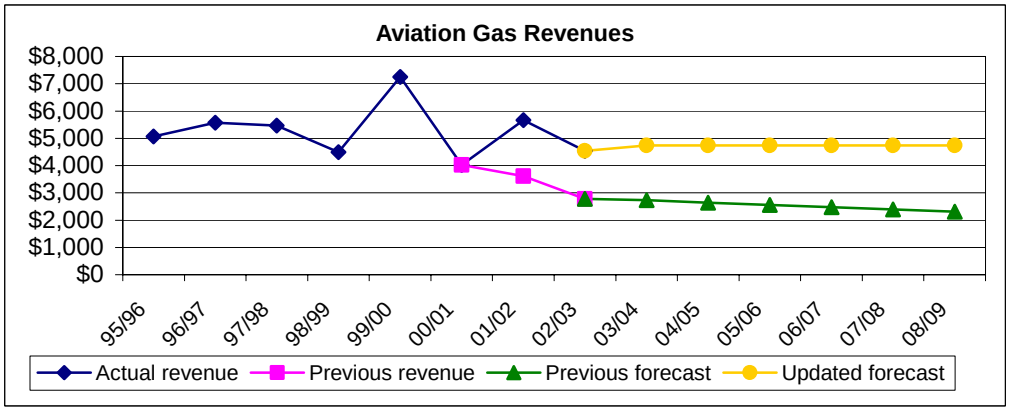
The Commission made the following recommendation on AERO 2.

AERO 2 Aeronautics Revenues: The Commission adopted the Department's recommendation to show revenues from aviation gasoline tax declining slightly at a rate of 3.2 percent per year and revenue from the tax on jet fuel increasing at the rate of 10.9 percent per year. The aviation and jet fuel excise tax revenues for current and future years reflect the average annual growth/decline of past transfers.

The revenues that support the Aeronautics Account come from an eighteen-cent per-gallon excise tax on aviation gasoline and a two-cent per-gallon tax on jet fuel. The Board of Equalization calculates the revenues from these taxes to be transferred. The October 2003 transfer included two prior year adjustments on aviation gasoline. There was no adjustment to jet fuel revenues.

Aviation Gas Revenues ($ in thousands)			
	Previous Transfer	**Adjustment**	**Updated Transfer**
2001-02	$3,615	$2,051	$5,666
2002-03	$2,800	$1,763	$4,563

Due to an irregular historical pattern of past aviation gas revenues, the Department suggests a straight-line forecast using the average of the past three years ($4.7 million) to more accurately reflect current aviation tax revenues.



SHA 12 - TCRF Loan Repayment

Adopted Assumption:

- DOF has not yet developed a repayment schedule for the remaining $477 million loaned from the SHA to the TCRF. Assume repayment in the last year outlined in statute.
- The Commission directed the Department to include estimated revenue from AB 487 as partial payback.

Change:

- The SHA paid $46 million in 2002-03 for TCRF Capital Outlay Support, $14 million below the forecast of $60 million. Therefore, the total loan amount is $563 million, not $577 million.
- The SHA is scheduled to receive $100 million payment on the loan in 2003-04, leaving a balance of $463 million.
- AB 487 was vetoed, and so is not included in the FE.

SHA 15 – Federal Revenues

Adopted Assumption:

- Use the mid-point between the House and Senate appropriations proposals in 2003-04 and an escalation factor of 2 percent annually beginning in 2004-05.

Change:

- This assumption has been changed due to the extension of TEA-21. OA for 2003-04 has been set equal to the actual received in 2002-03.
- The FE uses the mid-point between the House and Senate appropriations proposals in 2004-05, and an escalation factor of 2 percent annually beginning in 2005-06.

Adopted Assumption:

- The Commission directed the Department to factor in the impact of ethanol use to OA receipts.

Change:

- The reduction in the state share of OA due to lower taxes on ethanol is expected to begin in 2005-06.

SHA 16 – Advanced Construction

Adopted Assumption:

- The Commission adopted the assumption to dedicate $200 million of OA per year beginning in 2004-05 to apply against the AC balance in order to reduce the balance by $1 billion in the FE period.

Change:

- Instead of reserving $200 million off the top, the Department will accomplish this by aligning new program with the projected State and federal revenue capacity.
- The methodology adjusts the level of federalization of new projects to ensure that new federal commitments remain within the level of federal authority necessary to reduce AC by the desired amount.

SHA 24 – SHOPP Right of Way

Adopted Assumption:

- A review of the 2002 SHOPP indicated that Right of Way costs are about 3 percent of total SHOPP capital. Right of Way costs are programmed through 2005-06. For later years, it is assumed that Right of Way will be 3 percent of the accepted SHOPP level.

Change:

- SHOPP Right of Way costs have been adjusted to reflect the estimated level necessary to deliver the SHOPP program.

Payback of Local OA Borrowed Before 2003-04

Adopted Assumption:

- No assumption was adopted, however, the September Book Item stated that payback of OA borrowed in prior years would be considered in the 2006 FE.

Change:

- Any OA borrowed from locals before 2003–04 is scheduled to be repaid at $50 million per year over four years beginning in 2005-06.

Cash Flow of Existing Commitments

Adopted Assumption:

- Previously, the SHOPP and STIP program levels were converted to cash expenditures using the following annual percentages:

- SHOPP: 36%, 40%, 15%, 6%, and 3%
- STIP: 17%, 40%, 24%, 14%, and 5%.

Change:

- Consistent with the cash forecast, the cash flow for voted projects has been developed based on going and pending contract information from the Office Engineer.

PTA 9 - PTA Transfer to TBSRA

Adopted Assumption:

- The Commission adopted the assumption that the PTA transfer to the TBSRA would be scheduled as $30 million in 2005-06 and $40 million in 2006-07.

Change:

- The Richmond-San Rafael Bridge replacement is primarily funded with Federal HBRR funds. Federal funds are received on a reimbursement basis, so expenditures are first paid from the TBSRA. Because of the tax-free status of the revenue bonds recently sold for the Toll Bridge Seismic Retrofit Program, they cannot be used to fund the bridge in anticipation of federal reimbursement. Consequently, the non-bond portion of the TBSRA must fund expenditures on the bridge until federal OA becomes available for reimbursement.

  Due to a lower than expected non-bond portion of the TBSRA, the Department adjusted the assumption for an earlier transfer from PTA. The FE now assumes the PTA would transfer $50 million in 2004-05 and $20 million in 2005-06. The PTA has an adequate balance to support an earlier transfer.

PTA 11 - Intercity Rail Equipment – Heavy Overhaul

Adopted Assumption:

- The adopted assumption presented expenditures at the budget level in the 2003-04 base year and escalated by 2 percent per year. This assumption would under-fund this program by $8.3 million during the FE period and the Rail Program would be unable to meet existing rebuild commitments.

Change:

- The Rail Program, per the Commission Staff recommendation provided new Heavy Overhaul estimates for the FE. These estimates will provide funding for heavy maintenance/overhaul and insure the equipment lasts its entire forty year design life, reduce life-cycle costs, improve the availability of the equipment, enhance passenger and crew safety and conform with Federal maintenance and safety requirements.

APPENDIX N – STATUTES REGARDING THE STIP FUND ESTIMATE

California Government Code

§14524. (a) Not later than July 15, 2001, and July 15 of each odd-numbered year thereafter, the department shall submit to the commission a five-year estimate pursuant to Section 164 of the Streets and Highways Code, in annual increments, of all federal and state funds reasonably expected to be available during the following five fiscal years.

(b) The estimate shall specify the amount that may be programmed in each county for regional improvement programs pursuant to paragraph (2) of subdivision (a) of Section 164 of the Streets and Highways Code and shall identify any statutory restriction on the use of particular funds.

(c) For the purpose of estimating revenues, the department shall assume that there will be no changes in existing state and federal statutes. Federal funds available for demonstration projects that are not subject to federal obligational authority, or are accompanied with their own dedicated obligational authority, shall not be considered funds that would otherwise be available to the state and shall not be included in the fund estimate.

(d) The method by which the estimate is determined shall be determined by the commission, in consultation with the department, transportation planning agencies, and county transportation commissions.

§14525. (a) Not later than August 15, 2001, and August 15 of each odd-numbered year thereafter, the commission shall adopt a five-year estimate pursuant to Section 164 of the Streets and Highways Code, in annual increments, of all state and federal funds reasonably expected to be available during the following five fiscal years.

(b) The estimate shall specify the amount that may be programmed in each county for regional improvement programs under paragraph (2) of subdivision (a) of Section 164 of the Streets and Highways Code and shall identify any statutory restriction on the use of particular funds.

(c) For the purpose of estimating revenues, the commission shall assume that there will be no change in existing state and federal statutes. Federal funds available for demonstration projects that are not subject to federal obligational authority, or are accompanied with their own dedicated obligational authority, shall not be considered funds that would otherwise be available to the state and shall not be included in the fund estimate.

(d) If the commission finds that legislation pending before the Legislature or the United States Congress may have a significant impact on the fund estimate, the

commission may postpone the adoption of the fund estimate for no more than 90 days. Prior to March 1 of each even-numbered year, the commission may amend the estimate following consultation with the department, transportation planning agencies, and county transportation commissions to account for unexpected revenues or other unforeseen circumstances. In the event the fund estimate is amended, the commission shall extend the dates for the submittal of improvement programs as specified in Sections14526 and 14527 and for the adoption of the state transportation improvement program pursuant to Section 14529.

§14525.1. The department and the commission shall use an inflation rate that has been established by the Department of Finance. The Department of Finance shall consult with the Legislative Analyst and the Department of Transportation when calculating the inflation rate for this purpose.

§14529. (a) The state transportation improvement program shall include a listing of all capital improvement projects that are expected to receive an allocation of state transportation funds under Section 164 of the Streets and Highways Code, including revenues from transportation bond acts, from the commission during the following five fiscal years. It shall include, and be limited to, the projects to be funded with the following:

(1) Interregional improvement funds.

(2) Regional improvement funds.

(b) For each project, the program shall specify the allocation or expenditure amount and the allocation or expenditure year for each of the following project components:

(1) Completion of all permits and environmental studies.

(2) Preparation of plans, specifications, and estimates.

(3) The acquisition of rights-of-way, including, but not limited to, support activities.

(4) Construction and construction management and engineering, including surveys and inspection.

(c) Funding for right-of-way acquisition and construction for a project may be included in the program only if the commission makes a finding that the sponsoring agency will complete the environmental process and can proceed with right-of-way acquisition or construction within the five-year period. No allocation for right-of-way acquisition or construction shall be made until the completion of the environmental studies and the selection of a preferred alternative.

(d) The commission shall adopt and submit to the Legislature and the Governor, not later than April 1 of each even-numbered year thereafter, a state transportation improvement program. The program shall cover a period of five years, beginning July 1 of the year it is adopted, and shall be a statement of intent

by the commission for the allocation or expenditure of funds during those five years. The program shall include projects which are expected to receive funds prior to July 1 of the year of adoption, but for which the commission has not yet allocated funds.

(e) The projects included in the adopted state transportation improvement program shall be limited to those projects submitted or recommended pursuant to Sections 14526 and 14527. The total amount programmed in each fiscal year for each program category shall not exceed the amount specified in the fund estimate adopted under Section 14525.

§14529.01. (a) It is the intent of the Legislature to facilitate project development work on needed transportation projects to produce a steady flow of construction projects by adding an advance project development element to the state transportation improvement program, beginning with the 2000 State Transportation Improvement Program.

(b) The advance project development element shall include only project development activities for projects that are eligible for inclusion in a state transportation improvement program.

(c) The fund estimate for each state transportation improvement program shall designate an amount to be available for the advance project development element, which shall be not more than 25 percent of the programmable resources estimated to be available for the first and second years following the period of the state transportation improvement program, subject to the formulas in Sections 164, 188 and 188.8 of the Streets and Highways Code.

(d) The department, transportation planning agencies, and county transportation commissions may nominate projects to the commission for inclusion in the advance project development element through submission of the regional transportation improvement program and the interregional transportation improvement program.

(e) The funds programmed in the advance project development element may be allocated within the period of the state transportation improvement program without regard to fiscal year.

(f) Not later than September 1, 2002, the commission shall report to the Governor and the Legislature on the impact of adding the advance project development element described in subdivision (a) with the funding level described in subdivision (c). The report shall evaluate whether the element has proven effective in producing a steady, deliverable stream of projects and whether addition of the element has resulted in any detrimental effects on the state's transportation system.

(g) The commission may develop guidelines to implement this section.

Streets and Highways Code

§163. The Legislature, through the enactment of this section, intends to establish a policy for the use of all transportation funds that are available to the state, including the State Highway Account, the Public Transportation Account, and federal funds. For the purposes of this section, "federal funds" means any obligational authority to be provided under annual federal transportation appropriations acts. The department and the commission shall prepare fund estimates pursuant to Sections 14524 and 14525 of the Government Code based on the following:

(a) Annual expenditures for the administration of the department shall be the same as the most recent Budget Act, adjusted for inflation.

(b) Annual expenditures for the maintenance and operation of the state highway system shall be the same as the most recent Budget Act, adjusted for inflation and inventory.

(c) Annual expenditure for the rehabilitation of the state highway system shall be the same as the most recent Budget Act, or, if a long-range rehabilitation plan has been enacted pursuant to Section 164.6, it shall be based on planned expenditures in a long-range rehabilitation plan prepared by the department pursuant to Section 164.6.

(d) Annual expenditures for local assistance shall be the amount required to fund local assistance programs required by state or federal law or regulations, including, but not limited to, railroad grade crossing maintenance, bicycle transportation account, congestion mitigation and air quality, regional surface transportation programs, local highway bridge replacement and rehabilitation, local seismic retrofit, local hazard elimination and safety, and local emergency relief.

(e) After deducting expenditures for administration, operation, maintenance, local assistance, safety, and rehabilitation pursuant to subdivisions (a), (b), (c), and (d), and for expenditures pursuant to Section 164.56, the remaining funds shall be available for capital improvement projects to be programmed in the state transportation improvement program.

§164. (a) Funds made available for transportation capital improvement projects under subdivision (e) of Section 163 shall be programmed and expended for the following program categories:

(1) Twenty-five percent for interregional improvements.

(2) Seventy-five percent for regional improvements.

(b) Sixty percent of the funds available for interregional improvements under paragraph (1) of subdivision (a) shall be programmed and expended for improvements to state highways that are specified in Sections 164.10 to 164.20,

inclusive, and that are outside the boundaries of an urbanized area with a population of more than 50,000, and for intercity rail improvements.

(c) Not less than 15 percent of the amount of funds programmed under subdivision (b) shall be programmed for intercity rail improvement projects, including separation of grade projects.

(d) Funds made available under paragraph (1) of subdivision (a) shall be used for transportation improvement projects that are needed to facilitate interregional movement of people and goods. The projects may include state highway, intercity passenger rail, mass transit guideway, or grade separation projects.

(e) Funds made available under paragraph (2) of subdivision (a) shall be used for transportation improvement projects that are needed to improve transportation within the region. The projects may include, but shall not be limited to, improving state highways, local roads, public transit, intercity rail, pedestrian, and bicycle facilities, and grade separation, transportation system management, transportation demand management, soundwall projects, intermodal facilities, safety, and providing funds to match federal funds.