

Department of Transportation
2009-10 Budget Update and Allocation
Capacity

Presented to the
California Transportation Commission
August 2009

2009-10 Budget Update

- Recent Developments:
 - Budget enacted on July 28, 2009
 - \$24 billion shortfall addressed
 - Changes to Transportation budget
 - Additional loans
 - Additional diversions

2009-10 Transportation Budget

- Proposition 42
 - Fully funded
- Public Transportation Account (PTA)
 - 2008-09
 - 2008-09 Spillover diversion increased retroactively
 - Increase will affect 2009-10 capacity
 - 2009-10
 - \$225 million transfer to General Fund for current year debt service on transit bonds, in lieu of Homes-to-School
 - All spillover diverted to General Fund relief

2009-10 Transportation Budget

- State Highway Account (SHA)
 - Tribal Gaming Revenues delayed
 - \$135 million to loan to General Fund
 - Mandates
- Proposition 1B Bonds
 - No significant change from February Budget Act
 - Bond sales anticipated in Fall
- Aeronautics
 - Transfer of \$4 million to General Fund, no repayment required
 - Legislation suspended all Aeronautics grant programs for 2009-10

Other Developments

- **Federal Highway Trust Fund**
 - **Warnings of severe cash strain**
 - Additional \$7 billion deposit for Federal Fiscal Year 2009
 - The Trust Fund is expected to continue to face cash shortfalls in the near term
 - **No new Federal Transportation Act, existing Act expires September 30, 2009**

Program Funding Outlook

- **SHOPP**

- Revenue continues to decline
- Budget Actions reduces cash availability
- Toll Credit Option

- **STIP**

- TIF Fully funded
- PTA diversions to GF relief
- TFA dependent on future bond sales

- **Proposition 1B**

- Dependent on the sale of bonds
- Carryover

Toll Credit Program

- Federal credit for toll funds used to build or improve public highways
- Credits can be applied to the non-federal share of federal-aid highway projects
 - Does not increase total funding
 - Helps to ensure that all federal funds are used
 - Federal-aid can be applied in a higher ratio, up to 100% of a project

Toll Credit Program

- Benefits

- Decreased demand on flagging State Highway Account revenues
- Single fund source for many projects

- Conditional approval for California

- FHWA approved a limited amount of \$467 million
- Will evaluate the proposal for up to \$5.7 billion

2009-10 Allocation Capacity By Fund and Program

2009-10 Allocation Capacity By Fund and Program (\$ in millions)					
Fund	SHOPP	STIP	TCRP	Other Prop. 1B Programs	Total
SHA	\$200	\$0	\$0	\$0	\$200
FTF	1,335	146	0	0	1,481
PTA	0	5	0	0	5
TIF	0	300	0	0	300
TCRF	0	0	56	0	56
Subtotal, w/o Bonds	1,535	451	56	0	2,042
<i>Prop 1B Bonds*</i>	<i>177</i>	<i>514</i>	<i>0</i>	<i>4,228</i>	<i>4,919</i>
Total Capacity	\$1,712	\$965	\$56	\$4,228	\$6,961

Recovery Act Rollover from 2008-09	
SHOPP	73
TE	12

* Subject to bond sales