2010 Fund Estimate

Presentation of the Final 2010 STIP and Aeronautics Account Fund Estimates

Presented to the
California Transportation Commission
October 14, 2009

Key Changes

- State Operations escalation factor
  - SHOPP capacity increased
- PTA capacity adjusted
  - More consistent with Assumption PTA 6
- Updated unallocated TFA
  - Technical adjustments & G-12 savings

2010 STIP FE Program Capacity

Estimated Program Capacity Available, All Funds
Fund Estimate Five-Year Period
($ millions)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total	6-Year Total
2010 FE SHOPP Target Capacity (SHA)	**$1,910**	**$1,690**	**$1,690**	**$1,690**	**$1,680**	**$1,680**	**$8,430**	**$10,340**
2008 SHOPP Program [1]	$2,072	$2,078	$2,072	$0	$0	$0	$4,150	$6,222
Net Difference	**($162)**	**($388)**	**($382)**	**$1,690**	**$1,680**	**$1,680**	**$4,280**	**$4,118**
Cumulative Difference	**($162)**	**($550)**	**($931)**	**$758**	**$2,438**	**$4,118**		
Estimated Capital Allocation Capacity	$1,535	$1,260	$1,260	$1,260	$1,260	$1,260		

2010 FE STIP Target Capacity (SHA, TIF, PTA, TFA)	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total	6-Year Total
SHA Program Capacity [2]	$ 147	$ 147	$ 147	$ 147	$ 147	$ 147	$ 737	$ 885
PTA Program Capacity	$ 5	$ 390	$ 245	$ 250	$ -	$ -	$ 885	$ 890
TIF Program Capacity	$ 435	$ 435	$ 435	$ 435	$ 460	$ 460	$ 2,225	$ 2,660
TFA Available Capacity [3]	$ 573	$ -	$ -	$ -	$ -	$ -	$ -	$ 573
Total 2010 FE STIP Target Capacity	**$1,161**	**$ 972**	**$ 827**	**$ 832**	**$ 607**	**$ 607**	**$ 3,847**	**$ 5,008**
2008 STIP Program [4]	$ 1,399	$ 1,190	$ 1,044	$ 1,095	$ 73	$ 73	$ 3,475	$ 4,874
Net Difference	**$ (238)**	**$ (218)**	**$ (217)**	**$ (263)**	**$ 535**	**$ 535**	**$ 372**	**$ 134**
Cumulative Difference	**(238)**	**($456)**	**($672)**	**($935)**	**($401)**	**$134**		
Estimated Capital Allocation Capacity	$965	$770	$620	$620	$400	$400		

Notes:

Numbers may not total due to rounding.

Program capacity above includes construction, right-of-way, and capital outlay support.

[1] 2008 SHOPP Program totals from Transportation Programming as of June 30, 2009.

[2] Includes GARVEE debt service and Transportation Enhancement (TE) funding.

[3] TFA available capacity represents unallocated funding available for commitment to STIP projects and costs associated with bond administration.

[4] 2008 STIP Program estimates as of June 30, 2009 (provided by Commission Staff).

- Target (program) capacity includes commitments + new capacity
- Total SHOPP target capacity is $8.4 billion over the FE period
- Total STIP target capacity is $3.8 billion over the FE period

Next Steps & New Development

Next Steps

- Adoption of the 2010 STIP FE

- Approval of 2010 Aeronautics Account FE

New Development

- California Supreme Court decision on transit diversions suit

State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

M e m o r a n d u m

TAB 16

To: CHAIR AND COMMISSIONERS

CTC Meeting: October 14-15, 2009

Reference No.: 4.3
Action Item

From: NORMA ORTEGA
Chief Financial Officer (Interim)

Prepared by: Steven Keck
Division Chief (Interim)
Budgets

Subject: **ADOPTION OF THE 2010 STIP AND AERONAUTICS ACCOUNT FUND ESTIMATES RESOLUTION G-09-10**

RECOMMENDATION:

The Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve the attached resolution and adopt the 2010 State Transportation Improvement Program (STIP) Fund Estimate and approve the 2010 Aeronautics Account Fund Estimate.

ISSUE:

Section 14525(d) of the Government Code allows the Commission to postpone the adoption of the fund estimate for no more than 90 days after the August 15 deadline if there is State or federal legislation pending that could impact the Fund Estimate. At its July 8, 2009 meeting, the Commission delayed the adoption of the 2010 Fund Estimate beyond the statutory August 15 date because of proposed amendments to the 2009-10 State Budget. The attached 2010 STIP Fund Estimate and the 2010 Aeronautics Account Fund Estimate have been updated based on the amended 2009-10 Budget Act.

The Aeronautics Account Fund Estimate is not required by statute to be adopted by the Commission.

BACKGROUND:

Sections 14524 and 14525 of the Government Code require the Department to present a STIP Fund Estimate to the Commission by July 15, and the Commission to adopt the Fund Estimate by August 15 of each odd-numbered year. The purpose of the STIP Fund Estimate is to estimate all federal and State funds reasonably expected to be available for programming in the subsequent STIP. Each even-numbered year, the Commission is required to adopt a STIP based on the funding identified in the adopted fund estimate.

Attachments

CALIFORNIA TRANSPORTATION COMMISSION

ADOPTION OF THE 2010 FUND ESTIMATE

RESOLUTION G-09-10

1.1. WHEREAS, Sections 14524 and 14525 of the Government Code require the Department of Transportation (Department) to present, and the California Transportation Commission (Commission) to adopt, a biennial fund estimate to include and estimate all State and federal funds reasonably expected to be available for the biennial State Transportation Improvement Program (STIP), including the amount that may be programmed in each county for regional improvement programs; and

1.2. WHEREAS, on February 19, 2009, the Department presented an overview of the fund estimate process, schedule and special issues, including uncertainty regarding major revenues that would impact the fund estimate; and

1.3 WHEREAS, on April 15, 2009, the Commission postponed the adoption of the 2010 Fund Estimate Assumptions until after the May 19, 2009 special election; and

1.4 WHEREAS, on June 10, 2009, the Department presented, and the Commission adopted, the 2010 Fund Estimate Assumptions; and

1.5 WHEREAS, on July 9, 2009, the Commission postponed the adoption of the 2010 Fund Estimate until enactment of the 2009-10 State Budget, per Section 14525(d) of the Government Code; and

1.6 WHEREAS, on August 12, 2009, the Department presented to the Commission the Draft 2010 Fund Estimate; and

1.7 WHEREAS, on September 9, 2009, the Commission held a workshop on the 2010 Fund Estimate to consider public comment, and indicated that the adoption of the 2010 Fund Estimate would be scheduled for October 14, 2009; and

1.8 WHEREAS, on October 14, 2009, the Department presented to the Commission an updated Proposed 2010 Fund Estimate; and

1.9 WHEREAS, the Proposed 2010 Fund Estimate identifies new program capacity of approximately $195 million for Federal Transportation Enhancement funds, over-programming of approximately $1 million in the Public Transportation Account, and over-programming of $81 million in other funds; and

1.10 WHEREAS, the Proposed 2010 Fund Estimate includes annual programming targets, adjusted for STIP amendments and allocations through September 2009.

2.1 NOW THEREFORE BE IT RESOLVED that the California Transportation Commission does hereby adopt the 2010 STIP Fund Estimate, as presented by the Department on October 14, 2009, with programming in the 2010 STIP to be based on the statutory funding identified; and

2.2 BE IT FURTHER RESOLVED that the Commission requests that the Department, in cooperation with Commission staff, distribute copies of the 2010 Fund Estimate to each regional agency and county transportation commission.

PROPOSED FINAL FUND ESTIMATE BOOK
PENDING ADOPTION

2010 STATE TRANSPORTATION IMPROVEMENT PROGRAM FUND ESTIMATE

Arnold Schwarzenegger
Governor
STATE OF CALIFORNIA

Dale E. Bonner
Secretary
Business, Transportation and Housing Agency

Randell H. Iwasaki
Director
Department of Transportation

The 2010 State Transportation Improvement Program Fund Estimate Book is available online at
http://www.dot.ca.gov/hq/transprog/ctcliaison.htm

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ACRONYMS

AB	Assembly Bill
AC	Advanced Construction
BATA	Bay Area Toll Authority
BIP	Border Infrastructure Program
CMIA	Corridor Mobility Improvement Account
Commission	California Transportation Commission
COS	Capital Outlay Support
Department	Department of Transportation
DOF	Department of Finance
FE	Fund Estimate
FFY	Federal Fiscal Year
FHTF	Federal Highway Trust Fund
FHWA	Federal Highway Administration
GARVEE	Grant Anticipation Revenue Vehicles
GC	Government Code
HBP	Highway Bridge Program
GO	General Obligation
HBRR	Highway Bridge Replacement and Rehabilitation
HRCSA	Highway-Railroad Crossing Safety Account
HSRPA	Highway Safety, Rehabilitation and Preservation Account
HUTA	Highway Users Tax Account
ITIP	Interregional Transportation Improvement Program
LBSRA	Local Bridge Seismic Retrofit Account
MVA	Motor Vehicle Account
OA	Obligation Authority
PMIA	Pooled Money Investment Account
PPM	Planning, Programming, and Monitoring
PTA	Public Transportation Account
PTMISEA	Public Transportation Modernization, Improvement & Service Enhancement Account
PUC	Public Utilities Code
R&TC	Revenue and Taxation Code
R/W	Right-of-Way
RTIP	Regional Transportation Improvement Program
RTPA	Regional Transportation Planning Agencies
S&HC	Streets and Highway Code
SB	Senate Bill
SCO	State Controller's Office
SHA	State Highway Account
SHOPP	State Highway Operation Protection Program
SLPP	State Local Partnership Program Account
SMIF	Surplus Money Investment Fund

ACRONYMS CONTINUED

SR 99	State Route 99 Corridor Account
STA	State Transit Assistance
STIP	State Transportation Improvement Program
STO	State Treasurer's Office
TBSRP	Toll Bridge Seismic Retrofit Program
TCIF	Trade Corridor Improvement Fund
TCRF	Traffic Congestion Relief Fund
TCRP	Traffic Congestion Relief Program
TDIF	Transportation Deferred Investment Fund
TDSF	Transportation Debt Service Fund
TE	Transportation Enhancements
TFA	Transportation Facilities Account
TIF	Transportation Investment Fund
TMS	Traffic Management Systems

EXECUTIVE SUMMARY

On October 14, 2009, the California Transportation Commission (Commission) adopted the 2010 State Transportation Improvement Program (STIP) Fund Estimate (FE). The STIP FE is a biennial estimate of all resources available for the State's transportation infrastructure over the next five-year period, and establishes the program funding levels for the STIP and State Highway Operation and Protection Program (SHOPP). The 2010 STIP FE period covers State fiscal years 2010-11 through 2014-15.

STIP Capacity

STIP projects add capacity to the State's transportation infrastructure. The 2010 FE includes a total estimate of $3.8 billion in program capacity over the five-year FE period. Program capacity represents the total value of projects that can be funded each year, and includes construction, Right-of-Way (R/W), and support. Support consists of preliminary engineering, planning, and design. The 2010 FE displays a new, estimated STIP program capacity of $366 million over the FE period, while the 2008 FE displayed a forecast of $1.3 billion in new STIP program capacity over the same five-year period. As a result of the new STIP program capacity forecasted in the 2010 FE, some projects programmed in 2009-10 through 2012-13 will need to be moved to later years where sufficient program capacity is estimated to be available.

2010 STIP FE
STIP Program Capacity
($ millions)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total	6-Year Total
2010 FE STIP Target Capacity	**$1,161**	**$972**	**$827**	**$832**	**$607**	**$607**	**$3,847**	**$5,008**
2008 STIP Program	$1,416	$1,195	$1,044	$1,095	$73	$73	$3,480	$4,897
Net Difference	**($255)**	**($223)**	**($217)**	**($263)**	**$535**	**$535**	**$366**	**$111**
Cumulative Difference	**($255)**	**($478)**	**($695)**	**($958)**	**($423)**	**$111**		
Estimated Capital Allocation Capacity	$965	$580	$710	$720	$400	$400		

Note: Numbers may not add due to rounding.

- The State Highway Account (SHA) STIP capacity only includes Federal commitments for Transportation Enhancements (TE) and Grant Anticipation Revenue Vehicle (GARVEE) debt service.

- New STIP capacity in the future will continue to depend primarily on PTA resources and Proposition 42 revenues transferred to the TIF. Both of these sources are difficult to forecast with any certainty under current budgetary circumstances and a struggling economy. Recent State Budgets have redirected a significant amount of PTA resources to transportation programs traditionally financed through General Fund (GF) revenues. In addition, the State Constitution allows Proposition 42 revenues to be suspended twice in any consecutive 10-year period.

SHOPP Capacity

SHOPP projects consist of major rehabilitation work on the State Highway System. The 2010 FE forecasts SHOPP program capacity of $8.4 billion over the five-year FE period. Like the STIP, SHOPP program capacity represents the total value of projects that can be funded each year, and includes construction, R/W, and support. New SHOPP capacity of $4.3 billion is estimated over the FE period, but will require redistribution of the existing program over this period. Some projects programmed in 2009-10 through 2011-12 will need to be moved to later years where sufficient capacity is available.

2010 STIP FE
SHOPP Program Capacity
($ millions)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total	6-Year Total
2010 FE SHOPP Target Capacity (SHA)	**$1,910**	**$1,690**	**$1,690**	**$1,690**	**$1,680**	**$1,680**	**$8,430**	**$10,340**
2008 SHOPP Program	$2,072	$2,078	$2,072	$0	$0	$0	$4,150	$6,222
Net Difference	**($162)**	**($388)**	**($382)**	**$1,690**	**$1,680**	**$1,680**	**$4,280**	**$4,118**
Cumulative Difference	**($162)**	**($550)**	**($931)**	**$758**	**$2,438**	**$4,118**		
Estimated Capital Allocation Capacity	$1,535	$1,260	$1,260	$1,260	$1,260	$1,260		

Note: Numbers may not add due to rounding.

- The SHOPP is constrained over the entire FE period. While the 2010 FE forecasts an average of just under $1.7 billion of SHOPP program capacity each year over the FE period, the annual SHOPP goal-constrained need is roughly $6.3 billion as identified in the 2009 10-Year SHOPP Plan. As a result of the large annual shortfall, potential impacts may include delays of needed projects, an inability to fix new and/or ongoing deterioration of the highways, and possible cost increases.

Challenges

Two major risks could significantly impact the actual program capacity for the STIP and SHOPP. The possibility of Proposition 42 transfers to the TIF being suspended, and lingering uncertainty over the next Federal Highway Act, poses serious risks to the revenues identified in the 2010 FE. In addition, volatile costs of construction materials, support, and R/W acquisitions are also potential threats to the FE program capacity.

INTRODUCTION

Section 14524 of the Government Code (GC) requires the California Department of Transportation (Department) to develop a biennial State Transportation Improvement Program (STIP) Fund Estimate (FE). The FE includes a forecast in annual increments of all Federal and State funds available for programming in the next STIP and a plan to manage these funds over the subsequent five years. The 2010 FE covers the period from 2010-11 through 2014-15, with 2009-10 included as the base year.

Sections 14524 and 14525 of the GC respectively require the Department to present a FE to the California Transportation Commission (Commission) by July 15th, and the Commission to adopt a FE by August 15th of each odd-numbered year. Section 14529(d) of the GC requires the Commission to adopt a STIP based on the funding level identified in the adopted FE by April 1 of each even-numbered year.

On July 8, 2009, the Commission exercised its option to delay the adoption of the FE under Section 14525(d) of the GC due to the pending enactment of the 2009-10 budget amendments (and related trailer bills) and the potential impact that various proposals could have on STIP funding. Listed below are the dates and milestones used for the development of the 2010 STIP FE.

Date	Milestone
June 10, 2009	The Commission approved the 2010 FE Assumptions.
August 12, 2009	The Department presented the Draft 2010 FE.
September 9, 2009	The Department presented a workshop for discussion of the Draft 2010 FE
October 14, 2009	The Commission adopted the 2010 STIP FE as the statutory funding estimate for the 2010 STIP.

The 2010 Fund Estimate

The STIP and the State Highway Operation and Protection Program (SHOPP) comprise the major portion of the State's transportation infrastructure program. Historically, the primary sources of funds for the STIP and SHOPP have been user fees, including excise tax on motor vehicle fuels and weight fees to the State Highway Account (SHA), and Federal Trust Funds from Federal excise tax on motor vehicle fuels. Article XIX of the California Constitution protects State transportation funds from diversion for non-transportation purposes, while a combination of State and Federal laws control the use of Federal funds.

Currently, the SHA and Federal Trust Funds are the sole funding sources for the constrained SHOPP. New STIP must be completely funded from non-SHA sources, with the exception of Transportation Enhancements (TE) and existing Grant Anticipation Revenue Vehicle(s) (GARVEE) debt service. The 2010 FE includes STIP capacity from the Public Transportation Account (PTA), the Transportation Investment Fund (TIF), and the Transportation Facilities Account (TFA) – created as part of the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2008.

Methodology

The Commission, in consultation with the Department, Regional Transportation Planning Agencies, and county transportation commissions, determined the methodology and assumptions used to develop the FE. The Commission approved the methodologies and assumptions at its meeting on June 10, 2009. Listed below are key methodologies included in the 2010 STIP FE. A summary of the approved assumptions are included in Appendix F.

- A cash flow model is used in the development of the FE tables. This model displays a forecast of new target program capacity based on the cash flow required to manage the allocation of capital projects. The Department developed program expenditure and cash flow estimates by working with each respective Department Division. Appendix F contains the detailed assumptions for revenues and expenditures.

- Section 14524 (c) of the GC requires the FE to assume revenues based on current statutes and the most recently enacted State Budget. Revenue estimates for future periods use historical trends, the economic outlook, and consultation with the California Department of Finance (DOF) as a basis.

- Section 14525.1 of the GC requires the FE to forecast expenditures using the most recently enacted Budget adjusted for annual inflation. DOF Budget Letter 09-32 assumes a price escalation rate of 1.3 percent for State Operations expenditures, not including capital outlay support. However, this Budget Letter also requires the Department to remove the price increase to baseline funding in 2010-11. Therefore, the FE reflects no escalation from the baseline budget from 2009-10 to 2010-11 and displays a 1.3 percent annual escalation for State Operations expenditures for 2011-12 through 2014-15.

- Senate Bill (SB) 45 (Chapter 622, Statutes of 1997) allows the Commission to leave current levels of programmed project development costs (i.e. pre-construction expenditures) unaltered if expenditures are within 20 percent of the amount programmed for this component. These allowances are not included in the 2010 FE, but will need to be considered during the programming process to ensure resources are not over-programmed.

- The FE contains a calculation wherein available fund cash balances are used to determine programming capacity—an amount available for projects each year, which includes construction, R/W and support. The conversion to capacity optimizes program capacity, while attempting to maintain a prudent cash balance and minimizing annual fluctuations of program levels.
    - The FE tables calculate commitments as project phases that are estimated to begin prior to June 30, 2010. As such, the FE tables do not display as commitments any phases included in target (program) capacity in 2010-11 through 2014-15. These costs need to be considered during the program process to ensure resources are not over-programmed.

Challenges to Transportation Funding

Revenues. Section 14524(c) of the GC requires the FE to base revenue assumptions on existing State and Federal statutes. However, existing law cannot guarantee that the Department will realize certain revenues over the FE period, particularly in light of recent budgetary actions. For instance, the State Constitution allows for the suspension of Proposition 42 revenues during times of financial stress. The 2010 FE faces major revenue risks that could significantly impact the actual program capacity for the STIP and SHOPP. Specifically, these revenue risk items are:

- **Transportation Investment Fund (TIF) Transfers** –Transfers of Proposition 42 gasoline sales tax revenues to the TIF have in the past been delayed or suspended due to funding shortfalls in the State budget. Due to continuing fiscal challenges in the State Budget, there is a chance that legislation may partially or completely suspend the transfer of these revenues during the FE period. Proposition 1A, passed in November 2006, allows these transfers to be suspended under certain circumstances twice in any consecutive 10-year period, but requires full repayment of loans plus interest within three years and before any additional suspensions can occur. Because of STIP cash flow commitments against the TIF, a significant diversion of TIF funding could result in the fund becoming insolvent during the FE period.

- **State General Fund (GF) Assistance** – In December 2008, California faced an estimated GF shortfall of $42 billion for the remainder of 2008-09 and 2009-10. Revisions to the 2008-09 Budget Act and the amended 2009-10 Budget Act required diversions of transportation funding and loans to the GF. If the GF continues to experience revenue shortfalls over the FE period, this could reduce available cash for programming new capacity.

- **Federal Highway Funding** – The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) expired on September 30, 2009. In addition, the Federal Highway Trust Fund (FHTF) required cash transfers from the US General Fund in Federal fiscal year (FFY) 2008 and FFY 2009 in order to meet its funding levels in the current Federal Highway Act. These circumstances make the future levels of Federal funding uncertain.

- **Bond Market** – Approved by voters in November 2006, Proposition 1B or the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 authorized the issuance of General Obligation (GO) bonds. The State Treasurer's Office (STO) last sold GO bonds in April 2009 due to a struggling economy and a less than ideal credit market. Although the STO will re-enter the bond market in October 2009, the amount of proceeds they will apportion to Proposition 1B projects is unknown. This may delay transportation projects funded with GO bonds because new projects cannot start until after the bonds are sold.

STATE TRANSPORTATION IMPROVEMENT PROGRAM FUND ESTIMATE

The State Transportation Improvement Program (STIP) is a five-year planning document adopted every two years that displays commitments of transportation funds for improving operations for rail, mass transportation, local roads, and the State highway system. To develop the STIP, the Department of Transportation (Department) must prepare a STIP Fund Estimate (FE) to estimate the total Federal and State resources available for transportation over the next STIP period. STIP program capacity is derived from the FE tables of the State Highway Account (SHA) & Federal Trust Fund (FTF), Public Transportation Account (PTA), Transportation Investment Fund (TIF), and the Transportation Facilities Account (TFA). The SHA & FTF FE tables also display State Highway Operation and Protection Program (SHOPP) capacity over the same five-year period.

- **State Highway Account & Federal Trust Fund -** The SHA and FTF are the sole funding sources for the constrained SHOPP, which is the Department's highest priority. These two accounts also fund Transportation Enhancements (TE) and existing Grant Anticipation Revenue Vehicle(s) (GARVEE) debt service, which add to STIP program capacity.

  SHA revenues are primarily raised through State excise taxes on gasoline and diesel of 18 cents per gallon, and weight fees. FTF revenues are primarily generated through the State's apportionment of Federal excise taxes on gasoline of 18.4 cents per gallon, and diesel of 24.4 cents per gallon. SHA and FTF resources are committed for maintaining and preserving the existing highway system, ensuring the efficient operation of the state highway system, improving highway safety, and improving the interregional road system.

- **Public Transportation Account -** The PTA funds the Department's transportation planning, mass transportation, Intercity Rail program, and transit STIP projects. PTA revenues come primarily from the sales taxes on gasoline and diesel fuels, and transfers from the SHA.

- **Transportation Investment Fund -** The TIF is funded by Proposition 42 transfers of gasoline sales tax revenues from the General Fund (GF). Proposition 42 transfers are distributed 40% to local governments, 20% to the PTA (which will redirect 75% of its share to State Transit Assistance in 2013-14 and thereafter), and 40% are retained in the TIF. Funds remaining in the TIF are restricted to funding STIP highway, intercity rail, mass transit guideway, and grade separation projects.

- **Transportation Facilities Account -** The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2008 (Proposition 1B) created the Transportation Facilities Account (TFA). This act authorizes $2 billion in bond funding to the TFA for augmenting the STIP, and may be used to fund highway or local assistance projects.

2010 FE Program Capacity (Target Capacity)

STIP Program Capacity. The table below displays the total and annual program capacities available for the 2010 STIP. Target Capacity represents the total value of projects, including construction, Right-of-Way (R/W), and support, which can be funded each year. The 2008 STIP Program represents the annual amounts of projects programmed each year in the 2008 STIP. "New STIP Capacity" is the difference between the FE Target Capacity and the 2008 STIP, and identifies any excess or shortage of capacity to fund the current program. Detailed information on resources and expenditures are available in the appendices by fund.

2010 STIP FE
STIP Program Capacity
($ millions)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total	6-Year Total
2010 FE STIP Target Capacity	**$1,161**	**$972**	**$827**	**$832**	**$607**	**$607**	**$3,847**	**$5,008**
2008 STIP Program	$1,416	$1,195	$1,044	$1,095	$73	$73	$3,480	$4,897
Net Difference	**($255)**	**($223)**	**($217)**	**($263)**	**$535**	**$535**	**$366**	**$111**
Cumulative Difference	**($255)**	**($478)**	**($695)**	**($958)**	**($423)**	**$111**		

Estimated Capital Allocation Capacity	$965	$580	$710	$720	$400	$400

Note: Numbers may not add due to rounding.

STIP Highlights

- The 2010 FE estimates STIP program capacity of $3.8 billion over the five-year FE period. This covers the existing STIP program and adds $366 million in STIP capacity, but will require redistributing the existing program over the FE period.
    - New STIP program capacity is constrained due to recent declines and the projected slow growth of fuel consumption and fuel prices.
- SHA STIP program capacity includes Federal commitments for Transportation Enhancements (TE) and Grant Anticipation Revenue Vehicle (GARVEE) debt service, and identifies $146 million in additional program capacity for new STIP.
- New STIP program capacity in the future will continue to depend primarily on PTA revenues and TIF transfers, both of which are difficult to predict with any certainty under current budgetary and economic circumstances. If revenues are diverted or suspended, this situation may result in a lower level of program capacity available for the STIP.

SHOPP Program Capacity. The table below displays the total and annual SHOPP program capacities over the FE period. Target Capacity represents the total value of SHOPP projects, including construction, Right-of-Way, and support, which can be funded each year after funding existing and ongoing commitments. The 2008 SHOPP Program line represents the SHOPP projects currently programmed each year in the four-year 2008 program. "New SHA SHOPP Capacity" is the difference between Target Capacity and 2008 SHOPP, and identifies any excess or shortage of program capacity to fund the current program.

2010 STIP FE
SHOPP Program Capacity
($ millions)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total	6-Year Total
2010 FE SHOPP Target Capacity (SHA)	**$1,910**	**$1,690**	**$1,690**	**$1,690**	**$1,680**	**$1,680**	**$8,430**	**$10,340**
2008 SHOPP Program	$2,072	$2,078	$2,072	$0	$0	$0	$4,150	$6,222
Net Difference	**($162)**	**($388)**	**($382)**	**$1,690**	**$1,680**	**$1,680**	**$4,280**	**$4,118**
Cumulative Difference	**($162)**	**($550)**	**($931)**	**$758**	**$2,438**	**$4,118**		
Estimated Capital Allocation Capacity	$1,535	$1,260	$1,260	$1,260	$1,260	$1,260		

Note: Numbers may not add due to rounding.

SHOPP Highlights

- The 2010 FE forecasts a SHOPP program capacity of $8.4 billion over the five-year FE period. This covers the existing SHOPP program and adds $4.3 billion in new SHOPP program capacity. In comparison, the 2008 FE displayed a forecast of $5.7 billion in new SHOPP program capacity. Similar to the STIP, SHOPP program capacity in the 2010 FE will require redistribution of the existing program over the FE period.

- The 2010 FE SHOPP does not include the $500 million provided to the SHOPP from the bond-funded Highway Safety Rehabilitation, and Preservation Account. These resources have already been earmarked for specific projects outside of the current 2008 SHOPP. Information on this fund is included in Appendix D.

- The SHOPP will be constrained during the FE period with a target capacity of approximately $1.7 billion per year while the annual SHOPP goal-constrained need is roughly $6.3 billion as identified in the 2009 10-Year SHOPP Plan. The lower SHOPP levels can be attributed to several factors including, but not limited to:

    - The 2010 FE displays a $2.3 billion decrease in SHOPP resources in comparison to the 2008 FE over the five-year FE period. This is primarily due to a struggling economy and recent declines in fuel consumption.

- Federal Obligation Authority (OA) in the 2010 FE is based on the actual OA received in 2008-09 and will remain constant in the base year, and throughout the FE period. This results in about $356 million less OA in comparison to the projections in the 2008 STIP FE, which displays revenues as based on actual OA received in 2006-07 and an annual escalation factor of 1.8 percent. The 2010 STIP FE period displays a constant OA due to the current Federal Highway Act (Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users) expiring on September 30, 2009.

- Available SHOPP resources have recently been redirected from program capacity to fund Highway Maintenance and address a backlog of pavement preservation projects. The purpose of this redirection has been to reduce the level of maintenance that could eventually develop into major SHOPP projects and result in significant cost increases.

- The 2010 FE does not assume the use of additional GARVEE bonds. However, the Department has been given authorization in the 2009-10 Budget Act to expend about $622 million in new GARVEE bond proceeds. GARVEE bonds may be used to advance construction projects when State and Federal funds may not otherwise be available. Debt service payments are deducted from future OA and requires state match. This would result in a decrease to available resources and could potentially further reduce 2010 SHOPP program capacity.

2010 STIP FUND ESTIMATE

Cash Flows & Program Capacity by Fund

($ millions)

State Highway Account (SHA) & Federal Trust Fund (FTF)	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total	6-Year Total
State & Federal Resources	$6,002	$5,719	$5,545	$5,640	$5,704	$5,737	$28,345	$34,347
Commitments (Not subject to reprogramming):								
Maintenance	($1,348)	($1,474)	($1,493)	($1,514)	($1,534)	($1,555)	($7,569)	($8,917)
State Operations	($902)	($960)	($941)	($893)	($863)	($846)	($4,503)	($5,405)
SHOPP	($598)	($392)	($221)	($134)	($89)	($70)	($906)	($1,505)
Local Assistance	($1,275)	($1,266)	($1,273)	($1,278)	($1,250)	($1,208)	($6,275)	($7,550)
Existing STIP Commitments against the SHA	($189)	($168)	($163)	($158)	($155)	($151)	($795)	($985)
SHA/FTF Cash Available for new STIP/SHOPP	**$1,689**	**$1,459**	**$1,454**	**$1,662**	**$1,814**	**$1,907**	**$8,296**	**$9,985**
SHOPP SHA/FTF TARGET CAPACITY	**$1,912**	**$1,690**	**$1,690**	**$1,690**	**$1,680**	**$1,680**	**$8,430**	**$10,342**
STIP SHA/FTF TARGET CAPACITY (TE & GARVEE)	**$147**	**$147**	**$147**	**$147**	**$147**	**$147**	**$737**	**$885**

Public Transportation Account (PTA)	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total	6-Year Total
PTA Resources	$508	$673	$735	$734	$848	$941	$3,930	$4,438
PTA Commitments:								
State Transit Assistance	($51)	$0	$0	$0	($459)	($470)	($929)	($980)
State Operations	($50)	($54)	($56)	($57)	($56)	($57)	($279)	($329)
Intercity Rail Operations	($114)	($116)	($130)	($136)	($147)	($164)	($692)	($806)
Local Assistance	($147)	($147)	($241)	($240)	($142)	($142)	($911)	($1,058)
Capital Outlay	($213)	($239)	($24)	($19)	($11)	($1)	($295)	($508)
PTA Cash Available for new STIP	**($66)**	**$117**	**$284**	**$282**	**$33**	**$108**	**$824**	**$758**
STIP PTA TARGET CAPACITY	**$5**	**$390**	**$245**	**$250**	**$0**	**$0**	**$885**	**$890**

Transportation Investment Fund (TIF)	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total	6-Year Total
TIF Resources	$ 1,753	$1,594	$1,501	$1,419	$1,428	$1,451	$7,394	$9,147
TIF Distributions (Prior to Commitments):								
Local Streets & Roads	$ (576)	($638)	($601)	($568)	($571)	($581)	($2,958)	($3,534)
PTA	$ (288)	($319)	($300)	($284)	($286)	($290)	($1,479)	($1,767)
TIF Commitments:								
STIP (Highways, Local, Mass Trans, RW, COS)	$ (688)	($578)	($385)	($266)	($158)	($91)	($1,478)	($2,166)
AB 3090	($22)	($64)	$0	$0	$0	$0	($64)	($86)
TE State Match (State and Local)	$ (9)	($9)	($9)	($9)	($9)	($9)	($43)	($51)
TIF Cash Available for new STIP	**$169**	**($13)**	**$207**	**$294**	**$405**	**$481**	**$1,373**	**$1,542**
STIP TIF TARGET CAPACITY	**$435**	**$435**	**$435**	**$435**	**$460**	**$460**	**$2,225**	**$2,660**

Transportation Facilities Account (TFA)	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total	6-Year Total
STIP TFA TARGET CAPACITY	**$573**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$573**

TOTAL FE TARGET SHOPP CAPACITY	**$1,912**	**$1,690**	**$1,690**	**$1,690**	**$1,680**	**$1,680**	**$8,430**	**$10,342**
TOTAL FE TARGET STIP CAPACITY	**$1,161**	**$972**	**$827**	**$832**	**$607**	**$607**	**$3,847**	**$5,008**

Note: Numbers may not add due to rounding.

Reconciliation of 2010 STIP FE to County and Interregional 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 (see page 13).

Because of the long development of the STIP FE, the 2010 STIP FE program capacity is based on all Commission actions through June 30, 2009. The program capacity used in the County and Interregional Shares include all of the Commission's actions through September 30, 2009.

The following table lists the net changes to program capacity from the 2010 STIP FE to the capacity used in the County and Interregional Shares and identified in Resolution G-09-10 adopting the FE. This table also separates the program capacity by PTA, non-PTA, and Transportation Enhancement (TE) capacity.

2010 STIP Fund Estimate
County and Interregional 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 regional program is subdivided by formula into County Shares. County Shares are available solely for projects nominated by regions in their Regional Transportation Improvement Programs (RTIP).

The 2010 STIP Fund Estimate indicates that there is no new programming capacity in either the Public Transportation Account (PTA) or in the flexible fund sources (made up of the Transportation Investment Fund [TIF] and the Transportation Facilities Account [TFA]). Unlike recent Fund Estimates, the 2010 STIP Fund Estimate only contains STIP targets for the new statewide Transportation Enhancement (TE) capacity ($195 million through 2014-15).

There is negative program capacity in both the PTA (-$1 million) and the flexible funds (-$81 million). These amounts make up less than 2% of the total six-year program capacity for those funds; therefore, programming targets for the PTA and for the flexible funds are not needed for the 2010 STIP cycle.

It is important to note that the flexible funds are significantly over-programmed (or more accurately under-funded) in the early portion of the 2010 STIP period. This means that many of the projects currently programmed in the STIP will likely be delayed (reprogrammed into a later year) in the 2010 STIP.

Table 1. Reconciliation to County and Interregional Shares
This table lists the net changes to program capacity from the 2010 STIP FE to the capacity used in the County and Interregional Shares. This table is based on all Commission actions through September 2009.

Table 2. Transportation Enhancement (TE) Targets
This table displays the 2010 STIP targets of the new statewide TE capacity through 2014-15. As shown in Table 1, most new TE capacity is in the two new years of the Fund Estimate: 2013-14 and 2014-15. Therefore, nearly all new TE programming added in the 2010 STIP will be in 2013-14 and 2014-15.

Table 3. Planning, Programming, and Monitoring (PPM) Limitations
State law and the STIP guidelines provide that up to 5% of a county share may be expended for planning, programming, and monitoring (PPM). The PPM Limitations are limits to the amounts that can be programmed in any region and are not in addition to amounts already programmed. This limitation is applied separately to each four-year county share period. Table 3 identifies the county and interregional shares for 2012-13 through 2014-15 (the first three years of the 2012-13 through 2015-16 share period) based upon the 2008 and the 2010 Fund Estimates. The 5% limitation is applied to these amounts to determine how much can be programmed for PPM in any region for 2012-13 through 2014-15.

2010 STIP FUND ESTIMATE

Table 1 - Reconciliation to County and Interregional Shares

($ millions)

Public Transportation Account (PTA)	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total	6-Year Total
2010 FE PTA Target Capacity	$5	$390	$245	$250	$0	$0	$885	$890
Total 2010 STIP FE PTA Target Capacity	**$5**	**$390**	**$245**	**$250**	**$0**	**$0**	**$885**	**$890**
2008 STIP Program [1]	**$75**	**$319**	**$243**	**$251**	**$0**	**$0**	**$813**	**$887**
Changes to 2009 Orange Book [3]	$3	($3)	$0	$0	$0	$0	($3)	$0
Extensions	$0	$0	$0	$0	$0	$0	$0	$0
Delivered But Not Allocated	$1	$0	$0	$0	$0	$0	$0	$1
Advances	$0	$0	$0	$0	$0	$0	$0	$0
Net PTA STIP Program	**$79**	**$316**	**$243**	**$251**	**$0**	**$0**	**$810**	**$888**
PTA Capacity for County Shares	**($74)**	**$71**	**$2**	**($1)**	**$0**	**$0**	**$72**	**($1)**
Cumulative	**($74)**	**($2)**	**($0)**	**($1)**	**($1)**	**($1)**		

Non-PTA (SHA, TIF, TFA)	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total	6-Year Total
2010 FE Non-PTA Target Capacity	$1,081	$508	$508	$508	$533	$533	$2,590	$3,670
2010 FE Non-PTA GARVEE Debt Service	($73)	($73)	($73)	($73)	($73)	($73)	($365)	($437)
TE State Match (Estimated program totals)	($9)	($9)	($9)	($9)	($9)	($9)	($45)	($54)
Total 2010 STIP FE Non-PTA Capacity [2]	**$999**	**$426**	**$426**	**$426**	**$451**	**$451**	**$2,180**	**$3,179**
2008 STIP Program [1]	**$848**	**$714**	**$654**	**$707**	**$0**	**$0**	**$2,076**	**$2,923**
Changes to 2009 Orange Book [3]	($4)	$0	($1)	$0	$0	$0	($1)	($6)
Extensions	$122	$7	$0	$0	$0	$0	$7	$129
Delivered But Not Allocated	$214	$0	$0	$0	$0	$0	$0	$214
Advances	$0	$0	$0	$0	$0	$0	$0	$0
Net Non-PTA STIP Program	**$1,179**	**$721**	**$653**	**$707**	**$0**	**$0**	**$2,081**	**$3,260**
Non-PTA Capacity for County Shares	**($180)**	**($295)**	**($227)**	**($281)**	**$451**	**$451**	**$99**	**($81)**
Cumulative	**($180)**	**($475)**	**($702)**	**($983)**	**($532)**	**($81)**		

Transportation Enhancements (TE)	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total	6-Year Total
2010 STIP FE TE Capacity (Federal)	$74	$74	$74	$74	$74	$74	$371	$445
TE State Match (Estimated program totals)	$9	$9	$9	$9	$9	$9	$45	$54
Total 2010 STIP FE TE Capacity	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**	**$416**	**$499**
2008 STIP Program [1]	**$82**	**$81**	**$74**	**$64**	**$0**	**$0**	**$219**	**$301**
Changes to 2009 Orange Book [3]	$2	($1)	($0)	($1)	$0	$0	($3)	($1)
Extensions	$2	$2	$0	$0	$0	$0	$2	$5
Advances	$0	$0	$0	$0	$0	$0	$0	$0
Net TE	**$86**	**$82**	**$73**	**$63**	**$0**	**$0**	**$218**	**$304**
TE Capacity for County Shares	**($3)**	**$1**	**$10**	**$20**	**$83**	**$83**	**$197**	**$195**
Cumulative	**($3)**	**($1)**	**$8**	**$28**	**$112**	**$195**		
Total Capacity	**($256)**	**($222)**	**($215)**	**($262)**	**$534**	**$534**	**$369**	**$113**

Notes:

General note: Numbers may not add due to rounding.

[1] 2008 STIP from August 2009 "Orange Book"

[2] Includes TFA capacity of $573 million in 2009-10.

[3] Adjustments to 2009 "Orange Book" for *Commission actions through September 2009*.

2010 STIP TE Targets	
County	**TE Target**
Alameda	**5,299**
Alpine/Amador/Calaveras	**897**
Butte	**1,013**
Colusa	**266**
Contra Costa	**3,434**
Del Norte	**257**
El Dorado LTC	**649**
Fresno	**3,661**
Glenn	**283**
Humboldt	**1,026**
Imperial	**1,743**
Inyo	**1,398**
Kern	**4,830**
Kings	**721**
Lake	**438**
Lassen	**651**
Los Angeles	**32,417**
Madera	**651**
Marin	**1,003**
Mariposa	**264**
Mendocino	**968**
Merced	**1,169**
Modoc	**345**
Mono	**1,038**
Monterey	**1,881**
Napa	**621**
Nevada	**541**
Orange	**9,796**
Placer TPA	**1,030**
Plumas	**393**
Riverside	**6,941**
Sacramento	**4,552**
San Benito	**340**
San Bernardino	**9,100**
San Diego	**10,734**
San Francisco	**2,707**
San Joaquin	**2,385**
San Luis Obispo	**1,926**
San Mateo	**2,822**
Santa Barbara	**2,192**
Santa Clara	**6,208**
Santa Cruz	**1,094**
Shasta	**1,111**
Sierra	**185**
Siskiyou	**768**
Solano	**1,624**
Sonoma	**2,007**
Stanislaus	**1,848**
Sutter	**417**
Tahoe RPA	**270**
Tehama	**558**
Trinity	**398**
Tulare	**2,265**
Tuolumne	**452**
Ventura	**3,216**
Yolo	**872**
Yuba	**319**
Statewide Regional	**145,994**
Interregional	**48,665**
TOTAL	**194,659**

5% PPM Limitation

County	2008 STIP 2012/13	2010 STIP 12/13 - 14/15	Total 12/13 - 14/15	5% PPM Limitation 12/13 - 14/15
Alameda	43,877	3,068	46,945	**2,347**
Alpine/Amador/Calaveras	7,412	519	7,931	**397**
Butte	8,400	586	8,986	**449**
Colusa	2,207	154	2,361	**118**
Contra Costa	28,427	1,988	30,415	**1,521**
Del Norte	2,125	149	2,274	**114**
El Dorado LTC	5,368	375	5,743	**287**
Fresno	30,409	2,120	32,529	**1,626**
Glenn	2,356	165	2,521	**126**
Humboldt	8,493	594	9,087	**454**
Imperial	14,207	1,009	15,216	**761**
Inyo	11,505	810	12,315	**616**
Kern	39,831	2,796	42,627	**2,131**
Kings	5,943	418	6,361	**318**
Lake	3,657	254	3,911	**196**
Lassen	5,384	377	5,761	**288**
Los Angeles	268,621	18,770	287,391	**14,370**
Madera	5,386	377	5,763	**288**
Marin	8,309	581	8,890	**445**
Mariposa	2,193	153	2,346	**117**
Mendocino	7,997	560	8,557	**428**
Merced	9,677	677	10,354	**518**
Modoc	2,859	200	3,059	**153**
Mono	8,526	601	9,127	**456**
Monterey	15,563	1,089	16,652	**833**
Napa	5,154	360	5,514	**276**
Nevada	4,545	313	4,858	**243**
Orange	81,023	5,672	86,695	**4,335**
Placer TPA	8,539	597	9,136	**457**
Plumas	3,250	227	3,477	**174**
Riverside	58,047	4,019	62,066	**3,103**
Sacramento	37,682	2,636	40,318	**2,016**
San Benito	2,818	197	3,015	**151**
San Bernardino	75,436	5,270	80,706	**4,035**
San Diego	88,798	6,215	95,013	**4,751**
San Francisco	22,448	1,568	24,016	**1,201**
San Joaquin	19,724	1,380	21,104	**1,055**
San Luis Obispo	15,852	1,115	16,967	**848**
San Mateo	23,296	1,635	24,931	**1,247**
Santa Barbara	18,037	1,270	19,307	**965**
Santa Clara	51,388	3,594	54,982	**2,749**
Santa Cruz	8,954	633	9,587	**479**
Shasta	9,193	643	9,836	**492**
Sierra	1,525	107	1,632	**82**
Siskiyou	6,349	444	6,793	**340**
Solano	13,454	940	14,394	**720**
Sonoma	16,387	1,162	17,549	**877**
Stanislaus	15,283	1,070	16,353	**818**
Sutter	3,451	241	3,692	**185**
Tahoe RPA	2,255	156	2,411	**121**
Tehama	4,626	324	4,950	**248**
Trinity	3,300	231	3,531	**177**
Tulare	18,693	1,311	20,004	**1,000**
Tuolumne	3,736	262	3,998	**200**
Ventura	26,543	1,862	28,405	**1,420**
Yolo	7,373	505	7,878	**394**
Yuba	2,641	185	2,826	**141**
Statewide	1,208,532	84,534	1,293,066	**64,653**

Note: Limitation amounts include amounts already programmed.

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APPENDIX A – STATE HIGHWAY ACCOUNT & FEDERAL TRUST FUND

Historically, the State Highway Account (SHA) has been the primary funding source for California's Highway Transportation program. The main sources of revenue for the SHA are the State excise taxes on motor vehicle fuels and truck weight fees. Federal funds are also transferred to the SHA (see below). The SHA primarily funds the State Highway Operation and Protection Program (SHOPP)—a capital improvement program for rehabilitation, safety, and preservation on State highways. The SHA also commits resources for existing Grant Anticipation Revenue Vehicle (GARVEE) debt service payments programmed in the State Transportation Improvement Program (STIP).

The Federal Trust Fund (FTF) is a major source of funding for SHOPP. The State receives appropriations set by the Federal Highway Act in the form of Obligation Authority (OA). This is based on a percentage of California's total contribution (Federal excise tax on gasoline and diesel of 18.4 cents and 24.4 cents per gallon, respectively) into the Federal Highway Trust Fund. The FTF also commits resources to Transportation Enhancement (TE) programmed in the STIP.

Resources Available for Programming

The table below lists the total and annual SHA program capacity available for the STIP and the SHOPP. Target Capacity represents the total level of projects the SHA can fund, including construction, Right-of-Way, and support, while attempting to maintain a prudent operating cash balance. The target program levels are reduced by the SHA program commitments to determine the amount of SHA capacity available for new SHOPP and STIP programming.

2010 STIP FE
SHA & FTF SHOPP and STIP Program Capacity
($ millions)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total	6-Year Total
2010 FE SHOPP Target Capacity (SHA)	**$1,912**	**$1,690**	**$1,690**	**$1,690**	**$1,680**	**$1,680**	**$8,430**	**$10,342**
2008 SHOPP Program	$2,072	$2,078	$2,072	$0	$0	$0	$4,150	$6,222
Net Difference	**($160)**	**($388)**	**($382)**	**$1,690**	**$1,680**	**$1,680**	**$4,280**	**$4,120**
Cumulative Difference	**($160)**	**($548)**	**($929)**	**$760**	**$2,441**	**$4,120**		
2010 FE SHOPP SHA STIP Target TE Capacity	**$75**	**$75**	**$75**	**$75**	**$75**	**$75**	**$373**	**$447**
2008 STIP Program TE	$82	$81	$74	$64	$0	$0	$219	$301
New STIP TE Capacity	**($7)**	**($6)**	**$1**	**$10**	**$75**	**$75**	**$154**	**$146**

Note: Numbers may not add due to rounding.

The SHA & FTF Fund Estimate (FE) table displays approximately $8.4 billion in SHOPP program capacity, which funds the 2010 SHOPP and adds $4.3 billion in new SHOPP program capacity. Some SHOPP projects programmed in 2009-10 through 2011-12 will need to be moved to later years where sufficient capacity is available. The SHA and FTF FE table also includes $146 million in new STIP program capacity, which is only available for TE and GARVEE debt service. Detailed resource and expenditure information are included in the FE for the SHA and Federal Trust Fund in the chart on pages 21-22.

SHA Highlights

- SHA resources remaining after existing commitments will be used to fund the SHOPP in the 2010 FE. In addition, the SHOPP will be constrained in the FE, with annual target capacity of approximately $1.7 billion per year falling well below SHOPP needs of roughly $6.3 billion per year.

- Fuel excise tax and weight fee revenues are estimated to increase at an average annual escalation factor of 0.9 percent and 1.7 percent, respectively, over the FE period.

- Federal resources are based on the actual amount of 2008-09 Obligational Authority (OA) received and remain constant over the FE period. This is consistent with the Federal Highway Authority's historical practice of issuing continuing resolutions when a Federal Highway Act expires.

- The General Fund (GF) is authorized to receive a $135 million loan from the SHA in 2009-10. This loan is expected to be repaid by June 30, 2012.

- Assembly Bill 20 of the third extraordinary session of 2009-10 (Chapter 21 statutes of 2009) authorized up to $310 million in loans of Federal stimulus funds to backfill the current freeze on Proposition 1B funding and obligate projects within 120 days of Federal apportionment. Assumption SHA 27 states that the SHA will be reimbursed in 2013-14.

2010 STIP FUND ESTIMATE
STATE HIGHWAY AND FEDERAL TRUST FUND ACCOUNTS
($ millions)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total	6-Year Total
RESOURCES								
Beginning Balance	$428							
Fuel Excise Taxes	$1,939	$1,896	$1,872	$1,866	$1,877	$1,905	$9,416	$11,355
Motor Vehicle Registration (Weight Fees)	$969	$985	$1,002	$1,019	$1,036	$1,054	$5,095	$6,064
Misc. Revenues	$191	$192	$94	$94	$93	$94	$567	$758
Net Transfers - Others	($289)	($59)	($128)	($26)	$150	($162)	($225)	($513)
Expenditures - Other Agencies	($120)	($122)	($124)	($126)	($127)	($128)	($626)	($747)
Subtotal - State Resources	$2,689	$2,893	$2,716	$2,827	$3,028	$2,762	$14,227	$16,917
Toll Bridge Seismic Retrofit Program	($99)	($153)	($150)	($165)	($300)	$0	($768)	($867)
Total State Resources	$3,019	$2,740	$2,566	$2,662	$2,728	$2,762	$13,459	$16,478
Federal Resources (Obligation Authority)	$3,152	$3,152	$3,152	$3,152	$3,152	$3,152	$15,761	$18,913
PTA Federal Expenditures and FTA Transfer	($92)	($94)	($96)	($97)	($98)	($99)	($484)	($575)
Local share of August Redistribution	($38)	($38)	($38)	($38)	($38)	($38)	($192)	($230)
Section 164 Penalties	($56)	($56)	($56)	($56)	($56)	($56)	($278)	($333)
Border Infrastructure Program	($27)	($27)	($27)	($27)	($27)	($27)	($136)	($163)
Recreational Trails	($5)	($5)	($5)	($5)	($5)	($5)	($24)	($29)
RSTP Exchange	$48	$48	$48	$48	$48	$48	$239	$287
Net Federal Resources	$2,983	$2,980	$2,979	$2,977	$2,976	$2,975	$14,886	$17,869
TOTAL STATE & FEDERAL RESOURCES	**$6,002**	**$5,719**	**$5,545**	**$5,640**	**$5,704**	**$5,737**	**$28,345**	**$34,347**
COMMITMENTS								
MAINTENANCE AND OPERATIONS	**($1,348)**	**($1,474)**	**($1,493)**	**($1,514)**	**($1,534)**	**($1,555)**	**($7,569)**	**($8,917)**
STATE OPERATIONS	**($902)**	**($960)**	**($941)**	**($893)**	**($863)**	**($846)**	**($4,503)**	**($5,405)**
SHOPP								
SHOPP Construction Capital1	($296)	($160)	($60)	($21)	($6)	$0	($247)	($544)
SHOPP Minor	($81)	($35)	($8)	($3)	$0	$0	($47)	($127)
SHOPP Right-of-Way Delivery	($16)	$0	$0	$0	$0	$0	$0	($16)
SHOPP Non-Programmed Right-of-Way	($15)	($1)	($1)	($1)	($1)	($1)	($7)	($21)
SHOPP GARVEE Debt Service	**($11)**	**($11)**	**($11)**	**($11)**	**($11)**	**($11)**	**($56)**	**($67)**
SHOPP Capital Outlay Support	($179)	($184)	($140)	($98)	($71)	($57)	($550)	($729)
TOTAL SHOPP	**($598)**	**($392)**	**($221)**	**($134)**	**($89)**	**($70)**	**($906)**	**($1,505)**
LOCAL ASSISTANCE								
Local Assistance Non-STIP (Federal)	($1,101)	($1,101)	($1,101)	($1,101)	($1,101)	($1,101)	($5,507)	($6,608)
Local Assistance Non-STIP (State)	($99)	($109)	($115)	($121)	($93)	($51)	($489)	($588)
Local Assistance Capital Outlay Support	($71)	($55)	($55)	($55)	($55)	($55)	($275)	($346)
Retrofit Soundwalls	($3)	($1)	($1)	($1)	($1)	($0)	($4)	($8)
TOTAL LOCAL ASSISTANCE	**($1,275)**	**($1,266)**	**($1,273)**	**($1,278)**	**($1,250)**	**($1,208)**	**($6,275)**	**($7,550)**
SUBTOTAL AVAILABLE	**$1,879**	**$1,627**	**$1,617**	**$1,820**	**$1,969**	**$2,058**	**$9,091**	**$10,970**
STIP - State Highway	$0	$0	$0	$0	$0	$0	$0	$0
STIP - Local Roads	($0)	($0)	($0)	($0)	$0	$0	($0)	($0)
STIP - Rail	($3)	$0	$0	$0	$0	$0	$0	($3)
STIP - Mass Transit	($0)	($0)	($0)	($0)	($0)	($0)	($0)	($0)
STIP GARVEE Debt Service	**($73)**	**($73)**	**($73)**	**($73)**	**($73)**	**($73)**	**($364)**	**($437)**
Transportation Enhancements (TE)	**($75)**	**($75)**	**($75)**	**($75)**	**($75)**	**($75)**	**($373)**	**($447)**
STIP Right-of-Way Delivery	($17)	$0	$0	$0	$0	$0	$0	($17)
STIP Non-Programmed Right-of-Way	($2)	($1)	($1)	($1)	($0)	($0)	($3)	($4)
STIP Capital Outlay Support	($20)	($20)	($14)	($10)	($7)	($3)	($55)	($75)
TOTAL STIP COMMITMENTS	**($189)**	**($168)**	**($163)**	**($158)**	**($155)**	**($151)**	**($795)**	**($985)**
RESOURCES AVAILABLE FOR PROGRAMMIN(	**$1,689**	**$1,459**	**$1,454**	**$1,662**	**$1,814**	**$1,907**	**$8,296**	**$9,985**
SHA SHOPP TARGET CAPACITY	**$1,912**	**$1,690**	**$1,690**	**$1,690**	**$1,680**	**$1,680**	**$8,430**	**$10,342**
SHA STIP TARGET CAPACITY (TE/GARVEE)	**$147**	**$147**	**$147**	**$147**	**$147**	**$147**	**$737**	**$885**

Notes:

Numbers may not add due to rounding.

[1] Only reflects State-funded cash flows since Federal funds are used on an accrual basis.

2010 STIP FUND ESTIMATE
STATE HIGHWAY AND FEDERAL TRUST FUND ACCOUNTS - FUND ESTIMATE DETAILS
($ millions)

STATE REVENUES	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total	6-Year Total
BEGINNING BALANCE	$428.413							$428.413
FUEL TAXES								
HUTA - Gas	$1,614.459	$1,587.660	$1,567.323	$1,561.861	$1,570.982	$1,594.805	$7,882.631	$9,497.090
HUTA - Diesel	$319.794	$303.782	$299.891	$298.846	$300.591	$305.149	$1,508.259	$1,828.053
HUTA - Other	$5.000	$5.000	$5.000	$5.000	$5.000	$5.000	$25.000	$30.000
Total Fuel Taxes	**$1,939.253**	**$1,896.442**	**$1,872.214**	**$1,865.706**	**$1,876.573**	**$1,904.954**	**$9,415.889**	**$11,355.142**
MOTOR VEHICLE REGISTRATION (WEIGHT	**$968.500**	**$984.965**	**$1,001.709**	**$1,018.738**	**$1,036.056**	**$1,053.669**	**$5,095.137**	**$6,063.637**
MISCELLANEOUS RESOURCES								
SMIF	$7.753	$5.561	$7.087	$7.073	$7.073	$7.073	$33.866	$41.619
Other Regulatory Licenses and Permits	$11.901	$11.301	$11.472	$11.627	$11.534	$11.527	$57.461	$69.362
Excess of Agreement from Locals	$100.000	$100.000	$0.000	$0.000	$0.000	$0.000	$100.000	$200.000
Other Revenues (S&HC 183.1)	$71.015	$75.321	$75.892	$75.530	$73.957	$75.068	$375.768	$446.783
Total Miscellaneous Resources	**$190.669**	**$192.182**	**$94.452**	**$94.230**	**$92.563**	**$93.667**	**$567.095**	**$757.764**
TRANSFERS TO/FROM OTHER FUNDS								
PTA per S&HC 194 and 2660-021-0042 B/A 02,03,04	($26.881)	($27.724)	($28.595)	($29.493)	($30.420)	($31.377)	($147.609)	($174.489)
PTA per S&HC 183.1	($71.015)	($75.321)	($75.892)	($75.530)	($73.957)	($75.068)	($375.768)	($446.783)
Tribal Gaming Loan Repayment	$0.000	$100.000	$32.000	$0.000	$0.000	$0.000	$132.000	$132.000
Proposition 1B loan for ARRA	$ -	$ -	$ -	$ -	$ 310.000	$ -	$ 310.000	$310.000
General Fund Loan	$ (135.000)	$ -	$ -	$ 135.000	$ -	$ -	$ 135.000	$0.000
RSTP Exchange	$ (47.931)	$ (47.863)	$ (47.796)	$ (47.728)	$ (47.661)	$ (47.593)	$ (238.641)	($286.572)
Other Transfers	($7.906)	($7.906)	($7.906)	($7.906)	($7.906)	($7.906)	($39.530)	($47.436)
Total Transfers To/From Other Funds	**($288.733)**	**($58.814)**	**($128.189)**	**($25.657)**	**$150.057**	**($161.944)**	**($224.547)**	**($513.280)**
EXPENDITURES (Other Departments)								
DMV, State Ops - Weight Fee Collection Costs (2740)	($52.452)	($52.452)	($53.134)	($53.825)	($54.524)	($55.233)	($269.168)	($321.620)
California Highway Patrol, State Ops (2720)	($60.404)	($60.404)	($61.189)	($61.985)	($62.791)	($63.607)	($309.975)	($370.379)
Other Expenditures	($7.398)	($9.371)	($9.448)	($9.732)	($9.454)	($9.307)	($47.311)	($54.709)
Total Expenditures (Other Departments)	**($120.254)**	**($122.227)**	**($123.771)**	**($125.542)**	**($126.769)**	**($128.147)**	**($626.455)**	**($746.708)**
Toll Bridge Seismic Retrofit Program	**($99.000)**	**($153.000)**	**($150.000)**	**($165.000)**	**($300.000)**	**$0.000**	**($768.000)**	**($867.000)**
TOTAL STATE RESOURCES	**$3,018.849**	**$2,739.549**	**$2,566.415**	**$2,662.475**	**$2,728.480**	**$2,762.200**	**$13,459.119**	**$16,477.968**
FEDERAL REVENUES								
FEDERAL RESOURCES FOR STATE and LOCAL								
Obligation Authority (OA)	$3,046.117	$3,046.117	$3,046.117	$3,046.117	$3,046.117	$3,046.117	$15,230.586	$18,276.703
August Redistribution Bonus	$106.000	$106.000	$106.000	$106.000	$106.000	$106.000	$530.000	$636.000
PTA Federal Expenditures and FTA Transfer	($91.516)	($94.291)	($95.517)	($96.759)	($98.016)	($99.291)	($483.873)	($575.389)
Local share of August Redistribution	($38.324)	($38.324)	($38.324)	($38.324)	($38.324)	($38.324)	($191.622)	($229.946)
Section 164 Penalties	($55.581)	($55.581)	($55.581)	($55.581)	($55.581)	($55.581)	($277.905)	($333.486)
Border Infrastructure Program	($27.151)	($27.151)	($27.151)	($27.151)	($27.151)	($27.151)	($135.757)	($162.909)
Recreational Trails	($4.785)	($4.785)	($4.785)	($4.785)	($4.785)	($4.785)	($23.923)	($28.708)
RSTP Exchange	$47.931	$47.863	$47.796	$47.728	$47.661	$47.593	$238.641	$286.572
Total Federal Resources for State and Local	**$2,982.691**	**$2,979.848**	**$2,978.555**	**$2,977.246**	**$2,975.920**	**$2,974.578**	**$14,886.147**	**$17,868.838**
TOTAL STATE AND FEDERAL REVENUES	**$6,001.540**	**$5,719.397**	**$5,544.970**	**$5,639.721**	**$5,704.400**	**$5,736.779**	**$28,345.266**	**$34,346.806**

STATE AND FEDERAL EXPENDITURES	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total	6-Year Total
STATE OPERATIONS								
Local Assistance	(28.815)	(34.010)	(34.452)	(34.900)	(35.354)	(35.813)	(174.529)	(203.344)
Program Development	(71.042)	(74.944)	(75.918)	(76.905)	(77.905)	(78.918)	(384.590)	(455.632)
Legal	(115.701)	(117.146)	(118.669)	(120.212)	(121.774)	(123.357)	(601.158)	(716.859)
Mass Transportation	(0.536)	(0.563)	(0.570)	(0.578)	(0.585)	(0.593)	(2.889)	(3.425)
Transportation Planning	(14.281)	(17.445)	(17.672)	(17.902)	(18.134)	(18.370)	(89.523)	(103.804)
Administration	(398.392)	(419.630)	(425.085)	(430.611)	(436.209)	(441.880)	(2,153.416)	(2,551.808)
Overhead	(273.252)	(261.748)	(198.159)	(141.282)	(101.086)	(74.526)	(776.801)	(1,050.053)
BCP Reservation	-	(35.000)	(70.000)	(70.910)	(71.832)	(72.766)	(320.507)	(320.507)
Total State Operations	**($902.019)**	**($960.486)**	**($940.526)**	**($893.299)**	**($862.880)**	**($846.223)**	**($4,503.413)**	**($5,405.432)**
MAINTENANCE								
Maintenance	($1,192.362)	($1,262.343)	($1,278.753)	($1,295.377)	($1,312.217)	($1,329.276)	($6,477.967)	($7,670.329)
Operations	($155.363)	($174.335)	($176.601)	($178.897)	($181.223)	($183.579)	($894.635)	($1,049.998)
Adjustment for TMS Inventory	$0.000	($37.013)	($38.123)	($39.267)	($40.445)	($41.659)	($196.507)	($196.507)
Total Maintenance	**($1,347.725)**	**($1,473.691)**	**($1,493.478)**	**($1,513.542)**	**($1,533.885)**	**($1,554.513)**	**($7,569.109)**	**($8,916.834)**
SHOPP								
SHOPP Construction Capital	($296.355)	($160.353)	($60.475)	($21.083)	($5.508)	$0.000	($247.419)	($543.774)
SHOPP Minor Program	($80.635)	($35.360)	($8.485)	($2.684)	$0.000	$0.000	($46.528)	($127.163)
SHOPP Right-of-Way (Project Delivery)	($15.918)	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	($15.918)
SHOPP Non-Programmed Right-of-Way	($14.550)	($1.323)	($1.323)	($1.323)	($1.323)	($1.323)	($6.616)	($21.166)
SHOPP GARVEE Debt Service	($11.180)	($11.180)	($11.180)	($11.180)	($11.180)	($11.180)	($55.900)	($67.080)
SHOPP COS	($179.404)	($183.582)	($139.933)	($98.132)	($71.084)	($57.284)	($550.015)	($729.419)
Total SHOPP	**($598.043)**	**($391.797)**	**($221.395)**	**($134.402)**	**($89.095)**	**($69.787)**	**($906.477)**	**($1,504.520)**
LOCAL ASSISTANCE								
Local Assistance Federal Non-STIP	($1,101.324)	($1,101.324)	($1,101.324)	($1,101.324)	($1,101.324)	($1,101.324)	($5,506.622)	($6,607.946)
Local Assistance State Non-STIP	($99.010)	($108.752)	($115.295)	($121.288)	($92.600)	($51.200)	($489.134)	($588.144)
Local Assistance Capital Outlay Support	($71.429)	($54.995)	($54.995)	($54.995)	($54.995)	($54.995)	($274.975)	($346.404)
Retrofit Soundwalls	($3.200)	($1.200)	($1.200)	($0.800)	($0.800)	($0.400)	($4.400)	($7.600)
Total Local Assistance	**($1,274.963)**	**($1,266.272)**	**($1,272.814)**	**($1,278.407)**	**($1,249.719)**	**($1,207.919)**	**($6,275.131)**	**($7,550.094)**
STIP CAPITAL OUTLAY COMMITMENTS								
STIP - State Highway	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
GARVEE Debt Service	($72.899)	($72.899)	($72.899)	($72.899)	($72.899)	($72.899)	($364.495)	($437.394)
Transportation Enhancements	($74.520)	($74.520)	($74.520)	($74.520)	($74.520)	($74.520)	($372.600)	($447.121)
STIP - Local Roads	($0.205)	($0.103)	($0.045)	($0.003)	$0.000	$0.000	($0.150)	($0.355)
STIP - Rail	($2.500)	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	($2.500)
STIP - Mass Transit	($0.068)	($0.068)	($0.069)	($0.070)	($0.071)	($0.072)	($0.349)	($0.417)
STIP Right-of-Way Capital (Project Delivery)	($17.271)	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	($17.271)
STIP Non-Programmed Right-of-Way	($1.633)	($0.695)	($0.614)	($0.541)	($0.478)	($0.478)	($2.806)	($4.439)
STIP Capital Outlay Support	($20.316)	($19.833)	($14.454)	($10.429)	($6.874)	($3.345)	($54.935)	($75.251)
Total STIP Capital Outlay Commitments	**($189.413)**	**($168.118)**	**($162.601)**	**($158.462)**	**($154.842)**	**($151.314)**	**($795.335)**	**($984.748)**
TOTAL STATE AND FEDERAL EXPENDITURES	**($4,312.162)**	**($4,260.363)**	**($4,090.814)**	**($3,978.112)**	**($3,890.421)**	**($3,829.756)**	**($20,049.467)**	**($24,361.629)**

2010 STIP FUND ESTIMATE
STATE HIGHWAY AND FEDERAL TRUST FUND ACCOUNTS
BUDGETARY LOOK - Arranged by Budgetary Character
($ millions)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total	6-Year Total
RESOURCES								
Beginning Balance	$428							$428
Fuel Taxes	$1,939	$1,896	$1,872	$1,866	$1,877	$1,905	$9,416	$11,355
Motor Vehicle Registration (Weight Fees)	$969	$985	$1,002	$1,019	$1,036	$1,054	$5,095	6,064
Misc. Revenues	$191	$192	$94	$94	$93	$94	$567	758
Net Transfers - Other	($289)	($59)	($128)	($26)	$150	($162)	($225)	(513)
Expenditures - Other Agencies	($120)	($122)	($124)	($126)	($127)	($128)	($626)	(747)
Subtotal State Resources	**$3,118**	**$2,893**	**$2,716**	**$2,827**	**$3,028**	**$2,762**	**$14,227**	**$17,345**
Toll Bridge Seismic Retrofit Program	($99)	($153)	($150)	($165)	($300)	$0	($768)	($867)
Total State Resources	**$3,019**	**$2,740**	**$2,566**	**$2,662**	**$2,728**	**$2,762**	**$13,459**	**$16,478**
Federal Revenues	$3,152	$3,152	$3,152	$3,152	$3,152	$3,152	$15,761	$18,913
PTA Federal Expenditures and FTA Transfer	($92)	($94)	($96)	($97)	($98)	($99)	($484)	($575)
Local share of August Redistribution	($38)	($38)	($38)	($38)	($38)	($38)	($192)	($230)
Section 164 Penalties	($56)	($56)	($56)	($56)	($56)	($56)	($278)	($333)
Border Infrastructure Program	($27)	($27)	($27)	($27)	($27)	($27)	($136)	($163)
Recreational Trails	($5)	($5)	($5)	($5)	($5)	($5)	($24)	($29)
RSTP Exchange	$48	$48	$48	$48	$48	$48	$239	$287
Net Federal Resources	**$2,983**	**$2,980**	**$2,979**	**$2,977**	**$2,976**	**$2,975**	**$14,886**	**$17,869**
TOTAL RESOURCES	**$6,002**	**$5,719**	**$5,545**	**$5,640**	**$5,704**	**$5,737**	**$28,345**	**$34,347**
STATE OPERATIONS								
Maintenance	($1,192)	($1,262)	($1,279)	($1,295)	($1,312)	($1,329)	($3,937)	($7,670)
Traffic Operations	($155)	($174)	($177)	($179)	($181)	($184)	($544)	($1,050)
TMS Inventory Adjustment	$0	($37)	($38)	($39)	($40)	($42)	($121)	($197)
General State Operations	($873)	($891)	($836)	($787)	($756)	($738)	($2,281)	($4,882)
Local Assistance State Operations	($29)	($34)	($34)	($35)	($35)	($36)	($106)	(203)
BCP Reservation	$0	($35)	($70)	($71)	($72)	($73)	($216)	($321)
Local Assistance Capital Outlay Support	($71)	($55)	($55)	($55)	($55)	($55)	($165)	($346)
SHOPP COS	($179)	($184)	($140)	($98)	($71)	($57)	($227)	(729)
STIP - Capital Outlay Support	($20)	($20)	($14)	($10)	($7)	($3)	($21)	(75)
State Operations Total	**($2,521)**	**($2,693)**	**($2,643)**	**($2,570)**	**($2,530)**	**($2,516)**	**($12,952)**	**($15,473)**
LOCAL ASSISTANCE								
Local Assistance Non-STIP (Federal)	($1,101)	($1,101)	($1,101)	($1,101)	($1,101)	($1,101)	($3,304)	($6,608)
Local Assistance Non-STIP (State)	($99)	($109)	($115)	($121)	($93)	($51)	($265)	(588)
Local Assistance Total	**($1,200)**	**($1,210)**	**($1,217)**	**($1,223)**	**($1,194)**	**($1,153)**	**($5,996)**	**($7,196)**
CAPITAL OUTLAY								
SHOPP								
SHOPP	($296)	($160)	($60)	($21)	($6)	$0	($247)	($544)
Right of Way - Delivery	($16)	$0	$0	$0	$0	$0	$0	(16)
Non-Programmed R/W	($15)	($1)	($1)	($1)	($1)	($1)	($7)	(21)
Minor Program	($81)	($35)	($8)	($3)	$0	$0	($47)	(127)
GARVEE Debt Service	($11)	($11)	($11)	($11)	($11)	($11)	($56)	(67)
Local Assistance								
Retrofit Sound Walls	($3)	($1)	($1)	($1)	($1)	($0)	($4)	(8)
STIP								
Highway & Local Roads	($0)	($0)	($0)	($0)	$0	$0	($0)	($0)
Rail	($3)	$0	$0	$0	$0	$0	$0	(3)
STIP - Mass Transit (30.10)	($0)	($0)	($0)	($0)	($0)	($0)	($0)	(0)
Right of Way - Delivery	($17)	$0	$0	$0	$0	$0	$0	(17)
Non-Programmed R/W	($2)	($1)	($1)	($1)	($0)	($0)	($3)	(4)
GARVEE Debt Service	($73)	($73)	($73)	($73)	($73)	($73)	($364)	(437)
Transportation Enhancements	($75)	($75)	($75)	($75)	($75)	($75)	($373)	(447)
Total Capital Outlay	**($591)**	**($358)**	**($231)**	**($185)**	**($167)**	**($161)**	**($1,101)**	**($1,692)**
CASH AVAILABLE FOR PROGRAMMING	**$1,689**	**$1,459**	**$1,454**	**$1,662**	**$1,814**	**$1,907**	**$8,296**	**$9,985**

APPENDIX B - PUBLIC TRANSPORTATION ACCOUNT

The Public Transportation Account (PTA) funds the Department's transportation planning, mass transportation, intercity rail programs, and STIP transit projects. PTA resources are derived from the sales taxes on gasoline and diesel fuels, and transfers 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 revenues. The PTA also receives a transfer of Non-Article XIX revenues from the SHA, pursuant to Section 183.1 of the Streets and Highway Code (S&HC).

Resources Available for Programming

The table below lists the total and annual PTA STIP program capacities available for the 2010 STIP. After funding planning, operations, and program commitments, the PTA includes $3 million of additional program capacity for the 2010 STIP. However, this will require redistributing the existing program over the FE period. Further details of the resources and expenditures are presented in the PTA FE on page 34.

2010 STIP FE
PTA STIP Program Capacity
($ millions)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total	6-Year Total
PTA STIP Target Capacity	$5	$390	$245	$250	$0	$0	$885	$890
2008 PTA STIP Program	$75	$319	$243	$251	$0	$0	$813	$887
New PTA STIP Capacity	**($70)**	**$71**	**$2**	**($1)**	**$0**	**$0**	**$72**	**$3**

Note: Numbers may not add due to rounding.

PTA Highlights

- The 2009-10 Budget Act and subsequent trailer bills significantly reduced PTA funding by diverting up to $363 million in 2009-10 PTA resources and all the spillover revenue to the Mass Transportation Fund (MTF). Future spillover revenues will continue to be diverted to the MTF through 2012-13. In addition, $138 million of expenditures for Regional Center Transportation will continue through each year of the FE period.

- PTA Assumption 6 displays that PTA programming for the 2008 STIP will take precedence over the Department of Education's Home-to-School program. This assumption allows the 2010 FE to display sufficient funding for the entire PTA funded portion of the 2008 STIP.

- Gasoline and diesel fuel sales tax revenues are based on the 2009-10 Budget Act and with consumption increasing by an annual escalation factor of 0.9 percent over the FE period. This results in a flat annual growth rate by the end of the FE period for gasoline and a 4.7 percent average annual growth rate for diesel fuel over the same period.

- Expenditures for Intercity Rail operations are based on estimates from the Division of Rail's updated State Rail Plan, and include base expenditures, increased services on existing routes, new routes, and heavy equipment overhaul.

- AB 3090 cash reimbursements for PTA-eligible projects are included in the PTA FE.

Assembly Bill (AB) X4 10

- The recently signed AB 10 of the fourth extraordinary session of 2009-10 (Chapter 10, Statutes of 2009) allows for the Transportation Debt Service Fund (TDSF) to receive transfers from the PTA for the purpose of repaying current debt service on transit-related general obligation bonds. In 2009-10, the TDSF is authorized to receive a maximum of $225 million from the PTA.

- In addition, the enactment of AB X4 10 also mandates that all spillover revenues be transferred to the MTF from 2009-10 through 2012-13.

Senate Bill (SB) X3 7

- Senate Bill 7 of the third extraordinary session of 2009-10 (Chapter 14, Statutes of 2009) redirected STA transfers from 2009-10 through 2012-13 for the purposes of Section 99315 of the Public Utilities Code, which includes bus and transit rail services, public transit capital, planning activities not paid for by the SHA, allocation to the Institute of Transportation Studies, Commission activities not paid by the SHA, the Public Utilities Commission passenger safety rail program, regional center transportation, and the Department of Education's Home-to-School program.

2010 STIP FUND ESTIMATE
PUBLIC TRANSPORTATION ACCOUNT
($ thousands)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total	6-Year Total
RESOURCES								
Beginning Balance	$259,291							
General Fund Diversion of 2008-09 Spillover	(221,649)							
Adjusted Balance	$37,642							
Sales Tax on Gasoline-Prop 111	$64,098	$62,688	$61,881	$61,650	$61,982	$62,881	$311,082	$375,180
Sales Tax on Diesel	$245,029	$256,545	$268,603	$281,227	$294,445	$308,284	$1,409,104	$1,654,133
Interest (SMIF)	4,021	452	$5,127	$6,955	$5,758	$3,138	$21,431	$25,452
Transfer from Aeronautics Account	$30	$30	$30	$30	$30	$30	$150	$180
Sales Tax on Gasoline-Spillover	-	-	-	-	$200,000	$200,000	$400,000	$400,000
General Fund Diversion of 2008-09 Spillover	-	-	-	-	($100,000)	($100,000)	($200,000)	($200,000)
General Fund Repayment of Transit GO Bonds	(225,044)	$0	$0	$0	$0	$0	$0	($225,044)
TCRF Loan Payback	$0	($60,000)	$0	$0	$0	$78,000	$18,000	$18,000
Transfer from TIF	$288,197	$318,850	$300,254	$283,823	$285,568	$290,293	$1,478,789	$1,766,986
TOTAL RESOURCES	**$507,881**	**$672,937**	**$734,869**	**$733,532**	**$847,573**	**$941,152**	**$3,930,062**	**$4,437,943**
State Transit Assistance[1]	(51,000)	-	-	-	($459,056)	($469,969)	($929,026)	($980,026)
SUB TOTAL AVAILABLE RESOURCES	**$456,881**	**$672,937**	**$734,869**	**$733,532**	**$388,516**	**$471,182**	**$3,001,036**	**$3,457,917**
STATE OPERATIONS								
Rail and Mass Transportation Staff and Support	($19,455)	($21,451)	($21,730)	($22,012)	($22,299)	($22,588)	($110,080)	($129,535)
Planning Staff and Support	($18,797)	($20,651)	($20,919)	($21,191)	($21,467)	($21,746)	($105,975)	($124,772)
Administration and Technical Services	($5,084)	($5,296)	($5,365)	($5,435)	($5,505)	($5,577)	($27,177)	($32,261)
California Transportation Commission	($1,387)	($1,387)	($1,405)	($1,423)	($1,442)	($1,461)	($7,118)	($8,505)
High-Speed Rail Authority	$0	$0	$0	$0	$0	$0	$0	$0
Institute of Transportation Studies	($980)	($980)	($993)	($1,006)	($1,019)	($1,032)	($5,029)	($6,009)
Public Utilities Commission	($3,907)	($3,907)	($3,958)	($4,009)	($4,061)	($4,114)	($20,050)	($23,957)
State Controller's Office	($16)	($16)	($16)	($16)	($17)	($17)	($82)	($98)
Department of Education (Home-To-School)**	$0	$0	($1,716)	($1,716)	TBD	TBD	($3,432)	($3,432)
TOTAL STATE OPERATIONS	**($49,626)**	**($53,688)**	**($56,102)**	**($56,809)**	**($55,809)**	**($56,535)**	**($278,943)**	**($328,569)**
INTERCITY RAIL STATE OPERATIONS								
Intercity Rail and Bus Operations - Base	($90,347)	($90,347)	($93,238)	($96,222)	($99,301)	($102,478)	($481,586)	($571,933)
Additional Services on Existing Routes	$0	$0	($15,000)	($15,500)	($22,500)	($35,100)	($88,100)	($88,100)
Extensions to Existing Routes	$0	($4,800)	($5,400)	($5,400)	($10,900)	($14,500)	($41,000)	($41,000)
Intercity Rail - Heavy Equipment Overhaul	($23,200)	($20,900)	($16,100)	($18,400)	($14,400)	($11,900)	($81,700)	($104,900)
TOTAL INTERCITY RAIL STATE OPERATIONS	**($113,547)**	**($116,047)**	**($129,738)**	**($135,522)**	**($147,101)**	**($163,978)**	**($692,386)**	**($805,933)**
LOCAL ASSISTANCE								
Bay Area Ferry Operations/Waterborne	($3,026)	($3,056)	($3,087)	($3,118)	($3,149)	($3,180)	($15,590)	($18,616)
AB 3090 Cash Reimbursements	($5,000)	($5,000)	($1,500)	$0	$0	$0	($6,500)	($11,500)
PTA Local Assistance	($394)	($728)	($637)	($728)	($182)	($91)	($2,365)	($2,759)
Department of Education (Home-To-School)**	$0	$0	($97,500)	($97,500)	TBD	TBD	($195,000)	($195,000)
Department of Developmental Services	($138,275)	($138,275)	($138,275)	($138,275)	($138,275)	($138,275)	($691,375)	($829,650)
TOTAL LOCAL ASSISTANCE	**($146,695)**	**($147,059)**	**($240,999)**	**($239,620)**	**($141,606)**	**($141,546)**	**($910,830)**	**($1,057,525)**
CAPITAL OUTLAY								
STIP - Mass Transportation	($195,172)	($225,291)	($10,496)	($11,184)	($5,702)	$0	($252,673)	($447,845)
STIP - Rail	($17,667)	($14,044)	($13,710)	($8,030)	($5,655)	($1,027)	($42,467)	($60,134)
Intercity Rail Track Improvements	$0	$0	$0	$0	$0	$0	$0	$0
TOTAL CAPITAL OUTLAY	**($212,839)**	**($239,335)**	**($24,207)**	**($19,214)**	**($11,357)**	**($1,027)**	**($295,140)**	**($507,979)**
CASH AVAILABLE FOR PROGRAMMING**	**($65,827)**	**$116,808**	**$283,824**	**$282,366**	**$32,644**	**$108,096**	**$823,737**	**$757,911**
PTA STIP TARGET CAPACITY	**$5,000**	**$390,000**	**$245,000**	**$250,000**	**$0**	**$0**	**$885,000**	**$890,000**

** Home-To-School expenditures are based on the balance of resources available each year after funding the estimated program cash flows per Assumption PTA 6 and while attempting to maintain a prudent cash balance of $120 million per Assumption PTA 1.

The 2009-10 Governor's Budget redirected a maximum of about $225 million from the Department of Education Home-to-School program to the General Fund for repayment of transit General Obligation bonds.

[1] Reflects a fourth quarter 2008-09 transfer of $51 million payable to State Transit Assistance in 2009-10.

APPENDIX C – TRANSPORTATION INVESTMENT FUND

The Transportation Investment Fund (TIF) was established by the Traffic Congestion Relief Act of 2000 (Chapter 91, Statutes of 2000; and Chapter 656, Statutes of 2000). The TIF was created to facilitate the GF transfers of gasoline sales tax revenues to fund the Traffic Congestion Relief Program (TCRP) and distribute the remaining funds by formula to local government – 40 percent, the PTA – 20 percent, and the STIP – 40 percent. Shortly thereafter, voters passed Proposition 42 in March 2002, which permanently redirected State gasoline sales tax revenues to the TIF.

Proposition 1A, passed in November 2006, prohibits the State sales tax on motor vehicle fuels from being used for any purpose other than transportation improvements. It restricts suspensions of these revenues to no more than twice in any consecutive 10-year period, and requires loans to be fully repaid plus interest, within three years. Because of the cash flow of STIP commitments against the TIF, a significant diversion of TIF funding could result in the fund becoming insolvent during the FE period.

Resources Available for Programming

The table below lists the total and annual TIF program capacity available for the 2010 STIP. Target Capacity represents the total level of projects the TIF can fund, including construction, Right-of-Way, and support, while maintaining a prudent operating cash balance. Further details of the resources available for programming are presented in the following pages.

2010 STIP FE
TIF STIP Program Capacity
($ millions)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total	6-Year Total
TIF STIP Target Capacity	$ 435	$435	$435	$435	$460	$460	$2,225	$2,660

Note: Numbers may not add due to rounding.

TIF Highlights

- The forecast for Proposition 42 revenues indicates an average annual transfer of $1.5 billion, with approximately $605 million retained in the TIF for STIP.

- The TIF will fund STIP Capital, Right of Way, Capital Outlay Support (COS), and Non-PTA AB 3090 cash reimbursements in the 2010 FE.

2010 STIP FUND ESTIMATE
TRANSPORTATION INVESTMENT FUND
($ millions)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total	6-Year Total
RESOURCES								
Beginning Reserves:	$ 312							
Revenues from the General Fund	$ 1,441	$ 1,594	$ 1,501	$ 1,419	$ 1,428	$ 1,451	$ 7,394	$ 8,835
Less Transfers Out:								
Local Street and Road Repairs	$ (576)	$ (638)	$ (601)	$ (568)	$ (571)	$ (581)	$ (2,958)	$ (3,534)
Public Transportation Account	$ (288)	$ (319)	$ (300)	$ (284)	$ (286)	$ (290)	$ (1,479)	$ (1,767)
TOTAL RESOURCES	$ 888	$ 638	$ 601	$ 568	$ 571	$ 581	$ 2,958	$ 3,846
STIP								
STIP - State Highway	$ (255)	$ (269)	$ (148)	$ (80)	$ (27)	$ -	$ (525)	$ (779)
STIP - Local Assistance	$ (35)	$ (45)	$ (33)	$ (27)	$ (8)	$ (4)	$ (117)	$ (152)
STIP - Mass Transportation	$ (30)	$ (11)	$ (4)	$ -	$ -	$ -	$ (15)	$ (45)
STIP - Right of Way Delivery	$ (77)	$ -	$ -	$ -	$ -	$ -	$ -	$ (77)
STIP - Unprogrammed Right of Way	$ (28)	$ (16)	$ (16)	$ (16)	$ (16)	$ (16)	$ (79)	$ (107)
STIP - Non-Grandfather COS	$ (233)	$ (209)	$ (161)	$ (124)	$ (92)	$ (60)	$ (646)	$ (879)
STIP - Grandfather COS	$ (24)	$ (20)	$ (15)	$ (10)	$ (7)	$ (3)	$ (55)	$ (79)
STIP Legal	$ (8)	$ (8)	$ (8)	$ (8)	$ (8)	$ (8)	$ (41)	$ (49)
AB 3090 Cash Reimbursements	$ (22)	$ (64)	$ -	$ -	$ -	$ -	$ (64)	$ (86)
TE State Match	$ (9)	$ (9)	$ (9)	$ (9)	$ (9)	$ (9)	$ (43)	$ (51)
TOTAL STIP COMMITMENTS	$ (719)	$ (650)	$ (393)	$ (274)	$ (166)	$ (100)	$ (1,584)	$ (2,303)
CASH AVAILABLE FOR PROGRAMMING	$ 169	$ (13)	$ 207	$ 294	$ 405	$ 481	$ 1,373	$ 1,542
TIF STIP TARGET CAPACITY	$ 435	$ 435	$ 435	$ 435	$ 460	$ 460	$ 2,225	$ 2,660

Note: Numbers may not add due to rounding.

APPENDIX D – PROPOSITION 1A & 1B BONDS

Proposition 1A – Safe, Reliable, High-Speed, Passenger Train Bond Act for the 21st Century

Proposition 1A, approved by voters in November 2008 (unaffiliated with Proposition 1A from 2006 regarding TIF funding), authorized the issuance of $9.95 billion in general obligation (GO) bonds as the Safe, Reliable, High-Speed, Passenger Train Bond Act for the 21st Century. The GO bonds will fund the construction of a high-speed train system that connects the State's major rail terminals and links the State's major population centers. Of the $9.95 billion in proceeds, $9 billion will fund the planning and engineering for the high-speed train system, and capital costs to be funded according to the High-Speed Rail Authority's certified environmental impact reports.

The remaining $950 million (less bond administration costs) will be allocated by the Commission (less Administrative costs) to eligible recipients for capital improvements to intercity and commuter rail lines, and urban rail systems that provide direct connectivity to the high-speed train system and its facilities, or that are part of the construction of the high-speed train (Section 2704.095 of the Streets and Highways Code).

REMAINING CAPACITY
($ thousands)

DESCRIPTION		INTERCITY RAIL TOTAL
Resources:		
Bond Authorization		$ 950,000
Less Administrative Costs[1]	$(23,750)	
Programmed[2]:	$ -	
Total Commitments:		$ (23,750)
REMAINING CAPACITY:		**$ 926,250**

Notes:
Remaining capacity includes capital outlay support, local assistance, and capital outlay.

[1] Estimated costs for bond issuance, Pooled Money Investment Account (PMIA) loan administration costs, arbitrage rebates, etc., per Section 2704.08(h) of the Streets and Highways Code.

[2] Programmed amounts through June 30, 2009, per the Division of Rail.

Proposition 1B – Highway Safety, Traffic, Reduction, Air Quality, and Port Security Bond Act of 2006

Proposition 1B, approved by voters in November 2006, authorized the issuance of $19.925 billion in State general obligation bonds under the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Of this amount, the Department and Commission are authorized to administrate and allocate a total of $12.025 billion in funding. The objectives of Proposition 1B are to improve transportation, air quality, and port security through the creation of new transportation accounts and programs, and by providing new funding for existing programs.

Pages 40-48 display the status through June 30, 2009, of the following Proposition 1B accounts:

- Corridor Mobility Improvement Account
- Trade Corridor Improvement Fund
- Transportation Facilities Account
- Public Transit Modernization, Improvement & Service Enhancement Account
- State Local Partnership Program Account
- Local Bridge Seismic Retrofit Account
- Highway-Railroad Crossing Safety Account
- Highway Safety, Rehabilitation, and Preservation Account
- State Route 99 Corridor Account

CORRIDOR MOBILITY IMPROVEMENT ACCOUNT

The Corridor Mobility Improvement Account (CMIA) was established to fund performance improvements on the state highway system, or major access routes to the state highway system on the local road system that relieve congestion by expanding capacity, enhancing operations, or otherwise improving travel times within these high-congestion travel corridors. Projects are to be identified by the Department, and regional or local transportation agencies and allocated by the Commission (Section 8879.23(a)(1) of the GC).

REMAINING CAPACITY
($ thousands)

DESCRIPTION		CMIA TOTAL
Resources:		
Bond Authorization		$ 4,500,000
Less Administrative Costs[1]	$ (90,000)	
Programmed[2]:	$(4,399,707)	
Total Commitments:		$ (4,489,707)
REMAINING CAPACITY:		**$ 10,293**

ALLOCATIONS AND EXPENDITURES
($ thousands)

Description	2007-08	2008-09	Total
Allocated Support	$ 14,438	$ 27,185	$ 41,623
Allocated Local Assistance	$ 1,500	$ 3,900	$ 5,400
Allocated Capital	$ 477,855	$ 1,237,283	$ 1,715,138
Total Allocations	**$ 493,793**	**$ 1,268,368**	**$ 1,762,161**
Less Expended[3]	$ (31,438)	$ (203,198)	$ (234,636)
Unexpended Allocations	**$ 462,355**	**$ 1,065,170**	**$ 1,527,525**

Notes:

Remaining capacity includes capital outlay support, local assistance, and capital outlay.

[1] Estimated costs for bond issuance, Pooled Money Investment Account (PMIA) loan administration costs, arbitrage rebates, etc.

[2] Programmed amounts through June 30, 2009, per California Transportation Commission staff.

[3] This row displays the actual expenditures for 2007-08 and 2008-09.

TRADE CORRIDOR IMPROVEMENT FUND

The Trade Corridors Improvement Fund (TCIF) was established to fund infrastructure improvements along federally-designated "Trade Corridors of National Significance" in the State, and along other corridors within the state that have a high volume of freight movement, as determined by the Commission (Section 8879.23(c)(1)(A) of the GC).

The Commission over-programmed beyond the $2 billion authorized in Proposition 1B as they anticipated that new revenue sources will become available for dedication to funding the adopted TCIF program.

REMAINING CAPACITY
($ thousands)

DESCRIPTION		TCIF TOTAL
Resources:		
Bond Authorization		$ 2,000,000
Less Administrative Costs[1]	$ (40,000)	
Programmed[2]:	$(3,011,237)	
Total Commitments:		$ (3,051,237)
REMAINING CAPACITY:		**$ (1,051,237)**

ALLOCATIONS AND EXPENDITURES
($ thousands)

Description	2007-08	2008-09	Total
Allocated Support	$ -	$ 3,511	$ 3,511
Allocated Local Assistance	$ -	$ 26,000	$ 26,000
Allocated Capital	$ -	$ 128,583	$ 128,583
Total Allocations	**$ -**	**$ 158,094**	**$ 158,094**
Less Expended[3]	$ -	$ (726)	$ (726)
Unexpended Allocations	**$ -**	**$ 157,368**	**$ 157,368**

Notes:

Remaining capacity includes capital outlay support, local assistance, and capital outlay.

[1] Estimated costs for bond issuance, Pooled Money Investment Account (PMIA) loan administration costs, arbitrage rebates, etc.

[2] Programmed amounts through June 30, 2009, per California Transportation Commission staff.

[3] This row displays actual expenditures for 2007-08 and 2008-09.

TRANSPORTATION FACILITIES ACCOUNT

The Transportation Facilities Account (TFA) was created as part of the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. This act provided $2 billion for projects in the State Transportation Improvement Program (STIP), to augment funds otherwise available for this purpose from other sources. Funds deposited in the TFA, will be made available to the Department based on legislative appropriation, and allocated by the Commission in the same manner as funds allocated for STIP projects under existing law (Section 8879.23(e) of the GC).

The 2008 STIP Fund Estimate assumed all capacity from the TFA would be allocated by the end of 2008-09. However, due to a struggling economy and a less than ideal credit market, the State Treasurer's Office (STO) has delayed general obligation bond sales for new projects. The 2010 FE assumes that the Commission will be able to allocate the remaining $573 million of STIP capacity in 2009-10.

REMAINING CAPACITY
($ thousands)

DESCRIPTION		TFA TOTAL
Resources:		
Bond Authorization		$ 2,000,000
Less Administrative Costs[1]	$ (40,000)	
Allocated[2]:	$(1,386,568)	
Total Commitments:		$ (1,426,568)
REMAINING CAPACITY:		**$ 573,432**

ALLOCATIONS AND EXPENDITURES
($ thousands)

Description	2007-08	2008-09	Total
Allocated Support	$ 62,406	$ 53,127	$ 115,533
Allocated Local Assistance	$ 4,131	$ 146,130	$ 150,261
Allocated Capital	$ 772,525	$ 348,249	$ 1,120,774
Total Allocations	**$ 839,062**	**$ 547,506**	**$ 1,386,568**
Less Expended[3]	$ (56,044)	$ (351,713)	$ (407,757)
Unexpended Allocations	**$ 783,018**	**$ 195,793**	**$ 978,811**

Notes:

Remaining capacity includes capital outlay support, local assistance, and capital outlay.

[1] Estimated costs for bond issuance, Pooled Money Investment Account (PMIA) loan administration costs, arbitrage rebates, etc.

[2] Net allocated amounts through June 30, 2009, per the Division of Budgets at the Department of Transportation.

[3] This row displays actual expenditures for 2007-08 and 2008-09.

PUBLIC TRANSIT MODERNIZATION, IMPROVEMENT & SERVICE ENHANCEMENT ACCOUNT

The Public Transportation Modernization, Improvement and Service Enhancement Account (PTIMSEA) was established to fund intercity rail projects and commuter or urban rail operators, bus operators, waterborne transit operators, and other transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or for rolling stock procurement, rehabilitation, or replacement (Sections 8879.23(f)(1) & 8879.55-8879.56 of the GC).

REMAINING CAPACITY
($ thousands)

DESCRIPTION		PTMISEA TOTAL
Resources:		
Bond Authorization		$ 400,000
Less Administrative Costs[1]	$ (7,843)	
Programmed[2]:	$ (392,157)	
Total Commitments:		$ (400,000)
REMAINING CAPACITY:		**$ -**

ALLOCATIONS AND EXPENDITURES
($ thousands)

Description	2007-08	2008-09	Total
Allocated Support	$ 1,081	$ 1,303	$ 2,384
Allocated Local Assistance	$ -	$ -	$ -
Allocated Capital	$ 55,756	$ 40,500	$ 96,256
Total Allocations	**$ 56,837**	**$ 41,803**	**$ 98,640**
Less Expended[3]	$ (519)	$ (815)	$ (1,334)
Unexpended Allocations	**$ 56,318**	**$ 40,988**	**$ 97,306**

Notes:
Remaining capacity includes capital outlay support, local assistance, and capital outlay.

[1] Estimated costs for bond issuance, Pooled Money Investment Account (PMIA) loan administration costs, arbitrage rebates, etc.

[2] Programmed amounts through June 30, 2009, per the Division of Rail at the Department of Transportation.

[3] This row displays the actual expenditures for 2007-08 and 2008-09.

STATE LOCAL PARTNERSHIP PROGRAM ACCOUNT

The State Local Partnership Program Account (SLPP) provides dollar-for-dollar matching funds for eligible transportation projects nominated by applicant transportation agencies (Section 8879.23(g) of the GC).

REMAINING CAPACITY
($ thousands)

DESCRIPTION		SLPP TOTAL
Resources:		
Bond Authorization		$ 1,000,000
Less Administrative Costs[1]	$ (20,000)	
Programmed[2]:	$ (103,762)	
Total Commitments:		$ (123,762)
REMAINING CAPACITY:		**$ 876,238**

ALLOCATIONS AND EXPENDITURES
($ thousands)

Description	2007-08	2008-09	Total
Allocated Support	$ -	$ 496	$ 496
Allocated Local Assistance	$ -	$ -	$ -
Allocated Capital	$ -	$ 40,000	$ 40,000
Total Allocations	**$ -**	**$ 40,496**	**$ 40,496**
Less Expended[3]	$ -	$ (236)	$ (236)
Unexpended Allocations	**$ -**	**$ 40,260**	**$ 40,260**

Notes:

Remaining capacity includes capital outlay support, local assistance, and capital outlay.

[1] Estimated costs for bond issuance, Pooled Money Investment Account (PMIA) loan administration costs, arbitrage rebates, etc.

[2] Programmed amounts through June 30, 2009, per California Transportation Commission staff.

[3] This row displays the actual expenditures for 2007-08 and 2008-09.

LOCAL BRIDGE SEISMIC RETROFIT ACCOUNT

The Local Bridge Seismic Retrofit Account (LSBRA) was established to provide the required match for Federal Highway Bridge Replacement and Repair funds available to the State for seismic work on local bridges, ramps, and overpasses, as identified by the Department (Sections 8879.23(i)(1) & 8879.62 of the GC).

REMAINING CAPACITY
($ thousands)

DESCRIPTION		LBSRA TOTAL
Resources:		
Bond Authorization		$ 125,000
Less Administrative Costs[1]	$ (2,500)	
Programmed[2]:	$(122,500)	
Total Commitments:		$ (125,000)
REMAINING CAPACITY:		**$ -**

ALLOCATIONS AND EXPENDITURES
($ thousands)

Description	2007-08	2008-09	Total
Allocated Support	$ 90	$ 91	$ 181
Allocated Local Assistance	$ 13,500	$ 21,000	$ 34,500
Allocated Capital	$ -	$ -	$ -
Total Allocations	**$ 13,590**	**$ 21,091**	**$ 34,681**
Less Expended[3]	$ (42)	$ (1,782)	$ (1,824)
Unexpended Allocations	**$ 13,548**	**$ 19,309**	**$ 32,857**

Notes:

Remaining capacity includes capital outlay support, local assistance, and capital outlay.

[1] Estimated costs for bond issuance, Pooled Money Investment Account (PMIA) loan administration costs, arbitrage rebates, etc.

[2] Programmed amounts through June 30, 2009, per the Division of Local Assistance at the Department of Transportation.

[3] This row displays the actual expenditures for 2007-08 and 2008-09.

HIGHWAY-RAILROAD CROSSING SAFETY ACCOUNT

The Highway-Railroad Crossing Safety Account (HRCSA) was established to fund the completion of high-priority grade separation and railroad crossing safety improvements pursuant to Chapter 10 (Sections 2450 through 2461) of Division Three of the Streets and Highways Code, except that a dollar-for-dollar matching of non-State funds shall be provided for each project. The limitation on maximum project cost in Section 2454(g) of the Streets and Highways Code shall not be applicable to projects funded with this account (Sections 8879.23(j)(1) & 8879.63 of the GC).

REMAINING CAPACITY
($ thousands)

DESCRIPTION		HRCSA TOTAL
Resources:		
Bond Authorization		$ 250,000
Less Administrative Costs[1]	$ (5,000)	
Programmed[2]:	$(233,769)	
Total Commitments:		$ (238,769)
REMAINING CAPACITY:		**$ 11,231**

ALLOCATIONS AND EXPENDITURES
($ thousands)

Description	2007-08	2008-09	Total
Allocated Support	$ 561	$ 620	$ 1,181
Allocated Local Assistance	$ -	$ 6,000	$ 6,000
Allocated Capital	$ -	$ -	$ -
Total Allocations	**$ 561**	**$ 6,620**	**$ 7,181**
Less Expended[3]	$ (163)	$ (221)	$ (384)
Unexpended Allocations	**$ 398**	**$ 6,399**	**$ 6,797**

Notes:

Remaining capacity includes capital outlay support, local assistance, and capital outlay.

[1] Estimated costs for bond issuance, Pooled Money Investment Account (PMIA) loan administration costs, arbitrage rebates, etc.

[2] Programmed amounts through June 30, 2009, per California Transportation Commission staff.

[3] This row displays the actual expenditures for 2007-08 and 2008-09.

HIGHWAY SAFETY, REHABILITATION, AND PRESERVATION ACCOUNT

The Highway Safety, Rehabilitation, and Preservation Account (HSRPA) was established to fund the State Highway Operation and Protection Program (SHOPP) under Section 14526.5 of the GC, traffic light synchronization, and other technology-based projects, to improve safety, operations, and the effective capacity of local streets and roads (Sections 8879.23(k)(1) & 8879.64 of the GC).

REMAINING CAPACITY
($ thousands)

DESCRIPTION		HSRPA TOTAL
Resources:		
Bond Authorization		$ 750,000
Less Administrative Costs[1]	$ (15,000)	
Programmed[2]:	$ (735,000)	
Total Commitments:		$ (750,000)
REMAINING CAPACITY:		**$ -**

ALLOCATIONS AND EXPENDITURES
($ thousands)

Description	2007-08	2008-09	Total
Allocated Support	$ 21,659	$ 20,459	$ 42,118
Allocated Local Assistance	$ 21,830	$ 41,057	$ 62,887
Allocated Capital	$ 259,552	$ 3,522	$ 263,074
Total Allocations	**$ 303,041**	**$ 65,038**	**$ 368,079**
Less Expended[3]	$ (12,072)	$ (71,371)	$ (83,443)
Unexpended Allocations	**$ 290,969**	**$ (6,332)**	**$ 284,636**

Notes:

Remaining capacity includes capital outlay support, local assistance, and capital outlay.

[1] Estimated costs for bond issuance, Pooled Money Investment Account (PMIA) loan administration costs, arbitrage rebates, etc.

[2] Programmed amounts through June 30, 2009, per California Transportation Commission staff and Division of Transportation Programmming at the Department of Transportation.

[3] This row displays the actual expenditures for 2007-08 and 2008-09.

STATE ROUTE 99 CORRIDOR ACCOUNT

The State Route 99 Account (SR 99) was established to provide funding for safety, operational enhancements, rehabilitation, or capacity improvements for the SR 99 corridor that traverses approximately 400 miles of the central valley of this State (Section 8879.51 of the GC).

REMAINING CAPACITY
($ thousands)

DESCRIPTION		SR 99 TOTAL
Resources:		
Bond Authorization		$ 1,000,000
Less Administrative Costs[1]	$ (20,000)	
Programmed[2]:	$ (975,542)	
Total Commitments:		$ (995,542)
REMAINING CAPACITY:		**$ 4,458**

ALLOCATIONS AND EXPENDITURES
($ thousands)

Description	2007-08	2008-09	Total
Allocated Support	$ 8,566	$ 4,984	$ 13,550
Allocated Local Assistance	$ -	$ -	$ -
Allocated Capital	$ 5,999	$ 1,475	$ 7,474
Total Allocations	**$ 14,565**	**$ 6,459**	**$ 21,024**
Less Expended[3]	$ (4,085)	$ (4,914)	$ (8,999)
Unexpended Allocations	**$ 10,480**	**$ 1,545**	**$ 12,025**

Notes:
Remaining capacity includes capital outlay support, local assistance, and capital outlay.

[1] Estimated costs for bond issuance, Pooled Money Investment Account (PMIA) loan administration costs, arbitrage rebates, etc.

[2] Programmed amounts through June 30, 2009, per California Transportation Commission staff.

[3] This row displays the actual expenditures for 2007-08 and 2008-09.

APPENDIX E – TOLL BRIDGE SEISMIC RETROFIT PROGRAM

The Legislature passed Assembly Bill (AB) 144 in 2005 (Chapter 71, Statutes of 2005) provided additional funding to meet the new program cost of $8.685 billion, including the $5.105 billion previously identified in AB 1171 (Chapter 907, Statutes of 2001). AB 144 consolidated the administration of all toll revenues collected on the state-owned Bay Area toll bridges and financial management of the Toll Bridge Seismic Retrofit Program (TBSRP) solely under the jurisdiction of the Bay Area Toll Authority (BATA).

Prior to enactment of AB 144, the Department was responsible for the financial management of the one dollar seismic surcharge portion of toll revenue from state-owned bridges in the Bay Area and BATA was responsible for the remaining two dollars. AB 144 also gives BATA project level toll-setting authority as necessary to cover additional cost increases beyond the funded program contingency in order to complete the TBSRP. The Department will continue to provide capital outlay, administration and other support, and will now be performing these tasks on a reimbursement basis until all seismic retrofit projects are completed.

The funding provided in both AB 1171 and AB 144 is as follows:

Funding Provided in AB 1171 for TBSRP
($ 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
ITIP/SHOPP/Federal Contingency	$ 448
Total	$ 5,085

Funding Provided in AB 144 for TBSRP
($ in millions)

Toll Revenue	$ 2,150
BATA Consolidation	$ 820
State Highway Account	$ 430
Redirect of PTA Spillover	$ 125
Motor Vehicle Account	$ 75
Total	$ 3,600
TBSRP Total	**$ 8,685**

The Commission adopted a plan in December 2005, scheduling contributions to the TBSRP. The Table below shows the current schedule of remaining contributions over the FE period as adopted in the Commission's plan.

Remaining TBSRP Contributions

Source	Description	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total
AB 1171	HBRR Contribution (SHA)	$ -	$ -				$ -	**$ -**
	Contingency (SHA)	99	100	100	148	300	-	**$ 747**
AB 144	Efficiency Savings	-	53	50	17	-	-	**$ 120**
	Total	**$ 99**	**$ 153**	**$ 150**	**$ 165**	**$ 300**	**$ -**	**$ 867**

APPENDIX F – 2010 STIP FUND ESTIMATE ASSUMPTIONS BY FUND

The Commission adopted the assumptions used in the development of the 2010 STIP FE on June 10, 2009. A summary of the adopted assumptions are listed below. Any modifications to the approved assumptions are included in brackets.

State Highway Account (SHA):

Operating Cash Balance

SHA 1. Based on an analysis of monthly SHA receipts less expenditures, a minimum operating cash level of $370 million would be sufficient to cover 95 percent of the monthly cash volatility in the SHA.

SHA Revenues & Transfers

SHA 2. Fuel excise tax revenues will decrease by 2.2 percent in 2010-11 and will escalate by an annual factor of 0.9 percent thereafter. This results in revenues of $9.4 billion over the FE period.

SHA 3. Weight Fee revenues will increase by 1.7 percent annually, resulting in revenues of $5.1 billion over the FE period.

SHA 4. Revenues from Other Regulatory Licenses and Permits are based on historical revenues and are projected to increase at an average annual rate of 1.0 percent, resulting in revenues of $57 million over the FE period.

SHA 5. Annual Streets & Highway Code (S&HC) Section 194 transfers are projected to increase by an average annual rate of 3.1 percent, resulting in approximately $148 million over the FE period.

SHA 6. The Commission's December 2005 adopted plan scheduled transfers to the Toll Bridge Seismic Retrofit Program (TBSRP) program, which total $768 million over the FE period.

SHA 7. S&HC Section 183.1 transfers will transfer approximately $75 million from the SHA to the Public Transportation Account (PTA), resulting in transfers of $376 million over the FE period.

SHA 8. Assume no transfers from the Motor Vehicle Account to the SHA over the FE period as consistent with recent history.

Loan Repayments

SHA 9. Annual loan repayments of $100 million will resume in 2010-11 and will be distributed according to Section 63048.65(e) of the GC. The repayments will total $132 million to the SHA for the State Highway Operation and Protection Program (SHOPP), $290 million to the Traffic Congestion Relief Fund (TCRF) for the Traffic Congestion Relief Program (TCRP), and $78 million to the PTA for the State Transportation Improvement Program (STIP) over the FE period.

Federal Revenues

SHA 10. Federal Obligation Authority (OA) levels will total $3.05 billion consistent with the OA received in 2008-09 and will remain constant each year, which results in $15.3 billion over the FE period.

SHA 11. August Redistribution is estimated at a total of $106 million per year, resulting in $530 million over the FE period. The annual August Redistribution of $106 million will be used by the State ($68 million) and local agencies ($38 million).

Advanced Project Development Element (APDE)

SHA 12. The APDE will not be displayed as the 2010 STIP FE is expected to show the need for reprogramming STIP projects.

SHA Expenditures

SHA 13. The 2010 FE includes a $35 million increase in reservations for Budget Change Proposals (BCPs) in 2010-11 and 2011-12, with an annual escalation thereafter of 1.3 percent for the remainder of the FE period.

SHA 14. Maintenance and Operations expenditures for Transportation Management Systems (TMS) includes an annual inventory escalation factor of 3.0 percent over the FE period.

Local Assistance

SHA 15. Annual allocations will be $2 million annually for the Railroad Crossing Protection Maintenance Program for the FE period consistent with Commission Resolution G06-15.

SHA 16. The 2010 STIP FE includes a $10 million transfer per year to the Environmental Enhancement Mitigation Fund, as intended pursuant to Section 164.56(a) of the S&HC.

Prior STIP Commitments

SHA 17. Capital Outlay Support (COS) expenditures are based on programmed STIP projects allocated prior to 2007-08.

SHA 18. Capital expenditures are based on a continuation of all existing SHA STIP project allocations and STIP Grant Anticipation Revenue Vehicle(s) (GARVEE) debt service payments.

SHA 19. Right-of-Way (R/W) commitments are expenditures based on allocated R/W in 2008-09 and prior, the R/W lump sum allocated for 2009-10, and previously obligated Federal R/W for STIP over the FE period.

SHA 20. SHA STIP R/W includes an annual estimate based on forecasted R/W lump sum allocations of non-programmed R/W components for inverse condemnation, post-certification, and project development costs.

GARVEE

SHA 21. The 2010 STIP FE displays current GARVEE debt service payments over the FE period, which are currently at $84 million per year and total $422 million over the five-year period.

SHOPP

SHA 22. COS expenditures are based on SHOPP projects allocated during 2008-09 and prior, construction engineering for programmed 2009-10 SHOPP projects, and pre-construction engineering and R/W support for projects currently programmed to begin in 2009-10.

SHA 23. R/W commitments are expenditures based on allocated R/W in 2008-09 and prior, and the R/W lump sum allocated in 2009-10.

SHA 24. SHA SHOPP R/W includes an annual estimate based on forecasted R/W lump sum allocations of non-programmed R/W components for inverse condemnation and post-certification costs.

SHA 25. Capital expenditures are based on a continuation of all SHOPP projects allocated in 2008-09 and prior, all programmed 2009-10 SHOPP projects, and SHOPP GARVEE debt service payments.

SHA 26. Total program capacity of the 2010 SHOPP FE is based on total SHA resources remaining after existing commitments.

American Recovery and Reinvestment Act

SHA 27. The SHA will loan $310 million and repayment will occur within 18 months from the date of loan-funded project completion (repayment estimated in 2013-14).

Public Transportation Account (PTA):

Operating Cash Balance

PTA 1. Based on an analysis of monthly PTA receipts less expenditures, a minimum operating cash level of $120 million would be sufficient to cover 95 percent of the monthly cash volatility in the PTA.

Revenues

PTA 2. Proposition 111 gasoline sales tax revenues are based on historical revenues and current trends in the 2009-10 May Revise, resulting in $311 million over the FE period. [The 2009-10 Budget Act displayed the same projection of Proposition 111 gasoline sales tax revenues].

PTA 3. Diesel fuel sales tax revenues are annually escalated at a historical growth rate of 4.7 percent, resulting in approximately $1.4 billion over the FE period.

PTA 4. Distributions of spillover revenues will occur in accordance with Section 7102(a)(1)(H) of the Revenue & Taxation Code (R&TC) for 2013-14 and 2014-15, resulting in current projections of $200 million to the PTA for the remainder of the FE period.

Transfers

PTA 5. The Aeronautics Account will annually transfer $30,000 to the PTA.

PTA 6. Programmed PTA STIP capacity will receive priority over the Home-To-School (HTS) program from 2010-11 through 2012-13. HTS would receive the remainder of any funding after the 2008 PTA STIP is fully funded.

PTA 7. State Transit Assistance (STA) will receive the following transfers per statute from the PTA in 2013-14 and 2014-15: Fifty percent of Proposition 111 and diesel sales tax revenues, 67 percent of the PTA portion of the spillover transfer, and 75 percent of the Proposition 42 PTA transfer.

PTA 8. The Regional Center Transportation program will receive an annual transfer of $138 million from the PTA in 2009-10 and thereafter, resulting in total transfers of $690 million over the FE period.

PTA Expenditures

PTA 9. No BCPs will occur over the FE period.

PTA 10. Intercity rail is part of State Operations expenditures in the PTA. The expenditures below use estimates by the Division of Rail.

A Intercity rail and bus operations base expenditures for existing services is consistent with the 2009-10 Budget at $90 million for 2009-10, and will escalate at a factor of 3.2 percent over the FE period.

B Estimates for expenditures of additional services and extensions on existing routes total $88 million and $41 million, respectively, over the FE period.

C The Department's estimated need for heavy equipment maintenance and overhaul over the FE period is $105 million. [This amount has been subsequently updated to $82 million].

PTA 11. Bay Area Ferry operations expenditures will use the 2009-10 Budget and future expenditures include an annual escalation factor of 1.0 percent based on historical expenditures.

PTA 12. Capital expenditures are based on a continuation of all STIP projects allocated in 2008-09 and prior, all PTA programmed 2009-10 STIP projects, and non-highway Assembly Bill (AB) 3090s.

Transportation Investment Fund (TIF):

Minimum Operating Cash

TIF 1. Based on an analysis of monthly TIF receipts less expenditures, a minimum operating cash level of $120 million would be sufficient to cover 95 percent of the monthly cash volatility in the TIF.

TIF Revenues

TIF 2. TIF revenues are based on an estimated gasoline price of $2.50 per gallon over the FE period consistent with the development and forecast of gasoline consumption. This would produce an average annual transfer of $1.5 billion, with approximately $605 million retained in the TIF for STIP.

TIF 3. The Legislature will not suspend the Proposition 42 transfer over the FE period.

TIF Expenditures

TIF 4. COS expenditures are based on STIP projects allocated during 2008-09 and prior, construction engineering for programmed 2009-10 STIP projects, and pre-construction engineering and R/W support programmed to begin in 2009-10.

TIF 5. R/W commitments are expenditures based on allocated R/W in 2008-09 and prior, and the R/W lump sum allocated in 2009-10.

TIF 6. TIF STIP R/W will include an estimate of non-programmed R/W components for inverse condemnation, post-certification, and project development costs.

TIF 7. Capital expenditures are based on a continuation of all STIP projects allocated in 2008-09 and prior, all programmed 2009-10 STIP projects, state match TE funding, and non-PTA funded AB 3090s.

Bonds

Allocations

Bond 1. Any unallocated Transportation Facilities Account projects in 2008-09 will be allocated in 2009-10 and will total $784 million. [This has subsequently been updated to reflect the net, unallocated balance as of June 30, 2009, which is $573 million.]

Bond 2. Any unallocated Proposition 1B projects in 2008-09 will be allocated in 2009-10. This assumes allocation capacity will remain as scheduled over the base year and the FE period.

APPENDIX G – 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, 57inclusive, 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.

APPENDIX H – CTC RESOLUTION

CALIFORNIA TRANSPORTATION COMMISSION

ADOPTION OF THE 2010 FUND ESTIMATE

RESOLUTION G-09-10

1.1. WHEREAS, Sections 14524 and 14525 of the Government Code require the Department of Transportation (Department) to present, and the California Transportation Commission (Commission) to adopt, a biennial fund estimate to include and estimate all State and federal funds reasonably expected to be available for the biennial State Transportation Improvement Program (STIP), including the amount that may be programmed in each county for regional improvement programs; and

1.2. WHEREAS, on February 19, 2009, the Department presented an overview of the fund estimate process, schedule and special issues, including uncertainty regarding major revenues that would impact the fund estimate; and

1.3 WHEREAS, on April 15, 2009, the Commission postponed the adoption of the 2010 Fund Estimate Assumptions until after the May 19, 2009 special election; and

1.4 WHEREAS, on June 10, 2009, the Department presented, and the Commission adopted, the 2010 Fund Estimate Assumptions; and

1.5 WHEREAS, on July 9, 2009, the Commission postponed the adoption of the 2010 Fund Estimate until enactment of the 2009-10 State Budget, per Section 14525(d) of the Government Code; and

1.6 WHEREAS, on August 12, 2009, the Department presented to the Commission the Draft 2010 Fund Estimate; and

1.7 WHEREAS, on September 9, 2009, the Commission held a workshop on the 2010 Fund Estimate to consider public comment, and indicated that the adoption of the 2010 Fund Estimate would be scheduled for October 14, 2009; and

1.8 WHEREAS, on October 14, 2009, the Department presented to the Commission an updated Proposed 2010 Fund Estimate; and

1.9 WHEREAS, the Proposed 2010 Fund Estimate identifies new program capacity of approximately $195 million for Federal Transportation Enhancement funds, over-programming of approximately $1 million in the Public Transportation Account, and over-programming of $81 million in other funds; and

1.10 WHEREAS, the Proposed 2010 Fund Estimate includes annual programming targets, adjusted for STIP amendments and allocations through September 2009.

2.1 NOW THEREFORE BE IT RESOLVED that the California Transportation Commission does hereby adopt the 2010 STIP Fund Estimate, as presented by the Department on October 14, 2009, with programming in the 2010 STIP to be based on the statutory funding identified; and

2.2 BE IT FURTHER RESOLVED that the Commission requests that the Department, in cooperation with Commission staff, distribute copies of the 2010 Fund Estimate to each regional agency and county transportation commission.

Caltrans
CALIFORNIA DEPARTMENT OF TRANSPORTATION

PROPOSED
2010 AERONAUTICS ACCOUNT
FUND ESTIMATE

Pending adoption by the
California Transportation Commission

AERONAUTICS
DEPARTMENT OF TRANSPORTATION

Prepared by
Department of Transportation
Business, Transportation and Housing Agency

The Division of Aeronautics promotes optimum use of existing airports by overseeing a statewide system of safe and environmentally compatible airports that integrate with surface transportation systems. The Aeronautics Account is the primary funding source for the Division of Aeronautics. Virtually all of the revenues are from an 18 cent per gallon excise tax on aviation gasoline and a two cent per gallon excise tax on General Aviation jet fuel.

The Division of Aeronautics allocates funds through the California Aid to Airports Program (CAAP), which includes three separate grant aid programs. The Annual Credit grant program provides $10,000 per year to 145 eligible publicly-owned General Aviation airports. The second statutory priority for the grant aid program is the State's participation in the local match required for a Federal Airport Improvement Program (AIP) grant. With this program, the State provides funding for 2.5 percent of the Federal grant amount to eligible General Aviation airports. Finally, the Acquisition and Development (A&D) grant aid program provides grants to eligible publicly-owned General Aviation airports for 90 percent of project costs, subject to fund availability after funding the previous two grant aid programs.

However, on July 28, 2009, Assembly Bill 10 of the 4th Extraordinary Session was enacted as a trailer bill to the 2009-10 State Budget. As a result, this bill requires the transfer of $4.0 million from the Aeronautics Account to the State General Fund and includes a suspension of all grant programs for the 2009-10 year.

Background

Although the Aeronautics funds are independent of the accounts included within the State Transportation Improvement Program (STIP) Fund Estimate (FE), the biennial Aeronautics Account FE has been included as part of the STIP FE development process. In consultation with California Transportation Commission (Commission) staff, the 2010 Aeronautics Account FE will be presented for adoption concurrently with the 2010 STIP FE.

AERONAUTICS ACCOUNT FUND ESTIMATE

2010 FUND ESTIMATE
AERONAUTICS ACCOUNT
($ in thousands)

	2009-10	2010-11	2011-12	2012-13	3-Year Total
RESOURCES					
Beginning Balance	$6,746	$7,049			$7,049
Aviation Gas Excise Tax[1]	$4,510	$4,394	$4,280	$4,169	$12,842
Jet Fuel Excise Tax[1]	$2,913	$3,023	$3,137	$3,255	$9,415
Interest (SMIF)	$168	$204	$222	$263	$689
Federal Trust Funds	$435	$435	$441	$446	$1,322
Sale of Documents	$4	$4	$4	$4	$12
Transfer to General Fund, per PUC 21683.3(b)[2]	($4,000)	$0	$0	$0	$0
Transfer to PTA Account	($30)	($30)	($30)	($30)	($90)
TOTAL RESOURCES	$10,746	$15,079	$8,053	$8,107	$31,239
STATE OPERATIONS					
State Operations	($3,697)	($4,140)	($4,194)	($4,248)	($12,582)
TOTAL STATE OPERATIONS	($3,697)	($4,140)	($4,194)	($4,248)	($12,582)
LOCAL ASSISTANCE					
Grants to Local Agencies (Annual Credit Program)	$0	($1,450)	($1,450)	($1,450)	($4,350)
Airport Improvement Program (AIP) Match	$0	($1,650)	**	**	($1,650)
Acquisition & Development (A&D)	$0	($900)	**	**	($900)
TOTAL LOCAL ASSISTANCE[2]	$0	($4,000)	($1,450)	($1,450)	($6,900)
ENDING 2009-10 BALANCE	$7,049				
CASH AVAILABLE DURING FE PERIOD		$6,939	$2,409	$2,409	$11,757

Note: Numbers may not add due to rounding.

[1] Excise tax revenues are based on a projection of the 2008-09 receipts from the State Controller's Office and escalated annually from 2009-10 through 2012-13 per Assumption Aero 2.

[2] Assembly Bill 10 of the 4th Extraordinary Session of 2009-10 created Section 21683.3 of the Public Utilities Code, which requires a $4.0 million transfer to the General Fund and suspends the Local Assistance programs in 2009-10 only.

** AIP Match and A&D for 2011-12 and 2012-13 will be determined when federal budget funding has been approved.

2010 AERONAUTICS ACCOUNT FUND ESTIMATE ASSUMPTIONS

The 2010 Aeronautics Account FE is based upon assumptions that forecast available resources from 2010-11 through 2012-13. Listed below are the assumptions used in preparation of this forecast. Any modifications to the approved assumptions are noted in brackets.

Revenue Assumptions

AERO 1. The 2010 FE will calculate the beginning balance on a cash basis since the Aeronautics Account receives continuous appropriations of funding.

AERO 2. Projected revenues for excise taxes on aviation gasoline and jet fuel will use historical transfers from the Motor Vehicle Fuel Account. The State Controller's Office (SCO) expects aviation gasoline excise tax revenues to decline by 3 percent as the industry continues to move toward jet fuel-powered aircraft. Conversely, the SCO forecasts jet fuel excise tax revenues to increase by 4 percent throughout the FE period.

AERO 3. The FE will calculate Surplus Money Investment Fund (SMIF) interest based on the projected year ending cash balances of the Aeronautics Account and the SMIF as of June 30, 2009.

AERO 4. Federal Trust Funds represent federal reimbursement authority for various aviation activities completed by the Division of Aeronautics. The FE escalates Federal Trust Funds using an "implicit price deflator" of 3.2 percent per year from the Department of Finance (DOF) over the FE period.

[On September 8, 2009, the DOF updated the implicit price deflator rate to reflect no change in the escalation factor in 2010-11, and a 1.3 percent annual increase thereafter. The 2010 Aeronautics Account FE has been adjusted accordingly.]

AERO 5. The transfer to the Public Transportation Account (PTA) per Public Utilities Code, Section 21682.5 is $30,000 per fiscal year.

Expenditure Assumptions

AERO 6. The annual funding provided to 145 eligible publicly-owned General Aviation airports through the Annual Credit grant program will remain at the same level of $10,000 per year for each eligible airport throughout the FE period.

AERO 7. The AIP match in the first year of the FE is based on the Aeronautics Program adopted in 2008. The AIP match will remain at a rate of 2.5 percent over the remainder of the FE period.

AERO 8. Before adding to Acquisition & Development (A&D) capacity, resources must commit to funding the other two California Aid to Airports Program grants. The Commission will allocate all ending cash balances available for programming during the FE period, which may include funding for A&D. The 2008 Aeronautics Program included a list of A&D projects scheduled for funding through 2010-11. The Commission will determine future A&D when they adopt the next three-year Aeronautics Program in 2010.

AERO 9. State Operations includes staffing for aeronautics and planning activities. State Operations will use expenditures authorized in the 2009-10 Budget Act and escalate these costs using the DOF implicit price deflator of 3.2 percent annually over the FE period.

[On September 8, 2009, the DOF updated the implicit price deflator rate to reflect no change in the escalation factor in 2010-11, and a 1.3 percent annual increase thereafter. The 2010 Aeronautics Account FE has been adjusted accordingly.]