

# Memorandum

**To:** CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

**CTC Meeting:** June 11, 2013

**Reference No.:** 3.6  
Information Item

**From:** NORMA ORTEGA  
Chief Financial Officer

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Division Chief  
Budgets

**Subject:** **FY 2012-13 THIRD QUARTER FINANCE REPORT**

Attached is the California Department of Transportation's Fiscal Year 2012-13 Third Quarter Finance Report.

Attachment



# **Department of Transportation Quarterly Finance Report**

## **Third Quarter 2012-13**

Department of Transportation  
Division of Budgets

The purpose of the Quarterly Finance Report is to provide the California Transportation Commission (CTC) with the status of capital allocations versus capacity and to report any trends or issues that may require action by the California Department of Transportation or CTC regarding transportation funding policy, allocation capacity, or forecast methodology to ensure the efficient and prudent management of transportation resources. Below is the schedule of dates for the development of the fiscal year 2012-13 Quarterly Finance Reports.

<b>California Department of Transportation</b>			
<b>Quarterly Finance Report</b>			
<b>Schedule of Reports</b>			
<b>Fiscal Year</b>	<b>Quarterly Report</b>	<b>Activity</b>	<b>Date</b>
<b>2012-13</b>	<b>2011-12 Q4</b>	<b>Close of Quarter</b>	<b>6/30/12</b>
		<b>Quarterly Report to Commission Staff</b>	<b>8/30/12</b>
		<b>Presented to Commission</b>	<b>9/26/12</b>
	<b>2012-13 Q1</b>	<b>Close of Quarter</b>	<b>9/30/12</b>
		<b>Quarterly Report to Commission Staff</b>	<b>11/15/12</b>
		<b>Presented to Commission</b>	<b>12/5/12</b>
	<b>2012-13 Q2</b>	<b>Close of Quarter</b>	<b>12/31/12</b>
		<b>Quarterly Report to Commission Staff</b>	<b>2/15/13</b>
		<b>Presented to Commission</b>	<b>3/5/13</b>
	<b>2012-13 Q3</b>	<b>Close of Quarter</b>	<b>3/31/13</b>
		<b>Quarterly Report to Commission Staff</b>	<b>5/15/13</b>
		<b>Presented to Commission</b>	<b>6/11/13</b>
<b>2013-14</b>	<b>2013-14 Q4</b>	<b>Close of Quarter</b>	<b>6/30/13</b>
		<b>Quarterly Report to Commission Staff</b>	<b>8/30/13</b>
		<b>Presented to Commission</b>	<b>10/8/13</b>

# Department of Transportation Quarterly Finance Report

*Third Quarter 2012-13*

## EXECUTIVE SUMMARY

2012-13 Capital Allocations vs. Capacity Summary through March 31, 2013 (\$ in millions)					
	SHOPP <sup>1</sup>	STIP <sup>1</sup>	TCRP	BONDS	TOTAL
Total Allocation Capacity	\$1,672	\$620	\$83	\$2,801	\$5,176
Total Votes	630	425	93	832	1,979
Authorized Changes <sup>2</sup>	-52	-30	0	0	-82
<b>Total Remaining Capacity</b>	<b>\$1,093</b>	<b>\$226</b>	<b>\$0</b>	<b>\$1,970</b>	<b>\$3,290</b>

Note: Totals may not add due to rounding

<sup>1</sup>Proposition 1B bond capacity included in total: \$47M (Proposition 1B SHOPP); \$35M (Proposition 1B STIP).

<sup>2</sup>Authorized changes include project increases and decreases pursuant to the Commission's G-12 process and project rescissions.

The California Transportation Commission (CTC) has allocated almost \$2 billion toward 561 projects through the third quarter of fiscal year 2012-13. Adjustments totaled negative \$82 million, leaving \$3.3 billion (approximately 62 percent) in remaining allocation capacity.

The State Highway Account (SHA) had higher cash balances than expected due to adjustments, which represent timing differences between the California Department of Transportation (Department) and the State Controller's Office (SCO) accounting systems. (Refer to Appendix B.) The Public Transportation Account (PTA) was within acceptable range of forecast. The Traffic Congestion Relief Fund (TCRF), the Transportation Investment Fund (TIF), and the Transportation Deferred Investment Fund (TDIF) cash balances were all higher than forecast primarily because of lower than anticipated expenditures.

Due to a significant increase in project expenditures over the past several months, the Department requested and received \$100 million in Commercial Paper (CP) for ongoing Proposition 1B projects. This amount was sufficient to cover projects until the March 2013 bond sales. In addition, the remaining Proposition 1A cash balance is sufficient for the Department to continue to recommend allocation of all remaining 2012-13 projects.

The 2013-14 Governor's Budget was released on January 10, 2013. It proposes approximately \$12.8 billion for the Department, which is an increase of approximately 13 percent from 2012-13. The 2013-14 budget proposes \$5 billion for Capital Outlay expenditures and \$3.2 billion for Local Assistance.

In March 2013, Congress passed the Consolidated and Further Continuing Appropriations Act, 2013 (H.R. 933) which provides full funding levels to the federal transportation act, Moving Ahead for Progress in the 21st Century (MAP-21), through the remainder of the 2013 federal fiscal year.

In April 2013, President Obama released his 2014 Federal Budget which includes roughly \$77 billion for transportation-related projects (6 percent above 2012 enacted levels) plus an additional \$50 billion for immediate transportation investments. The budget also proposes full funding for MAP-21.

## STATE HIGHWAY OPERATION AND PROTECTION PROGRAM (SHOPP)

State Highway Operation and Protection Program (\$ in millions)					
Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
SHA	\$225	\$191	-\$5	\$186	\$39
FTF	1,400	439	-39	399	1,001
Proposition 1B	47	0	-7	-7	54
<b>Total</b>	<b>\$1,672</b>	<b>\$630</b>	<b>-\$52</b>	<b>\$578</b>	<b>\$1,093</b>

Note: Totals may not add due to rounding

### Capital Allocations vs. Capacity

The CTC has allocated \$630 million toward 196 SHOPP projects through the third quarter of 2012-13. Adjustments totaled negative \$52 million, leaving \$1.1 billion (approximately 65 percent) in remaining allocation capacity.

The large unallocated balance is due, in large part, to the de-allocation of \$206 million of SHOPP funding in favor of the Corridor Mobility Improvement Account (CMIA) for the Gerald Desmond Bridge and Devore Heights projects. In addition, some projects scheduled to be delivered in the third quarter have been pushed to the fourth quarter.

### Outlook for Funding & Allocations

**State Highway Account (SHA).** California's slow recovery from the economic downturn continued during the third quarter. The Department has continued to work with the SCO and the Department of Finance (DOF) to resolve the issue of the outstanding 2012-13 backfill amount from excise taxes related to the Weight Fee Swap. As of March 2013, the 2012-13 balance owed to the SHA is approximately \$73 million. This amount may change based on actual revenues received for the remainder of the year. The SCO plans to schedule backfill payments over the next three-month period to satisfy the outstanding 2012-13 balance. Moving forward, the issue has been resolved and the Department does not anticipate further problems.

Despite the Weight Fee Swap backfill repayments, the Department still expects low SHA funding levels through the remainder of the fiscal year. This can be primarily attributed to large obligations including a \$404 million loan repayment to the GF and a \$165 million payment to the Toll Bridge Seismic Retrofit Program. However, the remaining cash balance is considered sufficient to cover all outstanding commitments for the remainder of the year.

**Federal Trust Fund (FTF).** In March 2013, H.R. 933 was passed to accommodate full funding levels for MAP-21 through the remainder of the current federal fiscal year. In addition, the President's 2014 federal budget proposes \$77 billion for transportation-related projects and \$50 billion for transportation infrastructure investments.

**Proposition 1B.** The Department anticipates approximately \$14 million in unused 2012-13 Proposition 1B authority. Of this amount, \$7 million will revert and become available for future appropriations. The remaining \$7 million will be added to 2013-14 allocation authority. The Governor's 2013-14 budget proposes \$78 million in new Proposition 1B SHOPP appropriations.

## Recommendations

The Department will continue to closely monitor the SHA fund balance and any major changes will be communicated to the CTC. Though the Department does not anticipate a need, Senate Bill (SB) 84 of 2011-2012 allows the Department to borrow up to \$313 million from the General Fund (GF) to ensure the SHA has adequate funding to cover costs.

## STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)

State Transportation Improvement Program					
(\$ in millions)					
Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
SHA	\$200	\$139	-\$0	\$139	\$61
FTF*	300	202	-31	172	128
PTA	85	68	0	68	17
Proposition 1B	35	16	0	16	20
<b>Total</b>	<b>\$620</b>	<b>\$425</b>	<b>-\$31</b>	<b>\$394</b>	<b>\$226</b>

\*The FTF STIP capacity was identified only for Transportation Enhancement projects; however, previously approved federally funded Right-of-Way costs continue to charge against the FTF. These charges are expected to taper off in the coming years.

Note: Totals may not add due to rounding.

## Capital Allocations vs. Capacity

The CTC has allocated \$425 million toward 123 STIP projects through the third quarter of 2012-13. Adjustments totaled negative \$31 million, leaving \$226 million (approximately 36 percent) in remaining allocation capacity.

## Outlook for Funding & Allocations

**SHA.** Despite Weight Fee Swap backfill repayments, the Department still expects low SHA funding levels throughout the fiscal year. This can be primarily attributed to large obligations including a \$404 million loan repayment to the GF and a \$165 million payment to the TBSRP. However, the remaining cash balance is considered sufficient to cover all outstanding commitments for the remainder of the year.

**FTF.** In March 2013, H.R. 933 was passed to accommodate full funding levels for MAP-21 through the remainder of the current federal fiscal year. In addition, the President's 2014 federal budget proposes \$77 billion for transportation-related projects and \$50 billion for transportation infrastructure investments.

**PTA.** Effective July 1, 2012, sale of all diesel fuels are subject to an additional sales tax of 2.17 percent, which is transferred to the PTA on a quarterly basis. There is an outstanding proposal for the PTA to loan \$26 million to the High Speed Rail Authority in 2013-14. This loan will cause the PTA fund cash balance to be low, but the PTA should have enough funds to cover commitments in 2013-14.

**Proposition 1B.** Although the table above shows remaining capacity, the Department does not recommend further allocations until a final reconciliation of projects costs can be completed. The Department anticipates this reconciliation will be complete by the end of 2012-13.

**Transportation Investment Fund (TIF).** The Department is projecting TIF resources are sufficient to fund its obligations through 2013-14.

**Recommendations**

The Department will continue to monitor potential impacts, and if necessary, recommend changes.

**TRAFFIC CONGESTION RELIEF PROGRAM (TCRP)**

Traffic Congestion Relief Program (\$ in millions)					
Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
TCRF	\$83	\$93	\$0	\$93	\$0
<b>Total</b>	<b>\$83</b>	<b>\$93</b>	<b>\$0</b>	<b>\$93</b>	<b>\$0</b>

**Capital Allocations vs. Capacity**

The TCRP remained unchanged for the third quarter. \$93 million has been allocated toward nine projects. The TCRF is currently over-allocated by \$10 million. There are no further TCRP projects expected to be allocated in 2012-13. The Department plans to reduce next year’s allocation capacity by \$10 million to offset the overage.

**Outlook for Funding & Allocations**

Approximately \$731 million in loan repayments are still outstanding from the GF (See Appendix D). The TCRP receives \$83 million per year for repayment of \$249 million in outstanding Proposition 42 loans. The 2011-12 Governor’s Budget indicated that Tribal Gaming repayments (Pre-Proposition 42) would begin no earlier than 2016-17; however, there is no statutory repayment schedule.

**Recommendations**

The Department will continue to monitor for potential impacts, and if necessary, recommend changes.

## PROPOSITION 1A & 1B BONDS

Proposition 1A & 1B Bonds (\$ in millions)			
Fund	Allocation Capacity	Allocations to Date	Remaining Capacity
Proposition 1A	\$819	\$237	\$582
CMIA	324	190	133
TCIF	794	44	750
Intercity Rail	172	27	146
State-Local Partnership	503	284	219
Local Bridge Seismic	23	4	19
Grade Separations	43	9	34
Traffic Light Synch.	50	7	43
Route 99	73	29	44
<b>Total</b>	<b>\$2,801</b>	<b>\$832</b>	<b>\$1,970</b>

Note: Totals may not add due to rounding.

### Capital Allocations vs. Capacity

The CTC has allocated \$832 million toward 233 Proposition 1A and 1B projects through the third quarter of 2012-13. No adjustments have been made, leaving \$2 billion (approximately 70 percent) in remaining allocation capacity.

### Outlook for Funding & Allocations

**Bond Funding.** Due to a significant increase in project expenditures over the past several months, the Department requested and received \$100 million in CP for ongoing Proposition 1B projects in February 2013. As of September 2012, the Department is authorized to request up to \$247 million in CP in order to continue obligations on Proposition 1B projects. The short-term advance will be repaid from future general obligation bond sales.

In March 2013, the State Treasurer's Office initiated two general obligation bond sales. The March sales provided an additional \$199 million for new and ongoing projects. An additional \$300 million was earned for local transit projects in the Public Transportation Modernization, Improvement, and Service Enhancement Account program.

Although no new bond proceeds have been received for Proposition 1A, cash resources are sufficient for the Department to recommend allocation of all 2012-13 Proposition 1A projects ready to move forward.

### Recommendations

The priority for the use of bond proceeds has been to fund ongoing projects before funding any new allocations. The Department continues to recommend allocation of all bond projects that come forward for vote during this fiscal year.

**APPENDICES**

**Appendix A ..... Allocation Capacity and Assumptions**

**Appendix B ..... Cash Forecasts**

**Forecast Methodology  
State Highway Account  
Public Transportation Account  
Traffic Congestion Relief Fund  
Transportation Investment Fund  
Transportation Deferred Investment Fund**

**Appendix C ..... Federal Emergency Projects**

**Appendix D ..... Transportation Loans**

**Status of Outstanding Transportation Loans, as of March 31, 2013  
Interfund Transportation Loans**

## **APPENDIX A – ALLOCATION CAPACITY AND ASSUMPTIONS**

The 2012-13 allocation capacity of \$5.176 billion includes Proposition 1A and Proposition 1B capacity.

This allocation capacity is based on:

- The PTA allocation capacity of \$85 million is based on a prudent cash balance of \$100 million and includes unused rolled over capacity from 2011-12.
- The SHOPP allocation capacity is based on the 2012-13 Budget Act revenue and expenditure estimates and the 2012 STIP Fund Estimate federal receipts.
- The annual TCRF allocation capacity is based on a dollar-for-dollar ratio of actual revenues received for current year expenditures. The allocation capacity and specific project funding was established by the CTC, in consultation with the Department and local agencies.
- SHOPP and STIP bond capacity is based on the remaining bond authority, budget authority, and any administrative costs. Other Proposition 1B bond capacity is based on budget authority for those funds and is dependent on the sale of sufficient bonds for funding.
- Proposed Proposition 1A capacity is based on the enacted budget and includes 2011-12 savings.

## **APPENDIX B – CASH FORECASTS – FORECAST METHODOLOGY**

### **Methodology and Assumptions**

The cash forecasts for the SHA, PTA, TCRF, TIF and TDIF are used by the Department to estimate and monitor the cash balance of transportation funds to determine the level of allocations that can be supported, and to prepare for low or high cash periods. Variances are identified and reported to management and the CTC. If necessary, adjustments are made to capital allocation levels, funding policy, or forecast methodology. The 2012-13 cash forecasts and allocation capacities are based on the following assumptions:

- State Operations projections are based on historical trends and using the Planning Estimate with a two-percent increase each year.
- Includes the most current expenditure projections available for Right-of-Way SHOPP and STIP.
- Capital Outlay and Local Assistance expenditures are based on actual and projected CTC allocations using historical and seasonal construction patterns.
- Monthly adjustments are not forecasted, since they comprise timing differences between the Department's accounting system and the SCO. These adjustments include short-term loans made to the GF, short-term loan repayments, Plans of Financial Adjustments, funds transferred in and out, and reimbursements.
- Federal receipts of approximately \$3.0 billion are based on the 2012 STIP Fund Estimate.

### **SHA**

- The beginning balance includes two payments to the Project Information System and Analysis (PISA) in June 2012.
- \$374 million loan to the GF in 2012-13 and another \$48 million loan in 2013-14.
- \$404 million loan repayment to the GF in 2012-13.
- Repayment of \$150 million from the GF in 2013-14, coinciding with a \$150 million loan repayment to the TCRF in 2013-14.
- Proposition 1B repayment of \$300 million from the American Recovery and Reinvestment Act of 2009 in 2013-14.
- Repayment of \$100 million in weight fee backfill payments, pursuant to AB 1466.
- Weight fee revenues and excise tax revenues are based on the May Revision to the Governor's Budget. Miscellaneous revenues are based on historical trends.
- Continued monthly transfers of weight fee revenues to the Transportation Debt Service Fund.
- Transfer to the Toll Bridge Seismic Retrofit Program of \$165 million in 2012-13.

### **PTA**

- Includes revenue projections provided by the DOF.

### **TCRF**

- Annual suspended Proposition 42 transfer from the TDIF of \$83 million through 2015-16.
- Future allocations are based on the projected net revenues received in 2012-13.
- No future tribal compact (Pre-Proposition 42) payments are expected to be received.

### **TIF**

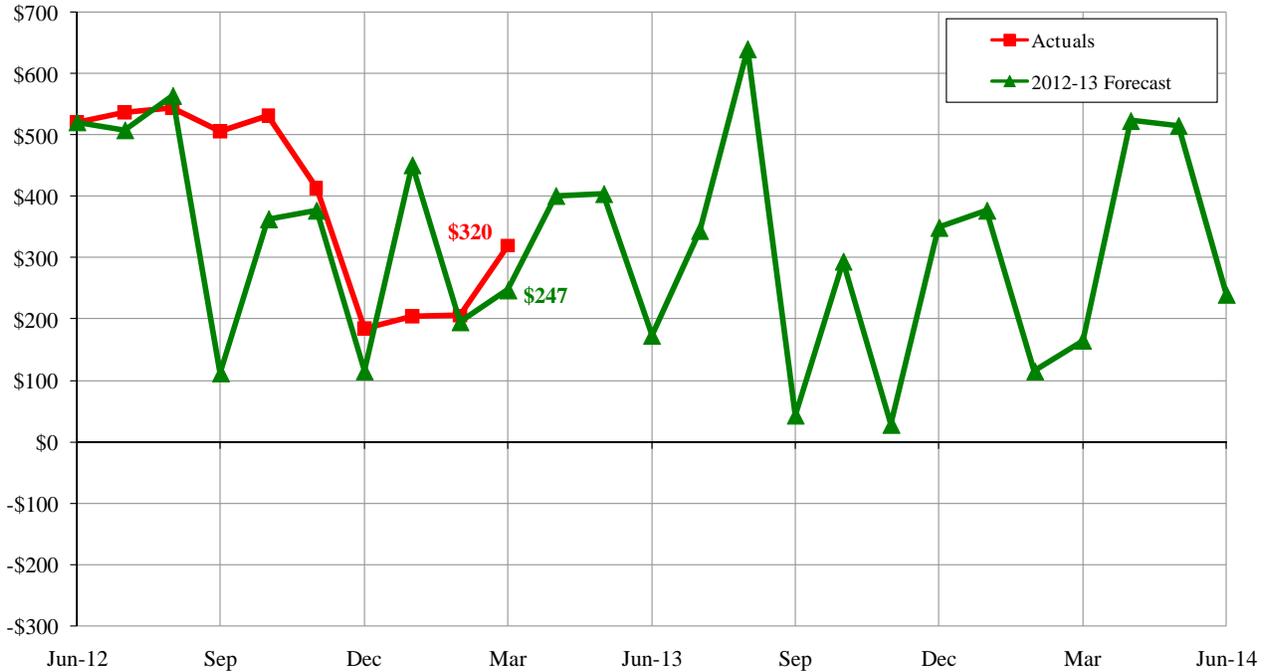
- The fund will not receive any new revenue.

### **TDIF**

- Receipt of \$83 million in Proposition 42 repayments, and annual transfer of \$83 million to the TCRF.

**APPENDIX B – CASH FORECASTS – STATE HIGHWAY ACCOUNT**

**State Highway Account (SHA)  
24-Month Cash Forecast  
(\$ in millions)**



**Year-to-Date SHA Summary**

The SHA ending cash balance through the third quarter was \$320 million, \$73 million (30 percent) above the forecasted amount of \$247 million. Revenues totaled \$3 billion, \$2 million above forecast. Transfers totaled \$911 million, \$13 million (1 percent) below forecast. Expenditures totaled \$2.7 billion, \$180 million (7 percent) above forecast. Adjustments, which represent timing differences between the Department’s accounting system and the SCO’s accounting system, totaled a positive \$438 million. These adjustments contributed to the higher than forecasted fund balance.

As of March 2013, approximately \$73 million is owed to the SHA from the Weight Fee Swap backfill payments for 2012-13. The SCO is scheduling repayments for the fourth quarter. Moving forward, the issue has been resolved and the Department does not anticipate any further problems.

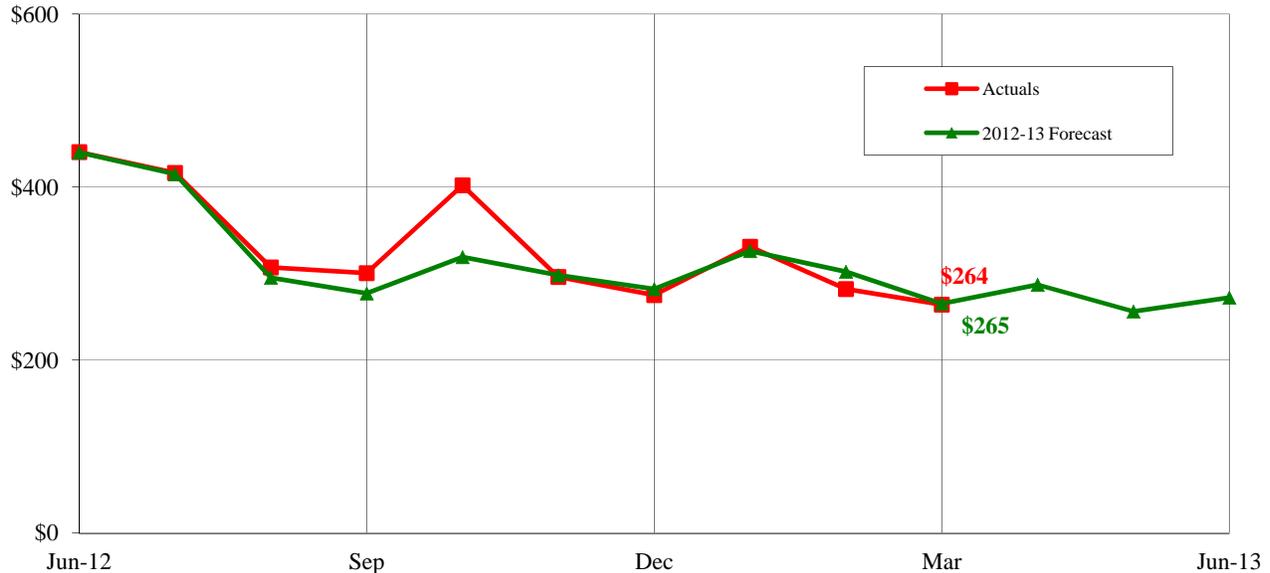
**Year-to-Date Reconciliation**

	(\$ in millions)			
	Forecast	Actual	Difference	%
<b>Beginning Cash Balance</b>	<b>\$521</b>	<b>\$521</b>	<b>N/A</b>	
Revenues	3,016	3,018	2	
Transfers	-924	-911	13	
Expenditures	-2,565	-2,745	-180	
Adjustments	200	438	238	
<b>Ending Cash Balance</b>	<b>\$247</b>	<b>\$320</b>	<b>\$73</b>	<b>30%</b>

Note: Ending cash balance may differ due to rounding.

**APPENDIX B – CASH FORECASTS – PUBLIC TRANSPORTATION ACCOUNT**

**Public Transportation Account (PTA)  
12-Month Cash Forecast  
(\$ in millions)**



**Year-to-Date PTA Summary**

The PTA ending cash balance through the third quarter was \$264 million, which is within acceptable range of the forecasted balance of \$265 million. Revenues and transfers through the third quarter totaled \$316 million, \$55 million below forecast. Expenditures for the quarter totaled \$305 million, \$41 million below forecast. Adjustments, which represent timing differences between the Department’s accounting system and the SCO’s accounting system, totaled a negative \$187 million.

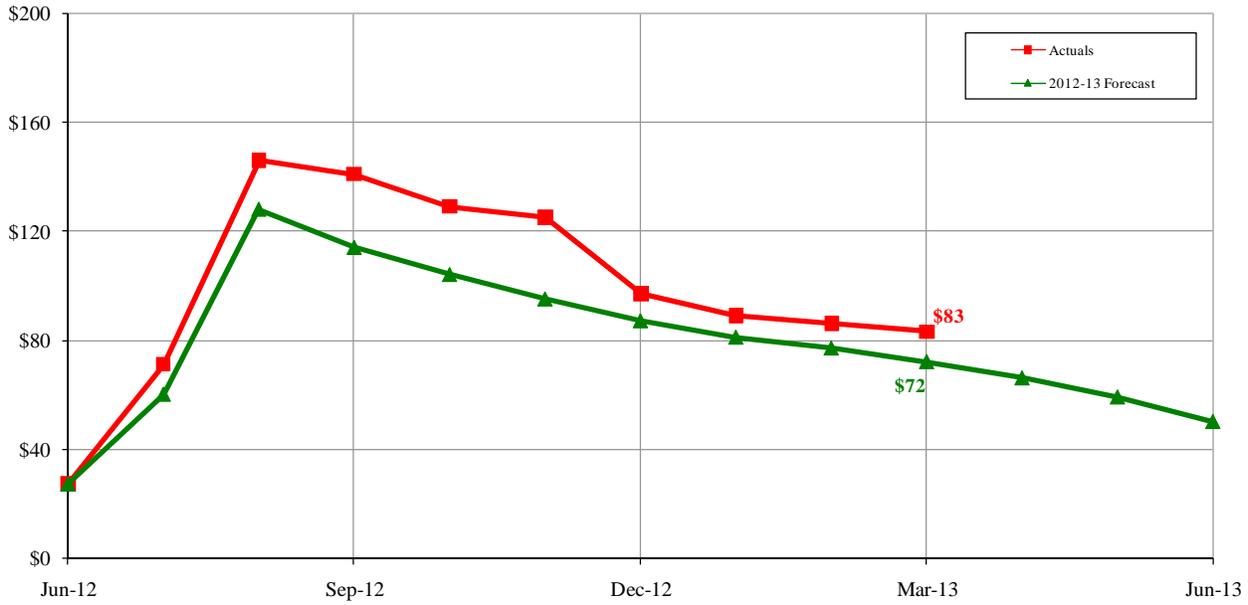
**Year-to-Date Reconciliation**

	(\$ in millions)			
	Forecast	Actual	Difference	%
<b>Beginning Cash Balance</b>	\$440	\$440	N/A	
Revenues	359	309	-49	
Transfers	13	7	-6	
Expenditures	-346	-305	41	
Adjustments	-201	-187	14	
<b>Ending Cash Balance</b>	<b>\$265</b>	<b>\$264</b>	<b>\$0</b>	<b>0%</b>

Note: Ending cash balance may differ due to rounding.

**APPENDIX B – CASH FORECASTS – TRAFFIC CONGESTION RELIEF FUND**

**Traffic Congestion Relief Fund (TCRF)  
12-Month Cash Forecast  
(\$ in millions)**



**Year-to-Date TCRF Summary**

The TCRF ending cash balance through the third quarter was \$83 million, \$11 million (15 percent) above the forecasted amount of \$72 million. Transfers totaled \$133 million, which included a \$50 million partial loan repayment from the SHA. Expenditures totaled \$133 million, \$45 million (51 percent) higher than forecast. This difference was primarily attributed to the processing of the remaining accrued expenditures from the previous fiscal year along with current year expenditures. Adjustments, which represent timing differences between the Department’s accounting system and the SCO’s accounting system, totaled a positive \$56 million.

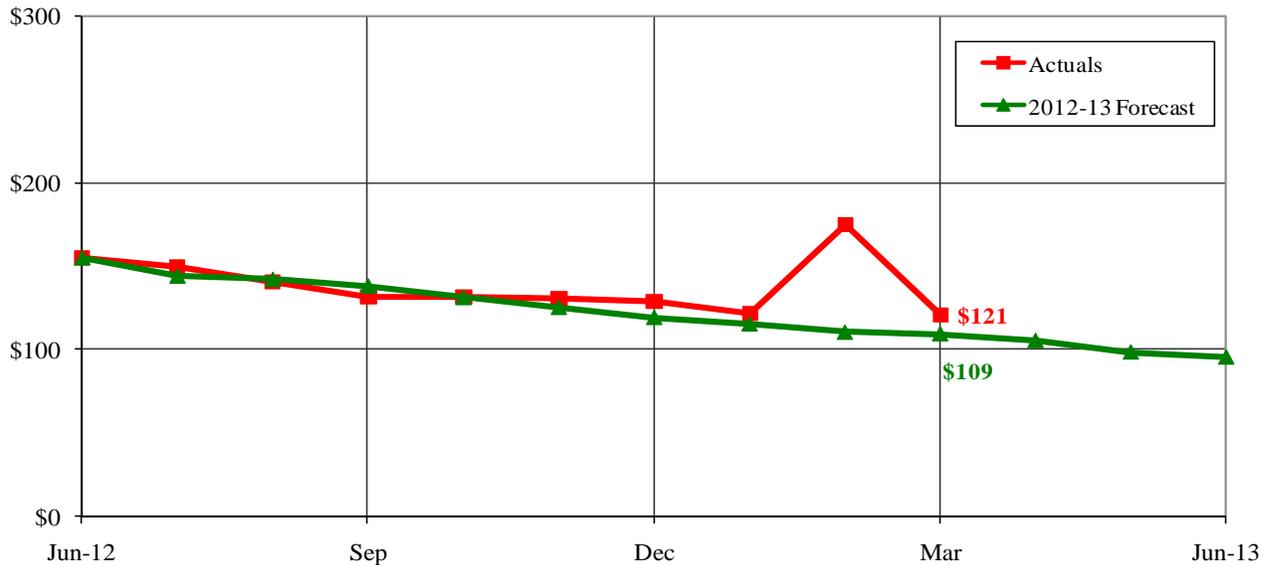
**Year-to-Date Reconciliation**

	(\$ in millions)			
	Forecast	Actual	Difference	%
<b>Beginning Cash Balance</b>	\$27	\$27	N/A	
Revenues	0	0	0	
Transfers	133	133	0	
Expenditures	-88	-133	-45	
Adjustments		56	56	
<b>Ending Cash Balance</b>	<b>\$72</b>	<b>\$83</b>	<b>\$11</b>	<b>15%</b>

Note: Ending cash balance may differ due to rounding.

**APPENDIX B – CASH FORECASTS – TRANSPORTATION INVESTMENT FUND**

**Transportation Investment Fund (TIF)  
12-Month Cash Forecast  
(\$ in millions)**



**Year-to-Date TIF Summary**

The TIF ending cash balance through the third quarter was \$121 million, \$12 million (11 percent) above the forecasted amount of \$109 million. The TIF no longer receives revenue due to the passage of ABX8 6 and ABX8 9 of 2010, collectively known as the Fuel Tax Swap. Expenditures totaled \$37 million, \$9 million (19 percent) below forecast. The ending cash balance for the month of February was inflated due to a project appropriation charging error. This error was corrected in March. Adjustments, which represent timing differences between the Department’s accounting system and the SCO’s accounting system, totaled a negative \$32 million.

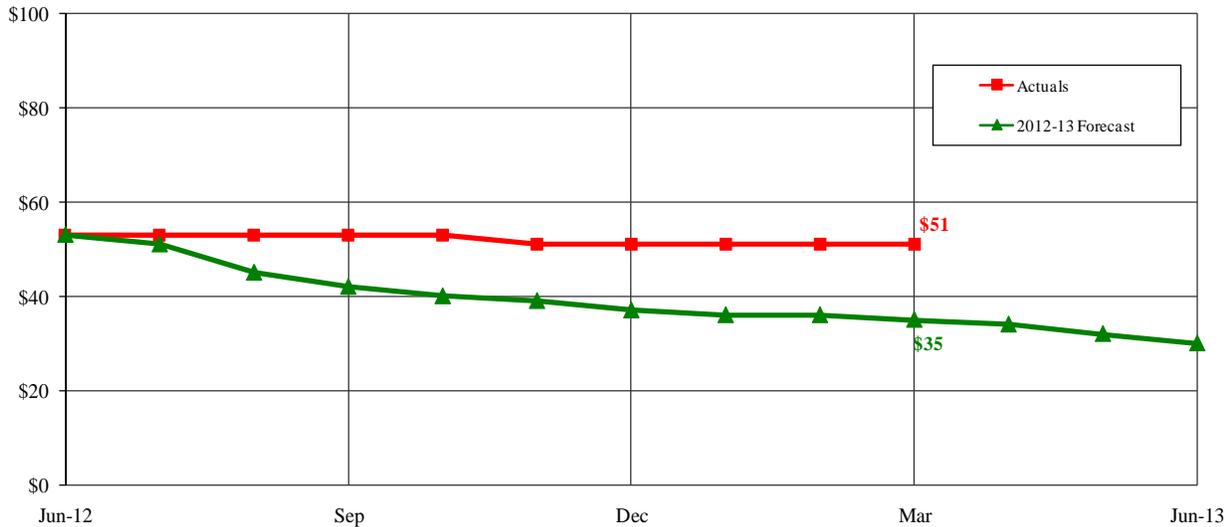
**Year-to-Date Reconciliation**

	(\$ in millions)			
	Forecast	Actual	Difference	%
<b>Beginning Cash Balance</b>	<b>\$155</b>	<b>\$155</b>	<b>N/A</b>	
Revenues	0	0	0	
Transfers	0	35	35	
Expenditures	-46	-37	9	
Adjustments		-32	-32	
<b>Ending Cash Balance</b>	<b>\$109</b>	<b>\$121</b>	<b>\$12</b>	<b>11%</b>

Note: Ending cash balance may differ due to rounding.

**APPENDIX B – CASH FORECASTS – TRANSPORTATION DEFERRED INVESTMENT FUND**

**Transportation Deferred Investment Fund (TDIF)  
12-Month Cash Forecast  
(\$ in millions)**



**Year-to-Date TDIF Summary**

The TDIF ending cash balance for the third quarter was \$51 million, \$16 million (46 percent) above the forecasted amount of \$35 million. The Department is currently analyzing expenditures and may revise the forecast methodology next fiscal year to ensure a more accurate projection. Year-to-date transfers totaled negative \$83 million, which is attributable to the \$83 million transfer to the TCRF. Expenditures totaled \$3 million, \$15 million (85 percent) below forecast. This can be attributed to projects spending slower than anticipated. Adjustments, which represent timing differences between the Department’s accounting system and the SCO’s accounting system, totaled a positive \$1 million. No future allocations will be made from the TDIF.

**Year-to-Date Reconciliation**

(\$ in millions)				
	Forecast	Actual	Difference	%
<b>Beginning Cash Balance</b>	<b>\$53</b>	<b>\$53</b>	<b>N/A</b>	
Revenues	83	83	0	
Transfers	-83	-83	0	
Expenditures	-18	-3	15	
Adjustments		1	1	
<b>Ending Cash Balance</b>	<b>\$35</b>	<b>\$51</b>	<b>\$16</b>	<b>46%</b>

Note: Ending cash balance may differ due to rounding.

## APPENDIX C – FEDERAL EMERGENCY PROJECTS

For the quarter ending March 31, 2013, the Federal Highway Administration (FHWA) acknowledged the December 2012 severe rain storm that affected San Mateo County as a declared disaster. Furthermore, the Department received an Emergency Relief allocation in the amount of \$138 million on February 15, 2013. The chart below represents disasters that have not been completely funded by FHWA.

<b>Disaster Repair Costs</b>			
<b>Approved Federal Funding and State/Local Impact</b>			
(\$ millions)			
Disaster	Identified Cost of Disaster Repair		
	State	Local	Total
Devil's Slide CA83-1	\$631	\$0	\$631
Dec. 2004 Storm CA05-1	208	104	312
Dec. 2005 Storm CA06-1	314	54	368
So. California Wildfires CA08-3	21	5	26
California Wildfires CA08-6	9	0	9
So. California Wildfires CA09-1	7	0	7
So. California Wildfires CA09-2	16	7	23
Jan. 2010 Storm CA10-1	96	12	108
Humboldt Co. Earthquake CA10-2	1	2	3
Imperial Co. Earthquake CA10-3	1	3	4
Dec. 2010 Storm CA11-1	63	52	115
Modoc Co. Storm damage CA11-2	0	1	1
Mar. 2011 Storm CA11-3	308	15	323
LA Tanker Fire CA12-1	39	0	39
So. California Windstorm CA12-2	1	4	5
Mar. 2012 Storm CA12-3	31	0	31
San Mateo Co. Storm CA13-1	1	3	4
<b>Total Damage Estimate</b>	<b>\$1,747</b>	<b>\$262</b>	<b>\$2,009</b>
<b>Amount Obligated To Date</b>			<b>\$1,487</b>
<b>Allocation Available for Future Project Costs</b>			<b>\$102</b>
<b>Remaining Need</b>			<b>\$420</b>

Note: Totals may not add due to rounding.

Future federal emergency relief of this type can only be used to fund emergency projects and does not represent new capacity, except to the extent that the SHA funds have already been advanced for the emergency projects.

## APPENDIX D – TRANSPORTATION LOANS

Status of Outstanding Transportation Loans, as of March 31, 2013 (\$ in millions)			
FUND	Original Loan	Loans / Interest Paid-to-Date	Remaining Balance
<b>Pre-Proposition 42 (Tribal Gaming Revenue):</b>			
State Highway Account (SHA) <sup>1</sup>	\$473	\$341	\$132
Public Transportation Account (PTA)	275	10	265
Traffic Congestion Relief Fund (TCRF)	482	0	482
<b>Subtotal Pre-Proposition 42 Tribal Gaming Loans:</b>	<b>\$1,230</b>	<b>\$351</b>	<b>\$879</b>
<b>Proposition 42:</b>			
Public Transportation Account (PTA) <sup>7</sup>	\$220	\$218	\$2
Transportation Investment Fund (TIF) <sup>7</sup>	440	440	0
Transportation Congestion Relief Fund (TCRF) <sup>2</sup>	1,066	817	249
Locals <sup>5</sup>	440	440	0
<b>Subtotal Proposition 42 Loans:</b>	<b>\$2,167</b>	<b>\$1,916</b>	<b>\$251</b>
<b>General Fund Loan:</b>			
State Highway Account (SHA) <sup>3</sup>	\$335	\$50	\$285
State Highway Account - Weight Fee Revenues <sup>4</sup>	227	0	227
State Highway Account - Weight Fee Revenues <sup>4a</sup>	249	0	249
Highway User Tax Account (HUTA) <sup>5</sup>	328	0	328
Public Transportation Account <sup>6</sup>	29	0	29
Other transportation accounts	31	1	30
<b>Subtotal General Fund Loan:</b>	<b>\$1,199</b>	<b>\$51</b>	<b>\$1,148</b>
<b>Totals:</b>	<b>\$4,596</b>	<b>\$2,318</b>	<b>\$2,278</b>

Note: Totals may not add due to rounding.

<sup>1</sup>The remaining balance of \$132 million will be directed to debt service per AB 115 of 2010.

<sup>2</sup>The remaining amount due to TCRF under Proposition 42 suspension will be repaid in equal annual installments ending in 2015-16.

<sup>3</sup>The SHA is expected to be repaid \$150 million in 2013-14, \$135 million in 2014-15.

<sup>4</sup>The \$80 and \$147 million was authorized by Budget Act of 2010 and subsequently characterized as weight fees via AB 115.

<sup>4a</sup>Post AB115 weight fee transfers-Budget Act of 2011-\$43.7 million loan, \$139 million-excess weight fee loan to GF, \$24.7 million fee loan to GF from SHA, VC9400.4(b)(2) - \$42 million.

<sup>5</sup>The HUTA is expected to be repaid \$328 million in 2020-21.

<sup>6</sup>The PTA is expected to be repaid \$29 million in 2020-21.

<sup>7</sup>Includes interest payments \$8 million for PTA, \$16 million for TIF and Locals.

### Pre-Proposition 42 Loans (Tribal Gaming)

The Pre-Proposition 42 loans occurred in 2001-02, when the state was faced with a growing budget deficit and looked to transportation funds to help fill the budget shortfall. The Transportation Refinancing Plan, Assembly Bill (AB) 438 (Chapter 113, Statutes of 2001), authorized a series of loans that included delaying the transfers of gasoline sales tax to transportation for two years (until 2003-04), a TCRF loan to the GF, and loans from the SHA and PTA to the TCRF.

In 2004-05, the Governor negotiated Tribal Gaming compacts to repay these loans through bonds, but legal challenges have prevented the bonds from being issued. In 2005-06, the DOF began using the compact revenues to make annual payments toward these loan balances pursuant to Government Code §63048.65. However, the 2011-12 Governor's Budget indicated that Tribal Gaming repayments would restart no earlier than 2016-17, with the SHA as the first fund to be repaid. Passage of AB 115 of 2010 declared that the SHA repayments are revenues derived from weight fees. As such, repayment of the loan to the SHA will be transferred to the TDSF by the SCO and are due by June 30, 2021.

### **Proposition 42 Loans**

The passage of Proposition 42 in 2002 made the transfer of gasoline sales tax to transportation permanent. However, as state budget shortfalls continued, Proposition 42 transfers were partially suspended in 2003-04 and completely suspended in 2004-05, creating the Proposition 42 loan balances. These loans were partially repaid in 2006-07 with a payment of \$1.399 billion, leaving approximately \$752 million due to the TCRF. Outstanding Proposition 42 loans, as of July 1, 2007, shall be repaid in annual installments not less than one-tenth of the total amount required to be transferred by June 30, 2016. Currently, TCRF is due \$249 million. With the re-enactment of the Fuel Tax Swap in March 2011 (AB 105), which eliminated the state portion of sales tax on gasoline, there are no current Proposition 42 transfers.

### **General Fund Loans**

The Budget Act of 2008 authorized \$231 million in loans to the GF from the SHA, the Bicycle Transportation Account, the Local Airport Loan Account, the Motor Vehicle Fuel Account, the Environmental Enhancement and Mitigation Program, the Historic Property Maintenance Fund (HPMF), and the Pedestrian Safety Account. These funds were transferred on November 14, 2008. The \$231 million in authorized loans were scheduled to be repaid by June 30, 2011, but the Budget Act of 2012 delayed the repayments. The SHA received a partial repayment of \$50 million after the close of the fourth quarter of 2011-12, and an additional \$50 million is scheduled to be repaid in fiscal year 2012-13. The remaining \$100 million is scheduled to be repaid by June 30, 2014. A partial repayment of \$1 million was received by the HPMF on June 14, 2012. Repayment of the remaining HPMF loan balance of \$2 million has been extended to a date no later than June 30, 2014. The repayment of \$28 million to the various, smaller transportation accounts is expected in 2016-17.

A \$135 million loan from the SHA to the GF was authorized in the Budget Act of 2009. The loan to the GF occurred on June 30, 2010. The authorized \$135 million loan was scheduled to be repaid by June 30, 2013, but the Budget Act of 2012 delayed the repayment to June 30, 2015. In 2011, the passage of AB 105 subsequently characterized the \$135 million loan as revenue derived from weight fees.

The Budget Act of 2010 authorized a loan of \$29 million from the PTA to the GF. This loan is scheduled to be repaid by June 30, 2021.

The outstanding HUTA loans of \$328 million were authorized by the Budget Act of 2010. These loans are required to be repaid by June 30, 2021 including interest calculated at the rate earned by the Pooled Money Investment Account.

The passage of AB 115 authorized the postponement of repayment of \$804 million in loans from the GF to transportation funds until June 30, 2021. Upon repayment of the \$804 million in loans, the SCO will immediately transfer these funds to the TDSF for transportation bond debt service.

In fiscal year 2010, a payment deferral from the SHA to the GF in the amount of \$404 million occurred. A partial repayment of \$203.6 million was paid in July 2012. The remaining payment of \$202 million was repaid on April 30, 2013.

## Weight Fees

In 2010, California voters passed Proposition 22, which amended the California Constitution by significantly restricting the State from using fuel excise tax revenues for GF relief, which was previously allowed. In 2011, the passage of AB 105 created a “weight fee swap” which allowed the State to use weight fee revenues for GF relief rather than fuel excise tax revenues. The bill authorized transfers of weight fee revenues from the SHA to the Transportation Debt Service Fund (TDSF) and the GF for transportation debt service and loans. To offset these diversions, an equivalent amount of taxes from the new price-based excise tax was transferred to the SHA.

The Budget Act of 2010 authorized \$80 million and \$147 million in loans from the SHA to the GF. With the passage of AB 115 in January 2011, these loans were “grandfathered” into statute and characterized as being derived from weight fees; consequently, repayment of these loans to the SHA will be transferred to the TDSF for transportation bond debt service.

AB 115 also proposed an additional loan of \$43.7 million to the GF, which was authorized in the 2011 Budget Act. In May and June 2012, excess weight fees available in the SHA were transferred as loans to the GF in the amount of \$139 million and \$24.7 million, respectively. Pursuant to Section 9400.4(b)(2) of the Vehicle Code, an additional \$42 million was transferred as a loan from excess weight fee revenues in the SHA to the GF on July 1, 2012. The \$42 million shall be repaid no later June 30, 2021. In total, there is \$476 million in outstanding loans to the GF derived from weight fee revenues.

## APPENDIX D – INTERFUND TRANSPORTATION LOANS

Interfund Transportation Loans (\$ in millions)						
Fiscal Year Borrowed	From Account	To Account	Description	Amount	Repaid	Remaining Balance
2008-09	TCRF	SHA	Backfill SHA transfer to the GF	\$200	\$50	\$150
2009-10	PTA	SHA	Backfill SHA transfer to the GF	135	0	135
<b>Totals</b>				<b>\$335</b>	<b>\$50</b>	<b>\$285</b>

A loan of \$200 million was transferred in 2008-09 to the SHA from the TCRF to repay a \$200 million loan to the GF. A partial repayment of \$50 million was made to the TCRF in July 2012.

A loan of \$135 million was transferred in 2009-10 to the SHA from the PTA to backfill a \$135 million loan to the GF. The \$135 million loan repayment to the PTA has been extended to June 2015.