

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: October 27-28, 2004

Reference No.: 3.6  
Information Item

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Local Assistance

Ref: **LOCAL ASSISTANCE LUMP SUM ALLOCATION FINAL REPORT  
FOR FISCAL YEAR 2003-04**

## **SUMMARY:**

In June 2003, the California Transportation Commission (Commission) passed Resolution FM-02-05, allocating a total of \$986,519,000 for the Local Assistance Program for FY 2003-04. The allocation included approximately \$75 million in state funds and \$891 million in federal funds, for a total of approximately \$966 million, for specific local assistance programs.

In April 2004, and per SB 10 (Sotto), the Commission adopted Resolution FM-03-06, approving a technical adjustment to the lump sum allocation to accommodate the exchange of federal Hazard Elimination and Safety funds for state funds for the Safe Routes to School Program. The amount of the exchange was \$22 million. The total state allocation was increased from approximately \$75 million to \$97 million and the federal funds were reduced from \$891 to \$869 million.

As of August 31, 2004, \$948 million, or 98%, of the \$966 million allocated has been sub-allocated. This includes \$570 million of encumbrances and \$378 million for Federal Transit Administration (FTA) transfers.

## **BACKGROUND:**

The Department of Transportation's (Department) Local Assistance Program administers the local assistance subvention budget under authority from the Commission. The Commission provides an annual lump sum allocation consistent with the Budget Act. The Commission further delegates to the Department the authority to adjust allocations for local assistance and the Department reports to the Commission if any transfers in or out of an expenditure category that exceed 10 percent of its allocation.

**Local Assistance Lump sum Allocation Status for FY 2003-2004:**

As of August 31, 2004, \$948 million, or 98%, of the \$966 million allocated has been used. These funds were allocated to 669 local projects. The majority of these sub-allocations are 602 projects in the following categories:

Surface Transportation Program – 107 projects, \$236 million  
Congestion Mitigation & Air Quality Program (CMAQ) – 121 projects, \$390 million  
Bridge – Seismic Retrofit – 36 projects, \$29 million  
Highway Bridge Rehabilitation and Replacement – 117 projects, \$70 million  
Demonstration Category – 23 projects, \$74 million  
Transportation Enhancement Activities – Regional Share – 68 projects, \$43 million  
Surface Transportation Program State Match and Exchange - 84 projects, \$46 million  
Miscellaneous – 46 projects, \$25 million

The remaining 67 projects are in other categories and represent 10% of the total projects.

The Demonstration Projects category has \$74 million of expenditures. The initial allocation request for this category was zero since specific projects expected to receive an allocation were not known. Funds for these projects are available from unspent funds in other categories. The Miscellaneous category exceeded its original allocation amount; this expenditure represents about 2% of the total allocation. Unspent allocations from other categories will be used to cover the deficit in the allocation for the Miscellaneous category.

**FY 2003-04 compared to prior years as of August 31, 2004:**

The delivery to date for FY 2003-04 is \$948 million, or 98%, of the \$966 million allocated by the Commission. Of this amount, \$67 million is for state sub-allocations and \$503 million for federal sub-allocations. The federal sub-allocations include \$378 million for transfers made to the Federal Transit Administration.

For FY 2002-03, the Commission allocated \$993 million, and all funds have been sub-allocated. For FY 2001-02, the Commission allocated \$996 million, and all funds have been sub-allocated. Based on this information, all of the local assistance subvention funds allocated annually by the Commission are used by the third year the allocation is approved.

**Lump Sum Allocation for FY 2001-02, FY 2002-03 and FY 2003-04****As of August 31, 2004****(Includes FTA Transfers)**

(Amounts in Millions \*)

	<b>FY 2001-02</b>	<b>FY 2002-03</b>	<b>FY 2003-04</b>
<b>Allocated Funds</b>	\$ 996	\$ 993	\$ 966
<b>Sub-Allocation</b>	\$ 919	\$ 874	\$ 570
<b>FTA Transfers**</b>	<u>\$ 311</u>	<u>\$ 266</u>	<u>\$ 378</u>
<b>Balance</b>	(\$234)	(\$147)	\$ 18
<b>Total Percent Used</b>	<b>123%</b>	<b>115%</b>	<b>98%</b>

\*Differences due to rounding.

**\*\*Budget Authority was not exceeded. FTAs do not use budget authority, however, they do represent projects delivered.**

The allocation approved by the Commission for FY 2004-05 at the June 2004 meeting was reduced by \$361 million pending the final status report for FY 2003-04 and a status of allocations from prior years. The Department intends to request the remaining \$361 million for FY 2004-05 be allocated at the December 2004 Commission meeting to fund projects at a level commensurate to federal obligation authority available for local transportation projects provided annually by the Federal Highway Administration.

Attachment

**LOCAL ASSISTANCE FUNDS**  
**FY 2003-04**  
**(As of August 31, 2004)**

Reference No.: 3.6  
 October 27-28, 2004  
 Attachment

(Dollars in 1,000)

Fund Description	Allocated Funds			Total Expenditures			Allocation Balance			Percent of Allocation Spent	Number of Projects
	State	Federal	Total	State	Federal	Total	State	Federal	Total	Total	Total
Surface Transportation Pgrm ( STP)		372,945	372,945	0	140,218	140,218	0	232,727	232,727	38%	100
STP State Match and Exchange	46,000		46,000	46,000	0	46,000	0		0	100%	84
Congestion Mitigation & Air Qual Pgrm (CMAQ)		277,000	277,000	0	125,156	125,156	0	151,844	151,844	45%	76
Local Bridge Inspection & Scour	900	3,300	4,200	0	0	0	900	3,300	4,200	0%	0
Highway Bridge Rehabilitation & Replacement (HBRR)		98,640	98,640	0	70,230	70,230	0	28,410	28,410	71%	117
Bridge - Seismic Retrofit	0	52,490	52,490	38	28,849	28,887	-38	23,641	23,603	55%	36
Railroad Grade Crossing Protection		10,000	10,000	0	7,749	7,749	0	2,251	2,251	77%	16
Railroad Grade Crossing Maintenance	4,250		4,250	4,089	0	4,089	161	0	161	96%	1
Railroad Grade Separations	15,000		15,000	13,873	0	13,873	1,127	0	1,127	92%	3
Hazard Elimination & Safety (HES)		8,000	8,000	0	4,666	4,666	0	3,334	3,334	58%	24
Safe Routes to School	22,000	0	22,000	800	1,739	2,539	21,200	-1,739	19,461	12%	19
Transportation Enhancement Activities (TEA), Regional Share		45,000	45,000	0	26,181	26,181	0	18,819	18,819	58%	65
Transportation Enhancement Activities Exchange	6,440		6,440	1,509	0	1,509	4,931	0	4,931	23%	4
Demonstration Projects		0	0	0	74,384	74,384	0	-74,384	-74,384		23
Miscellaneous	2,000	1,625	3,625	1,000	23,477	24,477	1,000	-21,852	-20,852	675%	46
<b>Total Local Assistance Subvented Funds</b>	<b>96,590</b>	<b>869,000</b>	<b>965,590</b>	<b>67,309</b>	<b>502,649</b>	<b>569,958</b>	<b>29,281</b>	<b>366,351</b>	<b>395,632</b>	<b>59%</b>	<b>614</b>
Federal Transit Administration (FTA) Transfers	-	-	-	0	378,236	378,236	0	(378,236)	(378,236)		55
<b>Total Local Assistance Including FTA Transfers</b>	<b>96,590</b>	<b>869,000</b>	<b>965,590</b>	<b>67,309</b>	<b>880,885</b>	<b>948,194</b>	<b>29,281</b>	<b>-11,885</b>	<b>17,396</b>	<b>98%</b>	<b>669</b>

**Assumptions:**

- The amounts do not include Freeway Service Patrol or Bay Area Ferry Operations.
- FTA transfers are \$96,207,086 for RSTP, \$265,101,990 for CMAQ and \$16,927,000 for TEA.
- Misc. expenditures include projects not included elsewhere.
- Balances are based on allocation requests.
- The Allocation balance is the difference between Allocated Funds and Total Expenditures.
- Total Expenditures and Number of Projects is from LP2000 report.
- Safe Routes to Schools Program Exchange on April 7-8, 200.4 CTC Resolution FM-03-06. \$22,000,000. Item 2.5g.