

# Memorandum

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

**CTC Meeting:** December 5-6, 2012

**Reference No.:** 3.6  
Information Item

**From:** NORMA ORTEGA  
Chief Financial Officer

**Prepared by:** Steven Keck  
Division Chief  
Budgets

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

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

Attachment



# **Department of Transportation Quarterly Finance Report**

## **First 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 Department of Transportation (Caltrans) 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 2011-12 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

*First Quarter FY 2012-13*

## EXECUTIVE SUMMARY

2012-13 Capital Allocations vs. Capacity Summary through September 30, 2012 (\$ 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	587	253	93	544	1,477
Authorized Changes <sup>2</sup>	-9	0	0	0	-\$9
<b>Total Remaining Capacity</b>	<b>\$1,094</b>	<b>\$367</b>	<b>-\$10</b>	<b>\$2,258</b>	<b>\$3,708</b>

Note: Totals may differ due to rounding.

<sup>1</sup>Proposition 1B bond capacity included in total: \$47M (Prop 1B SHOPP); \$35M (Prop 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) allocated \$1.5 billion toward 216 projects through the first quarter of fiscal year 2012-13. Adjustments totaled negative \$9 million, leaving \$3.7 billion (72 percent) in remaining capacity.

With the exception of the State Highway Account (SHA) and the Traffic Congestion Relief Fund (TCRF), the cash balances for all of Caltrans' major funds were within acceptable range of forecast (Refer to Appendix B). The SHA cash balance was higher than expected due primarily to the delay in the \$165 million payment to the Toll Bridge Seismic Retrofit Program (TBSRP). The payment was forecasted in the first quarter, but did not occur until October. Although the SHA balance appears healthy, Caltrans expects that the fund balance will remain below its prudent cash balance for most of the remainder of this fiscal year. Lower than expected revenues (caused by the delay in the monthly weight fee backfill), sizable obligations, and delayed loan re-payments are all contributing factors. The TCRF cash balance was lower than forecast due to the payment of accrued expenditures from the previous fiscal year.

During the first quarter, the Federal Highway Administration (FHWA) released its annual redistribution of fiscal year 2012 obligation limitation (August Redistribution) to the States. California received the largest share, a total of \$136.6 million. This is one of the largest amounts to be redistributed to California in the history of the Highway Program. On September 28th, President Obama signed House Joint Resolution 117 (HJ Res 117). This Continuing Appropriations Resolution appropriates funding for the first six months of the Federal Government's operations in fiscal year 2013. It expires on March 27, 2013. Although HJ Res 117 is in place, automatic spending cuts (sequesters) are slated to begin in January 2013, as required by the 2011 Budget Control Act. The sequestration was brought about because of the failure of a bipartisan congressional committee to reach an agreement on reducing the federal deficit last November (2011). Programs supported by the Federal Highway Trust Fund are exempt from sequestration, which means California's transportation funding will be minimally impacted.

## 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	\$132	-\$3	\$130	\$95
FTF	1,400	454	-6	448	952
Prop 1B SHOPP	47	0	0	0	47
<b>Total</b>	<b>\$1,672</b>	<b>\$587</b>	<b>-\$9</b>	<b>\$578</b>	<b>\$1,094</b>

Note: Totals may differ due to rounding.

### Capital Allocations vs. Capacity

SHOPP allocations totaled \$587 million (35 percent) toward 79 projects through the first quarter. Adjustments totaled negative \$9 million resulting in \$1 billion (65 percent) in remaining capacity.

### Outlook for Funding & Allocations

As California's economy continues to struggle, the SHA has likewise been impacted by lower than expected revenues. As previously reported, the SHA still has not received a portion of the monthly backfill amount from excise taxes related to the Weight Fee Swap. Caltrans has continued to meet and discuss with the State Controller's Office (SCO) staff to correct this issue. The last meeting took place in mid October. A consensus was arrived at and the SCO has indicated that transfers of the outstanding amount from the previous fiscal year, as well as current transfers, should begin shortly. The current balance owed to the SHA is \$161 million.

Caltrans expects that the SHA balance will reach low funding levels during various times throughout the fiscal year. This can be attributed to the above-mentioned Weight Fee Swap backfill issue, as well as large obligations that are expected to impact the fund. These include a \$202 million loan repayment to the GF, and \$165 million payment to the TBSRP.

The Federal fiscal year ended September 30<sup>th</sup>. On September 28th, the President signed HJ Res 117. This Continuing Appropriations Resolution appropriates federal funding through March 27, 2013; however, automatic spending cuts (sequesters) are slated to begin in January 2013, as required by the 2011 Budget Control Act. The sequestration was brought about because of the failure of a bipartisan congressional committee to reach an agreement on reducing the federal deficit last November (2011). Programs supported by the Federal Highway Trust Fund are exempt from sequestration, which means California's transportation funding will be minimally impacted.

### Recommendations

Caltrans will continue to closely monitor the SHA fund balance and any major changes will be communicated to the Commission. In addition, should the situation with the SHA become severe, Senate Bill (SB) 84 of 2011-2012 allows Caltrans to borrow up to \$313 million from the General Fund (GF) to ensure the fund 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	\$129	\$0	\$130	\$70
FTF	300	123	0	123	177
PTA	85	0	0	0	85
Prop 1B STIP	35	0	0	0	35
<b>Total</b>	<b>\$620</b>	<b>\$253</b>	<b>\$0</b>	<b>\$253</b>	<b>\$367</b>

Note: The FTF STIP capacity was identified only for Transportation Enhancement (TE) 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. Totals may differ due to rounding.

### Capital Allocations vs. Capacity

Of the \$620 million STIP capacity, a total of \$253 million (41 percent) was allocated toward 65 projects through the first quarter. Remaining STIP capacity totals \$367 million (59 percent).

### Outlook for Funding & Allocations

**State Highway Account (SHA).** Caltrans expects the SHA to struggle with solvency in the first half of the fiscal year. This can be attributed to the Weight Fee Swap backfill issue, a \$202 million loan repayment to the GF, and a \$165 million payment to the TBSRP. In addition, a \$135 million loan repayment from the GF was delayed. Should the situation become dire, SB 84 states the Department can borrow up to \$313 million from the General Fund (GF) to ensure the SHA has adequate resources to cover costs.

**Federal Trust Fund (FTF).** On September 28th, the President signed HJ Res 117, a Continuing Appropriations Resolution which appropriates federal funding through March 27, 2013. Despite HJ Res 117, automatic spending cuts (sequesters) are slated to begin in January 2013. This sequestration will minimally impact California transportation resources, as programs supported by the Federal Highway Trust Fund are exempt.

**Public Transportation Account (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.

**Transportation Facilities Account (TFA).** The State Treasurer's Office (STO) conducted its fall general obligation bond sale in September. Caltrans received \$403 million for Proposition 1B bond projects and \$2.9 million for Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) local transit projects.

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

### Recommendations

Caltrans 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	-\$10
<b>Total</b>	<b>\$83</b>	<b>\$93</b>	<b>\$0</b>	<b>\$93</b>	<b>-\$10</b>

Note: Totals may differ due to rounding.

### Capital Allocations vs. Capacity

\$93 million toward five projects has been allocated through the first. The TCRF is currently over-allocated by \$10 million. There are no further TCRP projects expected to be allocated this fiscal year.

### 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

Caltrans 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
<b>Proposition 1A</b>	\$819	\$219	\$600
<b>CMIA</b>	324	151	173
<b>TCIF</b>	794	33	762
<b>Intercity Rail</b>	172	0	172
<b>State-Local Partnership</b>	503	135	368
<b>Local Bridge Seismic</b>	23	0	23
<b>Grade Separations</b>	43	0	43
<b>Traffic Light Synch.</b>	50	8	42
<b>Route 99</b>	73	-2	75
<b>Total</b>	<b>\$2,801</b>	<b>\$544</b>	<b>\$2,258</b>

Note: Totals may differ due to rounding.

### Capital Allocations vs. Capacity

A total of \$544 million was allocated toward 63 Proposition 1A and 1B bond projects through the first quarter. This represents 19 percent of the \$2.8 billion capacity.

The STO conducted its fall general obligation bond sale in September 2012. The sale resulted in the following distribution of bond proceeds:

- \$403 million to Caltrans for Proposition 1B projects;
- \$2.9 million to Caltrans for Proposition 1B PTMISEA local transit projects;
- \$866,000 to the CTC for Proposition 1B support costs; and,
- \$21.4 million to the CTC for Proposition 116 projects.

In addition, \$202.9 million in proceeds from the spring 2012 sale are now available for PTMISEA projects. These proceeds were retained after the spring sale in order to ensure existing Caltrans projects had sufficient resources to meet commitments until the fall sale. The Department of Finance (DOF) has also authorized Caltrans to receive the following amounts from commercial paper should cash on-hand be insufficient to meet project needs before the next bond sale:

- \$247 million for Caltrans' Proposition 1B projects; and,
- \$27.2 million for Caltrans' Proposition 1A high-speed rail connectivity projects.

Commercial paper consists of short-term notes with maturities ranging from one to 270 days. The purpose of commercial paper is to meet short-term financial obligations. Any commercial paper debt incurred to cover Proposition 1B project costs will be repaid from future general obligation bond sales. The DOF is taking this approach to ensure that funds are available to meet cash needs so that projects can continue to move forward, and at the same time, minimize the amount of general obligation bond proceeds received but not yet expended.

### **Outlook for Funding & Allocations**

The STO bond calendar indicates there are currently no bond sales scheduled.

### **Recommendations**

The priority for the use of bond proceeds has been to fund ongoing projects before funding any new allocations. During the first quarter, Caltrans recommended allocation of all bond projects that came forward for vote. Caltrans anticipates being able to continue this recommendation.

**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 Funding**

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

## APPENDIX A – ALLOCATION CAPACITY AND ASSUMPTIONS

2012-13 Allocation Capacity By Fund and Program (\$ in millions)					
Fund	SHOPP	STIP	TCRP	Other Bonds	Total
SHA	\$225	\$200	\$0	\$0	\$425
FTF	1,400	300	0	0	1,700
PTA	0	85	0	0	85
TCRF	0	0	83	0	83
<i>Prop 1A Bonds*</i>	0	0	0	819	819
<i>Prop 1B Bonds*</i>	47	35	0	1,982	2,064
<b>Total Capacity</b>	<b>\$1,672</b>	<b>\$620</b>	<b>\$83</b>	<b>\$2,801</b>	<b>\$5,176</b>

\* Bond capacity represents total budget authority and is subject to sales in 2012-13. Numbers may differ due to rounding.

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 Caltrans 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 – FORECAST METHODOLOGY**

### **Methodology and Assumptions**

The cash forecasts for the SHA, PTA, TCRF, TIF and TDIF are used by Caltrans 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 Caltrans' 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 (TDSF).
- 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 Prop 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-Prop 42) payments are expected to be received.

### **TIF**

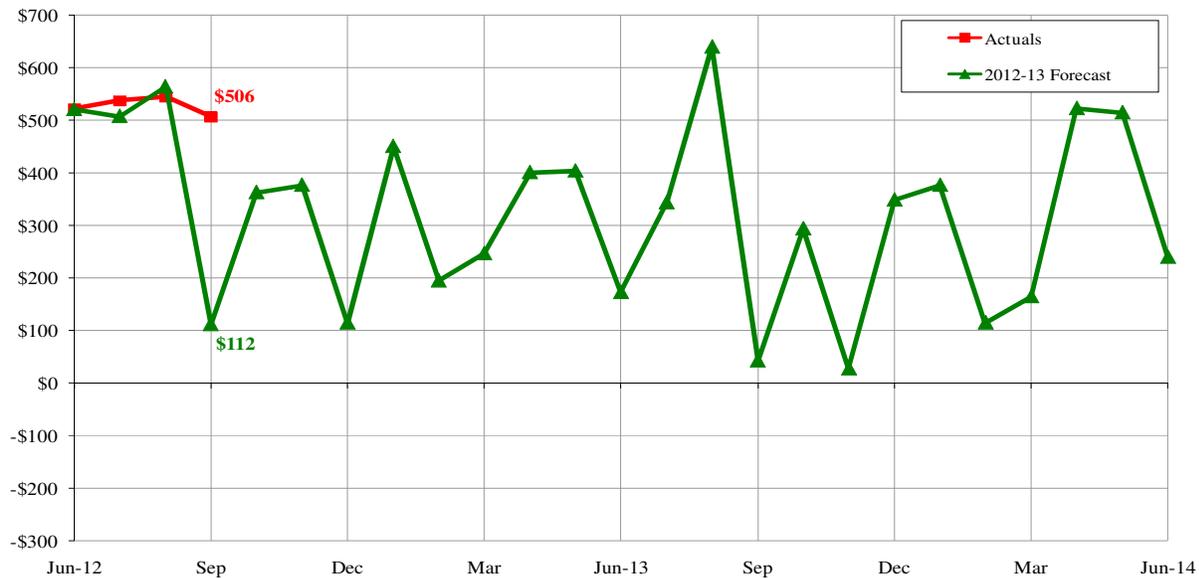
- The fund will not receive any new revenue.

### **TDIF**

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

## APPENDIX B – STATE HIGHWAY ACCOUNT

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



### Year-to-Date SHA Summary

The SHA ended the first quarter with a cash balance of \$506 million, \$393 million (350 percent) above the forecasted amount of \$112 million. The high cash balance is primarily due to the delay of the \$165 million payment to the TBSRP, which was forecasted to occur in the first quarter, but did not occur until the second quarter. SHA first quarter revenues were \$836 million, \$39 million (5 percent) above forecast. Transfers totaled \$531 million, \$161 million (43 percent) above forecast. Expenditures for the quarter totaled \$810 million, \$225 million (22 percent) below forecast. This is due to timing differences in posting of contractor payments versus forecast. Adjustments, which represent timing differences between Caltrans' accounting system and the SCO's accounting system, totaled a positive \$490 million. Caltrans anticipates that the SHA fund balance will come closer to forecast during the second quarter.

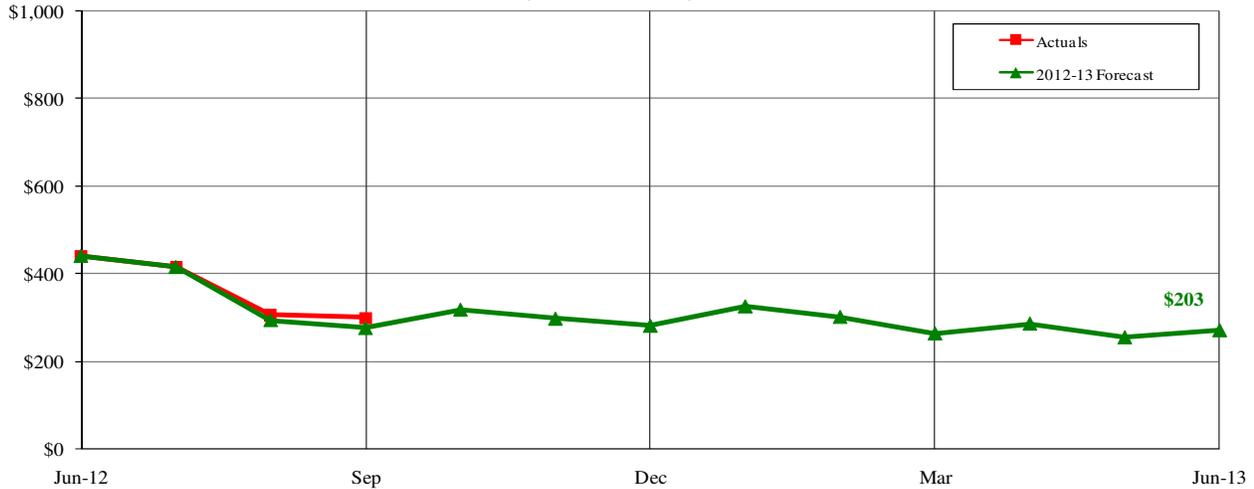
### Year-to-Date Reconciliation

	(\$ in millions)			
	Forecast	Actual	Difference	%
<b>Beginning Cash Balance</b>	<b>\$521</b>	<b>\$521</b>	<b>N/A</b>	
Revenues	797	836	39	
Transfers	-370	-531	-161	
Expenditures	-1,035	-810	225	
Adjustments	200	490	290	
<b>Ending Cash Balance</b>	<b>\$112</b>	<b>\$506</b>	<b>\$393</b>	<b>350%</b>

Note: Ending cash balance may differ due to rounding.

**APPENDIX B – 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 first quarter was \$300 million, \$24 million (9 percent) above the forecasted amount of \$277 million. The quarterly transfer to the State Transit Assistance represented the majority of the expenditures. There are no significant items to report for the first quarter.

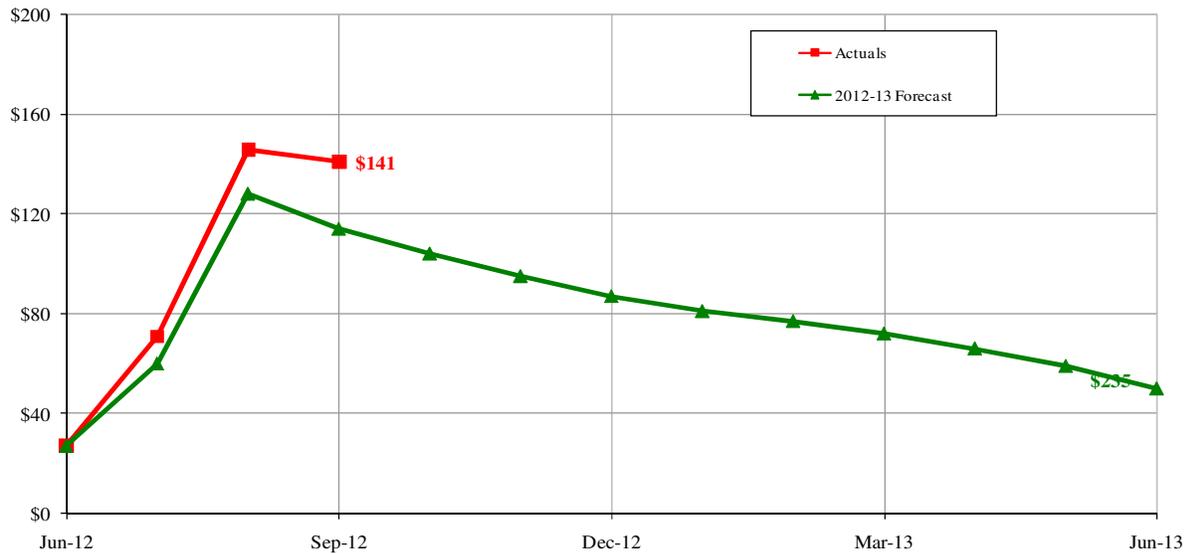
**Year-to-Date Reconciliation**

	(\$ in millions)			
	Forecast	Actual	Difference	%
<b>Beginning Cash Balance</b>	<b>\$440</b>	<b>\$440</b>	<b>N/A</b>	
Revenues	0	0	0	
Transfers	0	0	0	
Expenditures	-100	-99	1	
Adjustments	-64	-41	23	
<b>Ending Cash Balance</b>	<b>\$277</b>	<b>\$300</b>	<b>\$24</b>	<b>9%</b>

Note: Ending cash balance may differ due to rounding.

**APPENDIX B – 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 for the first quarter was \$141 million, \$27 million (23 percent) above the forecasted amount of \$114 million. First quarter transfers totaled \$133 million, which included the 2012-13 suspended Proposition 42 transfer from the TDIF and a \$50 million partial loan repayment from the SHA. The remaining loan balance of \$150 million is scheduled to be repaid from the SHA upon receipt from the GF in 2013-14. Expenditures totaled \$72 million, \$26 million (56 percent) higher than forecast. This difference was primarily attributed to the processing of the remaining accrued expenditures from the previous year and the current year. Adjustments, which represent timing differences between Caltrans' accounting system and the SCO's accounting system, totaled a positive \$52 million.

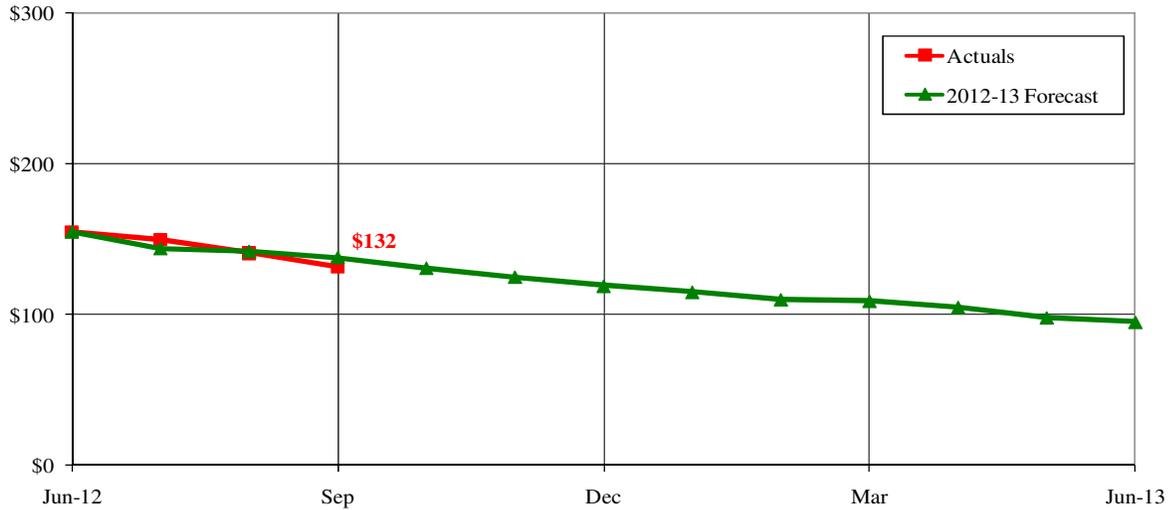
**Year-to-Date Reconciliation**

(\$ in millions)				
	Forecast	Actual	Difference	%
<b>Beginning Cash Balance</b>	\$27	\$27	N/A	
Revenues	0	0	0	
Transfers	133	133	0	
Expenditures	-46	-72	-26	
Adjustments		52	52	
<b>Ending Cash Balance</b>	<b>\$114</b>	<b>\$141</b>	<b>\$27</b>	<b>23%</b>

Note: Ending cash balance may differ due to rounding.

**APPENDIX B – TRANSPORTATION INVESTMENT FUND**

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



**Year-to-Date TIF Summary**

The TIF ending cash balance for the first quarter was \$132 million, \$5 million (4 percent) below the forecasted amount of \$138 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. No transfers were made through the first quarter, and there were no expenditures processed. Year-to-date adjustments totaled negative \$22 million.

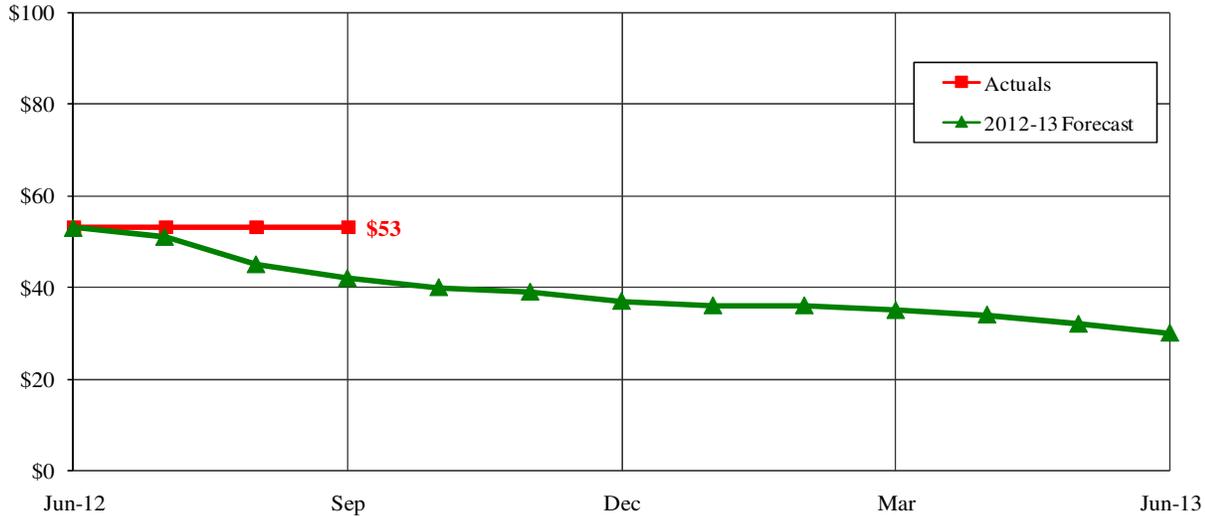
**Year-to-Date Reconciliation**

	(\$ 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	0	0	
Expenditures	-17	0	17	
Adjustments		-22	-22	
<b>Ending Cash Balance</b>	<b>\$138</b>	<b>\$132</b>	<b>-\$5</b>	<b>-4%</b>

Note: Ending cash balance may differ due to rounding.

**APPENDIX B – 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 first quarter was \$53 million, \$10 million (25 percent) above the forecasted amount of \$42 million. Year-to-date transfers totaled negative \$83 million, which is attributable to the \$83 million transfer to the TCRF. Expenditures totaled \$1 million, \$9 million (90 percent) below forecast. This can be attributed to projects spending slower than anticipated. Caltrans is currently investigating the detailed expenditures and may revise the forecast to ensure a more accurate projection. Year-to-date adjustments 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	-10	-1	9	
Adjustments		1	1	
<b>Ending Cash Balance</b>	<b>\$42</b>	<b>\$53</b>	<b>\$10</b>	<b>25%</b>

Note: Ending cash balance may differ due to rounding.

**APPENDIX C – FEDERAL EMERGENCY PROJECTS**

<b>Disaster Repair Costs Approved Federal Funding and State/Local Impact (\$ millions)</b>			
<b>Disaster</b>	<b>Identified Cost of Disaster Repair</b>		
	<b>State</b>	<b>Local</b>	<b>Total</b>
Devil's Slide CA83-1	631	0	631
Dec. 2004 Storm CA05-1	210	104	314
Dec. 2005 Storm CA06-1	316	54	370
So. California Wildfires CA08-3	20	5	25
California Wildfires CA08-6	9	0	9
So. California Wildfires CA09-1	9	0	9
So. California Wildfires CA09-2	13	6	19
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	69	52	121
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
<b>Total Damage Estimate</b>	<b>\$1,754</b>	<b>\$258</b>	<b>\$2,012</b>
<b>Amount Obligated To Date</b>			<b>\$1,365</b>
<b>Allocation Available for Future Project Costs</b>			<b>\$81</b>
<b>Remaining Need</b>			<b>\$566</b>

There have been no new disaster declarations for the quarter ending September 30, 2012, nor has the Department received any new Emergency Relief allocations from the Federal Highway Administration (FHWA). The chart above represents disasters that have not been completely funded by FHWA.

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

<b>Status of Outstanding Transportation Loans, as of September 30, 2012</b> (\$ in millions)			
<b>FUND</b>	<b>Original Loan</b>	<b>Loans / Interest Paid-to-Date<sup>6</sup></b>	<b>Remaining Balance</b>
<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>6</sup>	\$220	\$218	\$2
Transportation Investment Fund (TIF) <sup>6</sup>	440	440	0
Transportation Congestion Relief Fund (TCRF) <sup>2</sup>	1,066	817	249
Locals <sup>6</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>3</sup>	227	0	227
Highway User Tax Account (HUTA) <sup>4</sup>	328	0	328
Public Transportation Account <sup>5</sup>	29	0	29
Other transportation accounts	31	1	30
<b>Subtotal General Fund Loan:</b>	<b>\$950</b>	<b>\$51</b>	<b>\$899</b>
<b>Totals:</b>	<b>\$4,346</b>	<b>\$2,318</b>	<b>\$2,028</b>

Note: Numbers 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 FY 2015-16.

<sup>3</sup>The SHA is expected to be repaid \$150 million in FY 2013-14, \$135 million in FY 2014-15, and \$227 million in FY 2020-21.

<sup>4</sup>The HUTA is expected to be repaid \$328 million in 2020-21.

<sup>5</sup>The PTA is expected to be repaid \$29 million in 2020-21.

<sup>6</sup>Includes interest payments of \$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, 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 Assembly Bill 115 of 2010 (AB 115) 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. As of September 2012, TCRF is due \$249 million. With the re-enactment of the Fuel Tax Swap in March 2011 (AB 105 of 2011), 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, and the Pedestrian Safety Account. These funds were transferred to the GF on November 14, 2008. The \$231 million authorized in loans were scheduled to be repaid by June 30, 2011, but the Budget Act of 2012 delayed the repayments. The SHA received \$50 million after the close of the fourth quarter, and the repayment of \$150 million is scheduled to be repaid by June 30, 2014. The repayment of \$28 million to the various transportation accounts are expected in 2016-17. The Historic Property Maintenance Fund repayment of \$2 million has been extended to a date no later than June 30, 2014.

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.

The Budget Act of 2010 authorized a \$227 million loan from the SHA to the GF, and a \$29 million loan from the PTA to the GF. The passage of AB 115 declared that the SHA repayments are revenues derived from weight fees; consequently, repayment of the loan to the SHA will be transferred to the TDSF by the SCO. In addition, a loan of \$328 million was transferred to the GF from the Highway Users Tax Account. These loans are required to be repaid, with interest calculated at the rate earned by the Pooled Money Investment Account, by June 30, 2021.

The passage of AB 115 authorized the postponement for repayment of \$555 million in loans from the GF to transportation funds until June 30, 2021. Upon repayment of the \$555 million in loans, the SCO will immediately transfer these funds to the TDSF.

## APPENDIX D – INTERFUND LOANS

<b>Fiscal Year Borrowed</b>	<b>From Account</b>	<b>To Account</b>	<b>Description</b>	<b>Amount</b>	<b>Repaid</b>	<b>Remaining Balance</b>
<b>2008-09</b>	TCRF	SHA	Backfill SHA transfer to the GF	\$200	\$50	\$150
<b>2009-10</b>	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 backfill 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.