

## DEPARTMENT OF TRANSPORTATION

**M e m o r a n d u m****To:** CHAIR AND COMMISSIONERS**CTC Meeting:** January 21-22, 2004**Reference No.:** 3.1  
Information Item**From:** ROBERT L. GARCIA  
Chief Financial Officer**Prepared by:** Robert Sertich  
Chief  
Division of Budgets**Ref:** **CALTRANS MONTHLY FINANCE REPORT**

This report is based on the forecast presented at the California Transportation Commission (Commission) meeting in September 2003 along with the Department of Transportation's (Department) assumptions and presents activity for the month of November 2003. The cash balance provided for the month of December 2003 is based on preliminary information and will be updated once the monthly accounting process is completed and the data has been analyzed.

**STATE HIGHWAY ACCOUNT (SHA)**

<u>Current Quarter (in millions)</u>				<u>Fiscal Year (FY)</u>			
<u>Adjusted Cash Balance</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Year-end Balance</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
Forecast	\$300	\$70	\$220	Forecast	\$145	\$330	\$1,190
Actual	\$192	-\$34		Actual	\$293		
Difference	-\$108	-\$104		Difference	\$148		

Based on updated Accounting reports, the adjusted ending cash balance for November 2003 was -\$34 million, which was \$104 million lower than forecast. The shortfall was covered by a short-term loan of \$75 million from the Public Transportation Account (PTA), which must be repaid by June 30, 2004. The November 2003 beginning adjusted cash balance was \$108 million less than forecast. Lower year-to-date federal receipts account for the majority of this difference. As of December 2003, there continues to be uncertainty as to the actual federal budget level for Federal Fiscal Year (FFY) 2003-04 because a federal budget has not been adopted.

**Analysis of November 2003 Data:****Revenue:**

- Weight fees were \$10 million higher than forecast.
- Other revenues and transfers were \$20 million higher than forecast.
- Federal receipts were \$14 million lower than forecast (year-to-date shortfall is \$107 million).

**Expenditures:**

- Expenditures were \$11 million higher than anticipated.
- Expenditures are on track with the forecast for November 2003.

**FEDERAL TRUST FUND**

The updated reports for Federal Fund Apportionment Status and the Obligation Authority (OA) State and Local Use are attached. The only significant update on federal funds, is the status of the Federal Fiscal Year (FFY) 2004 budget. The fourth Continuing Resolution provided \$830 million in Obligation Authority, of which \$271 million has been obligated as of November 30, 2003.

- As of November 30, 2003, the Advance Construction (AC) level for major fund categories was \$2.9 billion.
- Other AC commitments, including Grant Anticipation Revenue Vehicles (GARVEE bonds), Toll Bridge Seismic Retrofit, Local Assistance and Emergency Relief total \$1.1 billion, for a total commitment of \$4.1 billion.

**PUBLIC TRANSPORTATION ACCOUNT (PTA)**

<u>Current Quarter (in millions)</u>				<u>Fiscal Year (FY)</u>			
<u>Adjusted Cash Balance</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Year-end Balance</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
Forecast	\$110	\$150	\$130	Forecast	\$56	\$120	\$160
Actual	\$172	\$165		Actual	\$101		
Difference	\$62	\$15		Difference	\$45		

The November 2003 adjusted cash balance was \$165 million, which was \$15 million higher than forecast. The slightly higher cash balance is primarily due to the adjusted beginning balance and delay in expenditure processing by the State Controller's Office (SCO).

**Analysis of November 2003 Data:****Revenues:**

- As mentioned at the October 2003 Commission meeting, revenue forecast for November 2003 was deposited in October 2003.

**Expenditures:**

- Expenditures of \$25 million were not deducted from the PTA because of a delay in document processing at the SCO.
- State operation expenditures were \$10 million higher than forecast.

**TRAFFIC CONGESTION RELIEF FUND (TCRF)****Current Quarter (in millions)**

<b>Adjusted Cash Balance</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
Forecast	\$270	\$180	\$140
Actual	\$230	\$208	
Difference	-\$40	\$28	

**Fiscal Year (FY)**

<b>Year-end Balance</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>
Forecast	\$356	\$50	\$390
Actual	\$356		
Difference	\$0		

The adjusted cash balance for November 2003 was \$208 million, which was \$28 million higher than forecast.

**Analysis of November 2003 Data:****Expenditures:**

- Expenditures were \$26 million lower than anticipated.

**TOLL BRIDGE SEISMIC RETROFIT ACCOUNT (TBSRA)****Current Quarter (in millions)**

<b>Adjusted Cash Balance</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
Forecast	\$1,114	\$1,053	\$1,020
Actual	\$1,167	\$1,099	
Difference	\$53	\$46	

**Fiscal Year (FY)**

<b>Year-end Balance</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>
Forecast	\$190	\$750	\$640
Actual	\$201		
Difference	\$11		

The adjusted cash balance for November 2003 was \$1.099 billion, which was \$46 million higher than forecast.

**Analysis of November 2003 Data:****Revenue**

- As of September 1, 2003, this fund no longer receives revenue. Revenue from the seismic surcharge (\$1 per vehicle toll) is committed to repay the bonds sold in August 2003, and any future financing mechanisms.
- Some toll revenue previously owed to the TBSRA (known as funds-in-transit) is still being received. The amount owed to the TBSRA on September 1, 2003 was approximately \$20 million.
- Approximately \$6 million of the \$20 million owed was transferred to the TBSRA in November. It is anticipated that the remaining amounts will be transferred in December 2003 and January 2004.

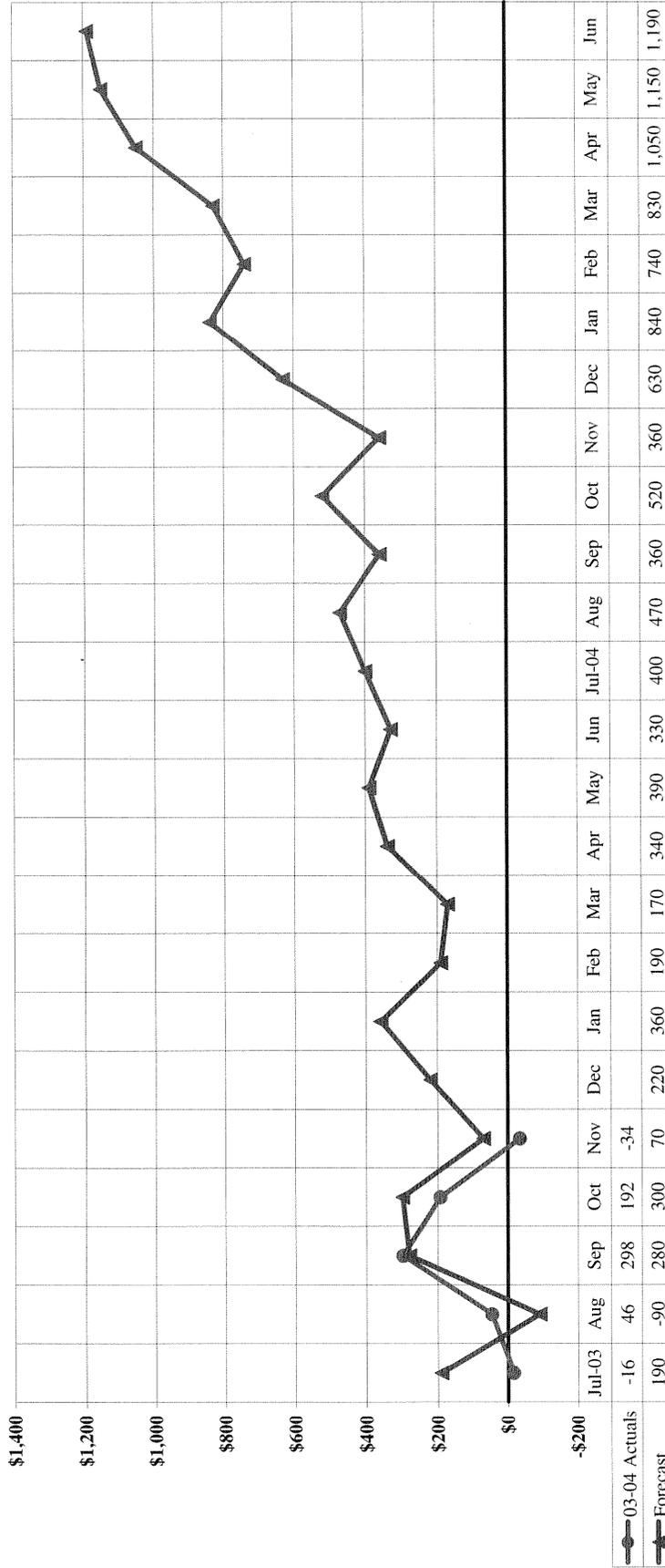
**Expenditures**

- Because of previous delays in payment processing at SCO, two months of expenditures were anticipated to be deducted from the TBSRA in November. Expenditures in November were considerably higher than normal for one month, but were not equal to two months of expenditures. At this point, it is unlikely that any further adjustments will occur as a result of delayed payments.

**TRANSPORTATION INVESTMENT FUND (TIF)**

- No TIF activity occurred in November 2003.

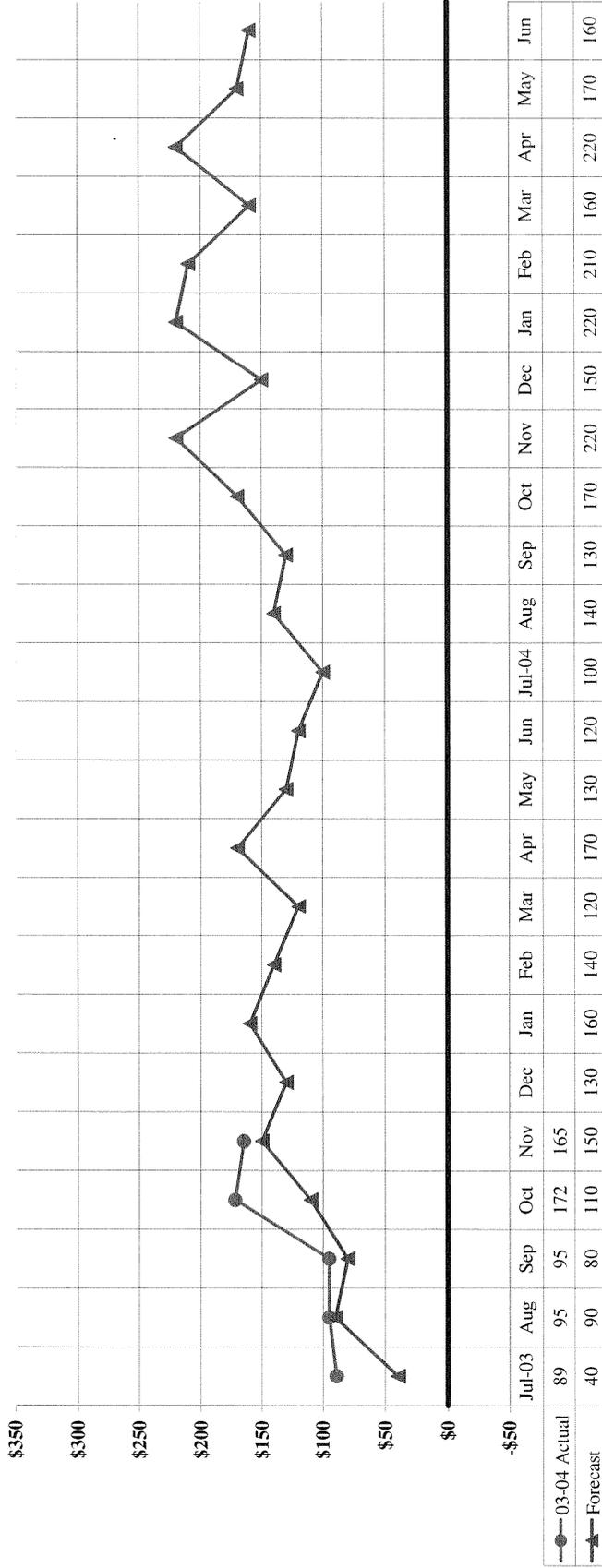
**24-MONTH STATE HIGHWAY ACCOUNT CASH FORECAST**  
(\$ in millions)



**Assumptions:**

Actuals line includes actual activity through November 30, 2003.  
 Cash forecast assumes no new allocation and is based on September 2003 forecast.  
 FY 2003-04 General Fund repayment of \$173 million plus \$2.216 million interest has been added to FY 2003-04.  
 FY 2004-05 Weight Fee revenue assumes FY 2003-04 levels, adjusted for a trend growth factor.  
 FY 2004-05 Highway Users Tax Account assumes 2.1% growth.  
 FY 2004-05 Forecast includes \$2 million of AB3090 reimbursements but does not include GARVEE repayments.

**24-MONTH PUBLIC TRANSPORTATION ACCOUNT CASH FORECAST**  
(\$ in millions)



**Assumptions:**

Actuals line includes actual activity through November 30, 2003.

Gasoline and diesel sales tax revenues reflect May 2003 Department of Finance revenue forecasts.

AB 1751 (Ch. 224, St. of 2003) eliminates the transfer of spillover in FY 2003-04. Spillover assumed \$0 in FY 2004-05.

AB 1750 (Ch. 223, St. of 2003) suspended the TIF transfer to the PTA in FY 2003-04. To be repaid by the Transportation Deferred Investment Fund per AB 1751. Cash forecast assumes final repayment in FY 2008-09.

Cash forecast assumes \$92 million in revenue from the TIF in FY 2004-05, \$23 million transferred quarterly with one quarter lag.

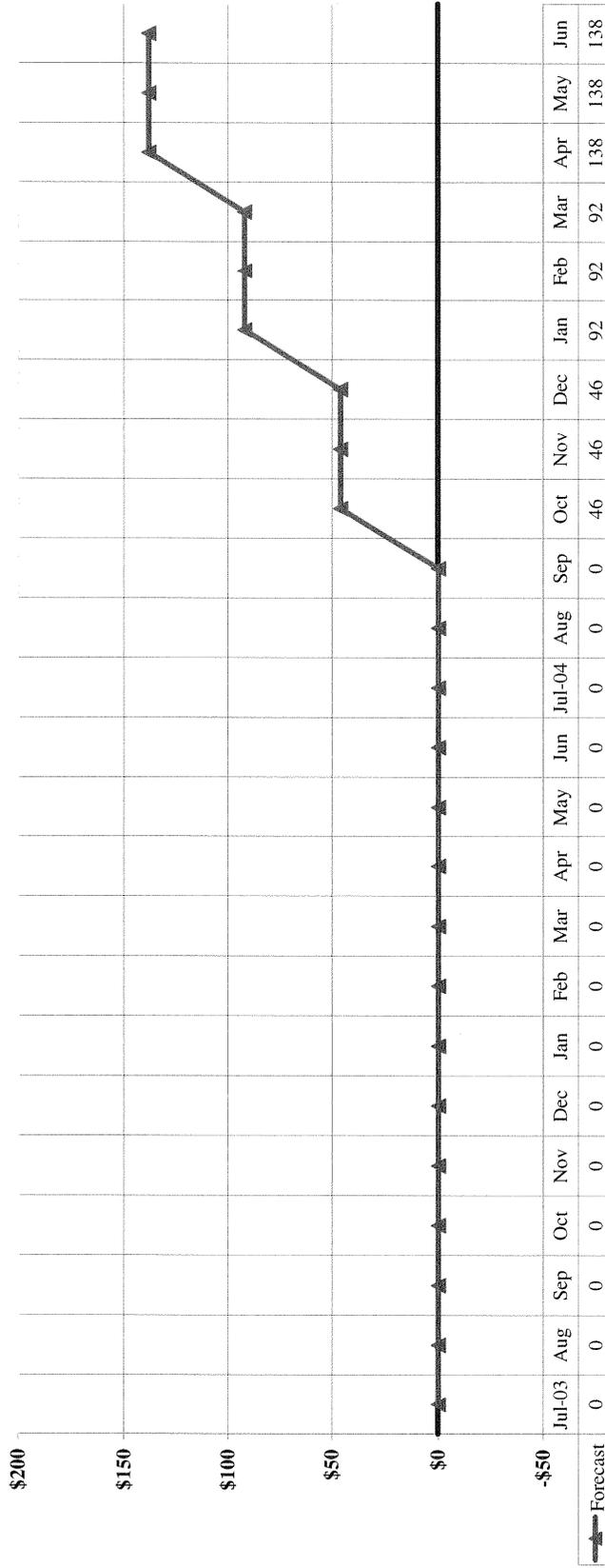
High Speed Rail Authority expenditures increased by \$2.6 million in FY 2003-04 per Chapter 157, Budget Act of 2003.

According to the Budget Act of 2003, State Transit Assistance (STA) is \$104.6 million in FY 2003-04. Cash forecast assumes quarterly transfers with one quarter lag.

Forecast includes cash flow of capital outlay expenditures of \$29.1 million in FY 2003-04 and \$36.9 million in FY 2004-05 based on revised expenditure patterns of the Intercity Rail Program.



**24-MONTH TRANSPORTATION INVESTMENT FUND FORECAST**  
(\$ in millions)



**Assumptions:**

Cash Forecast assumes \$289 million in revenue from retail sales and use taxes in FY 2003-04, per AB 1750.

Per AB 1751, \$289 million will be transferred quarterly to the TCRF in FY 2003-04.

Cash Forecast assumes a zero cash balance for the TIF in FY 2003-04.

Cash forecast assumes \$1,138 million in revenue from retail sales and use taxes in FY 2004-05.

Cash forecast assumes \$284.5 million will be transferred quarterly, with a one quarter lag to be transferred July of FY 2005-06.

**STATE HIGHWAY ACCOUNT**  
**Adjusted Cash Balance as of November 30, 2003**  
(\$ in millions)

	<b>2003</b>				
	<b>JULY</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>
<b>Beginning Cash Balance (SHA &amp; TRA), per the State Controller's Office</b>	\$658	\$344	\$115	\$569	\$404
Add: Receipts for Month	232	348	1,005	526	410
Less: Disbursements for Month	(546)	(577)	(551)	(691)	(548)
<b>Ending Cash Balance</b>	<b>\$344</b>	<b>\$115</b>	<b>\$569</b>	<b>\$404</b>	<b>\$266</b>
<b>Cash Reconciliation (Short-term loans and Transfers)</b>					
Add: GF Short Term Loan	\$29	\$209	\$0	\$0	\$0
Less: TRA Balance from Other Funds	(32)	(11)	(25)	(32)	(86)
Less: TCRF Short Term Loan	(307)	(267)	(246)	(180)	(140)
Less: PTA Short Term Loan	(50)	0	0	0	(75)
<b>Adjusted SHA Cash Balance*</b>	<b>(\$16)</b>	<b>\$46</b>	<b>\$298</b>	<b>\$192</b>	<b>(\$34)</b>

\* The Department's cash forecast is based on the adjusted SHA cash balance.

**PUBLIC TRANSPORTATION ACCOUNT**  
**Adjusted Cash Balance as of November 30, 2003**

(\$ in millions)

	<b>2003</b>				
	<b>JULY</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>
<b>Beginning Cash Balance, per State Controller's Office</b>	\$101	\$39	\$95	\$95	\$172
Add: Receipts for Month	1	53	0	116	0
Add: Short Term Loan Repayment from SHA	0	50	0	0	0
Less: Disbursements for Month	13	47	0	38	82
Ending Cash Balance	<u>\$39</u>	<u>\$95</u>	<u>\$95</u>	<u>\$172</u>	<u>\$90</u>
<b>Cash Reconciliation:</b>					
Add: Short Term Loan to SHA	\$50	\$0	\$0	\$0	\$75
<b>Adjusted PTA Cash Balance*</b>	<u><b>\$89</b></u>	<u><b>\$95</b></u>	<u><b>\$95</b></u>	<u><b>\$172</b></u>	<u><b>\$165</b></u>

\*The Department's cash forecast is based on the adjusted PTA cash balance.

**TRAFFIC CONGESTION RELIEF FUND**  
**Adjusted Cash Balance as of November 30, 2003**  
(\$ in millions)

	<b>2003</b>				
	<b>JULY</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>
<b>Beginning Cash Balance, per State Controller's Office</b>	\$31	\$14	\$13	\$33	\$50
Add: Receipts for Month	18	40	20	138	40
Less: Disbursements for Month	(35)	(41)	0	(121)	(22)
<b>Ending Cash Balance</b>	<b>\$14</b>	<b>\$13</b>	<b>\$33</b>	<b>\$50</b>	<b>\$68</b>
 <b>Cash Reconciliation:</b>					
Add: SHA Short Term Loan	\$307	\$267	\$246	\$180	\$140
<b>Adjusted TCRF Cash Balance</b>	<b>\$321</b>	<b>\$280</b>	<b>\$279</b>	<b>\$230</b>	<b>\$208</b>

\*The Department's cash forecast is based on the adjusted TCRF cash balance.

**TRANSPORTATION INVESTMENT FUND**  
**Adjusted Cash Balance as of November 30, 2003**  
(\$ in millions)

	2003				
	JULY	AUG	SEP	OCT	NOV
<b>Beginning Cash Balance, per the State Controller's Office</b>	\$0	\$0	\$0	\$0	\$0
Add: Receipts for Month	0	0	0	72	0
Less: Disbursements for Month	0	0	0	(72)	0
<b>Ending Cash Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**CHART 2  
STATUS OF SEISMIC RETROFIT PROGRAM**

<b>PHASE II</b> (\$ in millions)			
	<b>SHA FEDERAL MDL*</b>	<b>SEISMIC BOND FUND</b>	<b>TOTAL</b>
<b>Total Estimated Cost - Support and Capital</b>			<b>\$1,350.0</b>
Major Projects Funded To Date	\$63.0	\$768.3*****	\$831.3
Minor Projects Funded To Date	\$3.1	\$8.8	\$11.9
Right of Way Capital Costs To Date		\$10.5***	\$10.5
Support Costs Funded	\$103.0	\$256.8**	\$359.8
Prop 192 Reimbursement	(\$99.8)	\$99.8	\$0.0
<b>Total Funded To Date</b>	<b>\$69.3</b>	<b>\$1,144.2</b>	<b>\$1,213.5</b>

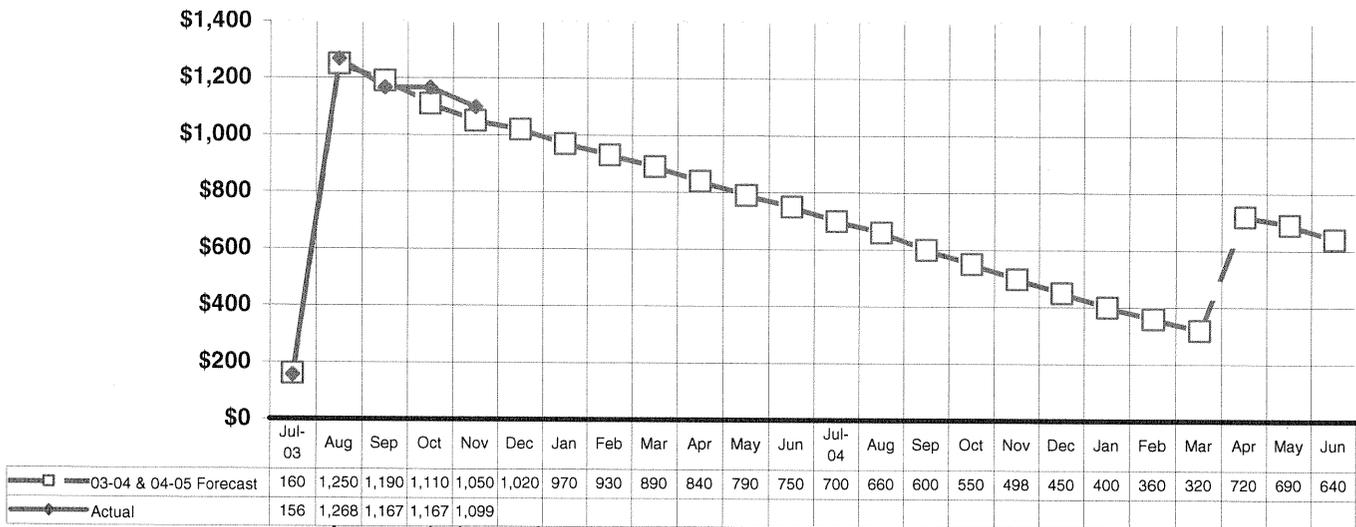
- \* Multi-District Litigation funds received through Petroleum Products Antitrust Litigation agreement, August 12 1992.
- \*\* Does not include \$81.2 million allocated for the Pooled Money Investment Account loan interest expenses as these costs are usually offset by the interest earned by the Surplus Money Investment Fund.
- \*\*\* Indicates actual expenditures/encumbrances. (Other amounts are allocations.)
- \*\*\*\* \$1,000,000 supplemental funds for EA 05-391511 (M03-0316).
- \*\*\*\*\* \$143,900 supplemental funds for EA 04-0T0421 (M04-0065).

<b>TOLL BRIDGE SEISMIC RETROFIT</b> (\$ in millions)					
	<b>SHA TOLL MDL<sup>(1)</sup></b>	<b>SEISMIC BOND FUND</b>	<b>TBSR ACCT</b>	<b>HBRR<sup>(2)</sup> FUNDS (Federal)</b>	<b>TOTAL</b>
<b>Total Estimated Cost - Support and Capital</b>					<b>\$4,637.0</b>
Major Projects Funded To Date	\$22.2	\$649.3	\$2,369.8	\$627.5	\$3,668.8
Minor Projects Funded To Date					
Right of Way Capital Costs To Date		\$24.0	\$57.2 <sup>(3)</sup>		\$81.2
Support Costs Funded	\$66.2	\$106.0	\$492.6 <sup>(4)</sup>		\$664.8
Prop 192 Reimbursement	-\$9.5	\$9.5			\$0.0
<b>Total Funded To Date</b>	<b>\$78.9</b>	<b>\$788.8</b>	<b>\$2,919.6</b>	<b>\$627.5</b>	<b>\$4,414.8</b>

Total Estimated Cost increased to \$4,637.0 million per Assembly Bill 1171 (Chapter 907, Statutes of 2001).

- (1) Multi-District Litigation funds received through Petroleum Products Antitrust Litigation agreement, August 12 1992.
- (2) Federal Highway Bridge Replacement and Rehabilitation, as authorized by AB 1171.
- (3) A total of \$207,420 added to EA 012049 and EA 020P9 for R/W costs on the San Francisco-Oakland Bay Bridge.
- (4) Indicates actual expenditures/encumbrances (other amounts are allocations).

**24-MONTH TOLL BRIDGE SEISMIC RETROFIT ACCOUNT CASH FORECAST**  
(\$ in millions)



Account balance does not include debt service reserve and administrative sub-funds

**FEDERAL FUND - APPORTIONMENT STATUS**  
(\$ in millions)

MAJOR FUND CATEGORY	FFY-2002		FFY-2003		FFY-2004 (as of November 30, 2003)	
	Apportionment	Obligations (1)	Apportionment	Obligations (1)	Apportionment	Obligations (1)
INTERSTATE MAINTENANCE (2)	\$ 209	\$ 273	\$ 223	\$ 216	\$ 201	\$ 23
NATIONAL HIGHWAY SYSTEM (2)	\$ 281	\$ 455	\$ 372	\$ 456	\$ 258	\$ 97
MINIMUM GUARANTEE (3)	\$ 196	\$ 186	\$ 210	\$ 218	\$ 20	\$ (2)
CONGESTION MITIGATION & AIR QUALITY IMPROVEMENT	\$ 372	\$ 323	\$ 332	\$ 284	\$ 178	\$ 39
BRIDGE PROGRAM FUNDS	\$ 316	\$ 189	\$ 301	\$ 325	\$ 161	\$ (3)
SURFACE TRANSPORTATION PROGRAM (2)	\$ 1,105	\$ 865	\$ 789	\$ 861	\$ 282	\$ 95
SURFACE TRANSPORTATION ENHANCEMENT	\$ 68	\$ 72	\$ 61	\$ 37	\$ 32	\$ 17
MISCELLANEOUS (4)	\$ 3	\$ 21	\$ 16	\$ 71	\$ 2	\$ 1
METROPOLITAN PLANNING	\$ 30	\$ 30	\$ 29	\$ 29	\$ 15	\$ -
STATE PLANNING AND RESEARCH FUNDS (SPR)	\$ 52	\$ 61	\$ 47	\$ 9	\$ 25	\$ 4
<b>TOTAL</b>	<b>\$ 2,633</b>	<b>\$ 2,476</b>	<b>\$ 2,380</b>	<b>\$ 2,507</b>	<b>\$ 1,174</b>	<b>\$ 271</b>
AVAILABLE FEDERAL OA	\$	\$ 2,476	\$	\$ 2,507	\$	\$ 830
AVAILABLE FEDERAL OA REMAINING	\$	\$ 0	\$	\$ 0	\$	\$ 559

**NOTES**

- (1) Includes FTA transfers
  - (2) 50% of the annual Interstate Maintenance and National Highway apportionments are transferred to STP
  - (3) Combines Special and Exempt funding
  - (4) Includes Rec. Trails, Redist. of Certain Auth., Motor Veh Intox and various PRE-ISTEA fund types
- Annual obligations can exceed the annual apportionments provided that prior year carry-over unobligated apportionments are available.**

**OBLIGATION AUTHORITY (OA)  
STATE /LOCAL USE**

(\$ in millions)

\*

**FFY 2004 as of November 30, 2003**

	<u>STATE</u>	<u>LOCAL</u>	<u>TOTAL</u>
OBLIGATION AUTHORITY	\$ 533	\$ 297	\$ 830
CUMULATIVE OBLIGATIONS	\$ <u>183</u>	\$ <u>88</u>	\$ <u>271</u>
REMAINING OA	\$ 350	\$ 209	\$ 559

**FFY 2003**

	<u>STATE</u>	<u>LOCAL</u>	<u>TOTAL</u>
OBLIGATION AUTHORITY	\$ 1,603	\$ 904	\$ 2,507
CUMULATIVE OBLIGATIONS	\$ <u>1,802</u>	\$ <u>705</u>	\$ <u>2,507</u>
REMAINING OA	\$ (199)	\$ 199	\$ -

NOTE: AS OF 9/30/03, THE STATE HAS USED \$199 MILLION OF LOCAL OA.

**FFY 2002**

	<u>STATE</u>	<u>LOCAL</u>	<u>TOTAL</u>
OBLIGATION AUTHORITY	\$ 1,621	\$ 855	\$ 2,476
CUMULATIVE OBLIGATIONS	\$ <u>1,622</u>	\$ <u>854</u>	\$ <u>2,476</u>
REMAINING OA	\$ (0)	\$ 0	\$ 0

NOTE: YEAR END ADJUSTMENT TO MAXIMIZE USE OF OA

OA - includes formula limitation, minimum Guarantee Special and Exempt.  
Cumulative Obligations include formula, minimum guarantee, and special allocated limitation.

\* As of November 30, 2003, the State was operating under the fourth Continuing Resolution.

**ADVANCE CONSTRUCTION (AC)**  
**as of November 30, 2003**  
(\$ in millions)

**Major Fund Categories (will use state OA to convert)**

INTERSTATE MAINTENANCE	\$	655
NATIONAL HIGHWAY SYSTEM	\$	1,179
MINIMUM GUARANTEE		N/A
CONGESTION MITIGATION & AIR QUALITY IMPROVEMENT		-
BRIDGE PROGRAM FUNDS	\$	50
SURFACE TRANSPORTATION PROGRAM (1)	\$	855
SURFACE TRANSPORTATION ENHANCEMENT	\$	31
MISCELLANEOUS (2)	\$	145
METROPOLITIAN PLANNING		N/A
STATE PLANNING AND RESEARCH FUNDS (SPR)	\$	58
	<b>Sub Total</b>	<b>\$ 2,973</b>

**Emergency Relief Projects (ER funds come with their own OA)**

ER (STP funds)	\$	34
	<b>Sub Total</b>	<b>34</b>

**Special Projects (will use state OA to convert but will not add to the SHA balance)**

TBSR Projects (HBRR Funds)	\$	394
GARVEE Projects	\$	657
	<b>Sub total</b>	<b>\$ 1,051</b>

**Local AC (will use local OA to convert)**

LOCAL (3)		59
	<b>Sub total</b>	<b>59</b>

<b>Statewide Total AC Balance</b>	<b>4,117</b>
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(1) State STP Only

(2) Includes: Interstate Construction, Statewide Infrastructure Bank, Combined Road Plan etc.

(3) Local AC projects include different federal fund categories (RSTP, CMAQ, HBRR, HES,...)