

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: September 9-10, 2009

Reference No.: 3.13
Information Item

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Chief Financial Officer

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Subject: **QUARTERLY REPORT ON LUMP SUM ALLOCATION FROM AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009**

SUMMARY:

On April 1, 2009, the California Transportation Commission (Commission) allocated \$1,597,292,700 of federal American Recovery and Reinvestment Act of 2009 (Recovery Act) funds to the Department of Transportation (Department) for Federal Fiscal Year (FFY) 2009 projects.

The sub-allocations reported are based on FFY 2009, which is from October 1, 2008 through September 30, 2009. As of June 30, 2009, approximately \$261 million (16 percent) of the \$1.6 billion has been sub-allocated and encumbered for 164 local projects

BACKGROUND:

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009 (H.R.1,S.1). This bill included \$27.5 billion of Recovery Act funding nationwide for highway transportation projects. The State of California's share is approximately \$2.5 billion. On March 27, 2009, Governor Schwarzenegger signed Assembly Bill x3 20 (ABx3 20), which established a new distribution formula of Recovery Act funds with 62.5 percent or approximately \$1.6 billion going to the regions and 37.5 percent or approximately \$900 million going to the State. The Commission approved the allocation of approximately \$1.6 billion of Recovery Act funding at the April 1, 2009 Commission meeting.

Recovery Act Allocation Status for FFY 2009:

As of June 30, 2009, the end of the third quarter of FFY 2009, approximately \$776 million has been obligated for 264 projects. Of this, approximately \$261 million (16 percent of the almost \$1.6 billion allocated) has been sub-allocated and encumbered for 164 projects. The remaining \$515 million dollars in obligations is for 100 projects that are in the process of being executed and will be reflected in future quarterly reports as they are encumbered.

The Federal Highway Administration deadline to obligate all the federal funds to projects is March 2, 2010. The Department anticipates using all Recovery Act funds allocated by the Commission for FFY 2009.