Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 27-28, 2012

Reference No.: 3.7
Information Item

From: NORMA ORTEGA
Chief Financial Officer

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Budgets

Subject: **FY 2011-12 THIRD QUARTER FINANCE REPORT**

Attached is the California Department of Transportation's Fiscal Year 2011-12 Third Quarter Finance Report.

Attachment

Department of Transportation
Quarterly Finance Report

Third Quarter
2011-12

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.

California Department of Transportation Quarterly Finance Report Schedule of Reports			
Fiscal Year	**Quarterly Report**	**Activity**	**Date**
2011-12	2010-11 Q4	Close of Quarter	6/30/11
		Quarterly Report to Commission Staff	8/31/11
		Presented to Commission	9/15/11
	2011-12 Q1	Close of Quarter	9/30/11
		Quarterly Report to Commission Staff	11/15/11
		Presented to Commission	12/7/11
	2011-12 Q2	Close of Quarter	12/31/11
		Quarterly Report to Commission Staff	2/15/12
		Presented to Commission	3/29/12
	2011-12 Q3	Close of Quarter	3/31/12
		Quarterly Report to Commission Staff	5/15/12
		Presented to Commission	6/28/12
2012-13	2011-12 Q4	Close of Quarter	6/30/12
		Quarterly Report to Commission Staff	8/31/12
		Presented to Commission	9/27/12

Department of Transportation Quarterly Finance Report

Third Quarter FY 2011-12

EXECUTIVE SUMMARY

2011-12 Capital Allocations vs. Capacity
Summary through March 31, 2012
($ in millions)

	SHOPP[1]	STIP[1]	TCRP	BONDS	TOTAL
Total Allocation Capacity	$2,058	$895	$84	$4,497	$7,533
Total Votes	1,769	509	78	2,168	4,524
Authorized Changes[2]	-305	-13	0	0	-318
Total Remaining Capacity	**$594**	**$399**	**$6**	**$2,329**	**$3,327**

Note: Totals may differ due to rounding
[1]Proposition 1B bond capacity included in total: $58M (Prop 1B SHOPP); $395M (Prop 1B STIP).
[2]Authorized changes include project increases and decreases pursuant to the Commission's G-12 process and project rescissions.

The Commission allocated $4.5 billion toward 549 projects through the third quarter of 2011-12. Adjustments total a negative $318 million, leaving $3.3 billion (56 percent) in capacity. The majority of the remaining capacity originates from unallocated bond authority. Although $4.5 billion was authorized for bond capacity, only $2.2 billion was allocated toward bond programs through this quarter. Caltrans continues to recommend allocation of all currently programmed Proposition 1B projects.

The cash balances for the Traffic Congestion Relief Fund (TCRF), the Transportation Investment Fund (TIF), and the Transportation Deferred Investment Fund (TDIF) were within the acceptable range of forecast. The cash balances for Public Transportation Account (PTA) and the State Highway Account (SHA) differed from forecasted amounts (Refer to Appendix B). The SHA cash balance was higher than expected primarily due to reduced expenditures. The PTA cash balance was higher than forecast due to a delay in the State Transit Assistance (STA) transfer.

The Governor's Proposed Budget was released in the January 2012. The proposal included an overall 16 percent reduction in Departmental funding, most notably reflected in Capital Outlay, because it did not include appropriations for Proposition 1B. It contained restructuring proposals, including the newly proposed Transportation Agency comprised of: Department of Transportation, Department of Motor Vehicles, High-Speed Rail Authority, California Highway Patrol, California Transportation Commission, and Board of Pilot Commissioners. Program changes include the transfer of $938M in weight fee revenues from the SHA to the General Fund (up from $866M this year); however, the Weight Fee Swap of 2010 was enacted to provide an equal amount of gasoline excise taxes to off-set the weight fee loss in revenue.

April Finance Letters (FL) were submitted during the third quarter as well. Highlights include the following:

- One proposal for Proposition 1B. The request includes $1.26 billion in capital funding for projects in nine transportation programs.
- One proposal for the High-Speed Rail Connectivity Projects under Proposition 1A was submitted, which includes an additional $812 million in funding, representing the remaining balance for Proposition 1A programs.
- Three Departmental Savings proposals. An Amtrak funding reduction was submitted which reduces $13.9 million in operating expenses from the PTA for Amtrak operating costs relating to the implementation of Section 209 of the Federal Passenger Rail Investment and Improvement Act of 2008. It was determined that these costs will not occur until 2013-14; therefore, the resources are not needed in 2012-13. Another proposal included Internet Advertising. Caltrans requested a permanent reduction of $700,000 in operating expenses from the Capital Outlay Support (COS) Program to reflect SHA savings in internet advertising contract bids upon passage of proposed legislation. Lastly, Caltrans requested a permanent reduction of four positions and $7M in SHA funds from the Research Program to reflect the focus on federally-funded research and reprioritizing research projects based on the most urgent program needs.

The Board of Equalization (BOE) released its gasoline and diesel excise tax changes for 2012-13. The price-based excise tax on gasoline will be increased from $0.177 per gallon to $0.18 per gallon, representing an approximate $65 million increase in revenues to the SHA. However, the excise tax on diesel will be reduced from $0.13 per gallon to $0.10 per gallon. As such, Caltrans anticipates that the SHA will realize an annual reduction of approximately $95 million in response to the change in diesel excise tax.

The federal reauthorization continued to be an area of concentration throughout the third quarter. Congress passed its ninth extension to the current authorization, Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), on March 29. This extension expires on June 30, 2012. On April 18, the House approved House Resolution (H.R.) 4348 which would provide for a second short-term extension that expires on September 30, 2012. On April 24, H.R. 4348, as amended with text of MAP-21, was sent to a joint Senate-House conference committee. The committee is charged with reconciling the two very different versions of the bill. Both the House and Senate named committee members to reconcile the section extension and detail of MAP-21. Should the extension be approved, it would be the 10th extension to the SAFETEA-LU.

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	$180	$208	-$42	$166	$14
FTF	1,820	1,551	-264	1,287	533
Prop 1B SHOPP	58	10	0	10	48
Total	**$2,058**	**$1,769**	**-$306**	**$1,463**	**$595**

Note: Totals may differ due to rounding.

Capital Allocations vs. Capacity

SHOPP allocations totaled $1.8 billion toward 241 projects through the third quarter. Adjustments totaled a negative $306 million resulting in $595 million (29 percent) in remaining capacity.

Outlook for Funding & Allocations

Transportation resources continue to be impacted by the state's sluggish economy, lower than expected revenues, and legislative changes. The SHA continues to experience the majority of the impact. AB 105 extended the repayment date of a $135 million loan from the SHA to the GF until June 30, 2013. Taking into consideration current commitments from the SHA, Caltrans still anticipates that the fund will likely reach insolvency levels in 2012-13. As presented at the March CTC meeting, this shortfall may necessitate another loan to the SHA

As reported in the second quarter, the SHA has not received a portion of the monthly backfill amount from excise taxes related to the weight fee tax swap. The backfill is intended to offset the weight fees transferred to debt service and the General Fund. The State Controller's Office (SCO) delayed this portion of the transfer because of the current interpretation of the California Vehicle Code section that authorizes the transfer. The SCO Legal Division completed an internal legal opinion that resulted in the SHA only receiving approximately 56 percent of the funds for the remainder of the fiscal year. The remaining 44 percent will be transferred to the local cities and counties. The Department of Finance (DOF) indicated that they intend on rectifying the problem through legislative changes in 2012-13.

The Federal Reauthorization bill continued to be an active subject during the third quarter. The Senate approved S.1813 (MAP-21) on March 14, which would authorize $109 billion in highway and transportation funding for two years. House Resolution (H.R.) 4348 was also approved by the House on April 18, and includes a 90-day extension of the current surface transportation authorization and a mandate for federal approval of the Keystone XL oil pipeline and other provisions regulating the public's ability to challenge transportation projects on environmental grounds. Both the House and Senate are scheduled to meet in May to begin formal negotiations toward a surface transportation reauthorization proposal. Fourteen senators and 33 representatives will attempt to work out the differences between the House and Senate proposals. To ensure continued funding, one extension was approved to the SAFETEA-LU authorization; pushing the expiration date to June 30, 2012.

Recommendations

Caltrans will continue to closely monitor both the fund balance of the SHA and the surface transportation reauthorization progress, and will communicate any changes to the Commission.

STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)

State Transportation Improvement Program ($ in millions)					
Fund	**Allocation Capacity**	**Allocations to Date**	**Adjustments**	**Net Allocations**	**Remaining Capacity**
SHA	$200	$136	$1	$137	$64
FTF	200	138	0	138	61
PTA	100	53	0	53	47
Prop 1B STIP	395	182	-14	168	227
Total	**$895**	**$509**	**-$13**	**$496**	**$399**

Note: 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. Totals may differ due to rounding.

Capital Allocations vs. Capacity

Of the $895 million STIP capacity, a total of 144 projects and $509 million were allocated through the third quarter of 2011-12. Adjustments totaled negative $13 million for award savings. The bulk of the remaining capacity is bond resources.

Outlook for Funding & Allocations

State Highway Account (SHA). Although there are no immediate concerns regarding STIP funding from the SHA, Caltrans expects that the fund will continue to have long-term challenges. The repayment date for the $135 million loan issued to the GF on June 30, 2010 was extended to June 30, 2013. In addition, the SHA revenues are lower than projected due to the discrepancy with the SCO regarding the interpretation of the weight fee swap (see discussion under SHOPP). Should the SHA continue to experience funding shortfalls, Caltrans anticipates having to request a loan to stay solvent.

Federal Trust Fund (FTF). The current extension of the Federal Transportation Reauthorization Act ends on June 30, 2012. Although Caltrans anticipates that federal funding will be extended again, there are two reauthorization bills currently being proposed. As previously mentioned, both have been sent to a joint House-Senate conference committee.

Public Transportation Account (PTA). As previously noted in the first and second quarters, effective July 1, 2011, sales of all diesel fuel are subject to an additional sales tax of 1.87 percent, which is transferred quarterly to the PTA. However, pursuant to AB 105, approximately 75 percent of sales tax revenues on diesel fuel are now redirected to the STA. As a result, the PTA only retains about 25 percent of the total revenues. Based on current revenue projections and proposed changes in the Governor's Budget, Caltrans anticipates the PTA may be able to support some amount of allocation capacity in future years. Lastly, the passage of AB 115 of 2011 (hereafter, AB 115) postponed the repayment of a $29 million loan from the GF until June 30, 2021. Allocation capacity for the PTA increased to $100 million at the March 2012 CTC meeting due to lower than forecasted expenditures and changes proposed in the Governor's Budget.

Transportation Facilities Account (TFA). The State Treasurer's Office (STO) conducted a general obligation bond sale in February 2012. As with previous sales, bond proceeds were used to refund previously issued bonds. In this instance, bonds issued for Propositions 108, 116, and 192 were refunded. The refunding will significantly reduce debt-service costs to the General Fund associated with those prior bond sales. Capacity is unchanged at this time.

Transportation Investment Fund (TIF). Caltrans projects TIF resources will be sufficient to fund its obligations through 2011-12. Thereafter, all TIF obligations will be absorbed by the SHA.

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	$84	$78	$0	$78	$6
Total	**$84**	**$78**	**$0**	**$78**	**$6**

Note: Totals may differ due to rounding.

Capital Allocations vs. Capacity

Approximately $78 million was allocated from the TCRP through the third quarter, which represents roughly 93% of the allocation capacity. There were four projects allocated through the third quarter.

Outlook for Funding & Allocations

Approximately $814 million in loan repayments are still outstanding from the GF (See Appendix D). The TCRP receives $83 million per year for repayment of $332 million in outstanding Proposition 42 loans. The 2011-12 Governor's Budget indicated that Tribal Gaming repayments (Pre-Proposition 42) would start no earlier than 2016-17; however, the Pre-Proposition 42 loans have no statutory repayment schedule.

Recommendations

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

PROPOSITION 1A & 1B BONDS

Proposition 1A and 1B Bonds ($ in millions)			
Fund	**Allocation Capacity**	**Allocations to Date**	**Remaining Capacity**
Proposition 1A	$51	$51	$0
CMIA	1,697	857	839
TCIF	1,391	611	780
Intercity Rail	240	67	172
State-Local Partnership	200	137	63
Local Bridge Seismic	19	5	14
Grade Separations	214	23	191
Traffic Light Synch.	110	38	71
Route 99	574	378	196
Total	**$4,497**	**$2,168**	**$2,328**

Note: Totals may differ due to rounding.

Capital Allocations vs. Capacity

Through the third quarter, $2.2 billion has been allocated toward 160 Proposition 1A and 1B bond projects. This represents 48 percent of the $4.5 billion approved capacity.

In February 2012, the STO conducted its third general obligation bond sale of 2011-12. As with previous sales, bond proceeds were used to refund previously issued bonds. In this instance, bonds issued for Propositions 108, 116, and 192 were refunded. These refunds will significantly reduce debt-service costs to the General Fund associated with those prior bond sales.

Also during the third quarter of 2011-12, Caltrans commenced working to restructure existing Proposition 1B tax certificate project lists for bonds issued prior to December 2010 in order to facilitate a significant reduction in total unspent Proposition 1B balances. This will be accomplished by “backfilling” unused portions of the older certificates with new Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) local transit projects. This action will allow additional local transit projects to move forward without adversely affecting the progress of existing projects as there is sufficient cash on-hand to fund existing projects prior to the next bond sale. Caltrans’ goal is to have funding for these new local transit projects completed during the fourth quarter of the current fiscal year.

Outlook for Funding & Allocations

The STO bond calendar indicates that there will be a general obligation bond sale in the fourth quarter.

Recommendations

The priority for the use of bond proceeds has been to fund ongoing projects before funding any new allocations. Due to the success of the first, second, and third quarter bond sales, Caltrans continues to recommend allocation of all bond projects as they come forward for vote through June 2012.

APPENDICES

APPENDIX A – ALLOCATION CAPACITY AND ASSUMPTIONS

2011-12 Allocation Capacity By Fund and Program ($ in millions)					
Fund	**SHOPP**	**STIP**	**TCRP**	**Other Bonds**	**Total**
SHA	$180	$200	$0	$0	$380
FTF	1,820	200	0	0	2,020
PTA	0	100	0	0	100
TCRF	0	0	84	0	84
Prop 1A Bonds[1]	*0*	*0*	*0*	*51*	*51*
Prop 1B Bonds[1]	*58*	*395*	*0*	*4,446*	*4,898*
Total Capacity	**$2,058**	**$895**	**$84**	**$4,497**	**$7,533**

[1]Bond capacity represents total budget authority and is subject to sales in 2011-12.

The 2011-12 allocation capacity of $7.533 billion includes Proposition 1A and Proposition 1B capacity.

This allocation capacity is based on:

- For SHOPP, 2011-12 Budget Act revenue and expenditure estimates, and 2012 STIP Fund Estimate federal receipts.
- The increased PTA allocation capacity of $100 million is based on a prudent cash balance of $100 million and includes unused rolled over capacity from 2010-11. The increase in capacity is largely due to lower than projected expenditures, and proposed changes in the Governor's Budget.
- 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 Commission, 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 2010-11 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 Commission. If necessary, adjustments are made to capital allocation levels, funding policy, or forecast methodology. The 2011-12 cash forecasts and allocation capacities are based on the following assumptions:

- Expenditures for state operations and capital outlay support are based on the 2011-12 Budget Act.

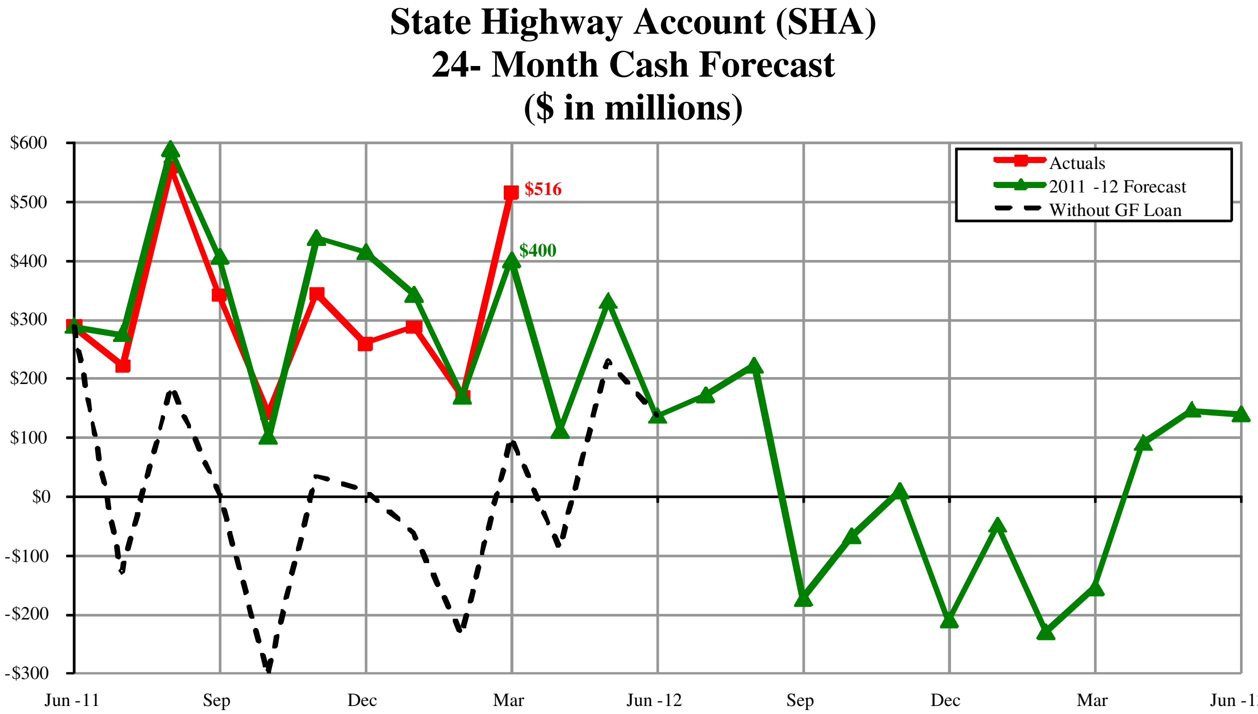
- Capital outlay and local assistance expenditures are based on actual and projected Commission allocations using historical and seasonal construction patterns.

- 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.

- A $135 million loan from the SHA to the GF authorized in the 2009-10 Budget was included in the 2010-11 SHA forecast. Also included is the assumption that the repayment of the $200 million loan from the SHA to the GF in 2008-09 and the subsequent intra-fund loan from the TCRF to the SHA for $200 million will both be delayed until June 2012.

- Federal receipts of approximately $3.0 billion are based on the 2012 STIP Fund Estimate.

APPENDIX B – STATE HIGHWAY ACCOUNT



Year-to-Date SHA Summary

The SHA ended the third quarter with a cash balance of $516 million, $116 million (29 percent) above the forecasted amount of $400 million. Revenue and transfers year-to-date were $2.7 billion, $143 million below forecast. Expenditures through the third quarter totaled $2.5 billion, $266 million below forecast. Adjustments, which represent timing differences between the Department's accounting system and the SCO's accounting system, totaled a negative $7 million.

SHA revenues were lower than forecasted through the third quarter. However, lower than forecasted expenditures resulted in the higher cash balance for the third quarter.

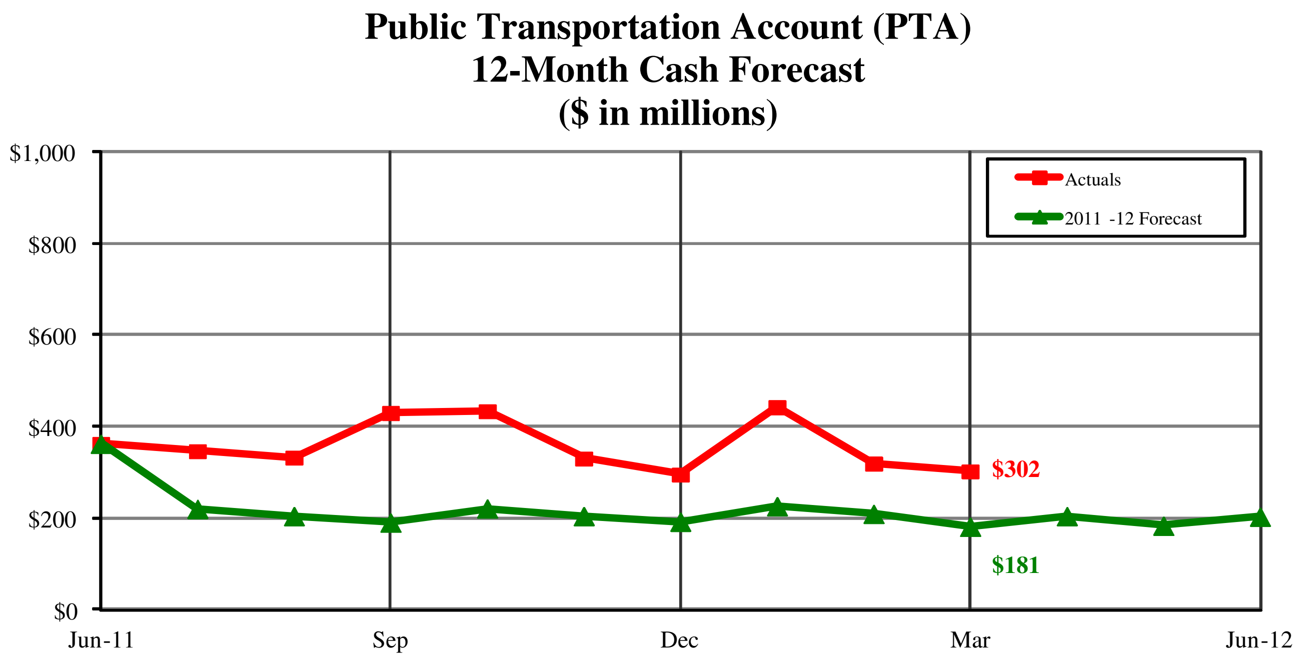
Also occurring during the third quarter, the Legal Division of the SCO made a decision regarding the distribution of the weight fee backfill amount that is owed to the SHA. It was determined that the SCO will not release the full backfill payments to the SHA for the remainder of the fiscal year. Instead, the lump sum balance currently owed, and all future payments, will be distributed to the STIP (44%), the SHOPP (12%), and to the Local Cities and Counties (44%). This is projected to reduce the annual SHA revenues by approximately $178 million. The Department of Finance is currently working on a legislative solution to this issue.

Year-to-Date Reconciliation

($ in millions)	Forecast	Actual	Difference	%
Beginning Cash Balance	**$289**	**$289**	**N/A**	
Revenues	3,487	3,366	-121	
Transfers	-649	-671	-22	
Expenditures	-2,726	-2,461	266	
Adjustments		-7	-7	
Ending Cash Balance	**$400**	**$516**	**$116**	**29%**

Note: Ending cash balance may differ due to rounding.

APPENDIX B – PUBLIC TRANSPORTATION ACCOUNT



Year-to-Date PTA Summary

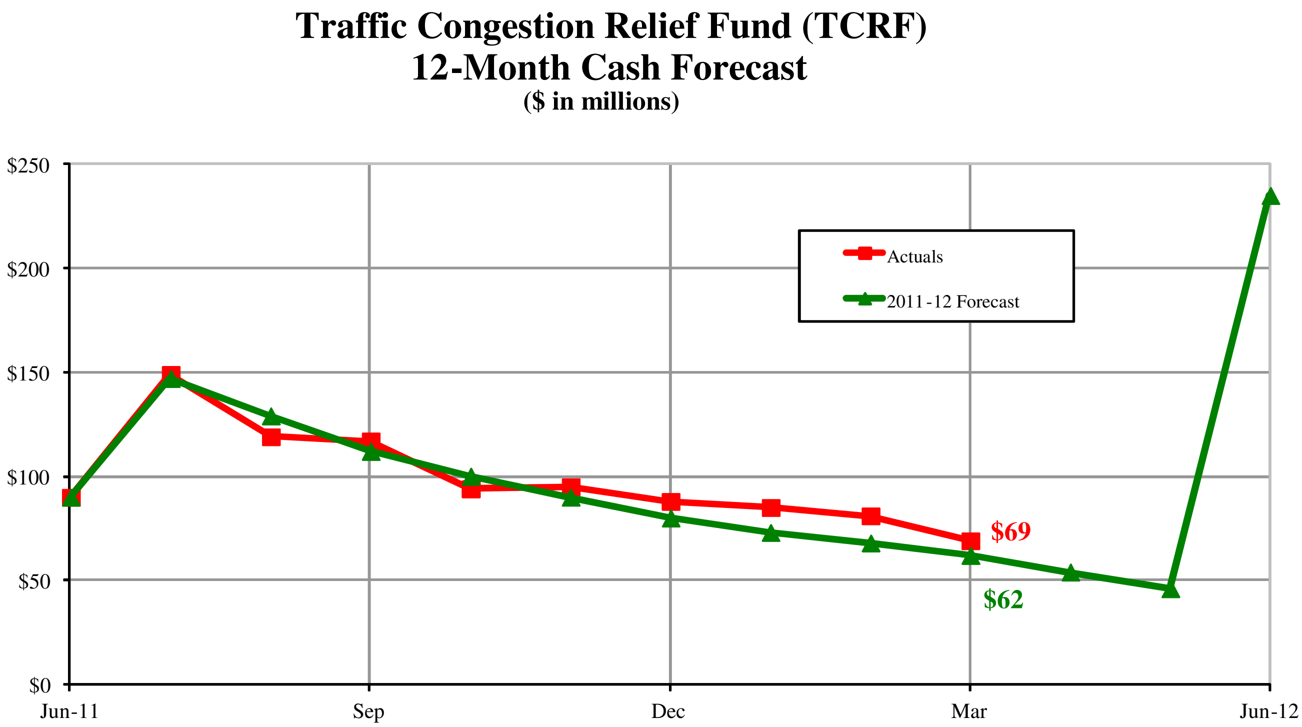
The PTA ending cash balance for the third quarter was $302 million, $121 million (67 percent) above the forecasted amount of $181 million. Expenditures totaled $204 million, $11 million (6 percent) higher than forecast. Year-to-date adjustments totaled a negative $151 million, which attributed to the higher cash balance. In addition, the third quarter STA transfer of $98 million was delayed, and did not occur until mid-April. If the transfer had occurred in the third quarter, as projected, the ending cash balance would have been within acceptable range of forecast.

Year-to-Date Reconciliation

($ in millions)	Forecast	Actual	Difference	%
Beginning Cash Balance	**$362**	**$362**	**N/A**	
Revenues	273	283	9	
Transfers	13	13	0	
Expenditures	-193	-204	-11	
Adjustments	-274	-151	123	
Ending Cash Balance	**$181**	**$302**	**$121**	**67%**

Note: Ending cash balance may differ due to rounding.

APPENDIX B – TRAFFIC CONGESTION RELIEF FUND



Year-to-Date TCRF Summary

The TCRF ending cash balance for the third quarter was $69 million, $7 million (11 percent) above the forecasted amount of $62 million. Year-to-date fund transfers totaled $145 million, which included the 2011-12 suspended Proposition 42 transfer from the TDIF in the first quarter. Expenditures totaled $228 million, $117 million (105 percent) higher than forecast. This difference was primarily attributed to the processing of the remaining accrued expenditures from the previous year and current year. Adjustments were $61 million through the third quarter. The 2011-12 year-end forecast includes the $200 million repayment from the SHA, which was borrowed in 2008-09 to back-fill a GF fund loan from the SHA. Payment is scheduled for June 2012, commensurate with the repayment of the GF loan to the SHA.

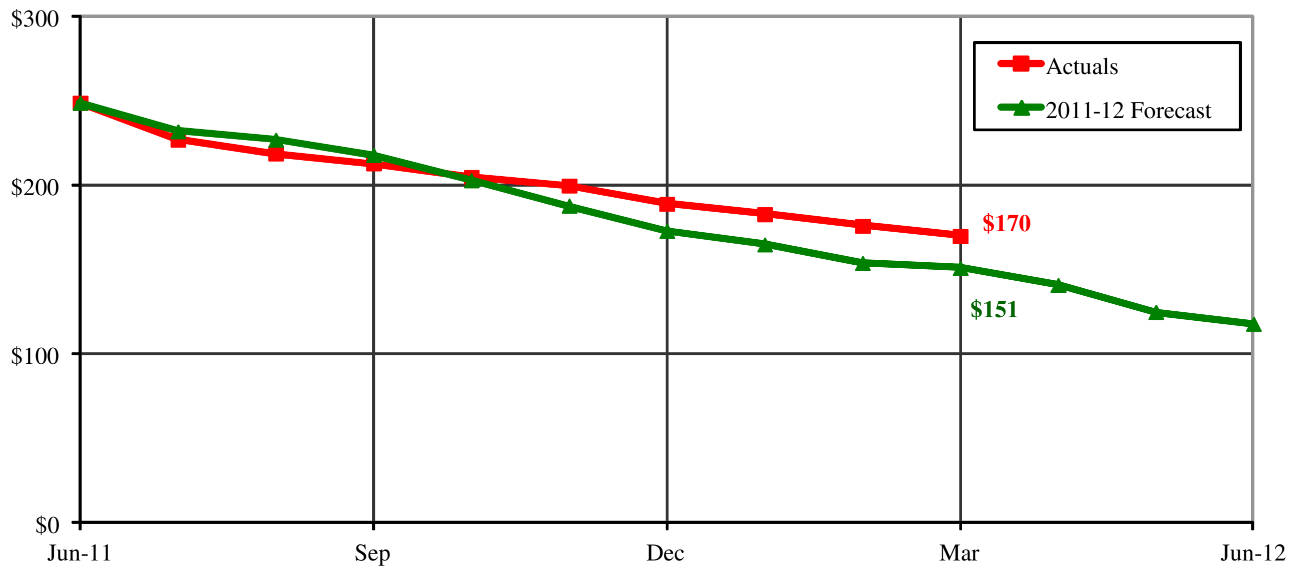
Year-to-Date Reconciliation

($ in millions)	Forecast	Actual	Difference	%
Beginning Cash Balance	**$90**	**$90**	**N/A**	
Revenues	0	0	0	
Transfers	83	145	62	
Expenditures	-111	-228	-117	
Adjustments		61	61	
Ending Cash Balance	**$62**	**$69**	**$7**	**11%**

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

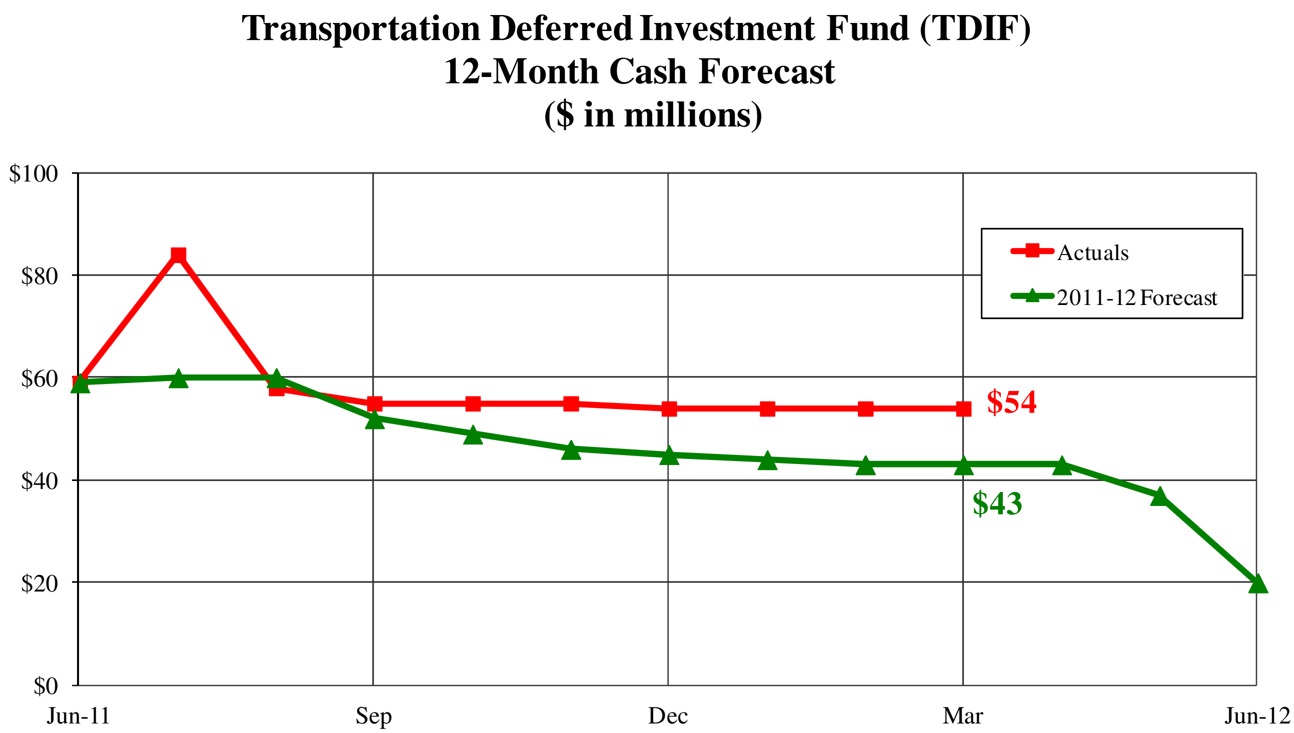
The TIF ending cash balance for the third quarter was $170 million, $19 million (13 percent) above the forecasted amount of $151 million. The TIF no longer receives revenue, due to the passage of ABX8 6 and ABX8 9, collectively known as the Fuel Tax Swap. No transfers were made through the third quarter. Expenditures totaled $82 million, $17 million (17 percent) below forecast. Year-to-date adjustments totaled $2 million.

Year-to-Date Reconciliation

($ in millions)	Forecast	Actual	Difference	%
Beginning Cash Balance	**$250**	**$250**	**N/A**	
Revenues	0	0	0	
Transfers	0	0	0	
Expenditures	-99	-82	17	
Adjustments		2	2	
Ending Cash Balance	**$151**	**$170**	**$19**	**13%**

Note: Ending cash balance may differ due to rounding.

APPENDIX B – TRANSPORTATION DEFERRED INVESTMENT FUND



Year-to-Date TDIF Summary

The TDIF ending cash balance for the third quarter was $54 million, $11 million (26 percent) above the forecasted amount of $43 million. Year-to-date transfers were $48 million. Expenditures totaled $30 million, 14 million (88 percent) above forecast. Year-to-date adjustments totaled a negative $10 million. No future allocations will be made from the TDIF.

Year-to-Date Reconciliation

($ in millions)	Forecast	Actual	Difference	%
Beginning Cash Balance	**$59**	**$59**	**N/A**	
Revenues	83	83	0	
Transfers	-83	-48	35	
Expenditures	-16	-30	-14	
Adjustments		-10	-10	
Ending Cash Balance	**$43**	**$54**	**$11**	**26%**

Note: Ending cash balance may differ due to rounding.

APPENDIX C – FEDERAL EMERGENCY PROJECTS

The Federal Highway Administration (FHWA) acknowledged a declared disaster from the Southern California windstorm that occurred on November 30, 2011. On January 9, 2012, Caltrans received an Emergency Relief allocation in the amount of $326.4 million in federal funding for previous disasters. The chart below represents disasters that have not been completely funded by FHWA.

Disaster Repair Costs
Approved Federal Funding and State/Local Impact
($ millions)

Disaster	Identified Cost of Disaster Repair		
	State	Local	Total
Devil's Slide CA83-1	$631	$0	$631
Dec. 2004 Storm CA05-1	213	106	319
Dec. 2005 Storm CA06-1	397	55	452
So. California Wildfires CA08-3	23	9	32
California Wildfires CA08-6	9	0	9
So. California Wildfires CA09-1	9	0	9
So. California Wildfires CA09-2	12	7	19
Jan. 2010 Storm CA10-1	74	4	78
Humboldt Co. Earthquake CA10-2	1	2	3
Imperial Co. Earthquake CA10-3	1	7	8
Dec. 2010 Storm CA11-1	56	52	108
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	2	3
Total Damage Estimate	**$1,774**	**$260**	**$2,034**
Amount Obligated To Date			**$1,310**
Allocation Available for Future Project Costs			**$130**
Remaining Need			**$594**

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 emergency projects.

APPENDIX D – TRANSPORTATION LOANS

Status of Outstanding Transportation Loans, as of March 31, 2012 ($ in millions)			
FUND	**Original Loan**	**Loans / Interest Paid-to-Date**	**Remaining Balance**
Pre-Proposition 42 (Tribal Gaming Revenue):			
State Highway Account (SHA)[1]	$473	$341	$132
Public Transportation Account (PTA)	275	10	265
Traffic Congestion Relief Fund (TCRF)	482	0	482
Subtotal Pre-Proposition 42 Tribal Gaming Loans:	**$1,230**	**$351**	**$879**
Proposition 42:			
Public Transportation Account (PTA)	$220	$218	$2
Transportation Investment Fund (TIF)	440	440	0
Transportation Congestion Relief Fund (TCRF)[2]	1,066	733	332
Locals	440	440	0
Subtotal Proposition 42 Loans:	**$2,167**	**$1,832**	**$334**
General Fund Loan:			
State Highway Account (SHA)[3]	$335	$0	$335
State Highway Account - Weight Fee Revenues[3]	227	0	227
Highway User Tax Account (HUTA)[4]	328	0	328
Public Transportation Account[5]	29	0	29
Other transportation accounts	31	0	31
Subtotal General Fund Loan:	**$950**	**$0**	**$950**
Totals:	**$4,346**	**$2,183**	**$2,163**

Note: Numbers may differ due to rounding.

[1]The remaining balance of $132 million will be directed to debt service per AB 115 of 2010.

[2]The remaining amount due to TCRF under Proposition 42 suspension will be repaid in equal annual installments ending in 2015-16.

[3]The SHA is expected to be repaid $200 million in 2011-12, $135 million in 2012-13, and $227 million in 2020-21.

[4]The HUTA is expected to be repaid $328 million in 2020-21.

[5]The PTA is expected to be repaid $29 million in 2020-21.

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 Director of Finance 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 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 State Controller.

Proposition 42 Loans

In March 2002, Proposition 42 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 $1.415 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. 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, and the Pedestrian Safety Account. These funds were transferred to the GF on November 14, 2008. The authorized $231 million in loans were scheduled to be repaid by June 30, 2011, but the Budget Act of 2010 delayed the repayments by one year. The SHA repayment of $200 million and the repayment of $23 million to the majority of other transportation accounts are expected in 2011-12. The Local Airport Loan Account repayment of $7.5 million has been extended to a date no earlier than 2015-16.

A $135 million loan from the SHA to the GF was authorized in the 2009-10 Budget. The loan to the GF occurred on June 30, 2010. This loan is required to be repaid, with interest calculated at the rate earned by the PMIA, by June 30, 2013.

The 2010-11 Budget authorized a $227 million loan from the SHA to the GF, and a $29 million loan from the PTA to the GF. Passage of 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 State Controller. In addition, a loan of $328 million was transferred to the GF from the HUTA. These loans are required to be repaid, with interest calculated at the rate earned by the PMIA, 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 Controller will immediately transfer these funds to the TDSF.

Interfund Transportation Loans

Fiscal Year Borrowed	From Account	To Account	Description	Amount	Repaid	Remaining Balance
2008-09	TCRF	SHA	Backfill SHA transfer to the GF	$200	$0	$200
2009-10	PTA	SHA	Backfill SHA transfer to the GF	135	0	135
			Totals	**$335**	**$0**	**$335**

A loan of $200 million was transferred in 2008-09 to the SHA from the TCRF to backfill the $200 million loan to the GF. A loan of $135 million was transferred in 2009-10 to the SHA from the PTA to backfill the $135 million loan to the GF. To date, these loans have not been repaid. The $200 million loan to the TCRF is scheduled to be repaid by June 2012, and the $135 million loan repayment to the PTA has been extended to June 2013.