

## Memorandum

To: CHAIR AND COMMISSION  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 8, 2013

Reference No.: 4.15  
Action Item

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Budgets

Subject: **CORRECTION TO THE ADOPTED 2014 FUND ESTIMATE  
RESOLUTION G-13-11, AMENDING RESOLUTION G-13-08**

### **RECOMMENDATION:**

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) to approve corrections to the Public Transportation Account (PTA) and State Transportation Improvement Program (STIP) Program Capacity tables within the adopted 2014 STIP Fund Estimate (FE).

### **ISSUE:**

The Department, in consultation with Commission staff, has identified two discrepancies in the PTA table that require updates:

- Beginning Balance – The Department used the assumption that the ending balance in the PTA as of June 30, 2013 will be used as the beginning balance displayed in the adopted 2014 STIP FE for Fiscal Year 2013-14. However, the Department discovered that the scheduled transfer of approximately \$110 million in State Transit Assistance was delayed until August 14, 2013. The transfer was initiated by the State Controller's Office after the 2014 STIP FE was adopted, but was applied to the fourth quarter of Fiscal Year 2012-13. Thus, the beginning balance used in the adopted 2014 STIP FE for the PTA was overstated and needs to be adjusted accordingly.
- Capital Outlay Commitments – A cash flow model is used in the development of the STIP FE tables. This model displays a forecast of new target program capacity based on the cash flow required to manage commitments and the allocation of capital projects. The Department developed program expenditure and cash flow estimates by working with each respective Division within the Department. However, the Department discovered that unliquidated encumbrances were not captured in the original capital expenditure estimates provided by the Divisions. Thus, the capital outlay commitments were understated and need to be adjusted accordingly.

Based on the updated information above, and a reassessment of the PTA program capacity model, the Department proposes to increase the PTA STIP target program capacity by \$65 million in 2014-15.

In addition, the Department proposes to amend Resolution G-13-08 and replace it with Resolution G-13-11.

**BACKGROUND:**

Section 14524(d) of the Government Code (GC) requires the Commission, in consultation with the Department, to determine the methodology and assumptions of the STIP FE. On May 7, 2013, the Commission adopted the 2014 STIP FE Final Assumptions.

Sections 14524 and 14525 of the GC require the Department to present a STIP FE to the Commission by July 15, and the Commission to adopt a STIP FE by August 15 of each odd-numbered year, respectively. Each even-numbered year, the Commission is required to adopt a STIP based on the funding identified in the adopted STIP FE.

Section 14525(d) of the GC allows the Commission to amend the STIP FE prior to March 1 of each even-numbered year to account for unexpected revenues or other unforeseen circumstances.

Attachments:

Resolution G-13-11

Updated PTA and STIP Program Capacity tables

**RESOLUTION G-13-11  
AMENDING RESOLUTION G-13-08**

**APPENDIX G – RESOLUTION TO ADOPT  
THE 2014 STIP FUND ESTIMATE**

**CALIFORNIA TRANSPORTATION COMMISSION**

**ADOPTION OF THE 2014 FUND ESTIMATE**

- 1.1. WHEREAS, Sections 14524 and 14525 of the Government Code require the California Department of Transportation (Department) to present, and the California Transportation Commission (Commission) to adopt, a biennial fund estimate to include and estimate all State and federal funds reasonably expected to be available for the biennial State Transportation Improvement Program (STIP), including the amount that may be programmed in each county for regional improvement programs; and
- 1.2. WHEREAS, on January 8, 2013, the Department presented an overview of the fund estimate process and schedule; and
- 1.3. WHEREAS, on May 7, 2013, the Department presented, and the Commission approved the 2014 Fund Estimate assumptions; and
- 1.4. WHEREAS, on June 11, 2013, the Department presented to the Commission the Draft 2014 Fund Estimate; and
- 1.5. WHEREAS, on July 18, 2013, the Commission held a workshop on the Proposed 2014 Fund Estimate to consider public comment, and indicated that the adoption of the 2014 Fund Estimate would be scheduled for August 6, 2013; and
- 1.6. WHEREAS, on August 6, 2013, the Department presented to the Commission an updated, Proposed 2014 Fund Estimate; and
- 1.7. WHEREAS, the Proposed 2014 Fund Estimate identifies new program capacity of approximately \$1.3 billion in new highway STIP capacity, and over-programming of approximately \$314 million in the Public Transportation Account for the six-year period covering 2013-14 through 2018-19; and
- 1.8. WHEREAS, the Proposed 2014 Fund Estimate includes annual programming targets, adjusted for STIP amendments and allocations through June 2013.

- 2.1 NOW THEREFORE BE IT RESOLVED that the California Transportation Commission does hereby adopt the 2014 STIP Fund Estimate, as presented by the Department on August 6, 2013, with programming in the 2014 STIP to be based on the statutory funding identified; and
- 2.2 BE IT FURTHER RESOLVED that the Commission requests that the Department, in cooperation with Commission staff, distribute copies of the 2014 Fund Estimate to each regional agency and county transportation commission.

**2014 STIP FUND ESTIMATE  
PUBLIC TRANSPORTATION ACCOUNT**

(\$ in thousands)

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	5-Year Total	6-Year Total
<b>RESOURCES</b>								
Beginning Balance	\$391,169							\$391,169
Adjustment for STA Transfer Timing	(\$109,752)							(\$109,752)
Sales Tax on Diesel	610,777	601,344	601,753	602,162	602,572	602,982	3,010,813	3,621,590
SMIF Interest Earned	230	191	275	275	275	275	1,291	1,521
Transfer from Aeronautics Account	30	30	30	30	30	30	150	180
Loan Repayment from SHA	0	135,000	0	0	0	0	135,000	135,000
Loan Repayment from TDIF	2,054	0	0	0	0	0	0	2,054
Loan to High-Speed Rail (HSR)	(26,199)	0	0	0	0	0	0	(26,199)
Transfer from SHA (S&HC 194)	26,304	26,872	27,451	28,044	28,649	29,268	140,284	166,589
<b>TOTAL RESOURCES</b>	<b>\$894,614</b>	<b>\$763,437</b>	<b>\$629,509</b>	<b>\$630,511</b>	<b>\$631,526</b>	<b>\$632,555</b>	<b>\$3,287,538</b>	<b>\$4,182,152</b>
State Transit Assistance	(391,972)	(379,779)	(380,040)	(380,298)	(380,557)	(380,816)	(1,901,491)	(2,293,463)
<b>SUBTOTAL AVAILABLE RESOURCES</b>	<b>\$502,642</b>	<b>\$383,658</b>	<b>\$249,469</b>	<b>\$250,213</b>	<b>\$250,969</b>	<b>\$251,739</b>	<b>\$1,386,047</b>	<b>\$1,888,689</b>
<b>COMMITMENTS</b>								
<b>STATE OPERATIONS</b>								
Rail and Mass Transportation Support	(\$28,511)	(\$29,138)	(\$29,779)	(\$30,434)	(\$31,104)	(\$31,788)	(\$152,244)	(\$180,755)
Planning Staff and Support	(21,858)	(22,339)	(22,830)	(23,333)	(23,846)	(24,371)	(116,718)	(138,576)
California Transportation Commission	(1,403)	(1,434)	(1,465)	(1,498)	(1,531)	(1,564)	(7,492)	(8,895)
Institute of Transportation Studies	(980)	(980)	(980)	(980)	(980)	(980)	(4,900)	(5,880)
Public Utilities Commission	(5,434)	(5,554)	(5,676)	(5,801)	(5,928)	(6,059)	(29,017)	(34,451)
State Controller's Office	(19)	(19)	(20)	(20)	(21)	(21)	(101)	(120)
<b>TOTAL STATE OPERATIONS</b>	<b>(\$58,205)</b>	<b>(\$59,464)</b>	<b>(\$60,751)</b>	<b>(\$62,066)</b>	<b>(\$63,409)</b>	<b>(\$64,783)</b>	<b>(\$310,472)</b>	<b>(\$368,677)</b>
<b>INTERCITY RAIL</b>								
Intercity Rail and Bus Operations	(\$90,347)	(\$93,057)	(\$95,849)	(\$98,725)	(\$101,686)	(\$104,737)	(\$494,055)	(\$584,402)
Amtrak Funding Adjustment	(\$18,600)	(31,000)	(24,800)	(24,800)	(24,800)	(24,800)	(\$130,200)	(\$148,800)
San Joaquin Service Improvements (HSR Integration)	0	0	0	0	(27,210)	(28,026)	(55,236)	(55,236)
Coast Daylight - New Train Service	0	0	(5,000)	(5,150)	(5,305)	(5,464)	(20,918)	(20,918)
Capital Corridor - Service Change	0	0	0	0	0	0	0	0
Pacific Surfliner - Service Change	0	0	0	0	0	0	0	0
Heavy Equipment Overhaul	(16,800)	(16,800)	(16,800)	(16,800)	(17,800)	(17,800)	(86,000)	(102,800)
<b>TOTAL INTERCITY RAIL</b>	<b>(\$125,747)</b>	<b>(\$140,857)</b>	<b>(\$142,449)</b>	<b>(\$145,475)</b>	<b>(\$176,801)</b>	<b>(\$180,827)</b>	<b>(\$786,409)</b>	<b>(\$912,156)</b>
<b>LOCAL ASSISTANCE</b>								
Bay Area Ferry Operations/Waterborne	(\$3,148)	(\$3,179)	(\$3,211)	(\$3,243)	(\$3,276)	(\$3,309)	(\$16,219)	(\$19,367)
<b>TOTAL LOCAL ASSISTANCE</b>	<b>(\$3,148)</b>	<b>(\$3,179)</b>	<b>(\$3,211)</b>	<b>(\$3,243)</b>	<b>(\$3,276)</b>	<b>(\$3,309)</b>	<b>(\$16,219)</b>	<b>(\$19,367)</b>
<b>CAPITAL OUTLAY</b>								
STIP - Mass Transportation*	(\$127,400)	(\$100,750)	(\$57,200)	(\$33,800)	(\$3,900)	\$0	(\$195,650)	(\$323,050)
STIP - Rail*	(68,600)	(54,250)	(30,800)	(18,200)	(2,100)	0	(105,350)	(173,950)
<b>TOTAL CAPITAL OUTLAY</b>	<b>(\$196,000)</b>	<b>(\$155,000)</b>	<b>(\$88,000)</b>	<b>(\$52,000)</b>	<b>(\$6,000)</b>	<b>\$0</b>	<b>(\$301,000)</b>	<b>(\$497,000)</b>
<b>CASH AVAILABLE FOR PROGRAMMING</b>	<b>\$119,542</b>	<b>\$25,157</b>	<b>(\$44,942)</b>	<b>(\$12,571)</b>	<b>\$1,483</b>	<b>\$2,821</b>	<b>(\$28,052)</b>	<b>\$91,489</b>
<b>PTA STIP TARGET CAPACITY</b>	<b>\$25,000</b>	<b>\$65,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$65,000</b>	<b>\$90,000</b>

Note: Individual numbers may not add to total due to independent rounding.

\*Cash flow adjusted for unliquidated encumbrances.

<b>2014 STIP FE PTA STIP Program Capacity*</b>								
(\$ in millions)								
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	5-Year Total	6-Year Total
<b>2014 STIP FE PTA Target Capacity</b>	<b>\$25</b>	<b>\$65</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$65</b>	<b>\$90</b>
2012 PTA STIP Program	79	127	101	97	0	0	325	404
<b>New PTA STIP Capacity</b>	<b>(\$54)</b>	<b>(\$62)</b>	<b>(\$101)</b>	<b>(\$97)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$260)</b>	<b>(\$314)</b>

Note: Individual numbers may not add to total due to independent rounding.

\*Included in the overall STIP Program Capacity.

<b>2014 STIP FE STIP Program Capacity</b>								
(\$ in millions)								
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	5-Year Total	6-Year Total
<b>2014 STIP FE Target Capacity</b>	<b>\$739</b>	<b>\$755</b>	<b>\$680</b>	<b>\$675</b>	<b>\$675</b>	<b>\$670</b>	<b>\$3,455</b>	<b>\$4,194</b>
2012 STIP Program	\$739	\$732	\$741	\$720	0	0	2,193	2,932
<b>New STIP Program Capacity</b>	<b>\$0</b>	<b>\$23</b>	<b>(\$61)</b>	<b>(\$45)</b>	<b>\$675</b>	<b>\$670</b>	<b>\$1,262</b>	<b>\$1,262</b>
<b>Cumulative Difference</b>	<b>\$0</b>	<b>\$23</b>	<b>(\$38)</b>	<b>(\$83)</b>	<b>\$592</b>	<b>\$1,262</b>		

Note: Individual numbers may not add to total due to independent rounding.