

Memorandum

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To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 20, 2014

Reference No.: 4.12
Action Item

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Steven Keck, Chief
Division of Budgets

Subject: FUND ESTIMATE FOR THE AERONAUTICS PROGRAM AND ALLOCATION CAPACITY FOR FISCAL YEAR 2014-15
RESOLUTION G-14-20

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve the attached resolution and adopt a 2014 Aeronautics Account Fund Estimate and Fiscal Year 2014-15 Allocation Capacity.

ISSUE:

Additional resources have been made available due to the \$4 million transfer from the Local Airport Loan Account (LALA) to the Aeronautics Account and \$1.08 million in projected de-allocations. These additional resources have resulted in an opportunity for the development and delivery of additional General Aviation (GA) grants. The Department has incorporated an adjustment into the 2014 Aeronautics Account Fund Estimate, leaving a balance of approximately \$500,000 to address cash shortfalls in future years when expenditures are projected to exceed revenues. State law allows for additional LALA transfers in the future contingent upon both Commission and Department of Finance approval; however no assumption regarding future transfers was included in the 2014 Aeronautics Fund Estimate. The increase in capacity will take the \$5.08 million into account and ensures that sufficient projects are developed to utilize the additional resources.

BACKGROUND:

The Division of Aeronautics allocates funds through the California Aid to Airports Program (CAAP), which includes three separate grant programs; the Annual Credit grant, Airport Improvement Program (AIP) grant, and the Acquisition and Development (A&D) grant. The Annual Credit grant program provides \$10,000 per year to eligible publicly-owned GA airports. The second statutory priority is the state's AIP match, which is required for the federal AIP grant. This program provides state match funding of five percent of the federal grant amount to eligible GA airports. Finally, the A&D grant program provides grants to eligible publicly-owned GA airports for 90 percent of project costs, subject to cash availability after funding the previous two grant aid programs.

Attachments

2014 FUND ESTIMATE
AERONAUTICS ACCOUNT
(\$ in thousands)

Attachment 1

	2013-14	2014-15	2015-16	2016-17	3-Year Total
RESOURCES					
Beginning Balance	\$7,370	\$1,769	\$1,931	\$1,221	
Adjustment for Prior Commitments ¹	(5,822)				
ADJUSTED BEGINNING BALANCE	\$1,548	\$1,769	\$1,931	\$1,221	\$4,921
Aviation Gas Excise Tax ²	2,836	2,744	2,654	2,568	7,966
Jet Fuel Excise Tax ²	2,618	2,771	2,933	3,105	8,809
Interest (SMIF)	23	18	13	13	44
Federal Trust Funds	436	446	455	465	1,366
Sale of Documents	1	1	1	1	4
De-allocations ³	0	1,080	0	0	1,080
Transfer to PTA Account	(30)	(30)	(30)	(30)	(90)
Transfers from LALA Account ⁴	0	4,000	0	0	4,000
TOTAL RESOURCES	\$7,433	\$12,799	\$7,958	\$7,344	\$28,101
STATE OPERATIONS					
State Operations	(\$3,663)	(\$3,736)	(\$3,811)	(\$3,887)	(\$11,434)
State Controller (0840)	(8)	(8)	(8)	(9)	(25)
Financial Information System for California (8880)	(3)	(3)	(3)	(3)	(9)
TOTAL STATE OPERATIONS	(\$3,674)	(\$3,748)	(\$3,822)	(\$3,899)	(\$11,469)
LOCAL ASSISTANCE					
Grants to Local Agencies (Annual Credit Program)	(\$1,440)	(\$1,490)	(\$1,490)	(\$1,490)	(\$4,470)
Airport Improvement Program (AIP) Match	(550)	0	0	0	0
Acquisition & Development (A&D)	0	0	0	0	0
New Program Capacity	0	(5,630)	(1,425)	(1,425)	(8,480)
TOTAL LOCAL ASSISTANCE	(\$1,990)	(\$7,120)	(\$2,915)	(\$2,915)	(\$23,380)
FUND BALANCE	\$1,769	\$1,931	\$1,221	\$530	

Note: Numbers may not add due to rounding.

¹ Includes outstanding encumbrances.

² Excise tax revenues are based on the 2013-14 projection from the 2013-14 Governor's Budget and escalated each year from 2013-14 through 2016-17 per assumption Aero 2.

³ Estimated de-allocations through August 2014 CTC Meeting

⁴ A \$4 million transfer from Local Airport Loan Account was approved.

Allocation Capacity for
Aeronautics Account

Attachment 2

	2014-15
Airport Improvement Program (AIP) Match	\$0
Acquisition & Development (A&D)	0
New Program Capacity	5,630
Total Allocation Capacity	\$ 5,630