Government of the District of Columbia

FY 2004 Proposed Budget and Financial Plan

FY 2004 - FY 2009 Highway Trust Fund

Education, Public Safety and Opportunity for All

Submitted to the

Congress of the United States

by the

Government of the District of Columbia

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

District of Columbia Government

For the Fiscal Year Beginning

October 1, 2002

President | Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the District of Columbia for its annual and capital budget for the fiscal year beginning October 1, 2002.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria of a policy document, a financial plan, an operational guide and a communications device.

The award is the third in the history of the District of Columbia, and is valid for a period of one year. The Office of Budget and Planning will submit the FY 2004 Budget and Financial Plan for consideration by GFOA, and believes the FY 2004 Proposed Budget and Financial Plan continues to conform to the GFOA's requirements.

Government of the District of Columbia

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Mayor

John A. Koskinen
City Administrator

Kelvin J. Robinson
Chief of Staff

Herbert R. Tillery
Deputy Mayor for Operations

Margret Nedelkoff Kellems
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Chief Financial Officer

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Chairman

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David A. Catania .... At Large
Carol Schwartz .... At Large
Phil Mendelson .... At Large
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Jack Evans .... Ward 2
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Adrian Fenty .... Ward 4
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Sharon Ambrose .... Ward 6
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Deputy Chief of Staff for Policy
and Legislative Affairs

Noel Bravo
Special Assistant and
Senior Advisor for Budget and Finance

Council of the District of Columbia

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Public Safety and Justice

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Pamela D. Graham
Government Services

Henry Mosley
Economic Development and Regulation

Deloras Shepherd
Human Support Services

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Sunday Okparaocha
Jason Orlando
Carlotta Osorio
John Parham
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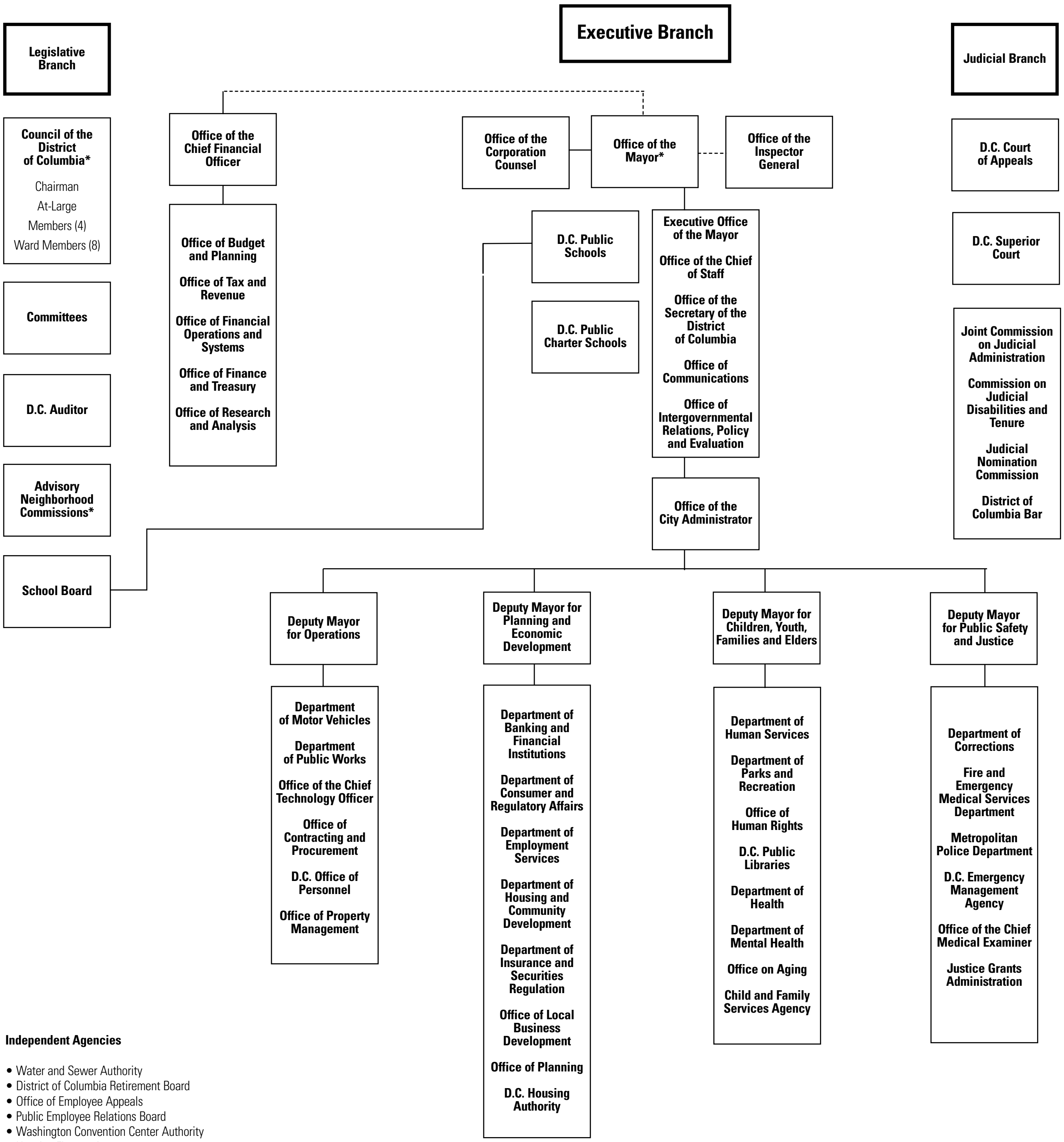
Ana Reyes
Mike Richard
Patrick Richard
Sam Ruma
James Spaulding
Sue Taing
Renee Waddy
Lakeia Williams
Louise Wyatt
Henry Wong
Hyong Yi

Organization Chart, Government of the District of Columbia



Independent Agencies

- Water and Sewer Authority
- District of Columbia Retirement Board
- Office of Employee Appeals
- Public Employee Relations Board
- Washington Convention Center Authority
- Housing Finance Agency
- Public Defenders Services
- Pretrial Services Agency
- D.C. Lottery and Charitable Games Control Board
- Board of Library Trustees
- University of the District of Columbia Board of Trustees
- D.C. Sports and Entertainment Commission
- Office of the People's Counsel

Charter Independent Agencies

- Zoning Commission
- D.C. Public Schools
- Public Charter Schools
- Public Service Commission
- Board of Elections and Ethics

Regional Bodies

- Metropolitan Washington Council of Governments
- National Capital Planning Commission
- Washington Metropolitan Area Transit Authority
- Washington Metropolitan Area Transit Commission
- Washington Metropolitan Airports Authority

* Elected officials

FY 2004-FY 2009 Highway Trust Fund

Table of Contents

District Department of Transportation

Description	FY 2003 Approved	FY 2004 Proposed	% Change
Operating Budget	$30,435,622	$26,825,513	-11.9%
Local Capital Budget	$40,081,000	$40,061,000	1.6%
Capital Improvements Plan (Federal & Highway Trust Fund)	$246,769,279	$264,894,000	7.3%

The mission of the District Department of Transportation (DDOT) is to provide reliable transportation facilities and services for residents, visitors, commuters and employees so all can move safely and efficiently, while enhancing quality of life and economic competitiveness.

Since achieving cabinet-level status in 2002, the District Department of Transportation (DDOT) has positioned itself as one of the District's most innovative and visionary agencies, and has become an emerging national leader in the provision of state and local transportation services.

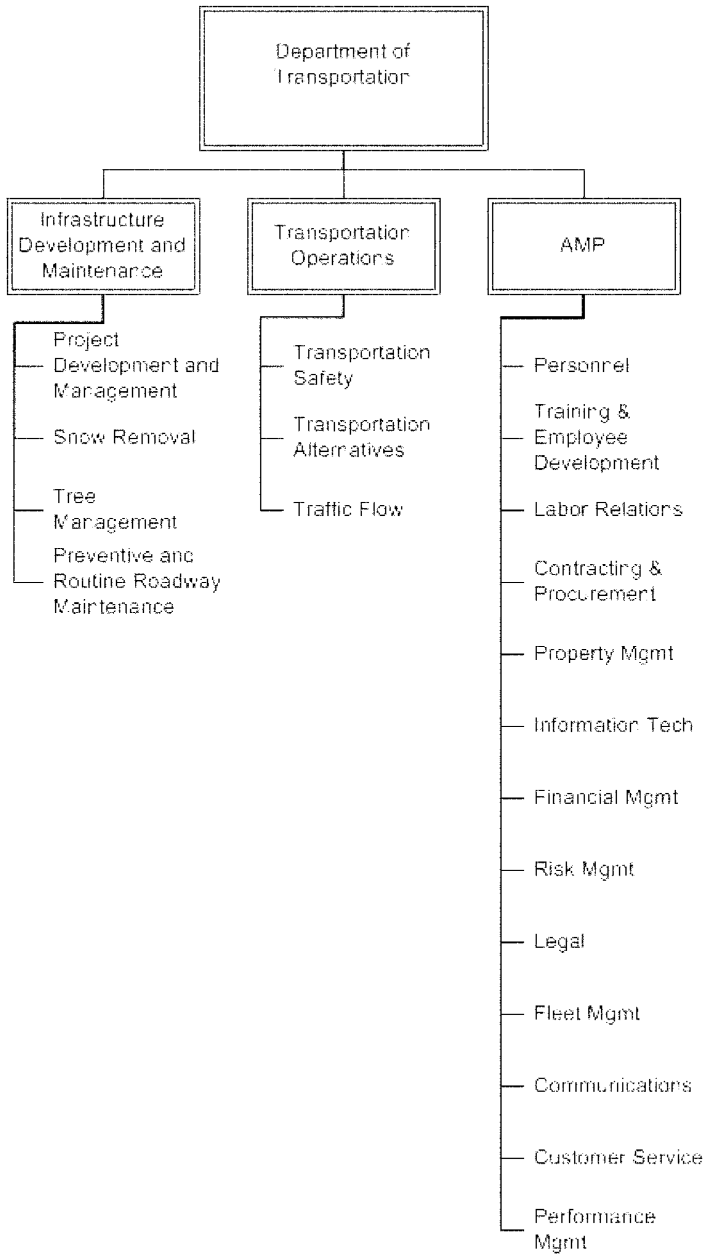
Reforms undertaken beginning in 2000 have borne fruit in many ways, including the agency's ability to respond more quickly to the needs of constituents, better use of available resources, and a significant improvement in the condition of transportation facilities in the District of Columbia.

These reforms were fueled by a desire to improve the agency's ability to achieve its mission as the steward for transportation facilities and transportation safety in the District of Columbia. In FY 2004, DDOT will undertake the following as part of its mission:

- Maintaining 70 percent of the District of Columbia's neighborhood streets, bridges, trees and sidewalks to a level that will rank "good" or "excellent" under the DDOT Infrastructure Quality Index by 2004.
- Reducing the overall number of vehicular, bicycle and pedestrian accidents and injuries by 4 percent annually, from FY 2001 to FY 2006.
- Implementing alternative strategies to maintain or enhance overall system capacity and traffic flow.

Did you know…	FY 2001	FY 2002
Number of blocks paved	676	1216
Percent of potholes filled within 72 hours of reporting in FY 2002	69%	95.1%
Number of trees trimmed	11,906	15,907
Number of tree trimming requests received	5,800	8,200

Figure KA0-1
Department of Transportation



- Working to increase the number of trips taken by alternate means of transportation, including mass transit, walking, bicycles, or high occupancy vehicles, by 3 percent annually, from FY 2002 to FY 2004.
- Working toward a "good" or "better" rating by 2004 by 70 percent of individuals polled on the services provided by the agency.
- Working with the external agencies and internal processes to eliminate barriers to

ensure the organization will be fully staffed with individuals with the necessary skills and is able to obtain necessary contractual resources.
- Working with WMATA to implement plans to construct light rail and bus rapid transit, and continue to encourage transit-oriented development throughout the District of Columbia.
- Continuing to reform the agency by providing additional training opportunities for staff, procuring needed resources and encouraging creative approaches to transportation management.

DDOT PROGRAMS FY 2004

Agency Structure

In order to ensure that DDOT was positioned to successfully plan, construct, inspect, maintain and operate all transportation facilities and public rights-of-way within the District of Columbia, the agency was reorganized in FY 2002 into the following units, under the leadership of the Office of the Director:

- **Infrastructure Project Management Administration** is responsible for managing capital projects related to the design, engineering, and construction of streets, bridges and other transportation infrastructure.
- **Transportation Policy and Planning Administration** is responsible for developing and implementing transportation plans and policies to improve mobility throughout the city.
- **Traffic Services Administration** is responsible for planning, operating, and maintaining the District of Columbia's traffic services infrastructure for the safe and efficient movement of pedestrians and vehicles through the District's street system.
- **Rights-of-Way Management Administration** is responsible for managing the use and providing for the maintenance of the public rights-of-way.
- **Urban Forestry Administration** is responsible for developing plans and specifications and implementing the design, development, care and maintenance of the city's 110,000 street trees.

Programs

DDOT has organized its functions into three program areas: Infrastructure Development and Maintenance, Transportation Operations, and Agency Management.

Infrastructure Development and Maintenance

The Infrastructure Development and Maintenance program supports the planning, construction and maintenance of a high-quality transportation infrastructure. To support this program, DDOT has implemented a project/program team approach. The project management and maintenance teams are ward-based.

Often-overlooked elements of the transportation infrastructure are the trees that line the streets of the District. They not only provide an environmental benefit, but also create a buffer between pedestrians and the flow of automobiles. Stewardship of trees will be taking on a more pronounced role, in terms of maintenance and as part of the review of project designs.

Transportation Operations

The goal of the Transportation Operations program is to provide an efficient and diverse transportation system for District residents, businesses, commuters and businesses so that they can travel efficiently within the District of Columbia.

The program regulates the public rights-of-way, and its uses, including traffic flow, parking and utility work. This is accomplished by operating the traffic signal system, developing parking policy to maximize traffic volume or provide traffic calming, and permitting the lawful use of public space.

Another facet of this program is the promotion of alternate forms of transportation and the funding for developing a multi-modal transportation system.

Agency Management

The Agency Management program is responsible for articulating the department's mission and vision, and then developing and coordinating DDOT's strategy for the allocation of resources to achieve its mission. The program provides policy direction, overall management, communications and executive direction to departmental staff, so that they can effectively deliver services to District of Columbia residents, businesses, commuters and visitors.

The program also is responsible for matching Federal and local financial resources to planning objectives, and ensures the timely implementation of transportation improvement plans and projects. The program provides the basic man-

Program: Infrastructure Development and Maintenance

The purpose of the Infrastructure Development and Maintenance program is to provide and maintain a high-quality transportation infrastructure for District residents, businesses, and commuters so that they can travel safely within the District of Columbia.

FTEs: 396
Proposed Budget: $217,075,000[(1)]
% of Budget: 65.0

Top Accomplishments of FY 2002

- Resurfacing of 1216 blocks of streets
- Completion of New York Avenue Bridge (South Dakota Avenue)
- Rochambeau Bridge (14th Street)

Performance Measures	Target FY 03	Target FY 04
Projects completed on time and within budget	80%	80%
Projects without change orders due to design deficiency or latent conditions	80%	80%
Pavement Quality Index	72%	72%
Potholes filled within 72 hours	95%	95%
Streetlight repairs completed within established timeframes	80%	80%
Streets passable within established timeframes after a snow event	85%	85%

[1] Local Operating and Maintenance Funds

Responsible Managers: John Deatrick, Chief Engineer
Ken Laden, Assoc. Director, Transportation Policy and Planning
Ainsley Caldwell, State Forrester, Urban forestry

agement support services required by the department. These include employee-related services, contracting services, the use of information technology to enhance performance, purchasing services, and analysis of departmental operations.

MANAGEMENT ANALYSIS AND DISCUSSION

Core Values

Operating effectively in today's environment requires an organization that is centered on core values that management and staff have identified as keystones to success. For DDOT, these core values are:

Program: Transportation Operations

The purpose of the Transportation Operations Program is to provide an efficient and diverse transportation system for District residents, businesses, commuters and businesses so that they can travel efficiently within the District of Columbia.

FTEs: 264

Proposed Budget: $92,778,000(1)

% of Budget: 28.0

Top Accomplishments of FY 2002

- Completion of T-9 school safety program
- Deployment of 5000 pedestrian safety pylons

Performance Measures	Target FY 03	Target FY 04
Rights-of-way permittees in compliance	85%	85%
Malfunctioning signals repaired within 24 hours	95%	95%
Damaged stop or yield signs responded to within 24 hours	100%	100%
Change in transit ridership	3%	3%

1 Local Operating and Maintenance Funds only.

Responsible Managers: Wilhelm DerMinassian, Assoc. Director, Traffic Services
Ken Laden, Assoc. Director, Transportation Policy and Planning
Lars Etzkorn, Assoc. Director, Public Space Management

Safety
We believe that transportation is crucial to the quality of life of District residents, and is vital to meeting the social goals of this community. As the official steward of transportation facilities in the District of Columbia, DDOT has a major responsibility to ensure that people and services can move safely through the District.

Customer Satisfaction
We believe that our efforts should center on meeting the needs and expectations of our customers—residents and visitors to the District of Columbia. We will strive to develop new ways to engage customers in the decision-making process, accurately distill their expectations into concrete activities, respond quickly to their inquiries and keep them abreast of how our initiatives affect them.

Innovation
We believe in the importance of continually striving to find faster, more effective and efficient service delivery mechanisms, and in building an energetic organization that supports constant reevaluation of how it provides services.

Program: Agency Management

The purpose of the Agency Management program is to provide leadership, policy direction, financial, information technology, purchasing, personnel, training and development, vehicle/equipment maintenance, property management, community and media relations, legal, risk management and records management services to DDOT staff, so they can effectively deliver the programs and services of the agency.

FTEs: 54
Proposed Budget: $22,226,000(1)
% of Budget: 7.0

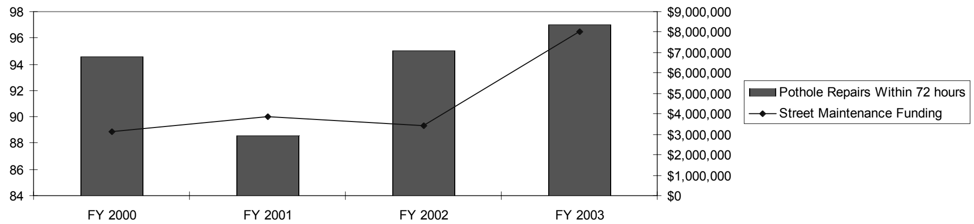
Top Accomplishments of FY 2002
- Establishment as a cabinet agency
- Establishment of Risk Management program

Performance Measures	Target FY 03	Target FY 04
DDOT program result measure achieved	95%	75%
DDOT employees who report they understand the mission, goals and strategic direction of the department	95%	95%
DDOT employees who report they have the tools they need to do their jobs	85%	85%

[1] Local Operating and Maintenance Funds
[2] The number of measures will increase

Responsible Manager: Dan Tangherlini, Director
Responsible Supervisor: Kevin Anderson, Chief of Staff

Figure 1.1
Increased Street Maintenance Funding Delivers Faster Pothole Response Time



* The presence of Capital Infrastructure Funds (CIF) in FY 2000 had a significant impact on maintenance activity performance.

Initiative and teamwork by all staff are encouraged and rewarded.

Employee Investment

We believe that our employees are our most important assets. This organization is built upon recognizing employee initiative and providing professional development opportunities and all necessary tools for employees to excel at their assignments. DDOT managers are committed to coaching, evaluating and mentoring staff in the agency.

Transportation as a Means to an End

We believe that transportation facilities are tools to support the attainment of larger social and economic goals, including building stronger communities and supporting commerce, rather than ends to themselves.

Outlook and Assessment

Smarter, Faster and More Customer-Focused

After years of underfunding and instability, the Department of Transportation has made substantial progress in its efforts to increase transportation safety, enhance infrastructure stewardship and improve mobility for neighborhood residents and visitors to the District. Included in these efforts have been initiatives to repave more than 1,500 blocks of neighborhood streets, better manage utility cuts, enhance gateways to the District and improve access and safety for motorists, pedestrians and bicyclists.

While working to achieve these successes it has been necessary to simultaneously restructure the department so that it can be more flexible, responsive and efficient. This restructuring has been a major success; not only have we made changes to the organizational chart, but, more importantly, we have reformed the way in which staff think about their jobs and its relationship to our mission. Examples of this are shown in DDOT's sign shop, which has shown dramatic gains in productivity; the reduction in pothole response time from nine to fewer than three days (Figure 1.1); a new appreciation among staff that transportation facilities are means to an end

Figure 2.1
Department of Transportation FTE level
FY 2001 - 2004 (estimated)

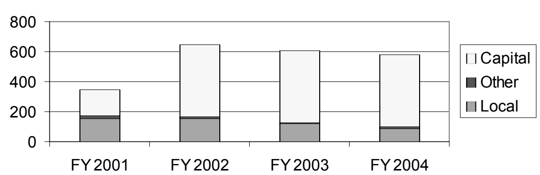


Figure 3.1
Local Road Reinvestment

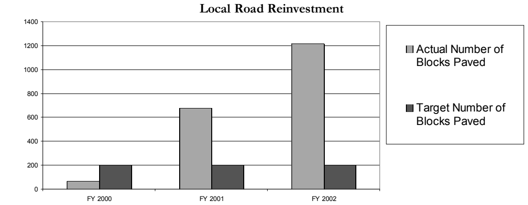
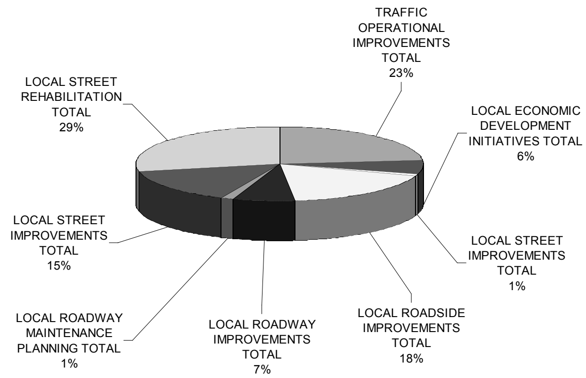


Figure 4.1
FY 2004 Local Maintenance Trust Fund Program



rather than an end in themselves; and a new emphasis on neighborhood involvement in transportation planning.

Capacity Building Efforts

The success of the agency's restructuring has been made possible, in part, through continuing efforts to fill vacant positions. While the agency still struggles with hiring qualified staff to fill positions, efforts taken in conjunction with the Office of Personnel have somewhat improved this situation (Figure 2.1). We have also worked to hire staff to fill functions that once had to be ignored or were nonexistent, including our bicycle and pedestrian programs, ward transportation planning, and urban forestry. In its recruiting efforts, DDOT has been fortunate to attract top-notch managers and staff. While the agency is still far from fully restoring staffing levels, we are confident that the situation will continue to improve.

Finally, the creation of the Department of Transportation from the Division of Transportation has been crucial to our efforts to build a stronger DDOT. By having cabinet-level status the agency is better able to advocate for the District's transportation system, and is on a par with its counterparts in the 50 states.

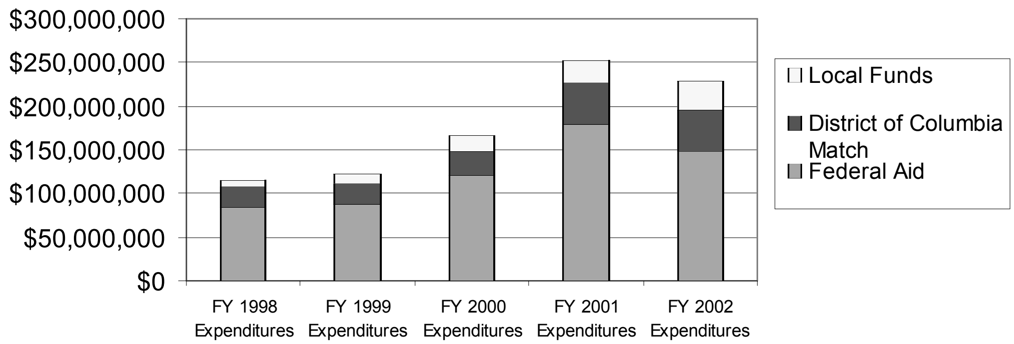
Chief Accomplishments

It is appropriate to reflect upon the many achievements of this agency while acknowledging the magnitude of the task yet to be done. Among our accomplishments:

- **Completion of Major Infrastructure Projects** – Years of planning and construction have come to a successful close at several sites, including: New York Avenue at South Dakota Avenue; rehabilitation of the Rocheambeau Bridge; rehabilitation of 7th Street Bridge over the Southwest Freeway; will complete Rhode Island and T Street bridges over North Capitol Street shortly.
- **Local Road Reinvestment** - DDOT resurfaced more than 1,200 blocks of neighborhood streets in all parts of the District in FY 02, and has completed more than 2,000 blocks since 2000 (Figure 3.1). After years of playing catch up, DDOT is now moving away from a reactive approach to street maintenance toward a preventive maintenance format.
- **Potholes** – DDOT is fighting a two-front war on potholes, investing in preventive maintenance to prevent their occurrence, and acting swiftly and effectively to eliminate them after they have arisen. Pothole repair requests are down by 10 percent overall – including potential potholes identified in advance by DDOT staff.
- **Public Opinion** – The services provided by DDOT showed a 35 percent improvement in perception—the largest two-year increase in a *Washington Post* poll. A DC Business Connections poll also found that local businesses rated road quality higher by more than 20 percent during the last two years.

- **Local Road Maintenance Fund (LRMF)** –The resource stream available for infrastructure enhancement and improvement needs on the District's nearly 700 miles of local roads has been stabilized with the dedication of all rights-of-way rental fees to the LRMF (Figure 4.1). The fund has enabled the purchase of four truck-mounted, asphalt-patching machines capable of making effective asphalt repairs in any weather condition, and has provided for increased preventive maintenance, including crack sealing to prevent the development of potholes.
- **Spending** – After years of failing to spend its resources, DDOT is significantly closer to eliminating a backlog of obligated but unspent funds. In FY 2002 DDOT spent more than $228 million for infrastructure renewal – a 37 percent increase over FY 2000 (Figure 5.1).
- **Safety** – A multi-faceted approach to improving transportation safety in the District has shown successes. Upgrades of all signs at more than 300 schools in the District is nearing completion, and 5,000 pedestrian safety pylons have been installed in areas of high pedestrian traffic and frequent vehicle encroachment into pedestrian rights-of-way. Additionally, the District's red light cameras continue to improve safety at intersections. We have also taken steps to ensure the safety of our street maintenance personnel, including the purchase of protective uniforms, high visibility vests, truck mounted arrow boards, roll up signs, safety cones and flagging paddles.
- **Traffic Signal Optimization** – In cooperation with the states of Maryland and Virginia, DDOT has developed a plan to optimize 990 traffic signals in the District, out of a total of 1,963 signals in the region, resulting in significant reductions in emissions and fewer frustrations for motorists.
- **Trees** – DDOT has made great gains in rebuilding its tree program, successfully hiring a State Forester and securing local funding for the program. And this is only the beginning given our partnership with the Garden Club of America Casey Tree Foundation. The result of this injection of resources and attention on the District's tree canopy has resulted in a tremendous increase in service requests. DDOT has seen service requests increase by 469 percent since FY 2000.
- **Bicycle Program** – DDOT has made impressive strides in its bicycle program. These include: hiring the first full-time bicycle coordinator in 10 years, launching Safe Streets bicycle safety campaign, installing 80 bicycle-parking racks at District government buildings, libraries and recreation centers, working to ensure that bike racks are installed on all 1,450 Metrobuses, distributing 2,000 bicycle helmets to children in conjunction with MPD, and adding five miles of new bike lanes.
- **Ward-Based Transportation Planners** – Neighborhoods continue to receive close attention from DDOT, in large part thanks to ward-based transportation staff that attends to the particular needs of specific wards. Transportation Planners have been hired for all eight wards of the city to act as liaisons between DDOT and citizens, introducing proposals and acting as individual clearinghouses for problems and questions about transportation projects in their wards.
- **Anacostia Waterfront Initiative** – DDOT is working aggressively to promote and implement new transportation projects in the Anacostia Watershed as a way of creating new destinations and enabling the rebirth of the Southeast and Southwest by remediating the negative impacts of the current transportation network and improving mobility. Included in this, we have: hired a Deputy Director for the AWI; pushed forward with plans for a light rail "starter line" in Anacostia that would connect the waterfront to nearby residential and commercial centers; begun studies of current and future transportation demands in the area; and worked collaboratively with the Office of Planning to integrate land use and transportation facilities.
- **Innovative Construction Techniques**– DDOT successfully experimented with full closure repaving methods on New York

Figure 5.1
Transportation Expenditures (FY 1998 - FY 2002)



Avenue and South Capitol Street to sharply reduce the time such work takes, and its impact on travelers, and will use design/build contracting to speed the construction of the 9th Street bridge in Northeast.

- **Air Quality Initiatives** – In addition to leading the Washington area in transit ridership, bicycle and pedestrian traffic in the Washington area, the District has also taken the lead in pushing forward new initiatives to improve air quality, including the replacement of diesel buses with compressed natural gas (CNG) buses.
- **The Georgetown Project** – DDOT has led the effort to bring the various utilities together for a comprehensive renewal of Georgetown's utility and streetscape infrastructure. This partnership of residents, businesses, utilities, contractors and D.C. Government has served as a model of community involvement in infrastructure projects.
- **Emergency Response and Preparedness** – Under the aegis of the Mayor's Domestic Preparedness Task Force, DDOT has installed multi-purpose emergency evacuation/event route signage; coordinated a regional effort to mesh evacuation route plans, improve inter-agency communication, develop commercial vehicle management strategies, and improve information sharing; and participated in regional working groups with representatives of cities and counties in the D.C. area.
- **South Capitol Street/NY Avenue Corridor Studies** – These long-blighted corridors are getting a fresh look from DDOT in an attempt to create gateways equal to the grandeur expected of the Nation's Capital.
- **K Street Bus Rapid Transit** – An already-programmed reconstruction project on K Street NW will now include Bus Rapid Transit (BRT), which will dramatically improve transit options for those in the K Street Corridor at a relatively low cost to the District.
- **Light Rail Development** – DDOT has worked with WMATA to develop plans for building a number of light rail corridors throughout the District, beginning with a starter line in the Anacostia neighborhood connecting to the Navy Yard development.
- **Awards** – The American Association of State Highway and Officials (AASHTO), the nation's premier association of highway and transportation departments, has awarded the District of Columbia a "Smart Moves" award for the New York Avenue Metrorail station now under construction at Florida and New York Avenues, NE, on the existing Metro Red Line. The award recognizes this first infill station for increasing transportation to an under-served area. It also promotes smart growth by not offering parking, which encourages walking, biking, carpooling or bus riding to the station.

Fiscal Conditions

One of DDOT's most pressing concerns over the past two years has been reducing a massive backlog of unspent obligations that dates back nearly a decade. On this front there has been great success. After reaching a high of over $538 million in 1999, the agency's unspent obligations are down to $363 million, a reduction of 33 percent. This backlog arose as the result of 1) a lack of staff to perform the types of management functions necessary to complete projects and expend funds and 2) through improved financial and project management and a commitment by staff to aggressively shepherd initiatives through to completion.

The availability of stable funding streams has also been key to the agency's recent successes. A clear mandate from the Mayor and Council to take all necessary steps to rebuild and enhance the District's transportation networks has been fully backed by the necessary financial support - in the Local Maintenance Trust Fund - meaning that DDOT has had the needed tools to simultaneously tackle major infrastructure projects throughout the District. (Over the last two years DDOT has managed to expand its financial resources at a time when transportation agencies nationwide have been forced to contend with constrained or shrinking funding for infrastructure projects.) This success in developing secure, directed sources of revenue to ensure the continued maintenance, stewardship and improvement of our public spaces has been, and will continue to be, vital to the integrity of the District's transportation program.

DDOT has been extremely fortunate to receive such strong financial support, but recognizes that now it, too, must contend with the same funding constraints that have plagued other transportation agencies. The set of challenges DDOT must confront is daunting, and include a massive increase in demand for new transportation projects, a rapidly aging infrastructure and a limited funding for infrastructure projects. And, after making dramatic improvements in the quality of transportation facilities, the agency must contend with the heightened expectations of a public demanding additional projects in a fiscal environment that, at best, allows for maintenance of the status quo.

To confront these problems DDOT is continuing to advocate for additional federal funding and is committed to using the creativity of its employees in finding new operational efficiencies. But, DDOT must also continue to work collaboratively with the citizens of the District of Columbia, the Mayor and the Council to prioritize projects in this tough fiscal environment.

Vision

Not only is DDOT charged with maintaining and building roads, but it also has a greater vision for its role in furthering the turnaround of the District of Columbia. Included in this vision are major initiatives that have broad support from the community and the Mayor and Council, including the construction of light rail, implementing traffic calming measures in neighborhoods, supporting the Anacostia Waterfront Initiative, restoring the District's tree canopy and moving from a reactive to a proactive model of transportation infrastructure management.

Light Rail

The District of Columbia was once served by trolley lines that ran through important corridors throughout the city. After the last lines ceased operations in the early 1960s the trolleys were replaced by buses that continue operating along the same corridors. With deteriorating air quality and new technologies that have made light rail a feasible option, though, DDOT, with the support of the Mayor and Council, is pursuing development of light rail along several corridors in DC.

A light rail "starter line" from the existing Minnesota Avenue station to the Anacostia station will kick off this latest incarnation of rail service. The 3.8 mile stretch will not only show the District the advantages of light rail at a relatively low cost, but will also support the Anacostia Waterfront Initiative and other efforts to strengthen the neighborhoods and economy of Southeast Washington.

Anacostia Waterfront Initiative

DDOT is working to support the AWI, which is a key initiative of the Williams Administration.

Anacostia neighborhoods have been cut off from the bulk of employment opportunities elsewhere in Washington. One of the reasons is that the current number of bridges is insufficient to serve the dense residential neighborhoods of Anacostia and is inhospitable to local traffic and pedestrians; they are connected instead to high-volume commuter routes. The long-term commitment to making more livable neighborhoods through transportation improvements is to reconstruct and reconfigure the highway system. DDOT is partnering with the DC Office of Planning to implement a grand vision for the Anacostia neighborhood and the District of Columbia.

Neighborhood Transportation Planning - Traffic Calming

Now that the condition of the District's transportation has been stabilized, neighborhoods have begun to expect traffic services beyond pavement and stop signs. Traffic calming measures are an increasingly popular request from citizens and neighborhood associations, and DDOT has worked to develop standards that clearly set forth the criteria for installing speed bumps, traffic circles and other traffic channeling devices.

DDOT envisions itself as one of the top transportation agencies in the country, and is committed to making this vision a reality. Over the short term we will continue to enhance the quality of the District's transportation facilities, as well as the strength of its organization. We will strive to work more quickly, more efficiently and more effectively, and will continue to provide the public with more opportunities for meaningful involvement in our activities.

Over the longer term DDOT's goals are more ambitious. We will shift from being a reactive organization steeped in traditional thinking, to an innovative one that cures core problems rather than symptoms. Ultimately, we see ourselves eliminating potholes before they develop rather than responding to pothole complaints more quickly. Rather than deal with angry neighborhoods and citizen associations, we want to involve them in the project development process from inception to ribbon cutting and instill, while instilling an organizational culture that treats the public as partners.

While DDOT has made great gains, much remains to be done. The looming fiscal pressures of the coming years, as well as the difficulties of maintaining an ever-aging and deteriorating network of transportation facilities will challenge us to be more creative than ever. The public has recognized our success and has responded accordingly by dramatically increasing its expectations of us. And, the ambitious goals of the District of Columbia government to enhance neighborhoods, revitalize long-blighted areas and restore the social fabric of the community will require the use of approaches that do not ordinarily come naturally to transportation agencies. In spite of all this, the District Department of Transportation remains firmly focused on maintaining the gains already achieved and striving to reach its vision.

Funding Sources

Due to the nature of capital projects, substantial project build-up time and long lifecycles, a successful Capital Improvement Program requires consistent, dedicated and reliable funding. As an agency tasked with performing the functions of both a state transportation department and a city streets department, the District Department of Transportation is supported by several funding sources, which reflect its dual role as a state and local agency. These sources include the following:

- Local operating funds (District of Columbia local appropriations)
- Federal grants (National Highway Traffic Safety Administration and Federal Transit Administration)
- Federal-Aid Highway funds (Federal Highway Administration)
- District of Columbia Highway Trust funds (motor fuel taxes receipts)
- Local Roads Maintenance funds (Rights-of-Way Rental Fees)
- Local Capital funds (General Obligation funds)

Local Operating Funds

The proposed Local budget is $20,789,559, which is a -8.0 percent change from the FY 2003

Table KA0-1

FY 2004 Proposed Operating Budget, By Revenue Type Department of Transportation (KA0)

Fund Type	Actual FY 2001	Actual FY 2002	Approved FY 2003	Proposed FY 2004	Change from FY 2003
Local	$23,611,000	$30,084,000	$23,912,324	$20,789,559	-$3,122,765
Federal Payments	$0	$0	$993,500	$0	-$993,500
Federal	$2,587,000	$4,392,000	$4,668,673	$5,274,435	$605,762
Other	$2,300,000	$2,437,000	$660,089	$538,946	-$121,143
Intra-District	$721,000	$1,434,000	$201,036	$223,591	$22,555
GROSS	**$29,919,000**	**$38,347,000**	**$30,435,622**	**$26,825,513**	**-$3,610,109**

approved budget level of $23,912,324. Local funds are used to provide services that primarily have a local benefit, or have no other revenue source, such as utility costs and administrative expenses. Of the $20,789,559 in local funds $5,636,048 is used for salaries and benefits, $8,83.5,918 is used for fixed costs (e.g. electricity for streetlights and traffic signals) and $3,750,370 is used to support the parking meter operations, maintenance contract, and other operations.

Federal Payments

The proposed Federal Payments budget is $0, a decrease of $993,500 from the FY 2003 budget of $993,500.

Federal Grants

The proposed Federal budget is $5,274,435, an increase of $605,762 over the FY 2003 budget of $4,668,673. This amount represents an increase in revenue projections associated with the Seat Belt Program and National Highway Traffic Safety Program. These grants support various District transportation program, with a primary focus on safety and mass transit.

Special Purpose Revenue Funds

The proposed Special Purpose Revenue funds budget is $538,946, a net decrease of $121,143 from the FY 2003 approved budget of $660,089. Of this amount, $436,946 is for personal services, and $102,000 is for non-personal services. This fund consists of revenues collected through fees collected for services performed including inspections, repair work, etc. Many of these collections and expenses are not reflected in the Local Road Maintenance Trust Fund.

Intra-District Funds

The proposed Intra-District budget is $223,591, an increase of $22,555 from the FY 2003 approved budget funding level of $201,036. Of this amount, $140,954 is for personal services, and $82,637 is for non-personal services. For FY 2004, Intra-District funds will be used to support various programs and initiatives such as school subsidies (associated with the issuance of student metro fare cards) and capital Intra-District transfers used to support on-going construction projects.

Tables KA0-1 show the sources of operating funding for the District Department of Transportation.

Highway Trust Funds

This account consists of federal-aid funds and gas tax collections used to support investment on the 44 miles of eligible federal-aid roads and highways. The Highway Trust Fund is used to pay the local match for obligated Federal Aid projects, match future transportation grants and the remaining balances are to be used for capital improvements to local streets and roads

Local Maintenance Trust Funds

Created in FY 2002 and funded with rights-of-way collections, this funding source allows the District of Columbia to maintain the quality of its local street system. Funds are dedicated for

Table KA0-2

Proposed FY 2004 Budget, All Sources

dollars in millions)

		FHWA	DC-HWTF	DC-ROW	GO BOND	
INFRASTRUCTURE DEVELOPMENT & MAINTENANCE						
Trees	0.300	3.224	1.577	7.000		12.101
Snow Removal	-			-		-
TOTAL INFRASTRUCTURE DEVELOPMENT & MAINTENANCE	2.078	152.147	32.841	28.261	1.750	217.077
TRANSPORTATION OPERATIONS						
Mass Transit	1.793	5.294	1.322	-		8.409
Bicycle Transportation	-	7.346	1.647	-		8.993
TOTAL TRANSPORTATION OPERATIONS	19.286	37.787	6.679	10.050	-	73.802
TOTAL AGENCY MANAGEMENT	5.462	10.270	6.494	-	-	22.226
TOTAL DISTRICT DEPARTMENT OF TRANSPORTATION	26.826	218.880	46.014	38.311	1.750	313.105

the maintenance and enhancement of all local streets.

Highway Trust Fund - Background

The Department of Transportation is responsible for the implementation of all capital improvements to streets, highways, and bridges (except those under the jurisdiction of the National Park Service, Pennsylvania Avenue Development Corporation, and the Architect of the Capitol). Capital improvements to these facilities include:

- Resurfacing and reconstructing deteriorated roadways
- Resurfacing, reconstructing, and structural repairs to deteriorated bridges
- Constructing missing links in the roadway network
- Improving safety conditions
- Improving traffic flow and roadside aesthetics
- Installing and repairing signaling systems

The inventory of streets and highways under the District's jurisdiction extends approximately 1,421 centerline-miles of urban roads. The streets and highways consist of two-lane residential streets up to multi-lane Interstates. There are 229 (Federal Aid Match) bridges that range from crossings over minor drainage ways to the interstate highway bridges over the Potomac and Anacostia Rivers. Approximately 400 of the 1,020 (or 39.2 percent) miles of streets and highways are eligible for Federal Aid Match, as are most bridges. Federal Aid Match is granted for (approximately) 80 percent of the construction, design and project management costs of an eligible roadway project provided that the District matches the remaining (approximately) 20 percent.

Over the past 25 years the District invested in excess of $5 billion in Federal and District capital funds for transportation aid highway projects (not including special appropriations from the U.S. Congress for the Washington Transit system). Although the District placed great emphasis on its transportation infrastructure, investing a substantial portion of its capital financing to the program, the District fell far short of meeting the financial needs of the Federal grant matching requirements and the overall transportation improvement program. As a result, a "backlog" of deferred road and bridge maintenance requirements developed rapidly and compounded at a greater rate than typical maintenance efforts could sustain. Magnifying this problem was the District's obligation to pay back the deferred local match to Federal grants and to match future transportation grants or forfeit Federal funding.

To bridge the gap, the District has utilized other funding sources to support its transportation infrastructure program. After the Federal Highway Administration (FHWA) funded the Barney Circle project and the District was prepared to construct the highway in 1999, District residents voiced their opposition and forced the project to be abandoned. The $173 million in funding associated with this project was redirected to the District to be used on other transportation projects. The use of this short-term funding stream ended in FY 2002, as all of the money was legislated to be obligated towards projects by June 2002.

Another, extremely successful funding source is the National Congressional Infrastructure Fund (NCIF). Congress has appropriated over $22 million in capital funds to DDOT over the last 4 years for road resurfacing on District local streets. It has allowed DDOT to pave over 1,300 blocks in the last 4 fiscal years. However, this source is not guaranteed nor is the amount consistent, therefore DDOT cannot plan its program based upon this source.

DDOT has had some success in using General Obligation bonds (GO Bonds) to fund transportation infrastructure improverments. However, given the size of the local share for transportation, the District could not continue financing its transportation needs exclusively through the issuance of general obligation bonds. In order to bridge the gap between financing and capital improvements requirements (and as mandated by the Congress), the D.C. Highway Trust Fund (the "Highway Trust Fund") was established in FY 1995. Further progress was achieved in FY 2001, when the "Maintenance Fund" was established within the Highway Trust Fund to support the repair and maintenance of the local road network.

Overview – Highway Trust Fund

Over the six-year period FY 2004 to FY 2009, the Highway Trust Fund anticipates $1.273 billion in funding and $1.273 billion in planned expenditures. It contains 24 projects and 537 subprojects.

Overview of the Highway Tust Fund

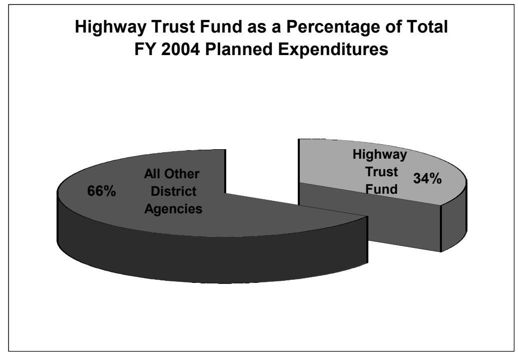
Overview	Figure
Number of Ongoing Projects	24
Total Number of Ongoing Subprojects	506
Number of New Projects	0
Number of New Subprojects	31
Total Number of Projects	24
Total Number of Subprojects	537
Total FY 2004 Planned Funding	$264,893,795
Total FY 2004 through FY 2009 Planned Funding	$1,273,544,568
Total FY 2004 Planned Expenditures	$264,893,795
Total FY 2004 through FY 2009 Planned Expenditures	$1,273,544,568
Six-Year Highway Trust Fund Anticipated Balance	($159,356,477)

During FY 2004, the Highway Trust Fund identifies $264 million in total planned funding1. This represents 33.8 percent of total funding for the entire FY 2004 Capital Budget. Additionally, the FY 2004 Highway Trust Fund identifies $264 million in planned expenditures. This represents 33.8 percent of total expenditures for the entire FY 2004 Capital Budget. The following table provides a brief overview of the FY 2004 Highway Trust Fund.

District of Columbia FY 2004 Total Capital Planned Expenditures

	FY 2004 Planned Expenditures
Transportation Infrastructure	$264,893,795
All Other District Agencies	$526,079,000
Total	**$790,972,795**

The chart above breaks down the District of Columbia's FY 2004 total capital planned expenditures. In order to comprehend the magnitude of the Highway Trust Fund, it is necessary to understand the Highway Trust Fund's relationship to the overall capital program and the entire

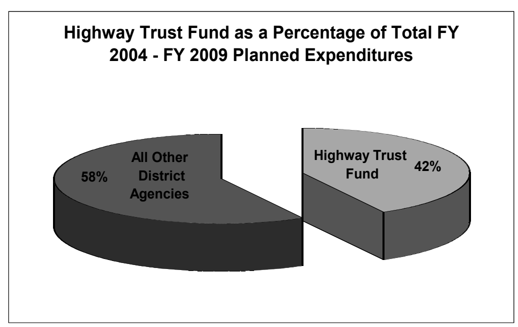


FY 2004 through FY 2009 CIP and FY 2004 Capital Budget. This way, it is possible to see anticipated growth or decline in the program. Additionally, the analysis acts as a starting point, a benchmark for future funding and expenditure comparisons.

District of Columbia FY 2004 - FY 2009 Total Capital Planned Expenditures

	FY 2004-FY 2009 Planned Expenditures
Transportation Infrastructure	$1,273,544,568
All Other District Agencies	$1,689,992,000
Total	**$2,963,536,568**

The chart below shows Transportation Infrastucture (Highway Trust Fund) as a percentage of total FY 2004 planned expenditures. The data used to develop this figure is displayed in the table below.



As demonstrated on the previous pages, the Highway Trust Fund plays a key financial role in the District's overall capital program. Consequently, it is imperative that the District monitor planned versus actual spending in order to ensure consistent Highway Trust Fund expenditures patterns. Failure to capture the estimated

$250 million annual FHWA match funding would have severe negative impacts on the District's economy. Chart below is similar to the previous chart however; The data covers total FY 2004 through FY 2009 planned expenditures.

District of Columbia Emergency Highway Relief Act of 1995

In FY 1995, as a result of the District's inability to finance its local matching requirements under the Federal Highway program, the Congress passed "The District of Columbia Emergency Highway Relief Act of 1995" (PL 104-21). Pursuant to the Act, the District has pledged proceeds of the Motor Fuel Tax to the Highway Trust Fund.

The Highway Trust Fund's mission is to:

- Pay back the waived local match
- Pay the local match for obligated Federal Aid Match projects
- Match future transportation grants
- Use the remaining balances for capital improvements to local streets and roads

In addition, the Highway Trust Fund has been used to finance:

- Local street "pot hole" repairs
- A portion of the personnel costs related to the implementation of the transportation program
- Non-participating Federal Aid Match costs related to transportation, such as sewer cleaning
- Storm drain improvements and retaining walls

In order to assure that the District does not repeat the events that gave rise to the District of Columbia Emergency Highway Relief Act, wherein the District did not have sufficient resources to meet its local match, four primary guidelines for ensuring accountability were established in the FY 2004 through FY 2009 Capital Improvements Plan and FY 2004 Capital Budget and will continue to be utilized in the four guidelines are as follows future.

Guideline 1: Transportation projects are prioritized based on the following criteria[3]:

Priority

1. The Bridge and Pavement Management System (BPMS) structural deficiency rating
2. Safety
3. High accident location analysis
4. Congressional and District mandates
5. Air quality mitigation projects
6. Lighting needs
7. Traffic signal repairs
8. Aesthetics

Guideline 2: Cost estimates are determined for the following factors:

Cost Estimate Factor

1. Design
2. Project Management
3. Construction

Guideline 3: Cash flow analysis is developed based on the following factors:

Cash Flow Factors

1. Possible beginning balances
2. Prior year spending
3. Planned agency expenditures
4. Anticipated Motor Fuel Tax revenue

Guideline 4: Separate projects are created for the following:

Project

1. Projects funded in whole or in part by Federal Highway Administration grants with a corresponding local match (Highway Trust Fund projects)
2. Projects which are to be exclusively funded by the District (local streets projects)

Projected Spending

In view of the matching requirements of the Highway Trust Fund, prioir to FY 2001, all local street capital improvements (59 percent of the total miles of streets and highways are under the District's jurisdiction) were financed with general obligation bonds. Proceeds of the Motor Fuel Tax are now pledged in order to leverage the Federal Highway Administration grants.

The FY 2004 Highway Trust Fund planned

expenditures are based on the following three expenditure priorities (responsibilities):

Spending Priority (Responsibility

1. Federal Aid projects requiring a local match
2. Salaries and Non-Federal Aid Match participating cost
3. 100 percent local funded capital projects

Efficient use of scarce resources and accurate expenditures projections, as well as monitoring of the actual cash flows for the Highway Trust Fund, are essential in keeping expenditures in line with projected revenues. DDOT defers implementation of capital projects when necessary to maintain a balance in the Highway Trust Fund. Two critical factors affecting the expenditure projections are:

- Executing contracts in the prescribed manner and in accordance with established guidelines
- Ensuring that contractor payments are made in a timely manner

With the revised expenditures plans (as detailed in the project descriptions herein), DDOT is currently addressing the pressing transportation infrastructure requirements of the District, utilizing its obligated authority from the Federal Highway Administration, and remaining within its expenditures constraints.

Revenue Volatility

As stated earlier, the Highway Trust Fund is dependent solely on the Motor Fuel Tax in order to:

- Pay the current portions of local match for the Federally aided projects
- Match future grants at the required ratio
- Meet other expenditures associated with road improvements incurred by the Highway Trust Fund

Historically, the Motor Fuel Tax has proven highly volatile. A number of economic, environmental, and consumer factors impact on the levels of the Motor Fuel Tax receipts available to the District over any given comparison period. Therefore, it is important to understand the significant range of fluctuations in the Motor Fuel Tax receipts from year to year. Moreover, the fluctuations do not readily establish a pattern that is useful for accurate forecasting of receipts.

Obligations for Federally-matched projects must be carefully considered and monitored in light of the highly volatile motor fuel tax revenue stream. Although a "base-case" can be constructed using reasonable assumptions; it is important to note the extreme sensitivity of the Highway Trust Fund to minor changes in revenue estimates. This is particularly important given DDOT's historic strategy of maximizing obligations for Federally matched projects. As a result, careful monitoring of the actual cash flows from the Motor Fuel Tax are conducted on an on-going basis to ensure that obligations for anticipated Federally matched projects do not exceed the revenue base of the actual cash inflow from the Motor Fuel Tax.

Local Street Program

Department of Transportation's Local Street Program has two sources of funding. Historically, this program has been funded by General Obligation Bonds. In FY 2001 the Council of the District of Columbia amended the Highway Trust Fund Act of 1996 and established a separate fund from the General Fund of the District of Columbia called the "Maintenance Fund" exclusively for the renovation and repair and maintenance of local transportation infrastructure including streets, alley's, sidewalks, curbs, gutters and streetlights that are not eligible for federal aid. The Highway Trust Fund Amendment Act of 2001 mandates the following provisions:

- Establishes a separate fund from the General Fund of the District of Columbia called the Maintenance Fund." All revenue derived from the collection of the public rights-of-way user fees, charges and penalties, and all other revenues authorized to be collected by the Department of Transportation, shall be deposited in the Maintenance Fund without regard to Fiscal Year limitation.
- Any excess monies remaining in the Highway Trust Fund (after the requirements of section 3 of the Highway relief Act have

[8] Includes District's portion (local share) of $217 million plus the Federal portion (Federal Aid) of $1.05 billion.

[9] See Appendix C for future information on the methodology for evaluating new transportation projects.

been met and remaining balances not necessary for the purposes outlined in Title 23 of the United States Code), based on the 6-year projected trust fund performance, shall be deposited in the Local Construction and Maintenance Fund.

- The fees deposited into the Maintenance Fund shall not revert to the General Fund of the District of Columbia at the end of any Fiscal year or at any other time, but shall be continually available exclusively for the renovation, repair, and maintenance of local transportation infrastructure including streets, alleys, sidewalks, curbs, gutters and streetlights that are not eligible for federal aid.

Overview – The Maintenance Fund

Over the six-year period FY 2004 to FY 2009 the Local Street Program anticipates $185 million in funding and $185 million in planned expenditures. IT contains 12 major projects and 51 subprojects. During FY 2004, the Local Street Program identifies $38.9 million in total planned funding. This represents 5 percent of total funding for the entire FY 2004 Capital budget. Additionally the FY 2004 Local Street Program identifies $38.9 million in planned expenditures.

Overview of the Local Street Maintenance

Overview	Figure
Number of Ongoing Projects	12
Total Number of Ongoing Subprojects	51
Number of New Projects	0
Number of New Subprojects	0
Total Number of Projects	12
Total Number of Subprojects	51
Total FY 2004 Planned Funding	$38,311,000
Total FY 2004 through FY 2009 Planned Funding	$219,426,000
Total FY 2004 Planned Expenditures	$38,311,000
Total FY 2004 through FY 2009 Planned Expenditures	$219,426,000
Six-Year Maintenance Fund Anticipated Balance	**$18,152,566**

This figure represents 5 percent of total expenditures of the entire FY 2004 Capital Budgt. The following table provides a brief overview of the FY2004 to FY 2009 Local Street Program.

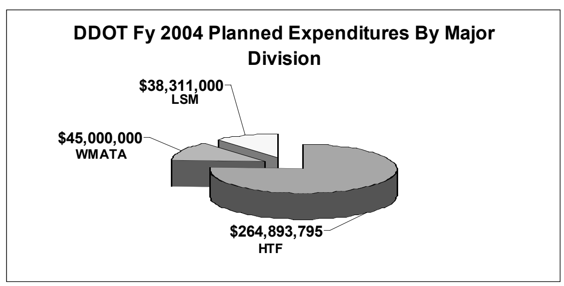
The table below breaks down the cost of the Local Street Maintenance into four phases. It is apparent from the table below that in FY 2004 – FY 2009 the significant portion of the Local Maintenance Program's expenditures accrue in Phase D or construction phase of the program.

LSM By Phase

Phase	Total FY 2004 –FY2009 Planned Expenditure
Phase A – Design	$19,672,000
Phase C – Project Management	$29,293,000
Phase D – Construction	$167,449,000
Phase E – Equipment	$3,012,000
Total	$219,426,000

The chart below shows Local Transportation Program's planned expenditures as a percentage of total FY 2004 – FY 2009 Planned expenditures. The data used to develop this figure is displayed in the table above.

Department of Transportation has three major expenditure categories. The table below



breaks down DDOT's FY 2004-FY 2009 planned expenditures:

The chart below demonstrates the breakdown of the Department of Transportation's expenditures:

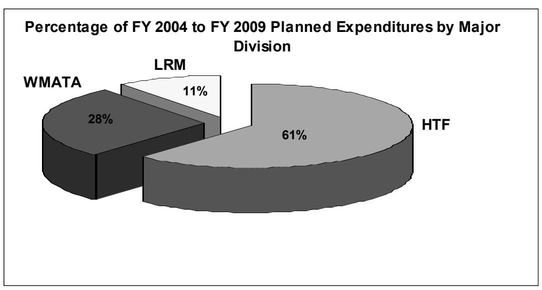
The next chart is similar to the previous one, but here the data covers percent planned expen-

DDOT Funding Categories

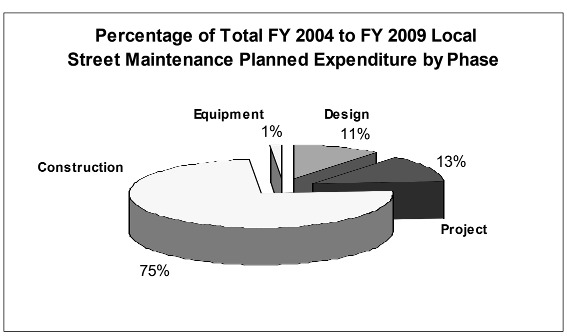
DDOT Funding Categories	FY 2004 Planned Expenditures	FY 2004 - FY 2009 Planned Expenditures
Transportation Infrastructure-Highway Trust Fund (HTF)	$264,893,795	$1,273,544,000
Local Roads Maintenance (LRM)	$38,311,000	$219,426,000
Washington Metropolitan Area Transit Authority (WMATA)	$45,000,000	$573,400,000
Total	**$348,204,795**	**$2,065,970,000**

ditures over the six-year period, FY 2004 – FY 2009. This chart shows major planned expenditures reach well into the out years for Transportation Infrastructure, Local Maintenance Fund and WMATA.

Cash Flow Proforma
The Highway Trust Fund Cash Flow



Proforma
The Cash Flow Proforma summarized herein establishes estimated budgets for each category ("Phase") of expenditures within the Highway Trust Fund transportation program. To produce an accurate Cash Flow Proforma, several departments within the Office of the District's Chief Financial Officer must provide timely and accurate up-to-date schedules and forecasts to the Department of Transportation for preparation of the Cash Flow Proforma.



The Cash Flow Proforma is based on individual budget and cost estimates for available subproject funding. The specific cost estimate categories are as follows:

The Cash Flow Proforma includes actual beginning fund balances for the District's portion (local share) and the Federal portion (Federal Aid). The initial beginning fund balances are based on fund balances as reported in the District's Comprehensive Annual Financial Report. Future Beginning Fund Balances are based on projects that are in the "pipeline" for implementation. This does not represent a backlog of projects awaiting future action. Rather, the pipeline (beginning fund balances) represents those ongoing projects that have been funded by the District (approximately 20 percent) and matched by Federal Aid (approximately 80 percent) but are not yet complete.

Cost Estimate Category	Description
Project Management Budget	Inclusive of DDOT salaries for personnel working on Federal Aid Match eligible projects. This also includes costs associated with construction management.
Non-participating Costs Budget	Inclusive of costs not eligible for Federal Aid Match. This includes overhead cost in excess of the 15 percent of construction cost covered by the FHWA, utility costs, water and sewage line repairs and cleaning, and construction enhancements not covered by the FHWA.
Design, Site, Equipment, and Construction Budget	Expenditures eligible for Federal Aid Match. Inclusive of all costs related to the development and construction of transportation projects.

For budgeting and reporting purposes, it is necessary to show these beginning fund balances. In this way, sources and uses are accurately noted and the magnitude of the program is more clearly presented.

Cash Flow Proforma Methodologies

Determining Interest Rates for use in the Highway Trust Fund and the Maintenance Fund Forecasts: There are several factors that determine the interest rates on District investment, including the state of the U.S. economy and the level of certain short-term interest rates established by the Federal Reserve. Therefore, it is difficult to accurately predict what interest rates will be in the future. The best predictor of future interest rates is current interest rates, given that all available information on the current and future condition of the economy and the financial marketplace are factored into the current interest rates. However, due to the variable nature of interest rates, it is prudent to be conservative in estimating future interest rates. Given the District's permitted investment instruments and the nature of the District's pooled cash investments, the interest rates that the District earns on its pooled cash investments closely approximate the federal funds rate (the interest rate that banks charge each other for overnight loans). In consideration of the above, the Office of Finance and Treasury (OFT) executes the following procedures to determine an annualized interest rate that the Department of Transportation (DDOT) can use projected interest earnings on funds held by the District in association with the Federal Highway Trust Fund:

- Determine the Target Federal Funds Rate established by the Federal Reserve as of close of business on the business day preceding the submission, December 31st, April 14th, July 14th, and October 14th of each year.
- Subtract 25 basis points, i.e., 0.25 percent, from the Target Federal Funds Rate indicated in item "1" above.
- Submit a memorandum from OFT to DDOT stating that, as of the date of the memorandum and until further notice, the rate determined by the calculation in item "2" above shall be the annualized interest rate used in its forecasts.

Generating the revenue estimates within OTR/TEPA: The auto-regressive integrated moving average (ARIMA) approach is the most appropriate statistical method to forecast a time series of data, such as the consumption information collected for this revenue source. ARIMA procedure looks at the history of a series in order to predict future levels of the series. The model predicts quarterly motor fuel consumption for 10 quarters that provide estimates for:

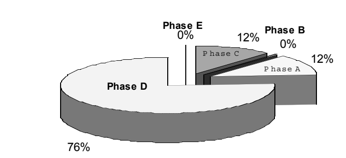
- The last two quarters of the current fiscal year
- All four quarters of the upcoming fiscal year
- All four quarters of the subsequent years

In the out-years of the forecast period, straight-line estimates were chosen, since the ARIMA model is better at predicting closer data points. The rate of change during the FY 2000 through FY 2001 period was a decrease of 0.9 percent per year, and this rate was used to calculate the estimates for FY 2003 through FY 2008.

Creating the Cash Flow Proforma: The Department of Transportaion identifies projects based on the D.C. Six-Year Transportation Actions and Investment Plan, Transportation Improvement Program, 20-Year Financial Plan, and the Strategic Transportation Plan. These plans are based on data generated by the Bridge Management System, the Pavement Management System, and safety and high accident location analyses. Also, projects are identified by congressional and City Council mandates, air quality mitigation issues, lighting needs and traffic operations improvements.

The costs of planning, design, project management, and the construction phases are inclusive components of the total cost of the project. The cost for each phase is broken out into quarters within fiscal years. The sum of all of the pro-

Annual Percentage of Total FY 2004 to FY 2009 Transportation Facilities (HTF) Planned Expenditures by Phases



jects spending by phase is put into a spreadsheet to determine what the actual projected spending is for each fiscal year. That number is compared to the balance in the Highway Trust Fund/the

Maintenance Fund to determine if adequate financing is available to proceed with all of the projects. The Highway Trust Fund Proforma/ the Maintenance Fund Proforma is developed from DDOT's spending plans and from the estimated revenues dedicated to the District's Highway Trust Fund/Maintenance Fund.

Data used to develop the chart above is as follows :

Federal Aid Match Obligation

The District expects to receive approximately $100 million annually under the TEA-21 program. The Cash Flow Proforma model demonstrates that assuming the agency manages within the subproject budgets, it will have the necessary resources to meet the required local share match for the projects undertaken.

Highway Trust Fund By Phase

Phase	Total FY 2004 - FY 2009 Planned Expenditures (dollars in thousands)
Phase A – Design	150,067
Phase B – Site	$1,100
Phase C – Project Management	$152,772
Phase D – Construction	$969,180
Phase E – Equipment	$426
Total	**$1,273,545**

Please note that any variances from the subproject budgets in either negative construction costs, project management costs and/or non-participating costs will require a reduction or implementation delay of other sub-projects defined in this budget.

In previous years, the assumption was to finance subproject negative variances from future additions of other revenue and/or debt sources. The FY 1998 Capital Budget acknowledged that the Districts' portion of the transportation program is funded exclusively with proceeds from the Motor Fuel Tax and therefore must manage and operate solely within the constraints of the Motor Fuel Tax revenue source. The FY 2004 Capital Budget continues to rely on that policy and strives to ensure its full compliance.

Revolving Fund

Pursuant to PL 104-21 §4(b), the District is required to maintain an independent revolving fund in the amount of $5 million reserved for the prompt payment of contractors completing transportation projects in the District. The revolving fund is a bank account where cash (revenue) is wire-transferred from the Federal Highway Administration to the revolving fund bank account as a result of the District's weekly billing cycle. Subsequently, the same amount is transferred from the revolving fund bank account to the custodial account in order to reimburse the custodial account for Federal Highway financed expenditures.

During FY 1996 the District borrowed $5 million from the U.S. Treasury to capitalize the Revolving Fund. During FY 1997, the District refinanced the U.S. Treasury loan with general obligation bonds. Final repayment of the U.S. Treasury loan was made in FY 1998.

Summary

It is clear that the District is on its way to a solid and strong trasportation program. The Office of Budget and Planning – Capital Division has been working with the Department of Transportation to improve the condition and performance of District streets, highways, and bridges.

In order to accomplish this goal, in 1997 the then Department of Public Works developed a Strategic Transportation Plan that identifies the transportation strategies that will position the District as a world-class capital. Additionally, joint efforts such as the Multi-modal Transportation Needs and Candidate Actions and Investments Report between the U.S. Department of Transportation (USDOT) and the Department of Transportation; provide a solid foundation for a Strategic Transportation Action and Investment Program. This type of effort serves as the first step in implementing the District's long-range Strategic Transportation Plan.

It is also clear that the Highway Trust Fund has a key financial and programmatic role in the District's overall transportation plan. Moreover, the Highway Trust Fund will continue to have a leading role in the District's Strategic Transportation Plan in the future. This volume outlines the financial resources necessary for the DDOT to carryout its mission as outlined earlier and detailed in the project description forms that follow.

If the District is to raise the standards for its transportation system, it will require enhanced local and regional funding. Focusing on the needs of the Highway Trust Fund will certainly prevent a similar situation the District experienced leading up to and including FY 1995.

Finally, the FY 2004 through 2009 Capital Improvements Plan and FY 2004 Capital Budget emphasizes working together in order to succeed. It is therefore critical that the Highway Trust Fund connects this resource to the result of better transportation infrastructure in the District. In order to accomplish this, management must be diligent in adhering to the following principles and guidelines:

- Maximizing the construction projects implemented within the Transportation Program;
- Managing the Highway Trust Fund within the constraints of the proceeds of the Motor Fuel Tax;
- Maintaining diligence in the review of sub-project budgets;
- Paying close attention to the issues of coordination of contract review and procurement processing; and
- Becoming proactive in the implementation of contractual construction projects.

Highway Transportation Trust Fund Proforma

Figure -KA0-1

Transportation Facilities Highway Trust Fund Cash Flow Proforma

Sources						
Beginning Balance	$54,444,010[4]	$374,331,296[3]	$428,775,306	$39,264,690	$349,164,480	$388,429,170
Interest Earnings [5]	$1,466,766	0	$1,466,766	$356,374	0	$356,374
Motor Fuel Tax	$27,347,524	0	$27,347,524	$28,908,000	0	$28,908,000
Fed Aid Apportionment [9]	$0	$125,644,226	$125,644,226	$0	$107,921,000	$107,921,000
Total	$83,258,300	$499,975,522	$583,233,822	$68,529,064	$457,085,480	$525,614,544
Uses						
Est. Project Management [6]	$6,077,763	$15,983,596	$22,061,359	$2,397,629	$16,027,538	$18,425,167
Est. Non-Participating Cost [7]	$14,813,744	0	$14,813,744	$2,892,823	0	$2,892,823
Est. Design, Site, Constr. & Equip. Cost [8]	$23,102,103	$134,827,446	$157,929,549	$30,625,850	$170,078,279	$200,704,129
Total	$43,993,610	$150,811,042	$194,804,652	$35,916,302	$186,105,817	$222,022,119
ENDING BALANCE[10]	$39,264,690	$349,164,480	$388,429,170	$32,612,762	$270,979,663	$303,592,425

1. Local revenues and District's share of expenditures utilized to support implementation of Federal Aid projects.
2. Federal Aid commitment balances (Federal Obligations) and projection of matching grants.
3. This includes the reallocation of $173 million from the Barney Circle project to be used as follows: $98 million for local streets and $75 million for special Federal Initiatives.
4. Fiscal year local share beginning balance represents cash and investments less the revolving fund amount.
5. Interest Earnings is estimated based on a percentage of annual revenues, minus expenditures. The rate used for calculating projected interest earnings dropped from 1.50% to 1.00%.
6. Project Management consists of salaries of In-house employees and contracted construction management services.
7. Non-Participating Costs are those costs not eligible for Federal Aid Match and include overhead costs in excess of the 15% of construction cost, utility and sewage repairs and construction enhancement not covered by the Federal Highway Administration. This also includes indirect cost associated with the program.
8. Construction, Design, Site and Equipment expenditures eligible for Federal Aid match.
9. Apportionments are greater than the amount that can be obligated each year. The obligation ceiling limits the obligations in a given year to approx. 81% of the apportionments.
10. Ending Balance (Fund Balance) - is sources of funds less uses of funds; or total assets less total liabilities obtained from the Balance Sheet (Financial State).

Figure -KA0-2

Transportation Facilities Highway Trust Fund Cash Flow Proforma

	[4]	[3]				
Sources						
Beginning Balance	$32,612,762	$270,979,663	$303,592,425	$16,205,909	$155,099,917	$171,305,826
Interest Earnings[5]	$237,195	0	$237,195	$126,837	0	$126,837
Motor Fuel Tax	$29,370,000	0	$29,370,000	$29,833,000	0	$29,833,000
Fed Aid Apportionment[9]	0	$103,000,000	$103,000,000	0	$104,000,000	$104,000,000
Total	$62,219,957	$373,979,663	$436,199,620	$46,165,746	$259,099,917	$305,265,663
Uses						
Est. Project Management[6]	$3,355,127	$20,271,344	$23,626,471	$4,158,585	$20,167,344	$24,325,929
Est. Non-Participating Cost[7]	$3,988,486	0	$3,988,486	$3,138,503	0	$3,138,503
Est. Design, Site, Constr. & Equip. Cost [8]	$38,670,435	$198,608,402	$237,278,837	$29,155,601	$160,032,073	$189,187,674
Total	$46,014,048	$218,879,746	$264,893,794	$36,452,689	$180,199,417	$216,652,106
ENDING BALANCE[10]	$16,205,909	$155,099,917	$171,305,826	$9,713,057	$78,900,500	$88,613,557

1. Local revenues and District's share of expenditures utilized to support implementation of Federal Aid projects.
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3. This includes the reallocation of $173 million from the Barney Circle project to be used as follows: $98 million for local streets and $75 million for special Federal Initiatives.
4. Fiscal year local share beginning balance represents cash and investments less the revolving fund amount.
5. Interest Earnings is estimated based on a percentage of annual revenues, minus expenditures. The rate used for calculating projected interest earnings dropped from 1.50% to 1.00%.
6. Project Management consists of salaries of In-house employees and contracted construction management services.
7. Non-Participating Costs are those costs not eligible for Federal Aid Match and include overhead costs in excess of the 15% of construction cost, utility and sewage repairs and construction enhancement not covered by the Federal Highway Administration. This also includes indirect cost associated with the program.
8. Construction, Design, Site and Equipment expenditures eligible for Federal Aid match.
9. The District maintains a revolving fund to ensure the timely payment of contractors.
10. Apportionments are greater than the amount that can be obligated each year. The obligation ceiling limits the obligations in a given year to approx. 81% of the apportion ments.
11. Ending Balance (Fund Balance) - is sources of funds less uses of funds; or total assets less total liabilities obtained from the Balance Sheet (Financial Statement)

Figure -KA0-3

Transportation Facilities Highway Trust Fund Proforma

	[4]	[3]				
Sources						
Beginning Balance	$9,713,057	$78,900,500	$88,613,557	($4,081,102)	($38,811,129)	($42,892,231)
Interest Earnings[5]	$22,508	0	$22,508	$0	0	$0
Motor Fuel Tax	$30,295,000	0	$30,295,000	$30,757,000	0	$30,757,000
Fed Aid Apportionment[9]	$0	$104,000,000	$104,000,000	$0	$105,000,000	$105,000,000
Total	$40,030,565	$182,900,500	$222,931,065	$26,675,898	$66,188,871	$92,864,769
Uses						
Est. Project Management[6]	$5,343,220	$27,971,096	$33,314,316	$3,814,422	$21,717,233	$25,531,655
Est. Non-Participating Cost[7]	$3,590,098	0	$3,590,098	$2,682,703	0	$2,682,703
Est. Design, Site, Constr. & Equip. Cost [8]	$35,178,349	$193,740,533	$228,918,882	$27,497,819	$155,644,368	$183,142,187
Total	$44,111,667	$221,711,629	$265,823,296	$33,994,944	$177,361,601	$211,356,545
ENDING BALANCE[10]	($4,081,102)	($38,811,129)	($42,892,231)	($7,319,046)	($111,172,730)	($118,491,776)

1. Local revenues and District's share of expenditures utilized to support implementation of Federal Aid projects.
2. Federal Aid commitment balances (Federal Obligations) and projection of matching grants.
3. This includes the reallocation of $173 million from the Barney Circle project to be used as follows: $98 million for local streets and $75 million for special Federal Initiatives.
4. Fiscal year local share beginning balance represents cash and investments less the revolving fund amount.
5. Interest Earnings is estimated based on a percentage of annual revenues, minus expenditures. The rate used for calculating projected interest earnings dropped from 1.50% to 1.00%.
6. Project Management consists of salaries of In-house employees and contracted construction management services.
7. Non-Participating Costs are those costs not eligible for Federal Aid Match and include overhead costs in excess of the 15% of construction cost, utility and sewage repairs and construction enhancement not covered by the Federal Highway Administration. This also includes indirect cost associated with the program.
8. Construction, Design, Site and Equipment expenditures eligible for Federal Aid match.
9. The District maintains a revolving fund to ensure the timely payment of contractors.
10. Apportionments are greater than the amount that can be obligated each year. The obligation ceiling limits the obligations in a given year to approx. 81% of the apportion ments.
11. Ending Balance (Fund Balance) - is sources of funds less uses of funds; or total assets less total liabilities obtained from the Balance Sheet (Financial Statement)

Figure -KA0-4

Transportation Facilities Highway Trust Fund Cash Flow Proforma

Sources						
Beginning Balance	($7,319,046)[4]	($111,172,730)[3]	($118,491,776)	($4,504,755)	($145,294,925)	($149,799,680)
Interest Earnings[5]	$0	0	$0	$48,125	0	$48,125
Motor Fuel Tax	$31,219,000	0	$31,219,000	$31,687,000	0	$31,687,000
Fed Aid Apportionment[9]	$0	$105,000,000	$105,000,000	$0	106,000,000	$106,000,000
Total	$23,899,954	($6,172,730)	$17,727,224	$27,230,370	($39,294,925)	($12,064,555)
Uses						
Est. Project Management[6]	$3,251,413	$17,001,240	$20,252,653	$3,148,005	$15,086,602	$18,234,607
Est. Non-Participating Cost[7]	$2,201,181	0	$2,201,181	2,206,303	0	$2,206,303
Est. Design, Site, Constr. & Equip. Cost [8]	$22,952,115	$122,120,955	$145,073,070	$23,499,945	$103,351,067	$126,851,012
Total	$28,404,709	$139,122,195	$167,526,904	$28,854,253	$118,437,669	$147,291,922
ENDING BALANCE[10]	($4,504,755)	($145,294,925)	($149,799,680)	($1,623,883)	($157,732,594)	($159,356,477)

1. Local revenues and District's share of expenditures utilized to support implementation of Federal Aid projects.
2. Federal Aid commitment balances (Federal Obligations) and projection of matching grants.
3. This includes the reallocation of $173 million from the Barney Circle project to be used as follows: $98 million for local streets and $75 million for special Federal Initiatives.
4. Fiscal year local share beginning balance represents cash and investments less the revolving fund amount.
5. Interest Earnings is estimated based on a percentage of annual revenues, minus expenditures. The rate used for calculating projected interest earnings dropped from 1.50% to 1.00%.
6. Project Management consists of salaries of In-house employees and contracted construction management services.
7. Non-Participating Costs are those costs not eligible for Federal Aid Match and include overhead costs in excess of the 15% of construction cost, utility and sewage repairs and construction enhancement not covered by the Federal Highway Administration. This also includes indirect cost associated with the program.
8. Construction, Design, Site and Equipment expenditures eligible for Federal Aid match.
9. Apportionments are greater than the amount that can be obligated each year. The obligation ceiling limits the obligations in a given year to approx. 81% of the apportionments.
10. Ending Balance (Fund Balance) - is sources of funds less uses of funds; or total assets less total liabilities obtained from the Balance Sheet (Financial Statement)

Highway Local Transportation Maintenance Fund

Figure -KA0-5

Transportation Local Transportation Maintenance Fund

	D.C. Local Transp. Maint. Fund FY 2002	Federal or Local Match FY 2002	TOTAL FY 2002	D.C. Local Transp. Maint. Fund FY 2003	Federal or Local Match FY 2003	TOTAL FY 2003
Sources						
Beginning Balance [1]	$2,383,089	$0	$2,383,089	$21,236,410	$0	$21,236,410
Interest Earnings [2]	$156,022	$0	$156,022	$174,867	0	$174,867
Rights-of-Way Revenues [3]	**$12,000,000**	$0	$12,000,000	$37,000,000	0	$37,000,000
Funding supplied from the Reserve [4]	$11,000,000	$0	$11,000,000	$0	$0	$0
Total	$25,539,111	$0	$25,539,111	$58,411,277	$0	$58,411,277
Uses						
Estimated Design [5]	$675,499	$0	$675,499	$6,193,598	$0	$6,193,598
Estimated. Project Management [6]	$470,304	0	$470,304	$5,800,869	0	$5,800,869
Estimated. Site, Constr. & Equip. Cost [7]	$3,156,907	$0	$3,156,907	$31,218,250	$0	$31,218,250
Sub Total	$4,302,710	$0	$4,302,710	$43,212,717	$0	$43,212,717
Total	$4,302,710					
ENDING BALANCE [8]	$21,236,410 [9]	$0	$21,236,410	$15,198,560 [10]	$0	$15,198,560

1. Balance of Local Revenues received from the collection of Rights-of-Way (ROW) fees levied against Utility providers and all users of District Rights-of-Way properties in FY 2001 and allocated to the Rights-of-Way Program in the District Department of Transportation. For the first year of the newly created ROW Program, only those revenues earned and collected above $30.0 million were deposited in the ROW Local Roads Capital Maintenance Fund.
2. Interest earned against ROW revenues collected minus expenditures and prorated on a monthly basis.
3. In the amending legislation of the ROW Local Roads Capital Maintenance Program in FY 2002, $12.0 million of earned and collected revenues was allocated to the ROW pro gram and supplemented by a one time infusion of $11.0 million from the District's Reserve Account. Prior to FY-02 the ROW legislation stipulated that ROW fee collections over $30 million remain in the Highway Trust Fund. Starting in FY-03 all ROW collections will be deposited in the Local Roads Capital Maintenance Fund. In addition, the anticipated ROW receipts for FY-03 through FY-09 of $37 million is contingent upon WASA contributions.
4. Revenues allocated only in FY2002. $11.0 Million was earmarked from the Distict's Reserve Account to supplement the revenues earned, collected and used in the ROW Program.
5. Estimated expenditures allocated for design purposes by consultant or by salaries of In-house employees.
6. Estimated expenditures allocated for project management services rendered by either in-house employees or by contracted construction management firms.
7. Estimated expenditures allocated for the purpose of Construction, Site and Equipment.
8. Ending Balance (Fund Balance) - is sources of funds less uses of funds; or total assets less total liabilities.
9. The ending balance is comprised of capital contractual commitments and obligations scheduled to be expensed in the following year and not restricted by an annual period.
10. The same holds true for the ending balance in the subsequent years, expenditures are anticipated to occur and are not restricted by an annual period.

Figure -KA0-6

Transportation Local Transportation Maintenance Fund

	D.C. Local Transp. Maint. Fund FY 2004	Federal or Local Match FY 2004	TOTAL FY 2004	D.C. Local Transp. Maint. Fund FY 2005	Federal or Local Match FY 2005	TOTAL FY 2005
Sources						
Beginning Balance [1]	$15,198,560	$0	$15,198,560	$14,020,015	$0	$14,020,015
Interest Earnings [2]	$132,455	0	$132,455	$104,036	0	$104,036
Rights-of-Way Revenues [3]	$37,000,000	0	$37,000,000	$37,000,000	0	$37,000,000
Other Funding [4]	0	$0	$0	0	$0	$0
Total	$52,331,015	$0	$52,331,015	$51,124,051	$0	$51,124,051
Uses						
Estimated Design [5]	$4,760,400		$4,760,400	$4,134,250	$0	$4,134,250
Estimated. Project Management [6]	$5,539,804	0	$5,539,804	$4,872,406	0	$4,872,406
Estimated. Site, Constr. & Equip. Cost [7]	$28,010,796	$0	$28,010,796	$29,263,400	$0	$29,263,400
Total	$38,311,000	$0	$38,311,000	$38,270,056	$0	$38,270,056
ENDING BALANCE [8]	$14,020,015 [9]	$0	$14,020,015	$12,853,995 [10]	$0	$12,853,995

1. Balance of Local Revenues received from the collection of Rights-of-Way (ROW) fees levied against Utility providers and all users of District Rights-of-Way properties in FY 2001 and allocated to the Rights-of-Way Program in the District Department of Transportation. For the first year of the newly created ROW Program, only those revenues earned and collected above $30.0 million were deposited in the ROW Local Roads Capital Maintenance Fund.
2. Interest earned against ROW revenues collected minus expenditures and prorated on a monthly basis.
3. In the amending legislation of the ROW Local Roads Capital Maintenance Program in FY 2002, $12.0 million of earned and collected revenues was allocated to the ROW pro gram and supplemented by a one time infusion of $11.0 million from the District's Reserve Account. Prior to FY-02 the ROW legislation stipulated that ROW fee collections over $30 million remain in the Highway Trust Fund. Starting in FY-03 all ROW collections will be deposited in the Local Roads Capital Maintenance Fund. In addition, the anticipated ROW receipts for FY-03 through FY-09 of $37 million is contingent upon WASA contributions.
4. Revenues allocated only in FY2002. $11.0 Million was earmarked from the Distict's Reserve Account to supplement the revenues earned, collected and used in the ROW Program.
5. Estimated expenditures allocated for design purposes by consultant or by salaries of In-house employees.
6. Estimated expenditures allocated for project management services rendered by either in-house employees or by contracted construction management firms.
7. Estimated expenditures allocated for the purpose of Construction, Site and Equipment.
8. Ending Balance (Fund Balance) - is sources of funds less uses of funds; or total assets less total liabilities.
9. The ending balance is comprised of capital contractual commitments and obligations scheduled to be expensed in the following year and not restricted by an annual period.
10. The same holds true for the ending balance in the subsequent years, expenditures are anticipated to occur and are not restricted by an annual period.

Figure -KA0-7

Transportation Local Transportation Maintenance Fund

	D.C. Local Transp. Maint. Fund FY 2006	Federal or Local Match FY 2006	TOTAL FY 2006	D.C. Local Transp. Maint. Fund FY 2007	Federal or Local Match FY 2007	TOTAL FY 2007
Sources						
Beginning Balance [1]	$12,853,995	$0	$12,853,995	$13,746,047	$0	$13,746,047
Interest Earnings [2]	$72,052	0	$72,052	$42,636	0	$42,636
Rights-of-Way Revenues [3]	$37,000,000	0	$37,000,000	$37,000,000	0	$37,000,000
Other Funding [4]	$0	$0	$0	$0	$0	$0
Total	$49,926,047	$0	$49,926,047	$50,788,683	$0	$50,788,683
Uses						
Estimated Design [5]	$4,227,750	$0	$4,227,750	$3,099,750	$0	$3,099,750
Estimated. Project Management [6]	$4,511,750	0	$4,511,750	$4,689,750	0	$4,689,750
Estimated. Site, Constr. & Equip. Cost [7]	$27,440,500	$0	$27,440,500	$28,340,500	$0	$28,340,500
Total	$36,180,000	$0	$36,180,000	$36,130,000	$0	$36,130,000
ENDING BALANCE [8]	$13,746,047 [9]	$0	$13,746,047	$14,658,683 [10]	$0	$14,658,683

1. Local revenues and District's share of expenditures utilized to support implementation of Federal Aid projects.
2. Federal Aid commitment balances (Federal Obligations) and projection of matching grants.
3. This includes the reallocation of $173 million from the Barney Circle project to be used as follows: $98 million for local streets and $75 million for special Federal Initiatives.
4. Fiscal Year local share beginning balance represents cash and investments less the revolving fund amount.
5. Interest Earnings is estimated based on a percentage of annual revenues, minus expenditures. The rate used for calculating projected interest earings dropped from 6.25% to 1.50%.
6. Project Management consists of salaries of In-house employees and contracted construction management services.
7. Non-Participating Costs are those costs not eligible for Federal Aid Match and include overhead costs in excess of the 15% of construction cost, utility and sewage repairs and construction enhancement not covered by the Federal Highway Administration.
8 Construction, Design, Site and Equipment expenditures eligible for Federal Aid match.
9 The District maintains a revolving fund to ensure the timely payment of contractors.
10 Apportionments are greater than the amount that can be obligated each year. The obligation ceiling limits the obligation in a given year to approximately 81% of the apportionments.
11. Ending Balance (Fund Balance) - is sources of funds less uses of funds; or total assets less total liabilities obtained from the Balance Sheet (Financial State)

Figure -KA0-8

Transportation Local Transportation Maintenance Fund

	D.C. Local Transp. Maint. Fund FY 2008	Federal or Local Match FY 2008	TOTAL FY 2008	D.C. Local Transp. Maint. Fund FY 2009	Federal or Local Match FY 2009	TOTAL FY 2009
Sources						
Beginning Balance [1]	$14,658,683	$0	$14,658,683	$15,373,847	$0	$15,373,847
Interest Earnings [2]	$20,164	0	$20,164	$8,719	0	$8,719
Rights-of-Way Revenues [3]	$37,000,000	0	$37,000,000	$37,000,000	0	$37,000,000
Federal or Other Matches [4]	$0	$0	$0	$0	0	$0
Total	$51,678,847	$0	$51,678,847	$52,382,566	$0	$52,382,566
Uses						
Estimated Design [5]	$2,249,750	$0	$2,249,750	$1,199,750	$0	$1,199,750
Estimated. Project Management [6]	$4,914,750	0	$4,914,750	4,764,750	0	$4,764,750
Estimated. Site, Constr. & Equip. Cost [7]	$29,140,500	$0	$29,140,500	$28,265,500	$0	$28,265,500
Total	$36,305,000	$0	$36,305,000	$34,230,000	$0	$34,230,000
ENDING BALANCE [8]	$15,373,847 [9]	$0	$15,373,847	$18,152,566 [10]	$0	$18,152,566

1. Balance of Local Revenues received from the collection of Rights-of-Way (ROW) fees levied against Utility providers and all users of District Rights-of-Way properties in FY 2001 and allocated to the Rights-of-Way Program in the District Department of Transportation. For the first year of the newly created ROW Program, only those revenues earned and collected above $30.0 million were deposited in the ROW Local Roads Capital Maintenance Fund.
2. Interest earned against ROW revenues collected minus expenditures and prorated on a monthly basis.
3. In the amending legislation of the ROW Local Roads Capital Maintenance Program in FY 2002, $12.0 million of earned and collected revenues was allocated to the ROW pro gram and supplemented by a one time infusion of $11.0 million from the District's Reserve Account. Prior to FY-02 the ROW legislation stipulated that ROW fee collections over $30 million remain in the Highway Trust Fund. Starting in FY-03 all ROW collections will be deposited in the Local Roads Capital Maintenance Fund. In addition, the anticipated ROW receipts for FY-03 through FY-09 of $37 million is contingent upon WASA contributions.
4. Revenues allocated only in FY2002. $11.0 Million was earmarked from the Distict's Reserve Account to supplement the revenues earned, collected and used in the ROW Program.
5. Estimated expenditures allocated for design purposes by consultant or by salaries of In-house employees.
6. Estimated expenditures allocated for project management services rendered by either in-house employees or by contracted construction management firms.
7. Estimated expenditures allocated for the purpose of Construction, Site and Equipment.
8. Ending Balance (Fund Balance) - is sources of funds less uses of funds; or total assets less total liabilities.
9. The ending balance is comprised of capital contractual commitments and obligations scheduled to be expensed in the following year and not restricted by an annual period.
10. The same holds true for the ending balance in the subsequent years, expenditures are anticipated to occur and are not restricted by an annual period.