

State of California
Business, Transportation and Housing Agency
Department of Transportation

PROJECT BUSINESS MATTERS
Proposition 116 Program Administration
Action Item

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CTC Meeting: August 23-24, 2000

Agenda Item: 2.10

Original Signed By _____

W. J. EVANS, Deputy Director

Finance

August 1, 2000

CONTRACT APPROVAL FOR PROPOSITION 116 BOND
PROGRAM ADMINISTRATION

RECOMMENDATION

The Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve a one-year contract between the Commission and the Department in the amount of \$640,000, for administration of the Proposition 116 Bond Program.

BACKGROUND

Under the provision of the California Clean Air and Transportation Improvement Act of 1990 (Proposition 116), the Commission has contracted with the Department each fiscal year to administer the Proposition 116 Grant Program.

Seven Departmental programs (Accounting, Audits and Investigations, Budgets, Design and Local Programs, Mass Transportation, Programming and Right of Way) perform contract administration work such as:

- Performing all programming, right-of-way, auditing and accounting functions;
- Processing and reviewing applications, allocations and amendments;
- Processing Fund Transfer Agreements (FTAs), amendments and waivers;
- Conducting agency and project management financial reviews as required; and
- Coordinating with the State Treasurer's Office to sell commercial paper or bonds to fund Proposition 116 projects.

California voters authorized \$1.990 billion in Proposition 116 Rail Bond funds. Of the total \$1.990 billion available, \$1.792 billion has been programmed by the Commission and \$1.750 billion has been allocated. As of July 2000, \$198 million remains to be programmed and \$240 million remains to be allocated.

The Department's workload relating to the Proposition 116 Bond Programs has changed over the past years. Initially, as new applications and projects were prepared and processed by the Department for approval by the Commission, the workload was primarily in the Local Assistance, Mass Transportation, and Intercity Rail Programs. These activities included application and allocation review, fund transfer agreement preparation and processing, and project monitoring. Now, as many projects are either underway, complete or near completion, the workload concentration has shifted, to some degree, to the Department's Accounting and Audits Programs.

Overall, 8.34 person years (PYs) of Proposition 116 Bond Program work activity is anticipated for Fiscal Year (FY) 2000-2001. This is about a 19 percent reduction in PYs over last year. Consistent with the FY 1999-00 contract, this proposal includes no reimbursement for related operating expenses, except for \$11,000 per year for Controller related charges that were previously approved. Cost of living increases have been estimated at 4 percent for FY 2000-01.

The attached chart provides information on the approved level of PYs and personal services dollars (PS\$) by Departmental program for FY 1998-99, FY 1999-00 as well as the proposed level for FY 2000-01.

Proposition 116 authorized \$10 million for the administrative costs incurred by the Commission and the Department. However, the \$10 million will be exhausted by the end of FY 2000-01 so the Department will be seeking a Budget Change Proposal to address Proposition 116 workload needs that extend beyond FY 2000-01.

Proposition 116
Caltrans Administrative Costs
Past Allocations for FY 1998-99 and FY 1999-00
Proposed Allocation FY 2000-01

	Approved PY 1998-99	Approved PY 1999-00	Proposed PY 2000-2001	Projected PS\$ 2000-2001
Accounting	2.00	1.91	1.51	106,300
Audits	3.91	3.91	4.02	307,365
Budgets	.30	.30	.19	12,425
Local Programs	1.03	1.02	.27	19,226
Mass Transportation	2.74	2.26	2.00	152,376
Programming	.35	.58	.31	28,280
Right of Way	<u>.25</u>	<u>.25</u>	<u>.04</u>	<u>3,028</u>
TOTAL PY	10.58	10.23	8.34	629,000
Total Salary	\$726,566	\$763,938	\$629,000	
Electronic Fund Transfer	\$12,000	\$18,576	\$11,000	
TOTAL	\$738,566	\$782,514	\$640,000	