

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

PUBLIC TRANSIT COMMITTEE  
Proposition 116 Program  
Administration Contract

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Agenda Item: 1

*Original Signed by* \_\_\_\_\_

W. J. EVANS, Deputy Director  
Finance  
September 1, 2000

**APPROVAL FOR FY 2000-2001 CONTRACT WITH DEPARTMENT FOR  
PROPOSITION 116 PROGRAM ADMINISTRATION**

**RECOMMENDATION**

The Department of Transportation recommends that a one-year contract between the California Transportation Commission (CTC) and the Department of Transportation (Department) for administration of the Proposition 116 Program be approved and allocated in the amount of \$390,041. This should be the last contract, because the administrative funding for this Program will be nearly exhausted.

**BACKGROUND**

Under the provision of the California Clean Air and Transportation Improvement Act of 1990 (Proposition 116), the California Transportation Commission (CTC) 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, have previously performed contract administration work including:

- Performing all programming, right-of-way, auditing and accounting functions;
- Processing and reviewing applications, allocations and amendments;
- Processing of 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 \$1,990,000,000 in Proposition 116 funds. Of this amount, \$1,793,000,000 has been approved by the CTC for projects, and \$197,000,000 remains for project application approval and allocation by the CTC. Of the \$1,793,000,000, \$1,754,000,000 has been allocated, which leaves an additional \$39 million that requires allocation actions by the Department and the CTC. As noted, the Department's workload relating to the Proposition 116 Program has changed over the past years. Initially, as new applications and projects were prepared for approval by the CTC, the workload was primarily in the Design and Local Programs, Mass Transportation, and Rail programs. These responsibilities included application and allocation review and project monitoring. Now, as many projects are underway, nearing completion or are complete, the workload is concentrated in the Accounting and Audits programs.

The level of resources proposed for FY 2000-01 is a nearly 50 percent reduction in PYs (Personnel Year) compared to last year. Less resources are needed because the program workload is declining and the level of Proposition 116 funds remaining for administrative activities is insufficient to cover all the costs. To help address the funding shortfall during FY 2000-01, the Local Programs workload will be managed by the CTC. Also, some Audit activities have been deferred until FY 2001-02. Additional minor adjustments were made to selected programs. Overall, 5.04PYs of Proposition 116 work activity is anticipated for the FY 2000-01.

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% for FY 2000-01.

Attachment "A" compares the approved level of PYs and PS\$ (Personal Service Dollars) by Program for FY 1998-99, FY 1999-00 and the proposed level for FY 2000-01.

Proposition 116 authorized \$10 million for the administrative costs incurred by the CTC and the Department. Only minimal funds are projected to remain by the end of FY 2000-01.

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

	<b>Approved PY 1998/99</b>	<b>Approved PY 1999/00</b>	<b>Proposed PY 2000/2001</b>	<b>Projected PS\$ 2000/2001</b>
Accounting	2.00	1.91	1.428	100,558
Audits	3.91	3.91	1.184	90,986
Budgets	.30	.30	0.190	12,425
Local Programs	1.03	1.05	0	0
Mass Transportation	2.74	2.26	1.902	144,912
Programming	.35	.50	0.300	27,132
Right of Way	<u>.25</u>	<u>.25</u>	<u>0.040</u>	<u>3,028</u>
<b>TOTAL PY</b>	<b>10.58</b>	<b>10.18</b>	<b>5.044</b>	<b>379,041</b>
Total Salary	\$714,566	\$763,540	\$379,041	
Electronic Fund Transfer	<u>\$ 12,000</u>	<u>\$ 18,576</u>	<u>\$ 11,000</u>	
<b>TOTAL</b>	<b>\$726,566</b>	<b>\$782,116</b>	<b>\$390,041</b>	