

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: January 21-22, 2004

Reference No.: 2.5g.
Action Item

From: ROBERT L. GARCIA
Chief Financial Officer

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Budgets

Ref: **TRANSFER OF FY 2003-04 STIP BUDGET AUTHORITY TO SHOPP TO
FUND FY 2003-04 SHOPP ALLOCATION PLAN
RESOLUTION FM 03-**

ISSUE:

The Resolution below proposes to transfer \$283,160,000 in State Highway and Federal Trust Fund budget appropriations in the 2003 Budget Act from the State Transportation Improvement Program (STIP) to the State Highway Operations and Protection Program (SHOPP). This transfer is necessary to realign the Department of Transportation's (Department) existing budget authority with the California Transportation Commission's (Commission) proposed FY 2003-04 Allocation Plan. Per Chapter 157 (FY 2003-2004 Budget), the transfer of funds described in this Resolution is subject to approval by the Commission and approval by the Department of Finance of a Budget Revision involving Local Assistance and Capital Outlay funds appropriated in FY 2003-04.

RECOMMENDATION:

The Department recommends the Commission approve the Resolution below.

BACKGROUND:

The Commission has presented the Department with an annual allocation plan for the FY 2003-04 based on the projected cash resources for the year. This plan provides for a total allocation of \$800 million for new construction projects programmed in the SHOPP and \$173.5 million for right of way capital projects. A prioritized listing of SHOPP projects has been developed and is being managed by the Department to monitor allocations in accordance with the SHOPP Allocation Plan. Projects related to highway emergency, safety improvements and seismic retrofit have been identified as top priority projects.

During the development of the FY 2003-04 budget, the Department based its proposals on existing STIP and SHOPP program levels and estimated revenues. At that time, the

Commission had not yet developed its annual Allocation Plan and project delivery schedules were not yet known. With the upcoming adoption of the FY 2003-04 SHOPP Allocation Plan, it has become necessary to realign the Department's budget authority in order to fund the designated projects in this Plan.

FINANCIAL RESOLUTION:

Resolved that:

Pursuant to Provision 2, Item 2660-101-0042, Budget Act of 2003, \$41.2 million be transferred from Local Assistance appropriation item 2660-101-0042 (1) and (2) to the Capital Outlay appropriation item 2660-301-0042 (1); and

Pursuant to Provision 3, Item 2660-101-0890, Budget Act of 2003, \$165 million be transferred from Local Assistance appropriation item 2660-101-0890 (1) to the Capital Outlay appropriation item 2660-301-0890 (1); and

Pursuant to Provision 2, Item 2660-301-0042, Budget Act of 2003, \$41.2 million plus an additional \$15.392 million be transferred from Capital Outlay appropriation item 2660-301-0042 (1) to 2660-302-0042 (1); and

Pursuant to Provision 1, Item 2660-301-0890, Budget Act of 2003, \$165 million plus an additional \$61.568 million be transferred from Capital Outlay appropriation item 2660-301-0890 (1) to 2660-302-0890 (1).

And resolved, the total decrease in Local Assistance funding for the STIP is \$206.2 million and the total decrease in Capital Outlay STIP funding is \$76.96 million. Conversely, the total increase in Capital Outlay funding in the State Highway Operation and Protection Program (SHOPP) is \$283.16 million.