

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: February 25-26, 2004

Reference No.: 2.5h
Action Item

From: ROBERT L. GARCIA
Chief Financial Officer

Prepared by: Bob Sertich
Division Chief
Budgets

Ref: **FISCAL YEAR 2003-04 BUDGET REVISION TO FUND NINE LOCAL ASSISTANCE PLANNING, PROGRAMMING AND MONITORING PROJECTS, ONE EUREKA NON-FREEWAY ALTERNATIVE PROJECT AND ONE LOCAL ASSISTANCE TE PROJECT PROGRAMMED IN THE STIP RESOLUTION FM 03-**

ISSUE:

The Resolution below proposes to transfer \$4.676 million of State Highway Account and Federal Trust Fund budget authority from Capital Outlay to Local Assistance to fund nine Planning, Programming and Monitoring (PPM) Projects, one Eureka Non-Freeway Alternative Project and one Local Assistance TE Project in Fiscal Year (FY) 2003-04. This transfer will require a reduction in Capital Outlay budget authority originally intended for the State Highway Operations and Protection Program (SHOPP) and an increase in authority for the State Transportation Improvement Program (STIP). The transfer of funds described in this Resolution is subject to approval of a Budget Revision involving Capital Outlay and Local Assistance funds appropriated in FY 2003-04.

RECOMMENDATION:

The Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve the Resolution below.

BACKGROUND:

The 2004-05 Governor's Budget proposes a realignment of the Department's current year budget authority for Capital Outlay and Local Assistance in order to fully fund the projects designated on the Commission's FY 2003-04 SHOPP Allocation Plan. This budget proposal, approved by the Commission in January 2004, included a transfer of the entire STIP funding in Local Assistance (State and Federal) to the SHOPP program for Capital Outlay.

Despite the Department's current focus on SHOPP projects, local transportation agencies have continued to regard project delivery as an important goal for their regions. To achieve this goal, tools and services are procured and utilized to help improve project

monitoring activities and tracking of project delivery schedules. Funds designated for these activities are currently programmed in the STIP as Planning, Programming and Monitoring projects. A majority of these projects are pending allocation by the Commission due to the Governor's revised budget for FY 2003-04, which proposes to eliminate STIP funding from Local Assistance. In order to secure STIP funding for these projects, a revision to the proposed budget will be necessary. The total amount needed for PPM is \$3.374 million.

STIP funding is also needed to fund two other local projects that have been designated as high priority projects, one non-freeway alternative project in the city of Eureka and one transportation enhancement (TE) project in Sacramento County. The total amount needed for these projects is \$1.302 million.

Per Chapter 157, Statutes of 2003, 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. Project allocations and encumbrances will be contingent upon the approval of the aforementioned Budget Revision.

FINANCIAL RESOLUTION:

Resolved that:

Pursuant to Provision 2, Item 2660-302-0042, Budget Act of 2003, \$3.514 million be transferred from Capital Outlay appropriation item 2660-302-0042 (1) to the Capital Outlay appropriation item 2660-301-0042 (1); and

Pursuant to Provision 2, Item 2660-301-0042, Budget Act of 2003, \$3.514 million be transferred from Capital Outlay appropriation item 2660-301-0042 (1) to the Local Assistance appropriation item 2660-101-0042 (1).

Pursuant to Provision 2, Item 2660-302-0890, Budget Act of 2003, \$1.162 million be transferred from Capital Outlay appropriation item 2660-302-0890 (1) to the Capital Outlay appropriation item 2660-301-0890 (1); and

Pursuant to Provision 1, Item 2660-301-0890, Budget Act of 2003, \$1.162 million be transferred from Capital Outlay appropriation item 2660-301-0890 (1) to the Local Assistance appropriation item 2660-101-0890 (1).

And resolved, the total increase in Local Assistance STIP is \$4.676 million and the total decrease in Capital Outlay SHOPP is \$4.676 million.