

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: February 1-2, 2006

Reference No.: 2.5h.
Action Item

From: CINDY McKIM
Chief Financial Officer

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Ref: **FINANCIAL ALLOCATION ADJUSTMENT FOR FISCAL YEAR 2005-06**
LOCAL ASSISTANCE LUMP SUM ALLOCATION
RESOLUTION FM-05-03, AMENDING RESOLUTION FM-04-06

SUMMARY:

In May 2005, the California Transportation Commission (Commission) passed Resolution FM-04-06, allocating \$498 million for the Local Assistance Program for Fiscal Year (FY) 2005-06. The initial allocation request was for \$996 million. The Commission reduced the initial allocation request of \$996 million by 50%, pending the final report for FY 2004-05 and prior year allocation expenditures.

In July 2005, the Legislature approved an increase of \$2 million for the Freeway Service Patrol category funds under Budget Item 2660-102-0042(1) from \$114 million to \$116 million. This increase was not included in the initial allocation approved by the Commission in May 2005.

In September 2005, the Department of Transportation (Department) presented the final status lump sum allocation report for FY 2004-05. The report included a three-year allocation and allocation use comparison by category, as requested by the Commission. The reports provided at the September 2005 Commission meeting indicated that the Department consistently uses all funds allocated by the Commission within three years from the original allocation.

As of December 31, 2005, local agencies have used 32 percent (including Federal Transit Administration (FTA) Transfers) of the \$498 million allocation received by the Department in May 2005. Consistent with 100 percent delivery in past years, the Department is requesting the balance of \$498 million and the \$2 million increase for the Freeway Service Patrol category.

BACKGROUND:

The Local Assistance Program administers the local assistance subvention budget under authority of the Commission. Each year, the Department requests an annual lump sum allocation for these funds consistent with the Budget Act. This allocation is revisited upon enactment of the Federal Fiscal Appropriation Act and the passage of the new Federal Transportation Act to ensure consistency in funding levels.

The Department will be working with Commission staff to revise the Lump Sum allocation request and quarterly reports on a Federal Fiscal Year basis for FY 2006-07.

RECOMMENDATION:

The Department recommends the following Resolution be approved.

FINANCIAL RESOLUTION:

Resolved, that \$498,286,000 be allocated from the 2005 Budget Act Local Assistance Item 2660-102-0890 (1), and that \$2,000,000 be allocated from the 2005 Budget Act Local Assistance Item 2660-102-0042(1).

SUMMARY AND CONCLUSIONS:

Approval of the remaining allocation will provide the necessary subvention funds, for the delivery of individual local assistance transportation projects. In addition, the approval of this request brings the total funds available for allocation to a level commensurate with the budget authority levels for local transportation projects for FY 2005-06.

ALLOCATION OF FUNDS FOR LOCAL ASSISTANCE 2005-06 FISCAL YEAR

Dollars in Thousands

	State	Revised State	Federal	Revised Federal	Total
<u>2660-102-0042(1)</u>					
Surface Transportation Program					
(STP) State Match and Exchange	\$ 51,250	\$ 51,250			\$51,250
Seismic Bridge Retrofit State Match	0	0			0
Bridge Inspection and Scour Evaluation					
State Match	735	735			735
Railroad Grade Separation	15,000	15,000			15,000
Railroad Grade Crossing Maintenance	1,000	1,000			1,000
Misc. Unassigned Local Programs	3,000	3,000			3,000
Transportation Enhancement Activities					
Exchange	2,000	2,000			2,000
Safe Routes to School	23,000	23,000			23,000
STIP Freeway Service Patrol	18,079	20,079			20,079
Subtotal	\$114,064	\$116,064			\$116,064
<u>2660-105-0046</u>					
Bay Area Ferry Operations Program	\$ 2,908	\$ 2,908			\$ 2,908
<u>2660-102-0890(1)</u>					
Surface Transportation Program (STP)			\$144,697	\$333,783	\$333,783
Congestion Mitigation and Air Quality (CMAQ)			149,214	344,202	344,202
Seismic Bridge Retrofit			23,368	53,905	53,905
Bridge Rehabilitation and Replacement			53,860	124,241	124,241
Bridge Inspection and Scour Evaluation			748	1,725	1,725
Railroad Grade Crossing Protection			4,363	10,064	10,064
Hazard Elimination and Safety (HES)			4,363	10,064	10,064
Safe Routes to School			0	0	0
Misc. Unassigned Local Programs			701	1,616	1,616
Subtotal			\$381,314	\$879,600	\$879,600
Total Local Programs	\$116,972	\$118,972	\$381,314	\$879,600	\$998,572