

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: May 14, 2009

Reference No.: 2.5h.  
Action Item

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Chief Financial Officer

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Subject: **FINANCIAL ALLOCATION AUGMENTATION FOR LOCAL ASSISTANCE  
LUMP SUM FEDERAL FUNDS  
RESOLUTION FM-08-04, AMENDING RESOLUTIONS FM-08-02 AND FM-08-01**

## **RECOMMENDATION:**

The Department of Transportation (Department) recommends the California Transportation Commission (Commission) allocate \$683,282,997 in additional federal funds for the Fiscal Year (FY) 2008-09 Local Assistance lump sum allocation.

## **ISSUE:**

In September 2008, the Commission passed Resolution FM-08-01, allocating \$683 million of federal funds for FY 2008-09. The initial allocation request was for \$1.37 billion; however, the Commission reduced the allocation request to \$683 million, pending the final close-out report for FY 2007-08. The Department presented the FY 2007-08 close-out report at the December 2008 meeting, which included a three-year allocation comparison. These reports demonstrate that the Department consistently suballocates all funds authorized by the Commission. At this time, the Department is requesting an allocation of the remaining \$683,282,997 in budget authority of federal funds approved in the Budget Act of 2008.

## **BACKGROUND:**

The Division of Local Assistance administers the local assistance subvention budget under delegated authority from the Commission. The Commission provides an annual lump sum allocation consistent with each fiscal year's Budget Act.

In June 2008, the Commission passed Resolution FM-07-07, allocating \$128 million of State funds for the Department's Local Assistance Program for FY 2008-09. In September 2008, the Commission passed Resolution FM-08-01, allocating \$683 million of federal funds for FY 2008-09. This allocation represents one half of the federal lump sum FY 2008-09 Budget Act levels. In October 2008, the Commission passed Resolution FM-08-02 for the exchange of \$24.3 million in federal bridge funds with State funds from the State Highway Operation and Protection Program (SHOPP), consistent with the Local Bridge Seismic Retrofit Program Guidelines, Resolution LBS1B-G-0708-01.

As of February 28, 2009, local agencies have used 42 percent, or \$327 million of the \$786 million total allocation. This is higher when compared to last year's allocation use of 34 percent, or \$254 million of the \$739 million total allocation. The Department anticipates all funds allocated by the Commission for FY 2008-09 will be suballocated to local projects. Approval of this request is necessary to ensure local agencies can be reimbursed for their project costs in a timely manner.

A display of the revised allocation authority by category is on the following page.

**FINANCIAL RESOLUTION:**

Resolved, that \$683,282,997 be allocated from the Budget Act of 2008, Local Assistance Item 2660-102-0890 (1), in accordance with the chart below.

**ALLOCATION OF FUNDS FOR FY 2008-09 LOCAL ASSISTANCE**

	State	Federal	Revised Federal	Total
<b><u>2660-102-0042(1)</u></b>				
Surface Transportation Program (STP)				
State Match and Exchange	\$57,849,000			\$57,849,000
Bridge Inspection and Scour Evaluation State Match	735,000			735,000
Bridge Seismic Retrofit State Match	24,300,000			24,300,000
Railroad Grade Separation	15,000,000			15,000,000
Railroad Grade Crossing Maintenance	2,000,000			2,000,000
Safe Routes to School	24,250,000			24,250,000
Misc. Unassigned Local Programs	3,000,000			3,000,000
STIP Freeway Service Patrol	25,479,000			25,479,000
Subtotal	<b>\$152,613,000<sup>(1)</sup></b>			<b>\$152,613,000</b>
<b><u>2660-102-0890(1)</u></b>				
Surface Transportation Program (STP)		\$214,598,497	\$429,196,994	\$429,196,994
Congestion Mitigation and Air Quality (CMAQ)		203,937,000	407,874,000	407,874,000
Seismic Bridge Retrofit		55,392,500	135,085,000	135,085,000
Highway Bridge Program		35,286,000	70,572,000	70,572,000
Bridge Inspection		1,320,000	2,640,000	2,640,000
Railroad Grade Crossing Protection		5,858,000	11,716,000	11,716,000
Highway Safety Improvement Program (HSIP)		23,606,000	47,212,000	47,212,000
High Risk Rural Roads (HRRR)		3,714,000	7,428,000	7,428,000
Safe Routes to School		10,336,000	20,672,000	20,672,000
Misc. Unassigned Local Programs		850,000	1,700,000	1,700,000
High Priority Projects		104,085,000	208,170,000	208,170,000
Subtotal		<b>\$658,982,997</b>	<b>\$1,342,265,994<sup>(2)</sup></b>	<b>1,342,265,994</b>
<b>Total Local Programs</b>	<b>\$152,613,000</b>		<b>\$1,342,265,994</b>	<b>\$1,494,878,994</b>

(1) Includes \$128,313,000 approved June 26, 2008 per Resolution FM-07-07 and an increase of \$24,300,000 approved October 29, 2008 per Resolution FM-08-02.

(2) Includes \$683,282,997 approved September 25, 2008 per Resolution FM-08-01; a reduction of \$24,300,000 approved October 29, 2008 per Resolution FM-08-02; and the current request for an increase of \$683,282,997.