

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: September 15, 2011

Reference No.: 2.5h.
Action Item

From: Norma Ortega
Chief Financial Officer

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Local Assistance

Subject: **FINANCIAL ALLOCATION FOR FISCAL YEAR 2011-12 LOCAL ASSISTANCE LUMP SUM
– FEDERAL FUNDS
RESOLUTION FM-11-01, AMENDING RESOLUTION FM-10-02**

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) allocate \$1,426,531,000 of federal funds to the Department for the Division of Local Assistance's subvention budget for Fiscal Year (FY) 2011-12.

ISSUE:

Each year, the Department requests an annual lump sum allocation to administer the local assistance subvention budget under the authority of the Commission. The Department is requesting the allocation of the federal portion of subvention funds, augmenting the allocation of state funds totaling \$128,313,000 approved on June 23, 2011, under Resolution FM-10-02.

The federal allocation request of \$1,426,531,000 is consistent with the Budget Act of 2011, Budget Act Item 2660-102-0890(1). The most current Federal Highway Act (Act), the Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users, expired on September 30, 2009. Since its expiration, Congress has issued continuing resolutions in place of a new Act. If a new Act is appropriated after this resolution is adopted, the Department may revisit the federal allocation for Federal Fiscal Year 2011-12 and request to have it adjusted accordingly.

BACKGROUND:

The Department's Division of Local Assistance administers the state and federal 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. At the June 2011 meeting, the Commission allocated approximately \$128 million of state subvention funds, per Resolution FM-10-02.

The Department is requesting an allocation of approximately \$1.4 billion of federal subvention funds in preparation for the start of the federal fiscal year, which is October 1, 2011. The allocation of these federal subvention funds will allow the Department to sub-allocate projects once the federal funds are made available by the Federal Highway Administration.

The guidelines for allocating, monitoring, and auditing of funds for local assistance projects are set forth in Commission Resolution G-99-25, which is based on Section 14529.1 of the Government Code. The Commission delegates the authority to the Department to adjust allocations between categories, and the Department reports to the Commission if transfers in or out of an expenditure category exceed 10 percent of its allocation. Allocations made by the Commission will be revisited upon enactment of a new 2012 Federal Appropriation Act or an extension of the existing Act to ensure consistency in funding levels from the Federal Highway Administration.

RESOLUTION:

Resolved, that \$1,426,531,000 be allocated from the Budget Act of 2011, Budget Act Item 2660-102-0890(1), in accordance with the chart below, bringing the total lump sum allocation for the FY 2011-12 Local Assistance subvention budget to \$1,554,844,000.

ALLOCATION OF FUNDS FOR FY 2011-12 LOCAL ASSISTANCE

Dollars in Thousands

	State	Federal	Total
<u>2660-102-0042(1)</u>			
Surface Transportation Program State Match and Exchange	\$57,849		\$57,849
Bridge Inspection and Scour Evaluation State Match	735		735
Railroad Grade Separation	15,000		15,000
Railroad Grade Crossing Maintenance	2,000		2,000
Misc. Unassigned Local Programs	3,000		3,000
STIP Freeway Service Patrol	25,479		25,479
Safe Routes to School	24,250		24,250
Subtotal	\$128,313		\$128,313
<u>2660-102-0890(1)</u>			
Surface Transportation Program		\$415,642	\$415,642
Congestion Mitigation and Air Quality		430,124	430,124
Seismic Bridge Retrofit		169,646	169,646
Highway Bridge Program		107,162	107,162
Bridge Inspection		2,640	2,640
Railroad Grade Crossing Protection		11,716	11,716
Highway Safety Improvement Program		50,552	50,552
High Risk Rural Roads		8,226	8,226
Safe Routes to School		20,953	20,953
Misc. Unassigned Local Programs		1,700	1,700
High Priority Projects		208,170	208,170
Subtotal		\$1,426,531	\$1,426,531
Total Local Programs	\$128,313	\$1,426,531	\$1,554,844
June 23, 2011, State Allocation, FM-10-02			- \$128,313
Current Allocation Request			\$1,426,531