

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 8, 2013

Reference No.: 2.5h.
Action Item

From: STEVEN KECK
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Budgets

Subject: **FINANCIAL ALLOCATION FOR FISCAL YEAR 2013-14 LOCAL ASSISTANCE LUMP SUM ALLOCATION – FEDERAL FUNDS RESOLUTION FM-13-01**

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) allocate \$1,505,578,000 to the Department for the Division of Local Assistance's federal subvention budget for Fiscal Year (FY) 2013-14.

ISSUE:

The Department is requesting that the Commission allocate the federal portion of Local Assistance subvention funds in the amount of \$1,505,578,000, which is consistent with Budget Act Item 2660-102-0890(1) from Senate Bill 95 of 2013. This trailer bill amended the Budget Act of 2013.

The Moving Ahead for Progress in the 21st Century Act (MAP-21) federal authorization plan was approved on July 6, 2012, and consolidated many of the local subvention sub-programs into four major federal programs. The Department is requesting \$1,279,306,000 in federal allocations for the following four major programs:

- \$221 million for the National Highway Performance Program (NHPP), which funds locally-administered National Highway System bridges.
- \$535 million for the Surface Transportation Program (STP), which funds the Regional Surface Transportation Program (RSTP) and includes a \$75 million set aside for bridges that are off the State Highway System.
- \$449 million for the Congestion Mitigation and Air Quality Program (CMAQ).
- \$74 million for the Highway Safety Improvement Program (HSIP), which funds safety programs.

In addition, the Department is requesting \$226,272,000 to fund discretionary programs, Demonstration projects, Emergency Relief, and miscellaneous federal programs that are available under MAP-21 and previous Federal Highway Acts.

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 annual Budget Act. At the June 2013 Commission meeting, the Commission allocated approximately \$104 million of state subvention funds, per Resolution FM-12-05.

The Department is requesting an allocation of approximately \$1.5 billion of federal subvention funds for the start of the federal fiscal year, which begins October 1, 2013. 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 Resolution G-01-08 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.

RESOLUTION:

Resolved, that \$1,505,578,000 in federal funds be allocated from the Budget Act of 2013, Budget Act Item 2660-102-0890(1), in accordance with the table on the next page, bringing the total lump sum allocation for the FY 2013-14 Local Assistance subvention budget to \$1,609,641,000.

ALLOCATION OF FUNDS FOR FY 2013-14 LOCAL ASSISTANCE
(Dollars in Thousands)

	State	Federal	Total
<u>2660-102-0042(1)</u>			
Surface Transportation Program (STP) State Match and Exchange	\$57,849		\$57,849
Bridge Inspection	735		735
Railroad Grade Separations	15,000		15,000
Railroad Grade Crossing Maintenance	2,000		2,000
Miscellaneous Unassigned Local Programs	3,000		3,000
Freeway Service Patrol	25,479		25,479
	Subtotal		\$104,063
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<u>2660-102-0890(1)</u>			
National Highway Performance Program (NHPP) ¹		\$221,000	\$221,000
Surface Transportation Program (STP) ²		535,113	535,113
Congestion Mitigation and Air Quality Program (CMAQ)		449,193	449,193
Highway Safety Improvement Program (HSIP)		74,000	74,000
Discretionary Programs ³		226,272	226,272
	Subtotal	\$1,505,578	\$1,505,578
	Total Local Programs	\$1,505,578	\$1,609,641
June 11, 2013, State Allocation, FM-12-05			<u>- \$104,063</u>
	Current Allocation Request		<u>\$1,505,578</u>

¹ Funding is reserved for State Highway System (SHS) bridges on the National Highway System (NHS). If a bridge is on the SHS, but not on the NHS; the local share of NHPP may be exchanged for the state share of STP.

² About \$75 million is set aside for bridges that are off the SHS and about \$58 million is budgeted to be exchanged on a dollar-for-dollar basis for State Highway Account funds (2660-102-0042(1)).

³ This funding is for discretionary programs, Demonstration projects, Emergency Relief, and miscellaneous federal programs for MAP-21 and previous Federal Highway Acts.