

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 29-30, 2016

Reference No.: 2.5h.
Action Item

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Steven Keck, Chief
Division of Budgets

Subject: **FINANCIAL ALLOCATION FOR FISCAL YEAR 2015-16 LOCAL ASSISTANCE LUMP
SUM ALLOCATION – FEDERAL FUNDS
RESOLUTION FM-15-04, AMENDING RESOLUTION FM-15-01**

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve the remaining allocation of \$778,769,000 for the Department's Division of Local Assistance's federal subvention budget for Fiscal Year (FY) 2015-16.

ISSUE:

The Department is requesting to increase the federal lump sum allocation for Local Assistance by \$778,769,000 in federal funds as authorized in the State Budget Act of 2015. The initial allocation request was approximately \$1.56 billion and the Commission approved \$778,770,000, approximately half of the requested amount at their October 2015 meeting. The Department requests the Commission to approve the remaining allocation of \$778,769,000. The Department will sub-allocate the remaining 2015-16 federal funding to local agencies.

BACKGROUND:

The Department's Local Assistance Program administers the subvention budget under delegated authority from the Commission. The Commission provides annual lump sum allocations consistent with each Fiscal Year's State Budget Act.

On October 21-22, 2015, the Commission approved Resolution FM-15-01, allocating \$778,770,000 of federal funds for FY 2015-16. Resolution FM-15-01 consists of only one-half of the originally requested federal allocation of \$1,557,539,000.

The Department anticipates all funds allocated by the Commission for FY 2015-16 will be sub-allocated to local projects. For the last 16 years, local agencies have delivered 100 percent of federal funding made available to them. Approval of this request is necessary to ensure that local agencies may be reimbursed for their project costs in a timely manner. Page three displays the revised allocation authority by category.

RESOLUTION:

Resolved, that \$778,769,000 in federal funds be allocated from the Budget Act of 2015, Budget Act Item 2660-102-0890(1), in accordance with the table on the next page, bringing the total lump sum allocation for the Fiscal Year 2015-16 Local Assistance subvention budget to \$1,673,617,000.

**ALLOCATION OF FUNDS FOR FISCAL YEAR 2015-16 LOCAL ASSISTANCE
(Dollars in Thousands)**

	State	Federal	Revised 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	3,765			3,765
Miscellaneous Unassigned Local Programs	3,250			3,250
Freeway Service Patrol	25,479			25,479
Systemic Safety Analysis Report (SSAR) Program ¹	10,000			10,000
Subtotal	\$116,078			\$116,078
<u>2660-102-0890(1)</u>				
National Highway Performance Program (NHPP) ²		\$114,172	\$228,343	\$228,343
Surface Transportation Program (STP) ³		274,908	549,815	549,815
Congestion Mitigation and Air Quality Program (CMAQ)		229,754	459,508	459,508
Highway Safety Improvement Program (HSIP) ⁴		30,998	61,997	61,997
Discretionary Programs ⁵		128,938	257,876	257,876
Subtotal		\$778,770	\$1,557,539	\$1,557,539
Total Local Programs	\$116,078		\$1,557,539	\$1,673,617

¹ Resolution FM-15-02 amended Resolution FM-14-03 to increase the FY 2015-16 Local Assistance state lump sum allocation by \$10 million for the SSAR program.

² Funding is reserved for State Highway System (SHS) bridges on the National Highway System (NHS). If a bridge is not classified as on the NHS, the local share of NHPP may be exchanged for the state share of STP.

³ About \$75 million is set aside for bridges that are off the SHS and about \$51 million is budgeted to be exchanged on a dollar-for-dollar basis for State Highway Account funds (Budget Item 2660-102-0042(1)).

⁴ Ten million of federal HSIP funding was exchanged for state cash to implement the SSAR program via Resolution FM-15-02.

⁵ This funding is for discretionary programs, Demonstration projects, Emergency Relief, and miscellaneous federal programs for current and previous Federal Transportation Acts.