

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: September 15, 2011

Reference No.: 2.5h. - **REVISED**
Action Item

From: Norma Ortega
Chief Financial Officer

Prepared by: Denix D. Anbiah
Division Chief
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

**CTC ACTION UPDATE: The California Transportation Commission allocated a lump sum of
\$713,265,000 in Federal Funds to the Division of Local Assistance, for Fiscal Year 2011-12.**

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~~ **\$713,265,000** 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~~ **\$841,578,000**.

ALLOCATION OF FUNDS FOR FY 2011-12 LOCAL ASSISTANCE

Dollars in Thousands

	State	Revised Federal	Revised 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		\$207,821	\$207,821
Congestion Mitigation and Air Quality		215,062	215,062
Seismic Bridge Retrofit		84,823	84,823
Highway Bridge Program		53,581	53,581
Bridge Inspection		1,320	1,320
Railroad Grade Crossing Protection		5,858	5,858
Highway Safety Improvement Program		25,276	25,276
High Risk Rural Roads		4,113	4,113
Safe Routes to School		10,476	10,476
Misc. Unassigned Local Programs		850	850
High Priority Projects		104,085	104,085
Subtotal		\$713,265	\$713,265
Total Local Programs	\$128,313	\$713,265	\$841,578
June 23, 2011, State Allocation, FM-10-02			- \$128,313
			<hr/>
Current Allocation Request			\$713,265
			<hr/>