

State of California
Business, Transportation and Housing Agency
Department of Transportation

HIGHWAY FINANCIAL MATTERS
Cash advance for EEM Project
Resolution FP-00-43
Action Item

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Agenda Item: 2.5g.

Original Signed By

W. J. EVANS, Deputy Director
Finance
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**CASH ADVANCE FOR ENVIRONMENTAL ENHANCEMENT AND MITIGATION PROGRAM
PROJECT**

**RESOLUTION FP-00-43
Amending RESOLUTION FP-00-22**

RECOMMENDATION

The Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve a one-time cash advance of \$65,550 to the Tree People for the Exposition Right of Way Greenway project (FY 2000-01 Environmental Enhancement & Mitigation Program project #00-146), previously allocated a total of \$89,626 in State funds under Resolution FP-00-22. Such an advance is allowed, with Commission approval, under the Commission's Guidelines for Allocating, Monitoring, and Auditing Funds for Local Assistance Projects (Resolution G-99-25).

FINANCIAL RESOLUTION

Resolved, that a one-time cash advance of EEM funds is approved in the amount of \$65,550 from Item 2660-101-0183 in the 2000 Budget Act for one EEM project. EEM funds in the amount of \$89,626 (with local contributions of \$44,050) were allocated to Tree People for the Exposition Right of Way Greenway project, Resolution FP-00-22, on August 23, 2000.

BACKGROUND

The state-funded EEM Program was reauthorized by the Legislature in 1999 as an ongoing program, which is allocated \$10 million annually. State, federal, local agencies, and non-profit entities may apply for EEM grant funds to undertake environmental enhancement and mitigation projects that are related to the impacts of new or modified transportation facilities. Projects must be above and beyond the required mitigation for the transportation project and are generally limited to grants of \$250,000.

SUMMARY

Tree People, a small non-profit entity, has asked for a cash advance for this project due a cash flow problem which was a result of severe restructuring in their Forestry Department and has incurred unexpected program expenses for this year. Tree People would have a very difficult time adhering to the EEM policy of incurring costs up front on the project and being reimbursed for expenses in arrears. The cash advance would also greatly facilitate the completion of the EEM project by reducing the administrative workload for Tree People's staff by eliminating the processing of monthly progress payment invoices and the borrowing of cash from other projects to cover up front costs for work completed on the EEM project.