

Memorandum

To: Chair and Commissioners

Date: June 16, 2003

From: Diane C. Eidam,
Executive Director

**Reference Number 4.9
Action**

Ref: Re-Suspension of Delegated Allocation Authority

Issue: Should the Commission extend to June 30, 2004 the project allocation delegation suspension that is due to expire on June 30, 2003?

Recommendation: Staff recommends that the Commission suspending all individual project allocation delegations given to Caltrans until the end of the 2003-04 fiscal year, except for emergency, safety and seismic retrofit projects.

Background: In response to the cash flow challenges experienced by the State Highway Account (SHA) the Commission at its December 2002 meeting tabled all project allocation requests. At its January 2003 meeting the Commission formally suspended all individual project allocation delegations given to Caltrans until the end of the 2002-03 fiscal year, except for emergency, safety and seismic retrofit projects. At the April 2003 meeting, the Commission adopted an Allocation Plan for the remainder of the 2002-03 fiscal year and started making project allocations again. Since the cash flow problems of the SHA have not improved, the Commission will be adopting an Allocation Plan for the 2003-04 fiscal year and needs to keep the existing project allocation suspension in place until at least June 30, 2004.

CALIFORNIA TRANSPORTATION COMMISSION

SUSPENSION OF DELEGATED ALLOCATION AUTHORITY

Resolution G-03-

Replacing Resolution G-03-02

WHEREAS transportation capital outlay and local assistance funds are appropriated by the Legislature subject to allocation by the Commission; and

WHEREAS California is experiencing a significant budget shortfall that is now projected to exceed \$30 billion; and

WHEREAS the Governor in early December 2002, proposed mid-year spending reductions that included \$1.8 billion in transportation funding reductions; and

WHEREAS additional cuts ~~may be proposed when the Legislature reconvenes in January 2003~~ **are proposed for the 2003-04 budget**; and

WHEREAS the California Department of Transportation (Caltrans) presented at the Commission's December 2002 meeting an updated 24-Month State Highway Account cash forecast that shows a projected \$173 million deficit in the account by the end of June 2003 and a projected \$634 million deficit by the end of June 2004; and

WHEREAS the Commission tabled all project allocation requests until its February 2003 meeting except for emergency, safety and seismic retrofit projects; and

WHEREAS the Commission suspended all Traffic Congestion Relief Program allocations indefinitely; and

WHEREAS the Commission delegated some of its transportation capital outlay and local assistance funds allocation authority to Caltrans.

NOW THEREFORE BE IT RESOLVED that the Commission suspends till the end of the ~~2002/03~~ **2003/04** fiscal year all individual project allocation delegations given to Caltrans as enumerated by G resolution number below, except for emergency, safety and seismic retrofit projects.

BE IT FURTHER RESOLVED that the Commission suspends the Traffic Congestion Relief Program and State Transportation Improvement Program Six Month Delegated Allocation List (Resolution G-02-10) for July 1, 2002 to December 31, 2002; and

BE IT FURTHER RESOLVED that this suspension resolution sunsets on June 30, 2003 unless revoked earlier or extended by vote of the Commission prior to the sunset date.

G Resolutions suspended till June 30, ~~2003~~ **2004**:

Resolution G-01-03. Project Development Components of Local Grant Projects Programmed in the STIP

Resolution G-01-04. Local Street and Road Pavement Rehabilitation Projects Programmed in the STIP

Resolution G-01-05. RSTP/CMAQ and TEA Match Reserves Programmed in the STIP

Resolution G-01-06. Planning, Programming and Monitoring Activities Programmed in the STIP

Resolution G-01-07. Rideshare Projects Programmed in the STIP

Resolution G-~~0003~~-10. State Highway Pavement Rehabilitation and Safety Projects (only pavement rehabilitation portion suspended)