

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 16-17, 2004

Reference No.: 2.5i.
Action Item

From: ROBERT L. GARCIA
Chief Financial Officer

Prepared by: Bimla Rhinehart
Acting Division Chief
Budgets

Ref: **BUDGET REVISION TO TRANSFER FY 2003-04 RIGHT OF WAY STIP BUDGET
AUTHORITY TO RIGHT OF WAY SHOPP TO FUND THE FY 2003-04 ALLOCATION PLAN
RESOLUTION FM-03-09**

ISSUE:

The Resolution below proposes to transfer \$13,500,000 of State Highway budget authority in the 2003 Budget Act from the State Transportation Improvement Program (STIP) to the State Highway Operations and Protection Program (SHOPP). This transfer will only involve dollars allocated to Right of Way during Fiscal Year (FY) 2003-04 and will result in a net zero impact to the total lump sum allocation previously approved by California Transportation Commission (Commission). The proposed transfer is necessary to realign the Department's existing budget authority for Right of Way with the Commission's 2003-04 SHOPP Allocation Plan. The transfer of funds described in this Resolution is subject to approval of a FY 2003-04 Budget Revision by the Commission and the Department of Finance (DOF).

RECOMMENDATION:

The Department of Transportation (Department) recommends the Commission approve the following Resolution.

BACKGROUND:

During the FY 2003-04 budget development cycle, the Department based its Capital Outlay proposals on projected revenues that heavily constrained resources for STIP and SHOPP projects. At that time, the Department did not have advance knowledge of the Commission's SHOPP allocation plan for FY 2003-04 and project delivery schedules were not yet known. Shortly after the Commission adopted its 2003-04 SHOPP Allocation Plan (Plan), the Commission and the DOF approved a Budget Revision that transferred Capital Outlay STIP budget authority to SHOPP in order to fund the construction

projects on the Plan. Consistent with the approved Plan, Right of Way has refocused its efforts on SHOPP projects and now requires a transfer of State Highway STIP allocation to SHOPP in order to fund these projects. This transfer is required to cover Right of Way SHOPP expenditures, which are anticipated to be \$13,500,000 higher than originally budgeted amount of \$1,500,000.

FINANCIAL RESOLUTION:

Resolved that:

Pursuant to Provision 2, Item 2660-301-0042, Budget Act of 2003, \$13,500,000 be transferred from Capital Outlay appropriation item 2660-301-0042(1) to 2660-302-0042(1).

The transfer will simply shift funding from the STIP line item to the SHOPP line item and will not result in an increase to the total lump sum Right of Way allocation previously approved by the Commission through Resolution FM-03-03.