

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: October 29-30, 2008

Reference No.: 2.5h.
Action Item

From: CINDY McKIM
Chief Financial Officer

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Chief
Division of Budgets

Subject: **EXCHANGE OF FEDERAL FUNDS FOR STATE FUNDS FOR MATCH FOR LOCAL BRIDGE SEISMIC RETROFIT PROJECTS**
RESOLUTION FM-08-02, AMENDING RESOLUTIONS FM-08-01 AND FM-07-07

RECOMMENDATION:

The Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve the exchange of \$24,300,000 in federal bridge funds with State funds from the State Highway Operation and Protection Program (SHOPP), consistent with the Local Bridge Seismic Retrofit Program Guidelines, Resolution LBS1B-G-0708-01. The funds will be sub-allocated to the Bay Area Rapid Transit (BART) District for reimbursement of Fiscal Year (FY) 2007-08 and FY 2008-09 seismic retrofit projects. The exchange of funds is contingent upon approval from the Department of Finance.

ISSUE:

Each year, the Department requests an annual lump sum allocation to administer the local assistance State and federal subvention budget under the authority of the Commission. The Department also requests an annual lump sum allocation to administer the Local Bridge Seismic Retrofit Bond funds. The Department is requesting authority to exchange \$24,300,000 federal Highway Bridge Program funds for SHOPP State funds needed to address the shortfall in Local Bridge Seismic Retrofit bond funds in Fiscal Year (FY) 2008-09. The federal funds are currently approved under the Local Assistance Lump Sum Allocation - Seismic Bridge Retrofit line item as part of the overall federal Highway Bridge Program. The exchange of funds will provide federal bridge funds for the SHOPP.

BACKGROUND:

On November 7, 2006, the voters of the State of California passed Proposition 1B (Prop 1B), which created a Local Bridge Seismic Retrofit Account (LBSRA). Upon appropriation by the Legislature, Prop 1B funds will be available to provide the 11.5 percent match for federal highway bridge funds. At the July 2008 meeting, The Department received authority to sub-allocate \$21 million of Prop 1B funds for local bridge seismic retrofit projects, per Resolution LSB1B-A-0708-002.

When requesting authority to sub-allocate the FY 2008-09 Prop 1B seismic funds, the Department indicated that an additional \$24.3 million in matching funds would be needed in FY 2008-09. These funds will be made available by exchanging \$24.3 million of local federal highway bridge funds for State funds, consistent with the adopted guidelines, Resolution LBS1B-G-0708-01. Of this amount, the Department will sub-allocate \$10.2 million for Bay Area Rapid Transit (BART) projects since BART used their own funds to provide the match in FY 2007-08. The Department will sub-allocate the remaining \$14.1 million for BART projects in FY 2008-09.

At the June 2008 meeting, the Commission allocated approximately \$128 million of State subvention funds, per Resolution FM-07-07. At the September 2008 meeting, the Commission allocated approximately \$683.3 million federal subvention funds, per Resolution FM-08-01, which represents one half of the FY 2008-09 Local Assistance federal allocation requested. The Department will request an allocation of the remaining federal funds at a later date.

RESOLUTION:

Resolved that:

Pursuant to Provision 1, Item 2660-102-0890 of the 2008 Budget Act, \$24.3 million be transferred from Local Assistance Appropriation, Item 2660-102-0890(1) to the Capital Outlay Appropriation, Item 2660-302-0890(1)(a); and

Pursuant to Provision 2, Item 2660-302-0042, of the 2008 Budget Act, \$24.3 million be transferred from 2660-302-0042(1)(a) to the Local Assistance Appropriation, Item 2660-102-0042(1)(b).

ALLOCATION OF FUNDS FOR LOCAL ASSISTANCE 2008-09 FISCAL YEAR

Dollars in Thousands

	State	Revised State	Federal	Revised Federal	Total
<u>2660-102-0042(1)</u>					
Surface Transportation Program					
(STP) State Match and Exchange	\$57,849	\$57,849			\$57,849
Bridge Inspection and Scour Evaluation State Match	735	735			735
Seismic Bridge Match – State Exchange	0	24,300			24,300
Railroad Grade Separation	15,000	15,000			15,000
Railroad Grade Crossing Maintenance	2,000	2,000			2,000
Misc. Unassigned Local Programs	3,000	3,000			3,000
STIP Freeway Service Patrol	25,479	25,479			25,479
Safe Routes to School	24,250	24,250			24,250
Subtotal	<u>128,313</u>	<u>\$152,613</u>			<u>\$152,613</u>
<u>2660-102-0890(1)</u>					
Surface Transportation Program (STP)			\$214,598	\$214,598	\$214,598
Congestion Mitigation and Air Quality (CMAQ)			203,937	203,937	203,937
Seismic Bridge Retrofit			79,692	55,392	55,392
Highway Bridge Program			35,286	35,286	35,286
Bridge Inspection			1,320	1,320	1,320
Railroad Grade Crossing Protection			5,858	5,858	5,858
Highway Safety Improvement Program (HSIP)			23,606	23,606	23,606
High Risk Rural Roads (HRRR)			3,714	3,714	3,714
Safe Routes to School			10,336	10,336	10,336
Misc. Unassigned Local Programs			850	850	850
High Priority Projects			104,085	104,085	104,085
Subtotal			<u>683,282</u>	<u>\$658,982</u>	<u>\$658,982</u>
Total Local Programs	<u>128,313</u>	<u>\$152,613</u>	<u>\$683,282</u>	<u>\$658,982</u>	<u>\$811,595</u>

\$24.3m to here.

\$24.3m from here.