

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: May 28, 2015

Reference No.: 2.5h.
Action Item

From: NORMA ORTEGA
Chief Financial Officer

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Division of
Budgets

Subject: **FINANCIAL ALLOCATION FOR FISCAL YEAR 2014-15 LOCAL ASSISTANCE LUMP
SUM ALLOCATION – FEDERAL FUNDS
RESOLUTION FM-14-02, AMENDING RESOLUTION FM-14-01**

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve the remaining allocation of \$824,296,000 for the Division of Local Assistance's federal subvention budget for Fiscal Year 2014-15.

ISSUE:

The Department is requesting to increase the federal lump sum allocation for Local Assistance by \$824,296,000 in federal funds as authorized in the State Budget Act of 2014. This increase includes about \$10,000 in payments to the Victim Compensation and Government Claims Board (Board), \$753,000,000 for the second half of the original allocation request approved on October 8, 2014 by the Commission, and \$71,306,000 for August 2014 Redistribution.

BACKGROUND:

The Department's Local Assistance Program administers the Local Assistance subvention budget under delegated authority from the Commission. The Commission provides annual lump sum allocations consistent with each Fiscal Year's State Budget Act.

On September 9, 2014, Senate Bill 1031, relating to state claims, redirected \$10,000 of surcharges and fees from the federal subvention budget to the Board.

On October 8, 2014, the Commission approved Resolution FM-14-01, allocating \$753,000,000 of federal funds for Fiscal Year 2014-15. Resolution FM-14-01 consists of only one-half of the originally requested federal allocation of \$1,506,000,000.

On December 4, 2014, the state budget authority for Fiscal Year 2014-15 Local Assistance federal funding (Budget Item 2660-102-0890[1]) was increased by \$71,306,000 from August 2014 Redistribution.

Based on the decrease of payments to the Board, and the increase from August 2014 Redistribution, local programs' sub-allocations will change as indicated in the table below. The original federal lump sum allocation request has increased from \$1,506,000,000 to \$1,577,296,000.

<u>Program</u>	<u>Approved Allocation</u>	<u>Second Half Allocation</u>	<u>August Redistribution</u>	<u>Victim Compensation</u>	<u>Total</u>
National Highway Performance Program	\$111,000,000	\$110,000,000	\$23,082,000	(\$1,000)	\$244,081,000
Surface Transportation Program	\$267,000,000	\$268,000,000	\$24,112,000	(\$4,000)	\$559,108,000
Congestion Mitigation and Air Quality Program	\$225,000,000	\$224,000,000	\$24,112,000	(\$3,000)	\$473,109,000
Highway Safety Improvement Program	\$37,000,000	\$37,000,000		(\$1,000)	\$73,999,000
Discretionary Programs	\$113,000,000	\$114,000,000		(\$1,000)	\$226,999,000
Total	\$753,000,000	\$753,000,000	\$71,306,000	(\$10,000)	\$1,577,296,000

The Department anticipates all funds allocated by the Commission for Fiscal Year 2014-15 will be sub-allocated to local projects. For the last 15 years, local agencies have delivered 100 percent of federal funding made available to them. Approval of this request is necessary to ensure that local agencies may be reimbursed for their project costs in a timely manner; page three displays the revised allocation authority by category.

RESOLUTION:

Resolved, that \$824,296,000 in federal funds be allocated from the Budget Act of 2014, Budget Act Item 2660-102-0890(1), in accordance with the table on the next page, bringing the total lump sum allocation for the Fiscal Year 2014-15 Local Assistance subvention budget to \$1,681,609,000.

ALLOCATION OF FUNDS FOR Fiscal Year 2014-15 LOCAL ASSISTANCE
(Dollars in Thousands)

	State	Federal	Revised Federal	Total
<u>2660-102-0042(1)</u>				
Surface Transportation Program (STP) State Match and Exchange	\$57,849			\$57,849
Bridge Inspection	735			735
Railroad Grade Separations	15,000			15,000
Railroad Grade Crossing Maintenance	2,000			2,000
Miscellaneous Unassigned Local Programs	3,250			3,250
Freeway Service Patrol	25,479			25,479
Subtotal	\$104,313			\$104,313
<u>2660-102-0890(1)</u>				
National Highway Performance Program (NHPP) ¹		\$111,000	\$244,081	\$244,081
Surface Transportation Program (STP) ²		267,000	559,108	559,108
Congestion Mitigation and Air Quality Program (CMAQ)		225,000	473,109	473,109
Highway Safety Improvement Program (HSIP)		37,000	73,999	73,999
Discretionary Programs ³		113,000	226,999	226,999
Subtotal		\$753,000	\$1,577,296	\$1,577,296
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Total Local Programs	\$104,313		\$1,577,296	\$1,681,609

¹ Funding is reserved for State Highway System (SHS) bridges on the National Highway System (NHS). If a bridge is on the SHS, but not on the NHS; the local share of NHPP may be exchanged for the state share of STP.

² About \$75 million is set aside for bridges that are off the SHS and about \$51 million is budgeted to be exchanged on a dollar-for-dollar basis for State Highway Account funds (2660-102-0042(1)). Funding is reserved for existing Safe Routes to School projects programmed from prior Federal Transportation Acts.

³ This funding is for discretionary programs, Demonstration projects, Emergency Relief, and miscellaneous federal programs for MAP-21 and previous Federal Transportation Acts.