

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 6-7, 2007

Reference No.: 2.5g. - **REVISED**  
Action Item

From: CINDY McKIM  
Chief Financial Officer

Prepared by: Norma Ortega  
Chief  
Division of Budgets

Subject: **FINANCIAL ALLOCATION ADJUSTMENT FOR FISCAL YEAR 2006-07 LOCAL ASSISTANCE LUMP SUM ALLOCATION RESOLUTION FM-06-04, AMENDING RESOLUTION FM-06-02**

## **RECOMMENDATION:**

The Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve the Resolution below, allocating an additional \$711,774,500 for the Fiscal Year (FY) 2006-07 Local Assistance lump sum allocation.

## **ISSUE:**

In September 2006, the California Transportation Commission (Commission) passed Resolution FM-06-02, allocating \$711 million for the Local Assistance Program for FY 2006-07. The initial allocation request was for \$1.42 billion. The Commission reduced the initial allocation request of \$1.42 billion by 50 percent, pending the final report for FY 2005-06 and prior-year allocation expenditures.

In December 2006, the Department of Transportation (Department) presented the final status lump sum allocation report for FY 2005-06. The report included a three-year allocation comparison by category, as requested by the Commission. The three-year allocation report provided at the December 2006 Commission meeting indicated that the Department consistently uses all funds allocated by the Commission within three years from the original allocation.

As of March 31, **2007**, local agencies have used 28 percent of the \$711 million allocation received by the Department in September 2006, including Federal Transit Administration (FTA) transfers. Preliminary analysis of the obligation plans submitted by the metropolitan planning organizations, regional transportation planning agencies, and rural counties indicates that the regions plan to obligate funds for projects using over \$1 billion of the federal funds from the FY 2006-07 allocation. Commission approval of the remaining allocation will provide the necessary funds for the delivery of individual local assistance transportation projects. Consistent with prior-year expenditure trends and delivery, the Department anticipates 100 percent delivery and requests the balance of approximately \$712 million. In addition, the approval of this request brings the total funds available for allocation to a level commensurate with the budget authority levels for local transportation projects for FY 2006-07.

**BACKGROUND:**

The Department's Division of Local Assistance administers the local assistance subvention budget under authority of the Commission. Each year, the Department requests an annual lump sum allocation for these funds consistent with the Budget Act. This allocation is revisited upon enactment of the federal fiscal appropriation act and the passage of the new Federal Transportation Act to ensure consistency in funding levels.

**FINANCIAL RESOLUTION:**

Resolved, that \$711,774,500 be allocated from the Budget Act of 2006, Local Assistance Budget Act Item 2660-102-0890 (1).

**ALLOCATION OF FUNDS FOR LOCAL ASSISTANCE 2006-07 FISCAL YEAR**

Dollars in Thousands

	State	Revised State	Federal	Revised Federal	Total
<b><u>2660-102-0042(1)</u></b>					
Surface Transportation Program (STP) State Match and Exchange	\$ <del>58,150</del>	\$ 58,150			\$58,150
Local Bridge Inspections	<del>735</del>	735			735
Railroad Grade Separation	<del>15,000</del>	15,000			15,000
Railroad Grade Crossing Maintenance	<del>1,000</del>	1,000			1,000
Misc. Unassigned Local Programs	<del>3,000</del>	3,000			3,000
STIP Freeway Service Patrol	<del>23,479</del>	23,479			23,479
Subtotal State	<u>\$101,364</u>	\$101,364			\$101,364
<b><u>2660-102-0890(1)</u></b>					
Surface Transportation Program (STP)			\$176,568	\$382,458	\$382,458
Congestion Mitigation and Air Quality (CMAQ)			<del>189,915</del>	411,367	411,367
Seismic Bridge Retrofit			<del>43,651</del>	94,551	94,551
Highway Bridge Program			<del>63,898</del>	138,406	138,406
Local Bridge Inspections			<del>1,219</del>	2,640	2,640
Railroad Grade Crossing Protection			<del>3,697</del>	8,009	8,009
Highway Safety Improvement Program (HSIP)			<del>21,680</del>	46,961	46,961
High Risk Rural Roads Program (HRRR)			<del>3,432</del>	7,435	7,435
Safe Routes to School (SRTS)			<del>6,751</del>	14,624	14,624
Misc. Unassigned Local Programs			<del>289</del>	625	625
High Priority Projects			<del>99,309</del>	215,109	215,109
Subtotal Federal			<u>\$610,410</u>	\$1,322,185	\$1,322,185
<b>Total Local Programs</b>	<u>\$101,364</u>	\$101,364	<u>\$610,410</u>	\$1,322,185	\$1,423,549