

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