

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: May 23, 2012

Reference No.: 2.5h.
Action Item

From: Norma Ortega
Chief Financial Officer

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Chief
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Subject: **FINANCIAL ALLOCATION AUGMENTATION FOR LOCAL ASSISTANCE LUMP SUM
FEDERAL FUNDS
RESOLUTION FM-11-02, AMENDING RESOLUTION FM-11-01**

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve the resolution below, allocating \$765,671,000 for the Fiscal Year (FY) 2011-12 Local Assistance federal lump sum allocation contingent on passage of a continuing Resolution by Congress through September 30, 2012.

ISSUE:

In September 2011, the Commission passed Resolution FM-11-01, allocating \$713 million of federal funds for FY 2011-12. The initial allocation request was for \$1.43 billion; however, the Commission approved \$713 million; half of the allocation request.

On September 9, 2011, state budget authority for local assistance federal funding (Budget Item 2660-102-0890(1)) was increased by \$52 million for FY 2011-12. At this time, the Department is requesting a contingent allocation for \$765,671,000 (\$52,405,000 increase and \$713,266,000 second half of the original allocation request) of federal funds authorized in the State Budget Act of 2011. On March 30, 2012, Congress authorized continuing resolutions for a 90-day extension through June 30, 2012. The Department is anticipating that Congress will authorize continuing resolutions for the remainder of the federal fiscal year (through September 30, 2012) in the near future.

BACKGROUND:

The Department's Local Assistance Program administers the local assistance subvention budget under delegated authority from the Commission. The Commission provides an annual lump sum allocation consistent with each fiscal year's State Budget Act.

In June 2011, the Commission passed Resolution FM-10-02, allocating \$128 million of state funds for the Department's Local Assistance Program for FY 2011-12. In September 2011, the Commission passed Resolution FM-11-01, allocating \$713 million of federal funds for FY 2011-12.

On September 9, 2011, an increase of \$52,405,000 was authorized for local assistance federal funds (Budget Item 2660-102-0890(1)) for FY 2011-12. The federal lump sum allocation request includes the increase of \$52,405,000 plus the original allocation of \$1,426,531,000, bringing the total amount to \$1,478,936,000.

The Department anticipates all funds allocated by the Commission for FY 2011-12 will be sub-allocated to local projects. The Department estimates a total federal funding need of \$1.48 billion. This includes \$1.26 billion based on the obligation plans received from local agencies and \$222 million for the following programs: Railroad Grade Crossing Protection, Miscellaneous Unassigned Local Programs, and High Priority Projects. Approval of this request is necessary to ensure local agencies can be reimbursed for their project costs in a timely manner.

On March 30, 2012, Congress authorized an additional 90 days of federal funding covering about 270 days (October 1, 2011 through June 30, 2012) for Federal Fiscal Year (FFY) 2011-12. Although not all federal funds have been authorized, the Department is asking the Commission to approve the remaining balance of \$765,671,000. The Department is expecting that Congress will authorize continuing resolutions to cover the remainder of the federal fiscal year through September 30, 2012 (about three months) in the near future.

Page three displays the revised allocation authority by category.

RESOLUTION:

Resolved, that \$765,671,000 be allocated from the Budget Act of 2011, Budget Act Item 2660-102-0890(1), in accordance with the chart below, bringing the total lump sum allocation for the FY 2011-12 Local Assistance subvention budget to \$1,607,249,000.

ALLOCATION OF FUNDS FOR FY 2011-12 LOCAL ASSISTANCE

Dollars in Thousands

	State	Federal	Revised Federal	Total
<u>2660-102-0042(1)</u>				
Surface Transportation Program State Match and Exchange	\$57,849			\$57,849
Bridge Inspection and Scour Evaluation State Match	735			735
Railroad Grade Separation	15,000			15,000
Railroad Grade Crossing Maintenance	2,000			2,000
Misc. Unassigned Local Programs	3,000			3,000
STIP Freeway Service Patrol	25,479			25,479
Safe Routes to School	24,250			24,250
Subtotal	\$128,313			\$128,313
<u>2660-102-0890(1)</u>				
Surface Transportation Program		\$207,821	\$431,486	\$431,486
Congestion Mitigation and Air Quality		\$215,062	445,969	445,969
Seismic Bridge Retrofit		\$84,823	169,646	169,646
Highway Bridge Program		\$53,581	127,878	127,878
Bridge Inspection		\$1,320	2,640	2,640
Railroad Grade Crossing Protection		\$5,858	11,716	11,716
Highway Safety Improvement Program		\$25,276	50,552	50,552
High Risk Rural Roads		\$4,113	8,226	8,226
Safe Routes to School		\$10,476	20,953	20,953
Misc. Unassigned Local Programs		\$850	1,700	1,700
High Priority Projects		\$104,085	208,170	208,170
Subtotal		\$713,265	\$1,478,936	\$1,478,936
Total Local Programs	\$128,313		\$1,478,936	\$1,607,249