

# Memorandum

**TAB 86**

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 25, 2014

Reference No.: 3.5  
Information Item

From: NORMA ORTEGA  
Chief Financial Officer

Prepared by: Rihui Zhang, Chief  
Division of Local Assistance

Subject: **QUARTERLY REPORT - LOCAL ASSISTANCE LUMP SUM ALLOCATION FOR THE PERIOD ENDING MARCH 31, 2014**

## **SUMMARY:**

As of March 31, 2014, about \$472 million, or 55 percent, of the \$857 million that has been allocated by the California Transportation Commission (Commission) for Federal Fiscal Year (FFY) 2014 has been sub-allocated to 418 local projects. The majority of the sub-allocations (approximately \$428 million) are for 315 projects in the following four categories:

- Regional Surface Transportation Program (RSTP) – 87 projects, \$116 million
- Congestion Mitigation and Air Quality Program (CMAQ) – 76 projects, \$55 million
- High Priority Project/Demonstration Project/ Emergency Relief – 84 projects, \$206 million
- Highway Bridge Program – 68 projects, \$51 million

The remaining \$44 million was sub-allocated for 103 projects in other categories (as referenced with an asterisk on the attachment).

## **BACKGROUND:**

The California Department of Transportation's (Department) Division of Local Assistance (DLA) 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 Budget Act. The Commission further delegates to the Department the authority to adjust allocations between categories, and the Department reports to the Commission if transfers in or out of an expenditure category exceed 10 percent of its allocation, per Commission Resolution G-01-08.

For the High Priority Projects/Demonstration Projects/Emergency Relief category, the total sub-allocations by the Department exceeded Commission allocations by \$92.7 million due to an unexpected discretionary project sub-allocation in the amount of \$165 million. The Division of Local Assistance's federal non-formula budget is developed based on historical projections and submitted eight months prior to the start of fiscal year. Discretionary projects are extremely complicated, and it is difficult to estimate when a project will be delivered. Even though this allocation category has been exceeded, it will not impact the total lump sum allocation.

The Surface Transportation Program State Match and Exchange are typically sub-allocated later in the year once Congress authorizes the entirety of the annual obligation limitation. Railroad Grade Crossing Maintenance and Railroad Grade Separation currently have no sub-allocations until the Department receives applicant projects, which sometimes does not occur until after the federal fiscal year ends.

Consistent with historical trends, the Department anticipates using all funds allocated by the Commission for FFY 2014.

Attachment

**LOCAL ASSISTANCE LUMP SUM ALLOCATIONS**  
**Period Ending March 31, 2014**  
(Dollars in Thousands)

Reference No.: 3.5  
June 25, 2014  
Attachment

| Fund Description  | Commission Allocation |                |                | Total Sub-Allocations |                |                | Allocation Balance |                |                | Percent Sub-Allocated Total | Number of Total |
|---|-----------------------|----------------|----------------|-----------------------|----------------|----------------|--------------------|----------------|----------------|-----------------------------|-----------------|
|   | State                 | Federal        | Total          | State                 | Federal        | Total          | State              | Federal        | Total          |                             |                 |
| <b>Local Administered &amp; Miscellaneous Programs</b>          |                       |                |                |                       |                |                |                    |                |                |                             |                 |
| Regional Surface Transportation Program (RSTP) <sup>1</sup>     |                       | 267,556        | 267,556        |                       | 116,495        | 116,495        | 0                  | 151,061        | 151,061        | 44%                         | 87              |
| Surface Transportation Program State Match and Exchange         | 57,849                |                | 57,849         | 0                     |                | 0              | 57,849             | 0              | 57,849         | 0%                          |                 |
| Congestion Mitigation & Air Quality Program                     |                       | 224,597        | 224,597        |                       | 55,004         | 55,004         | 0                  | 169,593        | 169,593        | 24%                         | 76              |
| Freeway Service Patrol  | 25,479                |                | 25,479         | 13,542                |                | 13,542 *       | 11,937             | 0              | 11,937         | 53%                         | 12              |
| High Priority Projects/Demonstration Projects/Emergency Relief  |                       | 113,136        | 113,136        |                       | 205,782        | 205,782        | 0                  | (92,646)       | (92,646)       | 182%                        | 84              |
| Miscellaneous   | 3,000                 |                | 3,000          | 1,018                 |                | 1,018 *        | 1,982              | -              | 1,982          | 34%                         | 3               |
| <b>Bridge Programs</b>  |                       |                |                |                       |                |                |                    |                |                |                             |                 |
| Bridge Inspection   | 735                   |                | 735            | 0                     |                | 0              | 735                | 0              | 735            | 0%                          |                 |
| National Highway Performance Program & RSTP Bridge <sup>2</sup> |                       | 110,500        | 110,500        | 0                     | 51,323         | 51,323         | 0                  | 59,177         | 59,177         | 46%                         | 68              |
| <b>Rail Programs</b>  |                       |                |                |                       |                |                |                    |                |                |                             |                 |
| Railroad Grade Crossing Maintenance                             | 2,000                 |                | 2,000          | 0                     |                | 0              | 2,000              | 0              | 2,000          | 0%                          |                 |
| Railroad Grade Separation                                       | 15,000                |                | 15,000         | 0                     |                | 0              | 15,000             | 0              | 15,000         | 0%                          |                 |
| <b>Safety Programs</b>  |                       |                |                |                       |                |                |                    |                |                |                             |                 |
| Highway Safety Improvement Program                              |                       | 37,000         | 37,000         | 0                     | 28,990         | 28,990 *       | 0                  | 8,010          | 8,010          | 78%                         | 88              |
| <b>Total Local Assistance Subvention Funds</b>                  | <b>104,063</b>        | <b>752,789</b> | <b>856,852</b> | <b>14,560</b>         | <b>457,594</b> | <b>472,154</b> | <b>89,503</b>      | <b>295,195</b> | <b>384,698</b> | <b>55%</b>                  | <b>418</b>      |

**Notes**

Allocations for state funds reflect the June 2013 Commission meeting vote, Item 2.5h.

Allocations for federal funds reflect the October 2013 Commission meeting vote, Item 2.5h.

The Allocation Balance is the difference between the Commission Allocations and the Total Sub-Allocations.

Total Sub-Allocations are from InfoAdvantage (accounting system).

In accordance with Commission Resolution G-01-08, the Department reports when total transfers in or out of an expenditure category exceed 10 percent of its allocation.

**Assumptions:**

\* Indicates programs that were not discussed in Reference 3.5

<sup>1</sup> RSTP consists of the Surface Transportation Program subvented to local agencies, less funding set-aside for off-system bridge projects.

<sup>2</sup> Bridge projects consist of off-system bridge (about \$37 million) and bridge funding available to locals from the National Highway Performance Program (about \$110 million).

# **Lump Sum Allocations for Local Assistance**

**John Hoole for  
Rihui (Ray) Zhang, Chief  
Division of Local Assistance**

**California Transportation Commission**

**June 25, 2014**

# Federal Lump Sum Allocation

## Federal Funds Allocated to Local Assistance in 2013-14 (Dollars in Thousands)

| Federal Program                              | Total Allocated     |
|--|---------------------|
| National Highway Performance Program (NHPP)  | \$ 229,922          |
| Surface Transportation Program (STP)         | 556,717             |
| Congestion Mitigation and Air Quality (CMAQ) | 467,328             |
| Highway Safety Improvement Program (HSIP)    | 74,000              |
| Discretionary Programs                       | 252,832             |
|  | <b>\$ 1,580,799</b> |

- The **NHPP** funds locally-administered bridge projects on the National Highway System
- The **STP** preserves and improves the conditions and performance on all Federal-aid highways and public roads

# Federal Lump Sum Allocation Cont'd

## Federal Funds Allocated to Local Assistance in 2013-14 (Dollars in Thousands)

| Federal Program                              | Total Allocated     |
|--|---------------------|
| National Highway Performance Program (NHPP)  | \$ 229,922          |
| Surface Transportation Program (STP)         | 556,717             |
| Congestion Mitigation and Air Quality (CMAQ) | 467,328             |
| Highway Safety Improvement Program (HSIP)    | 74,000              |
| Discretionary Programs                       | 252,832             |
|  | <b>\$ 1,580,799</b> |

- The **CMAQ** program provides relief to congested roads and provides funding to Regions to meet the Federal Clean Air Act
- The **HSIP** is used to reduce serious traffic-related injuries on all public roads
- **Discretionary Programs** include Demonstration, Discretionary and Emergency Relief non- formula funds to maintain roads and bridges, improve roadway safety and make communities more livable

# State Lump Sum Allocation

State Funds Allocated to Local Assistance in 2013-14  
(Dollars in Thousands)

| State Program   | Total Allocated   |
|---|-------------------|
| Surface Transportation Program (STP) Match and Exchange | \$ 57,849         |
| Bridge Inspection                                       | 735               |
| Railroad Grade Separations                              | 15,000            |
| Railroad Grade Crossing Maintenance                     | 2,000             |
| Miscellaneous Unassigned Local Programs                 | 3,250             |
| Freeway Service Patrol                                  | 25,479            |
|   | <b>\$ 104,313</b> |

- The **STP Match and Exchange** allow smaller Regions and counties to exchange their federal apportionments of STP for state cash
- **Freeway Service Patrol** is an emergency roadside assistance service to help reduce congestion and motorist delays on highways
- **Other Programs:** Bridge Inspection, Railroad Grade Separations, Railroad Grade Crossing Maintenance, and Miscellaneous Unassigned Local Programs

# QUESTIONS

