

Memorandum

TAB 79

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: September 26-27, 2012

Reference No.: 2.5h.
Action Item

From: Norma Ortega
Chief Financial Officer

Prepared by: Steven Keck
Chief
Division of Budgets

Subject: **FINANCIAL ALLOCATION: FEDERAL FUNDS FOR THE LOCAL ASSISTANCE
LUMP SUM ALLOCATION FOR FEDERAL FISCAL YEAR 2012-13
RESOLUTION FM-12-02, AMENDING RESOLUTION FM-11-01**

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) allocate \$1,491,251,000 of federal funds to the Department for the Division of Local Assistance's subvention budget for Fiscal Year (FY) 2012-13.

ISSUE:

The Department is requesting the allocation of the federal portion of subvention funds for \$1,491,251,000. This allocation request is consistent with the Budget Act of 2012, Budget Act Item 2660-102-0890(1).

The Moving Ahead for Progress in the 21st Century Act (MAP-21) was approved on July 6, 2012, and consolidated many of the local subvention sub-programs into four major federal programs. The Department is requesting \$1,314,000,000 in federal allocations for the following four major programs:

- About \$228 million for the National Highway Performance Program (NHPP), which funds locally-administered National Highway System bridges.
- About \$526 million for the Surface Transportation Program (STP), which funds the Regional Surface Transportation Program (RSTP) and includes a \$75 million set aside for bridges that are off the State Highway System.
- About \$445 million for the Congestion Mitigation and Air Quality Program (CMAQ).
- About \$115 million for the Highway Safety Improvement Program (HSIP), which funds Safety programs and Safe Routes to School.

In addition, the Department is requesting \$177,251,000 to fund discretionary programs, Demonstration projects, Emergency Relief, and miscellaneous federal program funding that is available under MAP-21 and previous Federal Highway Acts, for a total federal allocation request of \$1,491,251,000.

BACKGROUND:

The Department's Division of Local Assistance administers the state and federal 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. At the June 2012 Commission meeting, the Commission allocated approximately \$128 million of state subvention funds, per Resolution FM-11-03.

The Department is requesting an allocation of approximately \$1.5 billion of federal subvention funds in preparation for the start of the federal fiscal year, which is October 1, 2012. The allocation of these federal subvention funds will allow the Department to suballocate projects once the federal funds are made available by the Federal Highway Administration.

The guidelines for allocating, monitoring, and auditing of funds for local assistance projects are set forth in Commission Resolution G-99-25, which is based on Section 14529.1 of the Government Code. The Commission Resolution G-01-08 delegates the authority to the Department 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.

RESOLUTION:

Resolved, that \$1,491,251,000 in federal funds be allocated from the Budget Act of 2012, Budget Act Item 2660-102-0890(1), in accordance with the table (see next page), bringing the total lump sum allocation for the FY 2012-13 Local Assistance subvention budget to \$1,619,564,000.

ALLOCATION OF FUNDS FOR FY 2012-13 LOCAL ASSISTANCE
(Dollars in Thousands)

	State	Federal	Total
<u>2660-102-0042(1)</u>			
Surface Transportation Program 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	3,000		3,000
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>			
National Highway Performance Program (NHPP) ¹		\$228,000	\$228,000
Surface Transportation Program (STP) ²		526,000	526,000
Congestion Mitigation and Air Quality Program (CMAQ)		445,000	445,000
Highway Safety Improvement Program (HSIP) ³		115,000	115,000
Discretionary Programs ⁴		177,251	177,251
Subtotal		\$1,491,251	\$1,491,251
Total Local Programs	\$128,313	\$1,491,251	\$1,619,564
June 27-28, 2012, State Allocation, FM-11-03			<u>- \$128,313</u>
Current Allocation Request			<u>\$1,491,251</u>

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 State Highway System and about \$58 million is budgeted to be exchanged on a dollar-for-dollar basis for State Highway Account funds (2660-102-0042(1)).

³ About \$21 million is made available for Safe Routes to School.

⁴ This funding is for discretionary programs, Demonstration projects, Emergency Relief, and miscellaneous federal programs for MAP-21 and previous Federal Highway Acts.