

Memorandum

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To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: May 21, 2014

Reference No.: 2.5h.
Action Item

From: NORMA ORTEGA
Chief Financial Officer

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Budgets

Subject: **FINANCIAL ALLOCATION OF FEDERAL AND STATE FUNDS FOR LOCAL ASSISTANCE LUMP SUM ALLOCATION RESOLUTION FM-13-02, AMENDING RESOLUTIONS FM-13-01 AND FM-12-05**

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve the remaining allocation of \$828,009,275 for the Division of Local Assistance's federal subvention budget for Fiscal Year (FY) 2013-14. The Department also recommends the Commission approve an increase of \$250,000 to the state subvention budget for FY 2013-14 to be consistent with the amount from Assembly Bill (AB) 101 of 2013.

ISSUE:

The Department is requesting to increase the federal lump sum allocation for Local Assistance for \$828,009,275 of federal funds authorized in the State Budget Act of 2013. This includes \$752,789,000 for the second half of the original allocation request, \$57,795,655 for August Redistribution, and \$17,424,620 for Transportation Investment Generating Economic Recovery (TIGER) grants currently being requested through a budget revision.

The Department is also requesting to increase the state lump sum allocation by \$250,000 to bring the total up to the amount of state budget authority provided by AB 101 of 2013.

BACKGROUND:

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

On September 27, 2013, FY 2013-14 state budget authority for Local Assistance federal funding (Budget Item 2660-102-0890(1)) was increased by \$57,795,655 from August Redistribution.

On October 8, 2013, the Commission approved Resolution FM-13-01, allocating \$752,789,000 of federal funds for FY 2013-14. Resolution FM-13-01 consists of only about half of the requested federal allocation of \$1,505,578,000.

The Department is currently requesting an augmentation to increase the state budget authority for the unanticipated awards of two locally-administered, federal TIGER grants in the amount of \$17,424,620 contingent upon Department of Finance approval. The Department has confirmed with Fresno (\$15,924,620) and Truckee (\$1,500,000) that they are both on schedule to deliver these projects prior to June 30, 2014.

On June 11, 2013, the Commission approved Resolution FM-12-05, allocating \$104,063,000 of state funds (Budget Item 2660-102-0042(1)) for the Department's Local Assistance Program for FY 2013-14. This amount was requested based on the Department's original estimate. However, on September 26, 2013, AB 101 was passed and providing state budget authority in the amount of \$104,313,000. The Department is requesting the Commission to approve an increase of \$250,000 to the state lump sum allocation as a result of the difference.

Based on the two increases from August Redistribution and TIGER grants, four programs' allocations will be increased as indicated in the table below and the original federal lump sum allocation will increase from \$1,505,578,000 to \$1,580,798,275.

<u>Program</u>	<u>Approved Allocation</u>	<u>Second Half Allocation</u>	<u>August Redistribution</u>	<u>TIGER Grants</u>	<u>Total</u>
National Highway Performance Program	\$110,500,000	\$110,500,000	\$8,922,210		\$229,922,210
Surface Transportation Program	\$267,557,000	\$267,556,000	\$21,603,578		\$556,716,578
Congestion Mitigation and Air Quality Program	\$224,596,000	\$224,597,000	\$18,134,816		\$467,327,816
Highway Safety Improvement Program	\$37,000,000	\$37,000,000			\$74,000,000
Discretionary Programs	\$113,136,000	\$113,136,000	\$9,135,051	\$17,424,620	\$252,831,671
Total	\$752,789,000	\$752,789,000	\$57,795,655	\$17,424,620	\$1,580,798,275

The Department anticipates all funds allocated by the Commission for FY 2013-14 will be sub-allocated to local projects. For the last 14 years, local agencies have delivered 100 percent of their shares of federal funding. Approval of this request is necessary to ensure that local agencies may be reimbursed for their project costs in a timely manner.

Page four displays the revised allocation authority by category.

RESOLUTION FM-13-02, AMENDING RESOLUTION FM-13-01:

Resolved, that \$828,009,275 in federal funds be allocated from the Budget Act of 2013, Budget Act Item 2660-102-0890(1), in accordance with the table on the next page, bringing the total lump sum allocation for the FY 2013-14 Local Assistance subvention budget to \$1,685,112,000 contingent upon approval of the TIGER grants.

RESOLUTION FM-13-02, AMENDING RESOLUTION FM-12-05:

Resolved, that \$250,000 in state funds be allocated from the Budget Act of 2013, Budget Act Item 2660-102-0042(1), in accordance with the table on the next page, bringing the state total lump sum allocation for the FY 2013-14 Local Assistance subvention budget to \$104,313,000.

ALLOCATION OF FUNDS FOR FY 2013-14 LOCAL ASSISTANCE
(Dollars in Thousands)

	State	Revised State	Federal	Revised Federal	Total
<u>2660-102-0042(1)</u>					
Surface Transportation Program (STP) 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	3,250			3,250
Freeway Service Patrol	25,479				25,479
Subtotal	\$104,063				\$104,313
<u>2660-102-0890(1)</u>					
National Highway Performance Program (NHPP) ¹			\$110,500	\$229,922	\$229,922
Surface Transportation Program (STP) ²			267,557	556,717	556,717
Congestion Mitigation and Air Quality Program (CMAQ)			224,596	467,328	467,328
Highway Safety Improvement Program (HSIP)			37,000	74,000	74,000
Discretionary Programs ³			113,136	252,832	252,832
Subtotal			\$752,789		\$1,580,799
Total Local Programs	\$104,313			\$1,580,799	\$1,685,112

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 SHS and about \$51 million is budgeted to be exchanged on a dollar-for-dollar basis for State Highway Account funds (2660-102-0042(1)). Funding is reserved for existing Safe Routes to School projects from SAFETEA-LU.

³ This funding is for discretionary programs, Demonstration projects, Emergency Relief, TIGER Grants, and miscellaneous federal programs for MAP-21 and previous Federal Highway Acts.