

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 16-17, 2004

Reference No.: 2.5g.
Action Item

From: ROBERT L. GARCIA
Chief Financial Officer

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Budgets

Ref: **BUDGET REVISION TO TRANSFER CAPITAL OUTLAY BUDGET
AUTHORITY BETWEEN BUDGET ACT ITEMS IN FY 2002-03
RESOLUTION FM 03-07**

ISSUE:

The Resolution below proposes a \$125,000,000 net zero transfer between two Capital Outlay appropriation items in Fiscal Year (FY) 2002-03. This technical adjustment is necessary to fund on-going and active projects whose appropriations are no longer available. This adjustment requires a budgetary authority transfer of \$100,000,000 in Federal Trust Funds and \$25,000,000 in State Highway Account resources. The transfer of funds described in this Resolution is subject to California Transportation Commission (Commission) and Department of Finance (DOF) approval of a Budget Revision.

RECOMMENDATION:

The Department of Transportation (Department) recommends the Commission approve the Resolution below.

BACKGROUND:

The enacted 2002-03 Budget Act authorized funding extension for on-going Capital Outlay projects which were appropriated from FY 1989-90 through FY 1995-96. These extensions were available until June 30, 2003. After this date, the remaining projects originally funded from these lapsed appropriation years had to be funded from FY 2002-03 appropriations. Most of these on-going projects had a significant funding impact on the available balances in FY 2002-03, which were reduced by reversions in the 2003 Budget Act. Specifically, the Federal Trust Fund was reduced by \$354,000,000 and the State Highway Account was reduced by \$88,000,000.

This Resolution proposes a net zero realignment of the Department's FY 2002-03 budget authority between Capital Outlay appropriation items in order to fully fund the on-going projects appropriated from Lapsed Years.

Per Chapter 379, Statutes of 2002, the transfer of funds between appropriation items described in this Resolution is subject to approval by the Commission and approval by DOF of a Budget Revision involving Capital Outlay funds appropriated in FY 2002-03.

FINANCIAL RESOLUTION:

Resolved that:

Pursuant to Provision 1, Item 2660-301-0890, Budget Act of 2002, \$100,000,000 be transferred from Capital Outlay STIP appropriation item 2660-301-0890 (1)(a) to the Capital Outlay SHOPP appropriation item 2660-302-0890 (1); and

Pursuant to Provision 2, Item 2660-301-0042, Budget Act of 2002, \$25,000,000 be transferred from Capital Outlay STIP appropriation item 2660-301-0042 (1)(a) to the Capital Outlay SHOPP appropriation item 2660-302-0042 (1).

And resolved, the total transfer between Capital Outlay appropriation items equal \$125,000,000.