



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 4d
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Memorandum

TO: Legislation Committee

DATE: May 12, 2017

FR: Executive Director

W. I. 1131

RE: May Revise of FY 2017-18 State Budget

Background

The Governor released the May Revise of the FY 2017-18 State Budget yesterday. The big picture for the General Fund is \$1.7 billion more in revenue than previously forecast (including FY 2016-17). The economic forecast reflects continued growth over the next four years.

May Revise Funding Boosts to Transportation as a result of Senate Bill 1 (Beall)

The Administration forecasts that SB 1, the new transportation funding bill, will provide an additional \$2.8 billion for transportation in FY 2017-18. Below is a highlight of transportation items highlighted in the May Revise summary document and a conference call hosted by California State Transportation Agency Secretary Brian Kelly:

- The budget reverses a proposed reduction of 248 Caltrans positions. Instead, these positions will be assigned to handle new workload resulting from SB 1.
- The budget forecasts \$330 million to be available for the Transit and Intercity Rail Capital Program (TIRCP) from SB 1. The amount provided by Cap and Trade was not estimated in the May Revise due to uncertainty related to auction revenue.
- The budget requests an increase of 10 positions at Caltrans to staff the new Office of Inspector General. All existing Caltrans' Division of Audits are proposed to be transferred there, for a robust staff of 58.
- The budget requests an increase of four positions at the California Transportation Commission for their new SB 1 oversight role and oversight of Caltrans capital outlay support project requests.
- The budget requests \$40 million for Caltrans support costs associated with SB 1 from the new Road Maintenance and Rehabilitation Account.

SB 1 Trailer Bills

- The May Revise includes a number of trailer bills that provide more details for implementation of the new Trade Corridor Enhancement Program and the Advance Mitigation Program. In addition, trailer bills are proposed to expand the use of design-build authority for cities and counties and to double Caltrans authority (from 12-24 project slots) to use the Construction Manager General Contractor method for delivering projects.

Steve Heminger

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