

DEPARTMENT OF TRANSPORTATION**DIVISION OF LOCAL ASSISTANCE**

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November 20, 2013

To: Local and Regional Transportation Partners

Dear Executive Directors:

This correspondence serves as the official notification to the regional and local agencies (Regions) of the “Use It or Lose It” provisions contained in Assembly Bill (AB) 1012, enacted in October of 1999. This notification marks the fifteenth year that Regions have been required to comply with the “Use It or Lose It” provisions of AB 1012. Under these provisions, Regions are required to obligate federal funds within three years of receiving apportionments. At this time, approximately \$13.4 million is subject to reprogramming on November 1, 2014, for the fifteenth cycle covering Federal Fiscal Year (FFY) 2011–12 under AB 1012. The balances consist of about \$6.5 million for Congestion Mitigation and Air Quality Improvement Program (CMAQ) apportionments and about \$6.9 million for Regional Surface Transportation Program (RSTP) apportionments.

AB 1012 was enacted with a goal of improving the delivery of transportation projects and addressing the backlog of the Regions’ federal apportionments and obligation authority (OA). AB 1012 states that CMAQ and RSTP funds that are not obligated within the first three years of federal eligibility are subject to reprogramming by the California Transportation Commission in the fourth year in order to prevent the funds from being lost by the state.

AB 1012 also requires Regions to submit a plan to the California Department of Transportation (Caltrans) to obligate apportionment balances that are older than two years and to ensure that none of the balances reach three years of age. Obligation plans should be submitted in electronic form to the Caltrans’ District Local Assistance Engineers no later than April 1, 2014. The template and instructions are available on the Local Assistance Web site at:

<http://www.dot.ca.gov/hq/LocalPrograms/AB1012/ab2013-2014.htm>

We ask that no alterations, modifications or changes be made to the template. The obligation plans should include all federal funded projects that will be obligated between April 1, 2014 and the end of FFY 2013–14 (September 30, 2014). The obligation plans will also be used to review, prioritize, track projects, plan workload, and determine OA needs for the remainder of the FFY.

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According to the FHWA Notice 4520.227 dated October 25, 2013, the Federal Highway Administration has released a portion of the Obligated Authority (OA) level for FFY 2014. Congress has authorized a Continuing Resolution for 107 days through January 15, 2014. Currently, the Division of Local Assistance has received approximately \$373 million of OA in formula funds for Regions to use.

If you have any questions about the notification or the report, please contact John Flores at (916) 654-4032 or Peggy Siu at (916) 651-6875.

Sincerely,



RIHUI ZHANG
Acting Chief
Division of Local Assistance

c: District Deputy Directors for Local Assistance, Caltrans
District Local Assistance Engineers, Caltrans
Office Chiefs, Division of Local Assistance, Caltrans
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