

DEPARTMENT OF TRANSPORTATION

DIVISION OF LOCAL ASSISTANCE

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Help save water!*

November 10, 2015

To: Local and Regional Transportation Partners

Dear Executive Directors:

Subject: Notification for Cycle 17 – Assembly Bill 1012 Provisions of “Use It or Lose It”

This correspondence serves as the official notification to the Regions of the “Use It or Lose It” provisions contained in Assembly Bill (AB) 1012, enacted in October of 1999. This notification marks the 17th 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 \$59.6 million is subject to reprogramming on November 1, 2016, for Cycle 17, which covers Federal Fiscal Year (FFY) 2013–14 under AB 1012. The balance consists of about \$25.8 million for Congestion Mitigation and Air Quality Improvement Program (CMAQ) apportionments and about \$33.8 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 Caltrans’ District Local Assistance Engineers no later than **April 1, 2016**. The template and instructions are available on the Local Assistance website at:

<http://dot.ca.gov/hq/LocalPrograms/AB1012/ab1012-2016.html>

We ask that no changes, alterations or modifications be made to the template. The obligation plans should include all federal funded projects that will be obligated between April 1, 2016 and the end of FFY 2015–16 (September 30, 2016). The obligation plans will also

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be used to review, prioritize, track projects, assist Regions with project delivery, and determine OA needs for the remainder of the FFY. According to Federal Highway Administration (FHWA) Notice 4520.237 dated October 9, 2015, the FHWA has released a portion of the annual OA for FFY 2016. Congress has authorized a Continuing Resolution for 29 days through October 29, 2015. Currently, the Division of Local Assistance has received approximately \$94 million of OA in formula funds for Regions to use. We are aware the President has signed a short-term transportation bill extending the funding through November 20, 2015, and are waiting for the revised OA and apportionments to be made available.

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

Sincerely,



RIHUI ZHANG
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
- Fardad Falakfarsa, Division of Budgets, Caltrans