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CALIFORNIA
TRANSPORTATION COMMISSION

CALIFORNIA TRANSPORTATION COMMISSION
FEDERAL ENHANCEMENT (TEA) PROGRAM UNDER TEA-21

RESOLUTION G-00-18

Supersedes and Replaces Resolution G-98-20

Commission Objectives

- Allow agencies with greater expertise and interest in TEA projects – regions, state resources agencies, Caltrans – to take a larger role in TEA project decisions.
- Minimize the number of TEA projects in the STIP, since most TEA projects serve a predominately local interest.
- Maximize regional discretion and allow regions to streamline programming.
- Use TEA funds to add onto state highway projects, to produce projects with joint environmental and transportation purposes or take advantage of particular community or environmental enhancement opportunities.
- Preserve a state-level environmental enhancement program for projects of significant statewide interest.
- Augment transportation mitigation banks with larger blocks of scenic land along transportation corridors, to build up environmentally-valuable contiguous habitat preserves.
- Expedite delivery of TEA projects.
- Ensure that regions not wanting or able to use TEA funds can exchange them, to the state or among themselves, and take steps to prevent lapse of any federal TEA funds.

TEA Program Framework

1. The federal TEA Program requirement is estimated at $410 million through FFY 2004, with $346 million from TEA-21 through FFY 2003 and an estimated $64 million beyond TEA-21 for FFY 2004. Regional and state agencies may program up to seven years of TEA funds, from the six years of TEA-21 (FFY 1998 through FFY 2003) plus FFY 2004, with the understanding that the increment for FFY 2004 depends on Congress extending TEA beyond TEA-21 into the next federal transportation act that follows, and so is not guaranteed funding. The TEA Program will parallel the state-local split called for in the STIP, with programming divided 75% to regional shares and 25% to a state share, which yields $308 million for regional shares (an increase of 30% over the 1998 Fund Estimate and 43% over ISTEA funding levels) and $102 million for the state share.

2. The Commission intends broad flexibility for regional shares. All regional shares will be handled as direct local assistance grant programs, in the manner of Regional STP and CMAQ local assistance, outside the STIP, authorized annually through the State Budget and the Commission's lump sum allocations for local assistance programs.

3. The Commission intends to divide the state share into two parts. The Commission will assign $40 million of the state share (or more as funds may be transferred) to Caltrans through the SHOPP, to be used as enhancements with state highway projects or to implement state plans for enhancements. The Commission will make available up to $80 million of the state share (or more as funds may be transferred) as a resources share, for a statewide transportation enhancements program and a conservation lands program, carried out through authority of the state Environmental Enhancement & Mitigation Program, using guidelines modified to fit better with federal TEA program requirements.

4. The Commission will allow small counties (less than 200,000 urban population) that decide not to use their full TEA shares to exchange TEA funds to the state for state transportation funds, modeled on the exchange of other federal funds described in SB 1435 of 1992, with TEA funds to be added into the state share as described below. Other larger counties that do not have statutory authority for state funds exchange may trade TEA funds among themselves.

Regional TEA Shares

5. The Commission issued a provisional 7-year estimate of regional TEA shares, in Resolution G-99-16 adopted June 8, 1999, subject to actual apportionments released annually by Congress and the Federal Highway Administration. Estimated regional TEA shares may change year by year until 2003, and 2004 is trend-line projection only; in particular federal budget surpluses and the 2000 national census may affect federal funding levels and formulas.

6. Regions may program their full 7-year TEA shares, and, in keeping with overall local assistance programming practice, let late delivery determine which projects may not receive funding by 2003. Any region that does program its full estimated 7-year TEA share early runs two risks: having to backfill with other funds or delete programming if its year-by-year TEA share should end up smaller or if Congress declines to extend the TEA program beyond 2003, or having to deal with a small incremental remnant amount if its TEA share should end up larger.

7. The Commission expects regions to split programming over at least two TEA rounds, with a first round one committing one-third to one-half of the regional TEA share by 1999, and a second one by about 2001, but smaller regions with less than $1 million in total TEA share may find it more practical to program all in one single round.

8. A regional agency may program any type of TEA project eligible under federal law, using its own choice of time schedule, programming policies, application forms, number of programming rounds, etc. Caltrans will develop guidelines and an application form for use by regions that choose to do so.

9. The region would retain and reprogram regional TEA shares if new regional TEA projects subsequently fail.

State TEA Share: Caltrans Share

10. Caltrans may use its TEA share to fund enhancements added into SHOPP or STIP projects, or to implement state plans (prepared by Caltrans in cooperation with other state agencies) for TEA activities through the SHOPP. The Commission intends that the Caltrans share be used for Caltrans' own projects, not for local assistance projects.

11. Caltrans will use guidelines approved by the Commission on January 14, 1999 to govern the process to be used and choice of projects for its TEA share.

12. The Commission intends that Caltrans program funds from its TEA share by SHOPP (or STIP) amendment, on an ad hoc schedule, using standard amendment procedures.

13. The funding for Caltrans' TEA share ($40 million initially) will be provided to the SHOPP through the fund estimate, but part or all may be exchanged into the STIP for transportation funds.

State TEA Share: Resources Shares

14. The Commission intends that the resources share (up to $80 million initially) be used toward two purposes: a statewide transportation enhancements program and a conservation lands program, consisting of competitive statewide rounds of TEA programming under the general authority for the state EE&M Program.

15. With an initial amount up to $40 million, or more as funds may be transferred, the Commission intends to fund a statewide transportation enhancements program for projects of state interest proposed by state agencies (except Caltrans), federal agencies, and regional, local, and other (private non-profit) agencies with a state agency partner (which may include Caltrans), under guidelines broadened to include all eligible federal TEA categories, in two (or more) rounds of programming.

16. The Commission approved an amendment to add Part C to the state's current Environmental Enhancement & Mitigation Program guidelines, dated December 9, 1999, to govern the programming of the statewide transportation enhancements program, to bring in the broader requirements of the federal TEA Program, for a first round of programming in Spring 2000.

17. The Commission expects projects proposed for the statewide transportation enhancements program to be reviewed and ranked in an open process designed and managed by the Resources agency, which would make program recommendations for Commission approval.

18. With an initial amount up to $40 million, or more as funds may be transferred, the Commission intends to fund a conservation lands program, to preserve large blocks of scenic lands along transportation corridors with high value for habitat conservation, in conjunction with the opportunity for transportation mitigation bank lands for future transportation projects, to be owned and managed by resources agencies.

19. The Commission invites join applications for scenic conservation lands projects from Caltrans and a public resources agency, including the opportunity for transportation mitigation bank lands to be funded as needed from regular transportation funds plus enhancement acreage to be funded with federal TEA funds; other federal, state, regional, or local agency or private funds may also be included.

20. Conservation lands projects must meet federal TEA eligibility for scenic acquisition, must allow Caltrans an opportunity to enlarge or enhance transportation mitigation bank lands, with the lands to be managed by a resources agency, and require joint approval by the Resources Agency and Caltrans, under general authority of the EE&M Program.

21. The Commission approved an amendment to add Part B to the state's current Environmental Enhancement & Mitigation Program guidelines, dated December 3, 1998, to govern the programming of the conservation lands program, to bring in the broader requirements of the federal TEA Program, for a first round of programming in December 1998.

Exchange of TEA Funds

22. Small counties (less than 200,000 urban population) may exchange TEA funds they do not want to spend for TEA-eligible projects to the state for transportation funds, on an annual basis, modeled on the exchange of other federal funds described in SB 1435 of 1992.

23. All regions may trade transportation and TEA funds among themselves, limited only by the requirement to inform the Commission and Caltrans after such trades have been made.

24. The Commission made available a window from October 1998 through July 1999 during which a small county could exchange all or a part of its FFY 1998 and 1999 TEA funds to the state. Subsequent exchanges are done annually, following distribution of annual federal local assistance apportionments.

25. The Commission expects the state to come out with a net increase in its TEA share after exchanges with small counties and deletion of earlier TEA projects that fail to be delivered (as discussed below), to be added to the state share.

Remaining TEA Projects from Earlier TEA Rounds

26. The Commission intends that all federal funds apportioned for TEA be programmed and spent for TEA purposes. The Commission and Caltrans will fund all TEA projects, whether existing (1996 STIP) or newly programmed, delivered through September 2000 using the oldest federal TEA funds first, to forestall federal funds lapse. To the extent that old TEA

funding (from ISTEA) may be used for new TEA projects, new TEA funding (from TEA-21) will be freed up for old TEA projects that come in later.

27. Regions may supplement existing (1996 STIP) TEA projects with additional TEA funding through their TEA programming process, and may seek a STIP amendment to trade one 1996 STIP TEA project of regional interest for another. The state will not add funds to or trade 1996 STIP TEA projects, and will transfer to the state share TEA funds from 1996 STIP TEA projects that fail.

28. The state will track and delete from the program any existing (1996 STIP) TEA projects not delivered by September 2000. Under SB 45 the region retains the program capacity, and may replace the failed TEA project(s) with new TEA projects, or other transportation projects. To the extent that regions use freed-up program capacity for transportation rather than TEA projects, the Commission will add the unused TEA funds to the state share.

29. The state may transfer federal TEA funds for other types of federal transportation funds as a last resort, only if lagging delivery of TEA projects threatens lapse of TEA funds near the end of the eligible period for ISTEA (September 2000) or TEA-21 (September 2006) funds.

Additional Funding for the State Share

30. The Commission expects a continuing but intermittent flow of TEA funds to the state share, from deletion of 1996 STIP TEA projects that fail, savings from previous state share projects, and exchange of small county shares to the state. The Commission from time to time may assign these additional funds into the Caltrans or either part of the resources shares, wherever the opportunity for further programming appears best at the time the funds are available, following an opportunity for public discussion at a regular Commission meeting.

TEA Program Procedures

31. The Commission adopted guidelines and an application form for TEA projects sponsors, for optional use by any region that wants to. The Commission has also approved guidelines for Caltrans' use of its share, and for the statewide transportation enhancements and conservation lands programs within the Resources Agency's EE&M Program guidelines.

32. In the absence of a federal TEA Program defined in state law, Caltrans must seek budget capacity each year for expenditure of federal TEA funds through other state programs; SHOPP, EE&M Program, and Regional STP local assistance program.

33. TEA Program decisions for both regional and state shares must be made in an open public decision process, with an opportunity for parties interested in the TEA Program to present comments.

34. Regions must provide Caltrans with certain minimum information relating to all TEA projects:

    1) two copies of the application for projects to be programmed, so Caltrans (on behalf of FHWA) can review for TEA eligibility before a TEA project can be amended into the Federal STIP, and keep a local assistance program administration file in both a district and the headquarters office;
    2) its updated regional mailing list periodically, so Caltrans can keep a current statewide mailing list;
    3) the regional schedule for TEA programming rounds at least two months in advance of the due date for applications; Caltrans will post this information on a web site, as a central location available to interested parties; and
    4) a current contact person responsible for TEA programming.

35. Federal TEA funds must be matched, at about 88.5% federal/11.5% match rate. The Commission expects project sponsors to provide the match funding, and to commit to cover any cost increases if projects turn out to be underfunded (particularly for the state environmental enhancement and conservation lands programs). State Highway Account funds can be used for match only for direct transportation projects, for projects qualifying for the SHOPP or STIP, or for TEA projects being built as part of a larger transportation project.

36. Federal innovative and flexible funding methods will remain available for TEA projects, including programmatic match, in-kind match, and federal fund front-loading.