State of California

Business, Transportation and Housing Agency

Memorandum

To: REGIONAL AGENCIES
DISTRICT DIRECTORS

Date: December 1, 1998

File:

From: **DEPARTMENT OF TRANSPORTATION**
BUDGETS PROGRAM – M.S. 24

Subject: Exceptions to Project Funding Policy

The Department of Transportation's (Caltrans') policy is to maximize the return of Federal dollars to California. All projects that are eligible for Federal participation must follow the Federal process to ensure maximum reimbursement to California. However, in a few situations, a project sponsor may need to request the flexibility allowed by using State-only funds on a project. The decision to fund a project with State dollars is a function of both the cash flow of the State Highway Account, and the ability of the State and Local Agencies to obligate Federal funds.

When requesting an exception to the current Federal funding policy, the request must be submitted in writing to the Caltrans' district liaison. Caltrans' district staff will then forward the request to the appropriate Caltrans' program, who will then send it to the Caltrans' Budgets Program with a recommendation at least one-month prior to the proposed California Transportation Commission (CTC) allocation cutoff date (this schedule is published yearly by the Caltrans' CTC Liaison Office). The request must include the following information:

- A description of the project, specifically what work is being accomplished.
- Key timelines including the beginning and ending dates of the project, proposed advertising date, contract and construction award dates.
- A detailed funding description of all elements of the project. This requires outlining all the funding sources for each phase of the project, when the funds are needed and a cash-flow projection.
- A reason why Federal funds should not be used on the project.
- Regional Agency concurrence with the request, if being requested by someone else.

Evaluation Criteria

Caltrans will consider, at a minimum, the following criteria when evaluating each request for State-only funds:

Obligational Authority - An assessment of the current status of meeting the State's obligational authority will be made to determine if the State has a sufficient candidate pool in the appropriate Federal funding categories to ensure complete annual obligation of Federal funds.

Budget Authority - Caltrans will assess whether sufficient State appropriations exist in the current budget to ensure that any additional approval of State-only funds can be met.

Funding Used on the Project - A review of the funding sources used on the project will be made. If Federal funds have been used on any portion of the project, it may be difficult to support the need for State-only funds. However, if the STIP funding is a small amount of the total projects, and the STIP funds would be the only Federal funding, it may not be desirable to federalize the entire project to capture Federal funds for the STIP funding.

Environmental Clearance - For projects already in the pipeline, ascertain whether significant delay in getting the project ready for allocation is expected by obtaining National Environmental Policy Act (NEPA) approval.

Identified in STIP as State Only – If State funds are scarce, then projects approved by the CTC, as viable candidates for State-only funds will have priority, as funds become available.

Key Things to Keep in Mind

A few things to keep in mind when considering the possibility of requesting State-only funds:

- A time delay to meet NEPA alone will not be justification for State-only funding.
- Projects are not to be advertised until a final decision on the funding source is made. If this occurs, it will likely require the project to be readvertised adding additional time to receiving your allocation and beginning construction.
- Projects awarded before the CTC fund vote is secured, will not receive funding unless the contract contains a contingency clause that states funding is contingent upon CTC action.
- If Federal funds are determined appropriate, advertising for construction shall not occur until a form FNM-76 has been approved by the Federal Highway Administration, or by Caltrans under stewardship delegations and the agency has been notified to begin construction.

Attached is a form that outlines what is needed in order to evaluate a request for exception to the Federal funding policy. A decision on your request may be delayed if the above instructions are not followed, or if insufficient information is provided to make a decision. If you have any questions regarding this information, please contact Norma Ortega at (916) 657-5003, or Dick Petrie at (916) 654-3043.

Joan M. Borucki

JOAN M. BORUCKI
Program Manager
Budgets

Attachment

c: RRemen/CTC
DPetrie
JNicholas
Chouse
NOrtega
Program Managers

State of California

Business, Transportation and Housing Agency

Memorandum

To: **Joan Borucki**
Budgets Program - Mail Station 24

Date:

File:

From:

Subject: Request for Funds/Exception to Project Funding Policy

It is recommended that the California Transportation Commission be requested to vote **AMOUNT** from **DESCRIPTION OF FUNDING SOURCE (BOTH FEDERAL & STATE)** funds in the **FISCAL YEAR** fiscal year for the following project:

PROJECT DESCRIPTION:

JUSTIFICATION:

A. Type of work

B. Need for Project/Proposed Improvements

C. Status of Project

1) Environmental Clearance Status

2) R/W Clearance Status (If currently R/W certified as #3, when will the certification be upgraded to a #1 or #2?)

3) Status of Construction (if applicable)

D. Total Project Funding Plan By Fiscal Year (list all funding sources & anticipated fund usage by year)

E. Allocation

1) Amount of allocation request:

2) Is this a partial allocation request? ☐ YES ☐ NO

3) If this is a partial allocation, what will be the total cost of the project? When will the additional allocation be needed?

4) Is the project identified as State-Only in the adopted programming document?

☐ YES ☐ NO

5) If requesting State-Only funding, please state specific reasons per project funding policy:

F. Advertisement: We request that this project be advertised in **MONTH YEAR.**