

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: September 28-29, 2005

Reference No.: 3.6
Information Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Terry Abbott
Division Chief
Local Assistance

Ref: **LOCAL ASSISTANCE QUARTERLY AB 1012 UNOBLIGATED RSTP, CMAQ, AND REGIONAL TEA BALANCES - CYCLE 6**

SUMMARY:

The annual notice to regional agencies for the sixth cycle of AB 1012 "Use It or Lose It" provisions was released on November 15, 2004. At that time, sixth cycle Regional Surface Transportation Program (RSTP), Congestion Mitigation and Air Quality (CMAQ), and Regional Transportation Enhancement Activity (R-TEA) funds subject to potential reprogramming on November 1, 2005, totaled approximately \$119 million, based on September 30, 2004 balances. Eleven agencies had CMAQ balances subject to reprogramming, eleven agencies had RSTP balances subject to reprogramming, and twenty-three agencies had R-TEA balances subject to reprogramming.

The June 30, 2005 balance reports show the total funds subject to reprogramming for the sixth cycle of AB 1012 are approximately \$59 million, a reduction of \$60 million from the September 30, 2004 balances. The specific reductions are: CMAQ - \$19 million; RSTP - \$39 million; and R-TEA - \$3 million. CMAQ funds account for 36 percent of the balance subject to reprogramming, RSTP funds account for 50 percent, and R-TEA funds account for 14 percent. The number of agencies with CMAQ balances subject to reprogramming has decreased from eleven to six, agencies with RSTP balances subject to reprogramming have decreased from eleven to seven, and agencies with R-TEA balances subject to reprogramming have decreased from twenty-three to eighteen. (Please note that agencies may have more than one type of fund subject to reprogramming.)

Preliminary review of July and August obligations indicate local agencies obligated more than \$250 million during those months. A large portion of those obligations will offset AB 1012 sixth cycle balances. This information is still in draft, and the individual regional agency balances are

still being processed. Additional balance information will be presented at the California Transportation Commission (Commission) meeting.

Regional agencies were required to submit obligation plans for all AB 1012 sixth cycle balances by May 1, 2005. These plans indicate all sixth cycle balances will be obligated by the November 1, 2005. If extension requests are submitted by regions, they will be presented at the November Commission meeting. Ventura County Transportation Commission has indicated they will be submitting an extension request for a R-TEA project.

There are some issues that may have delayed local delivery and the reduction of unobligated apportionment balances. Obligation authority (OA) has been issued by Continuing Resolutions. As of July 31, 2005, the Department of Transportation (Department) has received Continuing Resolutions providing slightly more than 9 months of OA. Therefore, local OA available for Federal Fiscal Year (FFY) 2005 was revised to \$850 million. The new federal transportation act (SAFETEA-LU) was signed on August 10, 2005. However, additional OA and apportionments for the remainder of the FFY have not yet been released.

BACKGROUND:

The Intermodal Surface Transportation Efficiency Act (ISTEA) was enacted in 1991 and was in effect for six years. During that time, local agencies were able to obligate only 87 percent of their federal funding. The next Transportation Act, known as The Transportation Equity Act of the 21st Century (TEA-21) was signed into law in 1998. During the first two years of TEA-21, local agencies' obligation of federal funds dropped to a low of 41 percent. As a result, by October 1999, local agencies had accumulated a \$1.2 billion backlog in federal apportionments and \$854 million in OA.

AB 1012 was enacted October 10, 1999, with a goal of improving the delivery of transportation projects and addressing the backlog of local agencies' federal apportionments and OA. Local agencies have successfully met and exceeded this goal. Beginning in FFY 2000, and continuing through FFY 2004, local agencies have been able to obligate a minimum of 100 percent of the OA made available to them. In FFY 2000, local agencies were able to use 153 percent of their available OA, and in FFY 2001, they were able to use 123 percent.

There has been a significant reduction in the unobligated federal apportionment balances since the enactment of the "use it or lose it" provisions of AB 1012. Prior to AB 1012, the accumulated backlog of federal apportionments was \$1.2 billion as of October 1, 1999. This was approximately 147 percent of the

total federal apportionments local agencies received for FFY 1999. As of October 1, 2004, the local balance of federal apportionments was \$939 million, or 85 percent of the total federal apportionments local agencies received in FFY 2004. The current local apportionment balance is now less than one year's apportionment, and indicates the success of the "use it or lose it" provisions of AB 1012.

Attachments

**Apportionment Status Report
CMAQ and RSTP
per AB 1012
as of June 30, 2005**

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**Cycle 6 Summary
(With Advanced Construction Projects)**

Region	CMAQ Unobligated 6/30/2005 Delivery Balance ¹	CMAQ Amount Subject to AB 1012 Reprogramming Cycle 6 11/01/2005 ²	RSTP Unobligated 6/30/2005 Delivery Balance ¹	RSTP Amount Subject to AB 1012 Reprogramming Cycle 6 11/01/2005 ²	R-TEA Unobligated 6/30/2005 Delivery Balance ¹	R-TEA Amount Subject to AB 1012 Reprogramming Cycle 6 11/01/2005 ²
Butte	2,297,497	-	-	-	-	-
Fresno	26,211,265	5,088,700	15,319,044	-	869,586	869,586
Kern	21,807,154	4,169,612	19,328,722	4,664,973	672,467	672,467
Kings	3,429,535	-	0	-	20,844	20,844
Los Angeles	126,689,312	-	103,361,184	-	(2,719,504)	-
Madera	3,110,801	-	-	-	-	-
Merced	434,022	-	0	-	-	-
Monterey	164,167	-	1,623,408	-	126,669	126,669
Orange	46,006,788	-	35,732,929	-	(0)	-
Riverside	30,543,522	-	49,897,037	15,647,304	1,344,480	1,344,480
Sacramento (SACOG)	19,849,039	-	22,898,353	-	836,859	836,859
San Benito	793,475	33,483	-	-	-	-
San Bernardino	63,357,897	11,121,309	44,077,895	6,192,453	1,654,198	1,654,198
San Diego ³	(4,180,153)	-	44,280,532	-	7	7
S.F. Bay Area (MTC) ⁴	27,815,699	-	39,159,124	-	(1,250,825)	-
San Joaquin	13,172,626	-	12,472,263	205,367	(0)	-
San Luis Obispo	-	-	1,495,741	-	189,605	189,605
Santa Barbara	5,892,596	432,292	-	-	527,178	527,178
Santa Cruz	2,366,881	-	(0)	-	69,638	69,638
Stanislaus	9,950,352	-	12,064,448	2,157,848	139,514	139,514
Tahoe	1,418,962	239,419	-	-	(60,776)	-
Tulare	9,241,272	-	-	-	163,437	163,437
Ventura	14,438,148	-	15,089,732	-	663,226	663,226
Rural Counties & SCAG	\$0	-	\$4,134,269	874,924	159,519	870,808
TOTAL	\$424,810,853	\$21,084,814	\$420,934,680	\$29,742,869	\$3,406,121	\$8,148,517

¹ Indicates all apportionments not yet obligated.

² Reflects balances 2-years old entering 3rd year.

Cycle 6 assumes the use of all previous cycle balances.

Note: The Regional balances reflect activities that have been recorded in Caltran's Local Assistance accounting system. There may be a time delay between the FHWA authorization and the recording of the transaction in the Caltran's Local Assistance accounting system.
Balances are adjusted for projects using the State AC process.

**Apportionment Status Report
CMAQ and RSTP
per AB 1012
as of June 30, 2005**

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**Cycle 6
Rural County Summary**

Region	CMAQ Unobligated 6/30/2005 Delivery Balance ¹	CMAQ Amount Subject to AB 1012 Reprogramming Cycle 6 11/01/2005 ²	RSTP Unobligated 6/30/2005 Delivery Balance ¹	RSTP Amount Subject to AB 1012 Reprogramming Cycle 6 11/01/2005 ²	R-TEA Unobligated 6/30/2005 Delivery Balance ¹	R-TEA Amount Subject to AB 1012 Reprogramming Cycle 6 11/01/2005 ²
Rural County Information:						
Del Norte	-	-	-	-	-	-
Humboldt	-	-	-	-	-	-
Lake	-	-	-	-	-	-
Mendocino	-	-	-	-	279,281	279,281
Lassen	-	-	-	-	(251,010)	-
Modoc	-	-	-	-	-	-
Plumas	-	-	-	-	-	-
Shasta	-	-	-	-	-	-
Siskiyou	-	-	-	-	-	-
Tehama	-	-	-	-	-	-
Trinity	-	-	-	-	(115,854)	-
Colusa	-	-	-	-	-	-
El Dorado	-	-	37,255	-	(154,839)	-
Glenn	-	-	-	-	-	-
Nevada	-	-	-	-	71,297	71,297
Placer	-	-	66,874	-	90,000	90,000
Sierra	-	-	-	-	-	-
Inyo	-	-	130	-	(74,586)	-
Mono	-	-	-	-	-	-
Alpine	-	-	-	-	-	-
Amador	-	-	-	-	(115,000)	-
Calaveras	-	-	-	-	-	-
Mariposa	-	-	-	-	-	-
Tuolumne	-	-	-	-	-	-
Imperial (SCAG)	-	-	4,030,010	874,924	430,230	430,230
Rural Combined Totals:	-	-	\$4,134,269	874,924	\$159,519	\$870,808

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