

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: March 23-24, 2011

Reference No.: 3.8
Information Item

From: NORMA ORTEGA
Chief Financial Officer

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Local Assistance

Subject: **QUARTERLY REPORT OF AB 1012 "USE IT OR LOSE IT" PROVISION FOR FEDERAL FISCAL YEAR 2009 UNOBLIGATED CMAQ AND RSTP FUNDS**

SUMMARY:

Congestion Mitigation and Air Quality (CMAQ) Improvement Program and Regional Surface Transportation Program (RSTP) funds apportioned from the federal government are available for use by the local agencies (Regions) for four years. Assembly Bill (AB) 1012 (Chapter 783 of the Statutes of 1999) 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 (Commission) in the fourth year in order to prevent the funds from being lost by the State.

The California Department of Transportation (Department) is responsible for monitoring and reporting unobligated balances. The Department provides notification to the Regions of the unobligated CMAQ and RSTP balances that have one year remaining under the AB 1012 guidelines, prior to being subject to reprogramming. Historically, the Regions have consistently used their apportionment balances prior to the reprogramming deadlines and very few time extensions are requested.

The annual notice to the Regions, under AB 1012 "Use It or Lose It" provisions for Federal Fiscal Year (FFY) 2009 funds (October 1, 2008 through September 30, 2009), was released on January 10, 2011. In September 2010, based on the available information, there were no FFY 2009 funds identified as subject to reprogramming under the provisions of AB 1012.

However, as of December 31, 2010, the AB 1012 balance report shows a total of approximately \$12 million of RSTP funds subject to reprogramming on November 1, 2011. These RSTP funds are identified for two Regions, approximately \$6.3 million for San Bernardino and \$5.9 million for Ventura. The increase from the initial notification is based on the final reconciliation of the unobligated balances. The approximate \$12 million subject to reprogramming as of December 2010 is relatively low compared to \$42 million as of December 2008. In December 2009 there were only \$1 million of funds subject to reprogramming due to the large September 2009 rescission of RSTP and CMAQ funds. Current balances subject to reprogramming may increase as a result of project deobligations from the inactive project review process.

BACKGROUND:

The State annually receives CMAQ and RSTP funds from the Federal Highway Administration (FHWA). The Regions receive a share of these apportionments to fund local projects.

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

AB 1012 was enacted October 10, 1999, with a goal of improving the delivery of transportation projects and addressing the backlog of the Regions' federal apportionments and OA. The Regions have successfully met and exceeded this goal. Beginning in FFY 2000, and continuing through FFY 2010, the Regions have been able to obligate a minimum of 100 percent of the OA made available to them.

As a condition of AB 1012, the Department is required to notify the Regions, on an annual basis, of the level of apportionments received that are subject to reprogramming.

In order to expend apportionments, the Regions require OA. FHWA has not yet released the total OA level for FFY 2011. The Department has received OA, under a Continuing Resolution for 155 days through March 4, 2011. At this time, it is not known when the full annual amount of OA for FFY 2011 will become available. The availability of OA limits the ability of the Regions to expend apportionments.

Attachments

Apportionment Status Report
CMAQ and RSTP
(as of December 31, 2010)

Reference No.: 3.8
March 23-24, 2011
Attachment 1

AB 1012
Balances entering the 3rd Year
(from FFY 2009*)
Regional Report Summary

*Previously referred to as Cycle 12

Region	CMAQ Unobligated 12/31/2010 Delivery Balance ¹	CMAQ Amount Subject to AB 1012 Reprogramming 11/01/2011 ²	RSTP Unobligated 12/31/2010 Delivery Balance ¹	RSTP Amount Subject to AB 1012 Reprogramming 11/01/2011 ²
Butte	3,344,938	-	2,687,011	-
Fresno	19,200,436	-	26,447,554	-
Kern	16,755,632	-	14,251,268	-
Kings	1,315,176	-	1,711,588	-
Los Angeles	130,627,988	-	187,782,845	-
Madera	830,576	-	1,626,008	-
Merced	2,222,465	-	2,783,001	-
Monterey	135,486	-	6,526,097	-
Orange	43,720,114	-	35,409,725	-
Riverside	58,613,235	-	25,616,584	-
Sacramento (SACOG)	26,878,387	-	23,770,515	-
San Benito	-	-	708,738	-
San Bernardino	42,843,696	-	60,276,393	6,345,418
San Diego	29,504,032	-	24,910,941	-
S.F. Bay Area (MTC)	56,038,439	-	90,293,779	-
San Joaquin	12,123,265	-	8,233,995	-
San Luis Obispo	-	-	4,222,478	-
Santa Barbara	-	-	1,329,791	-
Santa Cruz	-	-	2,268,993	-
Stanislaus	8,250,700	-	9,524,154	-
Tahoe	1,806,259	-	609,570	-
Tulare	4,813,636	-	4,865,294	-
Ventura	20,418,356	-	32,048,075	5,874,383
Rural Counties & SCAG	\$5,006,074	-	\$18,458,044	-
TOTAL	484,448,890	-	586,362,441	12,219,802

Balances now include:

* October 2010 -- Advance FFY 2011 Apportionments. However, as of date of report, only about 40% of FFY 2011 apportionments are available for obligation. (155 days of apportionments -- October 1, 2010 thru March 4, 2011)

Footnotes:

¹ Indicates all apportionments not yet obligated.

² Totals reflect balances in the third year.

Assumes the use of all previous balances.

Apportionment Status Report
 CMAQ and RSTP
 (as of December 31, 2010)

Reference No.: 3.8
 March 23-24, 2011
 Attachment 2

AB 1012
 Balances entering the 3rd Year
 (from FFY 2009*)
 Rural Report Summary

*Previously referred to as Cycle 12

Region	CMAQ Unobligated 12/31/2010 Delivery Balance ¹	CMAQ Amount Subject to AB 1012 Reprogramming 11/01/2011 ²	RSTP Unobligated 12/31/2010 Delivery Balance ¹	RSTP Amount Subject to AB 1012 Reprogramming 11/01/2011 ²
Rural County Information:				
Del Norte	-	-	366,219	-
Humboldt	-	-	1,684,416	-
Lake	-	-	776,304	-
Mendocino	-	-	1,148,502	-
Lassen	-	-	443,267	-
Modoc	-	-	294,042	-
Plumas	-	-	274,879	-
Shasta	-	-	2,173,531	-
Siskiyou	-	-	649,634	-
Tehama	-	-	746,084	-
Trinity	-	-	249,883	-
Colusa	-	-	250,349	-
El Dorado	-	-	1,390,596	-
Glenn	-	-	352,186	-
Nevada ³	1,030,148	-	1,218,428	-
Placer	-	-	835,232	-
Sierra	-	-	130,152	-
Inyo	-	-	668,095	-
Mono	-	-	227,887	-
Alpine	-	-	130,158	-
Amador ^{3,4}	(2,251)	-	464,624	-
Calaveras ^{3,4}	1,279,058	-	536,651	-
Mariposa ³	476,387	-	226,801	-
Tuolumne ^{3,4}	343,792	-	721,465	-
Imperial (SCAG) ³	1,878,940	-	2,498,658	-
Rural Combined Totals:	\$5,006,074	-	18,458,044	-

Balances now include:

* October 2010 -- Advance FFY 2011 Apportionments. However, as of date of report, only about 40% of FFY 2011 apportionments are available for obligation. (155 days of apportionments -- October 1, 2010 thru March 4, 2011)

Footnotes:

¹ Indicates all apportionments not yet obligated.

² Totals reflect balances in the third year.

³ Beginning in FFY 2006, these rural regions are now receiving CMAQ apportionments.

⁴ MOU was entered into between Amador, Calaveras & Tuolumne-balances adjusted accordingly. (MOU spans five FFYs).

Assumes the use of all previous balances.