

State of California  
Business, Transportation & Housing Agency  
Department of Transportation

POLICY MATTERS  
Update on Federal Discretionary Program

Prepared By:  
Ileen Jellison  
Program Manager  
Budgets  
(916) 654-4556

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*Original Signed By*

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W. J. EVANS, Deputy Director  
Finance  
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**UPDATE ON FEDERAL DISCRETIONARY PROGRAM**  
**(BORDER AND CORRIDORS)**

**ISSUE**

The Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21) established several discretionary programs for both Highways and Transit.

**BACKGROUND**

California continues to receive discretionary fund distributions at a lower rate that is received through the formula programs.

Excluding one-time congressionally earmarked discretionary Highway Bridge Replacement and Rehabilitation funds for the Golden Gate Bridge seismic retrofitting project and the Federal Highway Administration's (FHWA) allocation of Interstate Discretionary funds, the final installment of funds to complete the Interstate System, California continues to receive about eight percent of the national distribution of discretionary funding.

Applications for the 1999-2000 Federal Fiscal Year for Discretionary Boarders and Corridors funding have been submitted to FHWA. Applications for over \$1.9 billion nationwide have been submitted with California submitting 12 projects requesting \$73.5 million. One hundred forty million is available nationwide annually. The distribution date is not known.

Congress earmarked \$58.5 million of the \$140 million available for eight projects (none in California) and another \$10 million for distribution to Arizona, California, New Mexico and Texas for safety on enforcement enhancement. With the earmarks, only \$71.5 million remains available for the \$1.9 billion requested. Our success rate for the first two distributions of the Boarders and Corridors funds has been six percent.

**DISCUSSION**

FHWA solicitations are under way for the 2000-01 FFY. To date, solicitation letters for Discretionary Ferry Boat, Bridge Replacement and Innovative Bridge Research and Construction programs have been received.