

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: December 8-9, 2004

Reference No.: 3.8
Information Item

From: CINDY MCKIM
Acting Chief Financial Officer

Prepared by: Terry Abbott
Division Chief
Local Assistance

Ref: **SIXTH CYCLE AB 1012 UNOBLIGATED RSTP, CMAQ, AND REGIONAL TEA “USE IT OR LOSE IT” PROVISIONS**

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. Based on the September 30, 2004 balances, the total funds subject to reprogramming for the sixth cycle of AB 1012 are approximately \$119 million, including: Congestion Mitigation and Air Quality Improvement Program (CMAQ) - \$40 million; Regional Surface Transportation Program (RSTP) - \$68 million; and Regional Transportation Enhancement Activity Program (R-TEA) - \$11 million. CMAQ funds account for 34 percent of the balance subject to reprogramming, RSTP funds account for 57 percent, and R-TEA funds account for 9 percent.

BACKGROUND:

AB 1012 was enacted October 10, 1999, with a goal of improving the delivery of transportation projects. A section of the legislation states that regional agency 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. The Department of Transportation (Department) is including R-TEA funds under the AB 1012 “use it or lose it” requirements as well. In addition, the Department is required to submit quarterly progress reports on impacted fund balances to the Commission.

DISCUSSION:

The initial unobligated delivery balances in total for RSTP, CMAQ, and R-TEA have been lower for every cycle of AB 1012 “use it or lose it”. The total unobligated delivery balances have ranged from \$859 million for the first cycle to \$500 million for the sixth cycle, a reduction of more than \$359 million. This is a significant accomplishment considering the first cycle

unobligated delivery balances did not include R-TEA. In addition, apportionments for RSTP and CMAQ have increased since Federal Fiscal Year (FFY) 1999.

The number of agencies and the amounts subject to reprogramming have also been reduced since the first cycle notification. Approximately \$334 million was subject to reprogramming for the first cycle. Twenty regions had CMAQ balances subject to reprogramming and 10 regions had RSTP balances subject to reprogramming. The total balances subject to reprogramming for the sixth cycle are \$119 million, a reduction of approximately \$215 million. Eleven agencies have CMAQ balances subject to reprogramming, 11 agencies have RSTP balances, and 23 agencies have R-TEA balances subject to reprogramming. R-TEA was not included in the first cycle.

The sixth cycle AB 1012 balances assume that all fifth cycle funds subject to reprogramming will be obligated, extended, or reprogrammed. Therefore, no fifth cycle funds are included in the sixth cycle amounts.

The Federal Highway Administration (FHWA) has not yet released the total obligation authority (OA) for FFY 2005. Instead, OA has been provided by a Continuing Resolution (CR). The Department has received OA for only 51 days, based on the previous year's total OA amount. At this time, it is not known when the full annual amount of OA for FFY 2005 will become available. A CR has also been used to authorize eight months of apportionments for FFY 2005. FHWA anticipates these apportionments will be available by mid-November 2005.

Attachments

**Apportionment Status Report
CMAQ, RSTP, R-TEA
per AB 1012
as of September 30, 2004**

Reference #3.8
Attachment Page 1

Cycle 6 Summary

Region	CMAQ Unobligated 9/30/2004 Delivery Balance ¹	CMAQ Amount Subject to AB 1012 Reprogramming Cycle 6 11/01/2005 ²	RSTP Unobligated 9/30/2004 Delivery Balance ¹	RSTP Amount Subject to AB 1012 Reprogramming Cycle 6 11/01/2005 ²	R-TEA Unobligated 9/30/2004 Delivery Balance ¹	R-TEA Amount Subject to AB 1012 Reprogramming Cycle 6 11/01/2005 ²
Butte	1,471,855	187,959	-	-	-	-
Fresno	16,773,029	7,684,070	10,102,792	1,924,729	1,006,198	1,006,198
Kern	13,712,269	6,176,146	11,542,578	4,773,840	672,467	672,467
Kings	1,472,078	-	-	-	-	-
Los Angeles	24,272,701	-	111,294,465	13,910,056	(631,323)	-
Madera	1,213,539	-	1,536	-	-	-
Merced	30,428	-	93,242	-	-	-
Monterey	4,013,584	1,472,701	1,593,468	-	1,037,339	577,374
Orange	9,746,772	-	44,263,789	15,145,577	-	-
Riverside	2,573,923	-	29,581,236	13,632,525	3,639,618	2,154,921
Sacramento (SACOG)	77,354	-	(5,549,158)	-	249,662	249,662
San Benito	830,462	296,483	-	-	-	-
San Bernardino	38,671,651	15,551,652	24,941,335	7,453,542	4,099,861	2,802,221
San Diego	12,228,826	-	24,932,623	-	(2,680,093)	-
S.F. Bay Area (MTC)	13,242,956	-	22,741,276	-	(2,963,999)	-
San Joaquin	7,747,231	1,114,094	7,674,366	1,908,665	(71,962)	-
San Luis Obispo	-	-	1,495,741	-	806,806	587,768
Santa Barbara	6,697,230	2,961,510	(187)	-	454,381	454,381
Santa Cruz	679,308	-	253,223	-	69,638	69,638
Stanislaus	5,133,412	-	7,879,446	3,306,593	139,500	139,500
Tahoe	778,926	236,129	-	-	141,224	85,224
Tulare	5,126,472	956,566	-	-	163,437	163,437
Ventura	10,849,252	3,043,427	12,479,573	4,774,243	579,872	579,872
Rural Counties & SCAG	\$0	\$0	\$5,745,528	\$1,562,994	\$2,514,073	\$1,760,034
TOTAL	\$177,343,258	\$39,680,737	\$311,066,872	\$68,392,764	\$9,226,699	\$11,302,697

¹ Indicates all apportionments not yet obligated, excludes Federal Fiscal Year (FFY) 2005.

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 the Department's Local Assistance accounting system. There may be a time delay between the FHWA authorization and the recording of the transaction in the Department's Local Assistance accounting system.

>Balances include FFY 2004 advanced apportionments.

>Balances do not include FFY 2005 apportionments.

>R-TEA balance subject to reprogramming is greater than the total.

>R-TEA unobligated balance is due to the inclusion of negative balances in the unobligated balance, but only positive amounts in the balance are subject to reprogramming.

>Most R-TEA negative balances are due to coding errors.

>Corrections have been submitted to zero out R-TEA negative balances.

**Apportionment Status Report
CMAQ, RSTP, R-TEA
per AB 1012
as of September 30, 2004**

**Cycle 6
Rural County Summary**

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Rural County Information:						
Del Norte	-	-	-	-	-	-
Humboldt Lake	-	-	-	-	433,275	314,659
Mendocino	-	-	-	-	503,760	297,066
Lassen	-	-	-	-	-	-
Modoc	-	-	-	-	-	-
Plumas	-	-	-	-	171,346	120,447
Shasta	-	-	-	-	-	-
Siskiyou	-	-	-	-	68,603	68,603
Tehama	-	-	-	-	-	-
Trinity	-	-	-	-	(115,854)	-
Colusa	-	-	-	-	-	-
El Dorado	-	-	309,242	-	(154,839)	-
Glenn	-	-	-	-	-	-
Nevada	-	-	-	-	71,297	71,297
Placer	-	-	3,356,965	940,180	34,629	34,629
Sierra	-	-	-	-	-	-
Inyo	-	-	130	-	(74,586)	-
Mono	-	-	-	-	-	-
Alpine	-	-	-	-	-	-
Amador	-	-	-	-	226,235	105,943
Calaveras	-	-	-	-	-	-
Mariposa	-	-	-	-	98,000	81,725
Tuolumne	-	-	-	-	295,185	139,446
Imperial (SCAG)	-	-	2,079,191	622,814	957,022	526,219
Rural Combined Totals:	\$0	\$0	\$5,745,528	\$1,562,994	\$2,514,073	\$1,760,034

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