

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: November 2-3, 2005

Reference No.: 3.9
Information Item

From: CINDY McKIM
Chief Financial Officer

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Division Chief
Local Assistance

Ref: **SEVENTH CYCLE NOTIFICATION OF UNOBLIGATED RSTP AND CMAQ FUNDS
AB 1012 "USE IT OR LOSE IT" PROVISIONS**

SUMMARY:

The annual notice to regional agencies for the seventh cycle of Assembly Bill (AB) 1012 "Use It or Lose It" provisions will be sent out in early November 2005. Based on September draft numbers, the total funds subject to reprogramming for the seventh cycle of AB 1012 are approximately \$88 million, including: Congestion Mitigation and Air Quality Improvement Program (CMAQ) - \$50 million and Regional Surface Transportation Program (RSTP) - \$38 million. CMAQ funds account for 57 percent of the balance subject to reprogramming, and RSTP funds account for 43 percent. (Funding for the Regional Transportation Enhancement Activity Program (R-TEA) will no longer be reported under the AB 1012 provisions. These projects are now allocated under the State Transportation Improvement Program (STIP) process.)

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. 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 (previously subject to AB 1012) 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 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. At this time, based on preliminary draft numbers through September 30, 2005, the total balances subject to reprogramming for the seventh cycle are \$88 million, a reduction of approximately \$31 million. Ten agencies have CMAQ balances subject to reprogramming and six agencies have RSTP balances.

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

The Federal Highway Administration (FHWA) has not yet released the total obligation authority (OA) for FFY 2006. Instead, OA has been provided by a Continuing Resolution (CR). The Department has received OA for only 49 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 2006 will become available.

The Department intends to notify the local agencies of any changes to their apportionment balances provided on this notification once final numbers for the month of September have been reconciled and released. The Department also intends to update and notify the Commission of any changes in the next AB 1012 balance quarterly report. The Department report of the sixth cycle close out will be reported at the December CTC meeting.

Attachment

**Apportionment Status Report
CMAQ and RSTP
per AB 1012
as of September 30, 2005
(*based on preliminary data)**

Reference No.: 3.9
Attachment

**Cycle 7 Summary
(With Advanced Construction Projects)**

Region	CMAQ Unobligated Draft 9/30/2005 Delivery Balance ¹	CMAQ Amount Subject to AB 1012 Reprogramming Cycle 6 11/01/2005 ²	RSTP Unobligated Draft 9/30/2005 Delivery Balance ¹	RSTP Amount Subject to AB 1012 Reprogramming Cycle 6 11/01/2005 ²	R-TEA Unobligated Draft 9/30/2005 Delivery Balance ¹	R-TEA Amount Subject to AB 1012 Reprogramming Cycle 6 11/01/2005 ²
Butte	2,123,497	793,259	-	-	-	-
Fresno	12,627,981	2,308,876	12,647,437	4,304,740		
Kern	15,700,674	7,047,018	11,958,390	5,054,082		
Kings	1,204,449	-	-	-		
Los Angeles	59,809,913	-	77,045,785	-		
Madera	1,457,510	-	-	-		
Merced	440,819	-	-	-		
Monterey	290,836	-	1,623,408	-		
Orange	10,436,328	-	33,809,437	4,108,025		
Riverside	13,295,953	-	30,198,610	14,072,400		
Sacramento (SACOG)	5,687,419	-	(5,548,328)	-		
San Benito	777,574	422,651	-	-		
San Bernardino	52,349,103	27,729,366	6,527,122	-		
San Diego ³	(9,088,993)	-	18,426,227	-		
S.F. Bay Area (MTC) ⁴	(13,488,884)	-	24,674,179	-		
San Joaquin	11,130,626	3,451,777	(7,329,814)	-		
San Luis Obispo	-	-	1,495,741	-		
Santa Barbara	5,958,994	3,417,578	-	-		
Santa Cruz	835,781	-	-	-		
Stanislaus	8,417,088	2,443,602	11,542,778	6,878,335		
Tahoe	1,418,962	869,998	-	-		
Tulare	3,123,783	-	-	-		
Ventura	10,166,179	2,061,654	10,523,489	2,663,829		
Rural Counties & SCAG	N/A	-	\$2,348,864	863,317		
TOTAL	\$194,675,592	\$50,545,779	\$229,943,325	\$37,944,728		

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.

³San Diego (SANDAG) Project 6211 (042) apportionment code - (Q240) \$7,450,000 was processed using the state AC Process. RSTP balances does reflect this transaction.
In addition, SANDAG - Project 6211 (040) State AC project (Q24) \$2,300,000 using Q240 in 9/30/04 (transfer) was processed. It should have been \$3,300,000. Correction: Reduce H240 by \$1,000,000 (no Q240 available). RSTP balances does reflects this transaction.

⁴District 4 (MTC), Project 6204(043), AC for \$10,000,000 dated 5/27/05 [H400]; Project 6204(054), AC for \$21,300,000 dated 6/14/05 [H400]; Project 6204(056), AC for \$5,500,000 dated 6/22/05 [H230]; and Project 6204(057), AC for \$17,500,000 dated 6/24/05 [H230]; Project 6204(058) [H400] AC for \$12,300,000 dated 6/28/05. Manual Adjustments decrease MTC's balance.

*Balances may be adjusted once September numbers are reconciled. Regions and the CTC will be informed of any changes