

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: March 15-16, 2006

Reference No.: 3.11  
Information Item

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Chief Financial Officer

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Ref: **SEVENTH CYCLE AB 1012 UNOBLIGATED RSTP AND CMAQ "USE IT OR LOSE IT" BALANCE REPORT**

## **SUMMARY:**

The annual notice to regional agencies for the seventh cycle of AB 1012 "Use It or Lose It" provisions was released on November 7, 2005. At that time, seventh cycle Regional Surface Transportation Program (RSTP) and Congestion Mitigation and Air Quality (CMAQ) funds subject to potential reprogramming on November 1, 2006, totaled approximately \$88 million, based on September 30, 2005 balances. Ten agencies had CMAQ balances subject to reprogramming and seven agencies had RSTP balances subject to reprogramming.

The December 31, 2005 balance reports show the total funds subject to reprogramming for the seventh cycle of AB 1012 are approximately \$88 million, the same combined CMAQ and RSTP amount as on the September 30, 2005 balances. The December 31, 2005 balances include: CMAQ - \$49 million and RSTP - \$39 million. CMAQ funds account for 56 percent of the balance subject to reprogramming and RSTP funds account for 44 percent. The number of agencies with CMAQ balances and RSTP balances subject to reprogramming remain the same, ten with CMAQ balances and seven with RSTP balances. (Please note that agencies may have more than one type of fund subject to reprogramming). The balance subject to reprogramming remains unchanged, in general, projects using obligation authority (OA) in FFY 2006 have been offset by project deobligations. Beginning in FFY 2006, several rural agencies are now receiving CMAQ apportionments and OA, and the apportionments will be incorporated into the next AB 1012 balance report.

The OA target levels projected for Federal Fiscal Year (FFY) 2006 for some regions are less than necessary to use the region's apportionment balance subject to reprogramming in Cycle 7 prior to the end of the FFY. However, regions can use FFY 2007 OA received in October 2006 to reduce their balance subject to reprogramming in Cycle 7. It is also possible for the regions to use the next year's OA as early as June 1, 2006. The Department will be working with these agencies to meet the Guidelines for Implementation of the Timely Use of Funds Provisions of AB 1012, where the Department is required to ensure sufficient obligational authority is available to meet the needs of the regional agencies for projects contained in the submitted

obligation plans. The regional agency obligation plans are required for CMAQ or RSTP balances older than 2 years. Regional obligation plans are due May 1, 2006.

**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 21<sup>st</sup> 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 2006, local agencies have been able to obligate a minimum of 100 percent of the OA made available to them. For example, 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; and in FFY 2005 they were able to use 119 percent.

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, 2005, the local balance of federal apportionments was \$1.054 billion, or 100.5 percent of the total federal apportionments local agencies received in FFY 2005 (approximately \$1.049 billion). The current local apportionment balance is now equal to one year's apportionment. This is a significant reduction from FFY 1999 but an increase from the 85 percent in FFY 2004. The overall reduction from FFY 1999 to FFY 2005 does indicate the success of the "use it or lose it" requirements of AB 1012.

Attachments

**Apportionment Status Report  
CMAQ and RSTP  
per AB 1012  
as of December 31, 2005**

Reference No.: 3.11  
March 15-16, 2006  
Attachment  
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**Cycle 7 Summary  
(With Advanced Construction Projects)**

Region	CMAQ Unobligated 12/31/2005 Delivery Balance <sup>1</sup>	CMAQ Amount Subject to AB 1012 Reprogramming Cycle 7 11/01/2006 <sup>2</sup>	RSTP Unobligated 12/31/2005 Delivery Balance <sup>1</sup>	RSTP Amount Subject to AB 1012 Reprogramming Cycle 7 11/01/2006 <sup>2</sup>
Butte	1,923,497	593,259	-	-
Fresno	12,600,365	2,281,260	12,450,892	4,108,195
Kern	15,601,167	6,947,511	11,864,549	4,960,241
Kings	1,204,449	-	-	-
Los Angeles <sup>5</sup>	67,809,914	-	75,417,605	-
Madera	409,510	-	-	-
Merced	440,820	-	-	-
Monterey	290,836	-	1,623,408	-
Orange	10,499,328	-	34,788,288	5,086,876
Riverside	13,295,953	-	30,198,610	14,072,401
Sacramento (SACOG) <sup>6</sup>	(2,166,054)	-	2,385,484	-
San Benito	777,574	422,651	-	-
San Bernardino	52,349,103	27,729,366	6,918,221	-
San Diego <sup>3</sup>	(9,088,993)	-	9,403,677	-
S.F. Bay Area (MTC) <sup>4</sup>	(13,445,141)	-	24,404,171	-
San Joaquin	11,195,477	3,516,628	(7,151,804)	-
San Luis Obispo	-	-	1,495,741	-
Santa Barbara	5,958,993	3,417,577	-	-
Santa Cruz	835,781	-	-	-
Stanislaus	8,869,915	2,896,429	9,443,672	4,779,229
Tahoe	1,418,962	869,998	-	-
Tulare	3,783,636	-	-	-
Ventura	8,293,254	188,729	13,448,592	5,588,932
Rural Counties & SCAG	-	-	\$2,577,119	987,317
<b>TOTAL</b>	<b>\$192,858,344</b>	<b>\$48,863,407</b>	<b>\$229,268,224</b>	<b>\$39,583,190</b>

**Note:** 12/31/05 balances do not include FFY 2006 Apportionments which will be added in January 31, 2006 AB 1012 report.

<sup>1</sup> Indicates all apportionments not yet obligated

<sup>2</sup> Reflects balances 2-years old entering 3rd year

<sup>3</sup>San Diego (SANDAG) Project 6211(042), apportionment code Q240 \$7,450,000 was processed using the state AC Process. RSTP balance does reflect this transaction. In addition, SANDAG Project 6211(040), State AC project \$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 balance does reflects this transaction.

<sup>4</sup>District 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.

<sup>5</sup>District 7 (LAMTA), a)Transfer Out \$(8,000,000) H230 to "State" per MOU. b)Transfer In \$8,000,000 H240 from "State" per MOU. c)Transfer Out \$(8,000,000) H240 to SACOG per MOU. d)Transfer In \$8,000,000 H400 from SACOG per MOU.

<sup>6</sup>District 3 (SACOG), a)Transfer Out \$(8,000,000) H400 to LAMTA per MOU. b)Transfer In \$8,000,000 H240 from LAMTA per MOU.

Balances are adjusted for projects using the State AC process.

Cycle 7 assumes the use of all previous cycle balances

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.

**Apportionment Status Report  
CMAQ and RSTP  
per AB 1012  
as of December 31, 2005**

**Cycle 7  
Rural County Summary**

Region	CMAQ Unobligated 12/31/2005 Delivery Balance <sup>1</sup>	CMAQ Amount Subject to AB 1012 Reprogramming Cycle 7 11/01/2006 <sup>2</sup>	RSTP Unobligated 12/31/2005 Delivery Balance <sup>1</sup>	RSTP Amount Subject to AB 1012 Reprogramming Cycle 7 11/01/2006 <sup>2</sup>
<b>Rural County Information:</b>				
Del Norte	-	-	-	-
Humboldt	-	-	-	-
Lake	-	-	-	-
Mendocino	-	-	-	-
Lassen	-	-	-	-
Modoc	-	-	-	-
Plumas	-	-	-	-
Shasta	-	-	-	-
Siskiyou	-	-	-	-
Tehama	-	-	-	-
Trinity	-	-	-	-
Colusa	-	-	-	-
El Dorado	-	-	37,255	-
Glenn	-	-	-	-
Nevada	-	-	-	-
Placer	-	-	66,874	-
Sierra	-	-	-	-
Inyo	-	-	130	-
Mono	-	-	-	-
Alpine	-	-	-	-
Amador	-	-	-	-
Calaveras	-	-	-	-
Mariposa	-	-	-	-
Tuolumne	-	-	-	-
Imperial (SCAG) <sup>3</sup>	-	-	2,472,864	987,317
Amador <sup>3</sup>	-	-	-	-
Calaveras <sup>3</sup>	-	-	-	-
Mariposa <sup>3</sup>	-	-	-	-
Nevada <sup>3</sup>	-	-	-	-
Tuolumne <sup>3</sup>	-	-	-	-
<b>Rural Combined Totals:</b>	-	-	<b>\$2,577,123</b>	<b>987,317</b>

**Note:** 12/31/05 balances do not include FFY 2006 Apportionments which will be added in January 31, 2006 AB 1012 report.

<sup>1</sup> Indicates all apportionments not yet obligated

<sup>2</sup> Reflects balances 2-years old entering 3rd year

<sup>3</sup> Beginning in FFY 2006, these rural regions are now receiving CMAQ apportionments which will be incorporated into the January 31, 2006 AB 1012 report.

Cycle 7 assumes the use of all previous cycle balances

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.