

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: September 6-7, 2006

Reference No.: 3.10
Information Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Terry Abbott
Division Chief
Local Assistance

Subject: **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 May 31, 2006 balance reports show the total funds subject to reprogramming for the seventh cycle of AB 1012 are approximately \$65 million (CMAQ - \$41 million and RSTP - \$24 million), a reduction of \$23 million from the September 30, 2005 balances. CMAQ funds account for 63 percent of the balance subject to reprogramming and RSTP funds account for 37 percent. The number of agencies with CMAQ balances subject to reprogramming has decreased from ten to eight, and number of agencies with RSTP balances subject to reprogramming has decreased from seven to five. (Please note that agencies may have more than one type of fund subject to reprogramming.) The report also includes rural agencies that received CMAQ Apportionments beginning in Federal Fiscal Year (FFY) 2006. The recent implementation of 23 CFR 630.106 by the Federal Highway Administration has resulted in the deobligation of inactive federal funds, which has an impact on the balances subject to reprogramming.

The Obligation Authority (OA) target levels projected for FFY 2006 for some regions are less than what is needed 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. Regions may also borrow next year's OA after June 1, 2006. The Department of Transportation (Department) will continue to work with these agencies to meet the Guidelines for implementation of the AB 1012 Timely Use of Funds Provisions, where the Department is required to ensure sufficient OA is available to meet the needs of the regional agencies for projects contained in the submitted obligation plans. The obligation plans were due to the Department on May 1, 2006. Based on the review of the OA plans submitted, most regions will not have CMAQ or RSTP balances subject to reprogramming in November 2006. There is one region projected with an RSTP balance and four regions projected with CMAQ balances subject to reprogramming, after allowing for the projects included in their OA Plans.

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 21st 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, in FFY 2001 they were able to use 123 percent, and in FFY 2005 they were able to use 119 percent.

Attachments

**Apportionment Status Report
CMAQ and RSTP
per AB 1012
as of May 31, 2006**

Reference No.: 3.10
September 6-7, 2006
Attachment
Page 1

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

Region	CMAQ Unobligated 5/31/2006 Delivery Balance ¹	CMAQ Amount Subject to AB 1012 Reprogramming Cycle 7 11/01/2006 ²	RSTP Unobligated 5/31/2006 Delivery Balance ¹	RSTP Amount Subject to AB 1012 Reprogramming Cycle 7 11/01/2006 ²
Butte	4,029,496	593,259	-	-
Fresno	22,723,392	2,118,679	21,638,316	4,375,278
Kern	22,882,167	6,961,761	16,135,910	1,849,243
Kings	2,614,207	-	0	-
Los Angeles ⁵	185,362,547	-	174,499,647	-
Madera	1,783,569	-	-	-
Merced	1,652,993	-	0	-
Monterey	1,082,004	-	1,876,621	-
Orange ⁷	18,593,149	-	59,203,780	-
Riverside	36,791,709	-	45,957,070	12,588,080
Sacramento (SACOG) ⁶	24,827,547	-	20,075,547	-
San Benito	927,574	572,651	-	-
San Bernardino	74,853,176	25,536,439	24,645,050	-
San Diego ³	6,771,016	-	26,209,825	-
S.F. Bay Area (MTC) ⁴	67,452,427	-	74,540,563	-
San Joaquin	12,247,305	-	1,291,588	-
San Luis Obispo	-	-	1,495,741	-
Santa Barbara	5,958,993	3,417,577	-	-
Santa Cruz	835,781	-	(0)	-
Stanislaus	12,788,960	901,711	14,239,174	4,587,324
Tahoe	1,997,054	869,998	-	-
Tulare	5,754,152	-	-	-
Ventura	13,697,278	-	15,307,752	-
Rural Counties & SCAG	3,369,190	-	\$4,011,697	937,617
TOTAL	\$528,995,684	\$40,972,075	\$501,128,281	\$24,337,542

Footnotes: (Includes FFY 2006 Estimated Apportionments for RSTP and CMAQ)

¹ Indicates all apportionments not yet obligated.

² Reflects balances 2-years old entering 3rd year.

³San 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 reflect this transaction. Also, Project 6211(050), State AC for \$2,000,000 [H400], \$5,825,000 [H400], and \$15,105,000 [H240] all dated 2/10/06.

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. Project 6204(054) [see above], AC Deobligation for \$20,173,000 dated 3/17/06. Using H400. Manual Adj. increases MTC's balance.

⁵District 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.

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

⁷District 12 (Orange), Project 6212(012), AC for \$30,313,000 dated 4/19/06 [H400].

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 May 31, 2006**

Reference No.: 3.10
September 6-7, 2006
Attachment
Page 2

**Cycle 7
Rural County Summary**

Region	CMAQ Unobligated 5/31/2006 Delivery Balance ¹	CMAQ Amount Subject to AB 1012 Reprogramming Cycle 7 11/01/2006 ²	RSTP Unobligated 5/31/2006 Delivery Balance ¹	RSTP Amount Subject to AB 1012 Reprogramming Cycle 7 11/01/2006 ²
Rural County Information:				
Del Norte	-	-	-	-
Humboldt	-	-	0	-
Lake	-	-	-	-
Mendocino	-	-	-	-
Lassen	-	-	-	-
Modoc	-	-	3	-
Plumas	-	-	2	-
Shasta	-	-	-	-
Siskiyou	-	-	(2)	-
Tehama	-	-	-	-
Trinity	-	-	(6)	-
Colusa	-	-	-	-
El Dorado	-	-	0	-
Glenn	-	-	-	-
Nevada ³	804,784	-	0	-
Placer	-	-	-	-
Sierra	-	-	(2)	-
Inyo	-	-	130	-
Mono	-	-	-	-
Alpine	-	-	-	-
Amador ³	311,802	-	-	-
Calaveras ³	378,568	-	-	-
Mariposa ³	148,357	-	-	-
Tuolumne ³	469,405	-	1	-
Imperial (SCAG) ³	1,256,274	-	4,011,569	937,617
Rural Combined Totals:	3,369,190	-	\$4,011,697	937,617

Footnotes: (Includes FFY 2006 Estimated Apportionments for RSTP and CMAQ)

¹ Indicates all apportionments not yet obligated.

² Reflects balances 2-years old entering 3rd year.

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

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.