

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: May 28-29, 2008

Reference No.: 4.11
Information Item

From: CINDY McKIM
Chief Financial Officer

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Subject: **REVIEW OF THE RATE FOR STATE MATCHING OF FEDERAL AIRPORT
IMPROVEMENT PROGRAM (AIP) GRANTS**

SUMMARY:

The federal Airport Improvement Program (AIP) provides public-use, publicly-owned airports with 95 percent federal grants for airport improvement and maintenance projects. The California Department of Transportation (Department) assists the airport sponsors with the local match.

The California Transportation Commission's (Commission's) Technical Advisory Committee on Aeronautics (TACA) reviewed the Department's proposal to continue the State match rate at 2.5 percent for Fiscal Year (FY) 2008-09 on April 14, 2008. Staff will report on TACA's recommendation at the Commission's May 28-29, 2008 meeting. Attached is the draft resolution proposed for adoption at the June 25-26, 2008 meeting.

BACKGROUND:

Public Utilities Code Section 21683.1(a) states that the Commission may, at its discretion, provide a portion of the local match for federal AIP grants. The Department proposes to continue the State match rate at 2.5 percent based upon recommendations from TACA and Commission staff. By continuing the AIP match rate at 2.5 percent, funds will become available over the course of FY 2008-09 to allow allocations for Acquisition and Development (A&D) projects for safety and pavement preservation. Without the lower AIP match rate, the Department will continue to have minimal funds to allocate for A&D projects.

The matching rate will be reviewed annually by the Commission in order to balance the needs of the State A&D Program and the level of anticipated AIP match funding levels.

Attachment

DRAFT

CALIFORNIA TRANSPORTATION COMMISSION

Adoption of the Annual Rate for State Matching of Federal Airport Improvement Program (AIP) Grants for Fiscal Year 2008-09

Resolution G-08-___

- 1.1 WHEREAS, pursuant to Section 21683.1(a) of the Public Utilities Code, the California Transportation Commission (Commission) may, at its discretion, provide a portion of the local match for federal Airport Improvement Program (AIP) grants; and
- 1.2 WHEREAS, a 2.5 percent matching rate enables the Department of Transportation to provide the State match for airports; and
- 1.3 WHEREAS, the Fiscal Year 2008-09 Aeronautics Allocation for set-aside to match AIP grants was submitted with a match rate of 2.5 percent; and
- 1.4 WHEREAS, a 2.5 percent match rate allows greater opportunity for allocations for Acquisition and Development (A&D) grants.
- 2.1 NOW THEREFORE BE IT RESOLVED, that the Commission hereby establishes the State match rate for Fiscal Year 2008-09 for federal AIP projects in the 2008 Aeronautics Program at 2.5 percent of an airport project federal grant.