

# Memorandum

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: January 19-20, 2011

Reference No.: 3.11  
Information Item

From: NORMA ORTEGA  
Chief Financial Officer

Prepared by: Denix D. Anbiah.  
Division Chief  
Local Assistance

Subject: **NOTIFICATION OF AB 1012 “USE IT OR LOSE IT” PROVISION FOR FEDERAL FISCAL YEAR 2009 UNOBLIGATED CMAQ AND RSTP FUNDS**

## **SUMMARY:**

Congestion Mitigation and Air Quality (CMAQ) Improvement Program and Regional Surface Transportation Program (RSTP) funds apportioned from the federal government are available for use by the local agencies (Regions) for four years. Assembly Bill (AB) 1012 (Chapter 783 of the Statutes of 1999) states that 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 order to prevent the funds from being lost by the State.

The California Department of Transportation (Department) is responsible for monitoring and reporting unobligated balances. The Department provides notification to the Regions of the unobligated CMAQ and RSTP balances that have one year remaining under the AB 1012 guidelines, prior to being subject to reprogramming. Historically, the Regions have consistently used their apportionment balances prior to the reprogramming deadlines and very few time extensions are requested.

The annual notice to the Regions, under AB 1012 “Use It or Lose It” provisions for Federal Fiscal Year (FFY) 2009 funds (October 1, 2008 through September 30, 2009), was released on or about January 7, 2011. Based on September 30, 2010 balances, the total FFY 2009 funds subject to reprogramming under the provisions of AB 1012 are zero. However, this could change throughout the year if there are project cost savings that result in the deobligation of funds. Should such cost savings occur, the deobligated funds would fall under the provisions of AB 1012 and could be subject to reprogramming on November 1, 2011.

## **BACKGROUND:**

The State annually receives CMAQ and RSTP funds from the Federal Highway Administration (FHWA). The Regions receive a share of these apportionments to fund local projects.

The Intermodal Surface Transportation Efficiency Act was enacted in 1991 and was in effect for six years. During that time, the Regions were able to obligate only 87 percent of their federal funding. The next Transportation Act, known as The Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21) was signed into law in 1998. During the first two years of TEA-21, the Regions’

obligation of federal funds dropped to a low of 41 percent. As a result, by October 1999, the Regions had accumulated a \$1.2 billion backlog in federal apportionments and \$854 million in Obligation Authority (OA).

AB 1012 was enacted October 10, 1999, with a goal of improving the delivery of transportation projects and addressing the backlog of the Regions' federal apportionments and OA. The Regions have successfully met and exceeded this goal. Beginning in FFY 2000, and continuing through FFY 2010, the Regions have been able to obligate a minimum of 100 percent of the OA made available to them.

As a condition of AB 1012, the Department is required to notify the Regions, on an annual basis, of the level of apportionments received that are subject to reprogramming.

In order to expend apportionments, the Regions require OA. FHWA has not yet released the total OA level for FFY 2011. The Department has received OA, under a Continuing Resolution for 79 days through December 18, 2010. At this time, it is not known when the full annual amount of OA for FFY 2011 will become available. The availability of OA limits the ability of the Regions to expend apportionments.

Attachments

Apportionment Status Report  
 CMAQ and RSTP  
 (as of October 1, 2010)

Reference No.: 3.11  
 January 19-20, 2011  
 Attachment 1

AB 1012  
 Balances entering the 3rd Year  
 (from FFY 2009\*)  
 Regional Report Summary

\*Previously referred to as Cycle 12

Region	CMAQ Amount Subject to AB 1012 Reprogramming on: 11/1/2011	RSTP Amount Subject to AB 1012 Reprogramming on: 11/1/2011
Butte	-	-
Fresno	-	-
Kern	-	-
Kings	-	-
Los Angeles	-	-
Madera	-	-
Merced	-	-
Monterey	-	-
Orange	-	-
Riverside	-	-
Sacramento (SACOG)	-	-
San Benito	-	-
San Bernardino	-	-
San Diego	-	-
S.F. Bay Area (MTC)	-	-
San Joaquin	-	-
San Luis Obispo	-	-
Santa Barbara	-	-
Santa Cruz	-	-
Stanislaus	-	-
Tahoe	-	-
Tulare	-	-
Ventura	-	-
Rural Counties & SCAG	-	-
<b>TOTAL</b>	-	-

**Footnotes:**

\* Balances entered the 3rd year on October 1, 2010, and are subject to reprogramming on November 1, 2011.

Apportionment Status Report  
 CMAQ and RSTP  
 (as of October 1, 2010)

Reference No.: 3.11  
 January 19-20, 2011  
 Attachment 2

AB 1012  
 Balances entering the 3rd Year  
 (from FFY 2009\*)  
 Rural Report Summary

\*Previously referred to as Cycle 12

Region	CMAQ Amount Subject to AB 1012 Reprogramming on: 11/1/2011	RSTP Amount Subject to AB 1012 Reprogramming on: 11/1/2011
<b>Rural County Information:</b>		
Del Norte	-	-
Humboldt	-	-
Lake	-	-
Mendocino	-	-
Lassen	-	-
Modoc	-	-
Plumas	-	-
Shasta	-	-
Siskiyou	-	-
Tehama	-	-
Trinity	-	-
Colusa	-	-
El Dorado	-	-
Glenn	-	-
Nevada	-	-
Placer	-	-
Sierra	-	-
Inyo	-	-
Mono	-	-
Alpine	-	-
Amador	-	-
Calaveras	-	-
Mariposa	-	-
Tuolumne	-	-
Imperial (SCAG)	-	-
<b>Rural Combined Totals:</b>	-	-

**Footnotes:**

\* Balances entered the 3rd year on October 1, 2010, and are subject to reprogramming on November 1, 2011.