Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: August 13-14, 2003

Reference No.: 2.7
Action Item

From: ROBERT L. GARCIA
Chief Financial Officer

Prepared by: R. Austin Wiswell
Division Chief
Aeronautics

Ref: **FISCAL YEAR 2003-2004 ALLOCATION OF FUNDS TO MATCH FEDERAL AIRPORT IMPROVEMENT PROGRAM GRANTS**

SUMMARY

The attached resolution proposes to renew the delegation for the allocation of state funds to match federal Airport Improvement Program grants.

RECOMMENDATION

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) approve Resolution FDOA-2003-1, allocating funds for Fiscal Year (FY) 2003-04 to match federal Airport Improvement Program (AIP) grants.

BACKGROUND

In April 2002, the Commission adopted the 2002 Aeronautics Program which includes a set-aside of $2,200,000 to match AIP grants in FY 2003-04. This allocation provides the authority for the Department to subvent matching funds to individual projects as requested by airport sponsors. The State can provide a match of five percent of an AIP grant as per Section 21683.1 subsection "b" of the Public Utilities Code or the full local match of the grant as per Section 21683.1 subsection "c."

The Department provides Commission staff with monthly reports on allocations for AIP Matching funds. The reports show the sponsor name, the airport name, a project description, the AIP grant amount, the state matching amount, and an explanation of any portions of the AIP grant that were not matched. Because the Aeronautics Account is continuously appropriated, any unused remainder of this allocation would be available in FY 2004-05 to fund additional Aeronautics Program projects.

The attached resolution continues to use a clause which clarifies that the intent of AIP Matching

grants is to improve conditions for general aviation rather than air carriers, air cargo, or military aviation. The Department added this clause in the FY 2000-01 resolution because the sole funding source for AIP Matching grants is an excise tax on the fuel that general aviation aircraft use. This clause precludes matching for a project whose primary purpose has little or no benefit to general aviation such as lengthening and widening a runway to handle large airliners.

Attachment

CALIFORNIA TRANSPORTATION COMMISSION

Allocation of Funds to Match
Federal Airport Improvement Program (AIP) Grants

Resolution FDOA-2003-1

1.1 WHEREAS, pursuant to Section 21683.1 of the Public Utilities Code (PUC), the California Transportation Commission (Commission) is authorized to allocate funds for a portion of the local match for Federal Airport Improvement Program (AIP) grants to certain airports; and

1.2 WHEREAS, the Commission sponsored the legislation which enacted PUC 21683.1 in order to maximize the amount of federal airport funds that can be allocated to California; and

1.3 WHEREAS, the Federal Aviation Administration requires that airport sponsors certify that matching funds are available as a condition of accepting a federal grant; and

1.4 WHEREAS, on April 4, 2002 the Commission adopted the three-year 2002 Aeronautics Program in the amount of $17,963,000 including a set-aside of $2,200,000 for AIP Matching grants in Fiscal Year 2003-04; and

1.5 WHEREAS, on July 11, 2001 the Commission approved the Capital Improvement Program which is an element of the California Aviation System Plan and lists needed airport improvement projects from all funding sources;

2.1 NOW, THEREFORE BE IT RESOLVED, that, regarding federal Airport Improvement Program grants made by the Federal Aviation Administration to public entities in this state from July 1, 2003 through June 30, 2004, with the approval of the Department of Transportation (Department), at such time as the federal grant offer is accepted by the public entity applicant, there is allocated to each applicant from the Aeronautics Account, five percent (5%) of that portion of the grant whose primary benefit is for general aviation in order to provide a part of the local match for the grant in accordance with the provisions of Public Utilities Code Section 21683.1 subsection "b" or the full local match of the grant for a project eligible under Public Utilities Code Section 21683.1 subsection "c," until the total of all such allocations equals $2,200,000; and

2.2 BE IT FURTHER RESOLVED, that the Department shall provide Commission staff with monthly status reports on sponsors' matching fund applications that have been approved by the Department.