

California Department of Transportation

DIVISION OF LOCAL ASSISTANCE
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www.dot.ca.gov/programs/local-assistance



December 7, 2021

To: Regional Transportation Partners

Dear Executive Directors:

This correspondence serves as the official notification to the Regions of the “Use It or Lose It” provisions contained in Assembly Bill (AB) 1012, enacted in October of 1999. This notification marks the 23rd year that Regions have been required to comply with the “Use It or Lose It” provisions of AB 1012. Under these provisions, Regions are required to obligate federal funds within three years of receiving apportionments. As of October 1, 2021, approximately \$26 million is subject to reprogramming on November 1, 2022 for Cycle 23 for apportionments available from Federal Fiscal Year (FFY) 2019–20 under AB 1012. The balance consists of approximately \$8 million for Congestion Mitigation and Air Quality Improvement Program (CMAQ) apportionments and approximately \$18 million for Regional Surface Transportation Program (RSTP) apportionments.

AB 1012 was enacted with a goal of improving the delivery of transportation projects and addressing the backlog of the Regions’ federal apportionments and obligation authority (OA). AB 1012 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 (CTC) in the fourth year in order to prevent the funds from being lost by the state.

AB 1012 also requires Regions to submit obligation plans to the California Department of Transportation (Caltrans) to obligate apportionment balances that are older than two years and to ensure that none of the balances reach three years of age. Obligation plans should be submitted in electronic form to Caltrans’ District Local Assistance Engineers (DLAEs) no later than March 15, 2022. DLAEs will review the plans and submit to HQ Local Assistance by April 1, 2022. The OA plan template and instructions are available on the Local Assistance website at:

<https://dot.ca.gov/programs/local-assistance/projects/ab1012>

We ask that no changes, alterations or modifications be made to the template. The obligation plans should include federally funded RSTP, CMAQ, and Safety projects that will be obligated between April 1, 2022 and September 30, 2022, end of FFY 2021-22.

The obligation plans will also be used to track and prioritize projects, and assist Regions with project delivery, and determine OA needs for the remainder of the FFY.

Congress released the Surface Transportation Extension Act of 2021, which released 31 days of funding from October 1, 2021 to October 31, 2021. Currently, the Division of Local Assistance has received approximately \$107 million of formula OA for Regions to use. The President signed the Infrastructure Investment and Jobs Act (IIJA) on November 15, 2021 and the OA available for local projects will be updated when additional OA and apportionments are released.

If you have any questions about the notification or the reports, please contact My (Amy) Chieng at my.chieng@dot.ca.gov.

Sincerely,



Dee Lam
Division Chief

c: District Deputy Directors for Planning and Local Assistance, Caltrans
District Local Assistance Engineers, Caltrans
Office Chiefs, Division of Local Assistance, Caltrans
Fardad Falakfarsa, Division of Budgets, Caltrans