



September 24, 2009

State Budget and Fall Programming Update

Issue: There are still some uncertainties surrounding the funding situation and the amount available for SACOG’s fall programming process. The amount of funding available this time—about \$90 million—is constrained and likely to be available later than expected for a variety of reasons.

Recommendation: None. This item is for information and discussion only.

Discussion: The SACOG Board has released a call for projects and approved a draft funding range for this fall’s biennial programming process (this process applies only to jurisdictions in Sacramento, Sutter, Yolo and Yuba Counties). Funding for this process consists of both state and federal funds. The state funds come from the 2010 State Transportation Improvement Program (STIP), while the federal funds come from the region’s apportionments of Congestion Mitigation and Air Quality (CMAQ) and Regional Surface Transportation Program (RSTP) funds.

The California Transportation Commission (CTC) released a Draft Fund Estimate for the 2010 STIP in August, but will not adopt the Final Fund Estimate until October 14. According to the Draft Fund Estimate, the 2010 STIP will consist mainly of rescheduled projects carried over from the 2008 STIP. The Flexible Funds and—to a lesser extent—the Public Transportation Account (PTA) funds are over-programmed in the early portion of the 2010 STIP period (2010/11-2012-13). It is expected that nearly all currently programmed PTA-eligible projects can remain in this time period and about a third of the Flexible Fund projects will need to be delayed to 2013/14 and 2014/15. For SACOG, this would potentially affect either of two projects both currently programmed in 2012/13:

- Sacramento County U.S. 50 Watt Avenue Interchange Modification \$10 million
- City of Sacramento I-5 Cosumnes River Blvd. Interchange \$10.5 million

The only new funds being added to the 2010 STIP will be Transportation Enhancement (TE) funds. The new TE funds—about \$2.2 million per year—will be available in 2013/14 and 2014/15. SACOG also has a TE reserve of about \$4.5 million.

The region can expect a total of approximately \$39 million each year in new CMAQ and RSTP apportionments under a likely extension of the current federal transportation act—SAFETEA-LU. However, as the region has been very successful at delivering 100% of our annual apportionments, as well as advancing projects from later years, most newly programmed projects will be unable to access these funds until 2012/13 and 2012/14. As has been the case in the past, some individual projects that are ready may be able to advance in the event of delivery failure as part of the annual project delivery plan, but there are no guarantees that all projects ready to go can be delivered.

Staff will re-evaluate the funding situation once the CTC’s Final Fund Estimate is adopted, and will continue to update our stakeholders, the Transportation Committee, and Board as the process advances and will be seeking input at all stages of the process.

Approved by:

Mike McKeever
Executive Director

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Key Staff: Matt Carpenter, Director of Transportation Planning, (916) 340-6276
 Olin Woods, Manager of Capital Programs, (916) 340-6220
 Jason Crow, Senior Planner, (916) 340-6219
 Gary Taylor, Associate Planner, (916) 340-6279