



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Agenda Item 3a

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*Memorandum*

TO: Legislation Committee

DATE: September 7, 2012

FR: Executive Director

RE: Brown Administration's Proposal for MAP-21 Implementation

**Background**

Now that *Moving Ahead for Progress in the 21<sup>st</sup> Century* (MAP-21) – the new two-year federal surface transportation act – has been enacted, attention turns to how to implement it. MAP-21 eliminated a number of programs and revised the rules for others. There are a number of administrative challenges, including dealing with projects that were funded based on programs in existence in former law, but now those fund sources have been changed or do not exist in MAP-21. However, in most cases, the projects that qualified for those dedicated programs still qualify for funding from the broader programs that remain, making it generally possible to backfill those programs with other funds.

This memo outlines the Brown Administration's proposal for how to implement the highway provisions of MAP-21 in federal fiscal year 2013 and the process Caltrans has initiated to set funding levels and develop consensus on legislative changes needed at the state level for FY 2014 and beyond. While this memo is primarily focused on the STP funds, there are a number of other funding programs that will change as a result of MAP-21.

**Brown Administration Seeks to Maintain Status Quo in State/Local Funding Split**

In early August, the Brown Administration released a proposal that maintains a 62/38 percent split between state and local programs in FY 2013 — the same split as under the Safe, Accountable, Flexible and Efficient Transportation Equity Act (SAFETEA) and attempts to maintain FY 2012 funding levels wherever possible (see Attachment A). Given that MAP-21 provides \$3.5 billion in federal highway funds in FY 2013, the same amount provided by SAFETEA in FY 2012, this might seem straightforward; however, the task is complicated by the elimination of various programs and changes in the distribution formulas for some of the programs that remain. With federal funding levels held flat between FY 2012 and FY 2013, California faces a zero sum game where an increase in one program can only be achieved at the expense of another.

**Proposal Gives Regions More STP Than Required, but No Growth Over FY 2012**

MAP-21 provides California with approximately \$872 million of STP funds in FY 2013, an increase of 21 percent over FY 2012. However, the formula split of these funds was changed in MAP-21 from 62.5 percent to regions and 37.5 percent to Caltrans, to a new formula split of 50/50. The good news is that the Administration proposes to hold the regional STP funding for

FY 2013 steady at last year's amount of \$451 million — \$15 million more than is technically required by MAP-21.

The Brown Administration also proposes holding local bridge funding steady at FY 2012 levels, even though this is substantially more than is technically required by MAP-21's new provisions. Specifically, the department proposes \$303 million for local on-system and off-system bridges, even though only \$64 million is required for local off-system bridges and there is no guarantee of federal funding for local on-system bridges.

### **Brown Administration Seeks to Maintain Commitment to Programmed Projects**

As shown in Attachment B, the federal bill eliminated a large number of federal programs, including the Safe Routes to Schools (SRTS), Transportation Enhancement (TE) and the Highway Bridge Program. In general, the Administration proposes a transitional period that protects existing commitments. For example, the Administration proposes using a share of the Highway Safety Improvement Program (HSIP) to maintain SRTS funding levels at \$21 million (the same level as FY 2012) and funneling the new Transportation Alternatives Program (TAP) into the State Transportation Improvement Program (STIP) to backfill for previously programmed TE projects. Project eligibility in the TAP is very similar to TE – making it an obvious choice to help backfill for the eliminated TE program. However, MAP-21 actually requires states to distribute 50 percent of TAP funds directly to metropolitan planning organizations on the basis of population, a provision that did not apply to the TE program. While regional agencies are grateful that the Administration is proposing to distribute 75 percent of TAP funds (\$50 million) to regions, rather than the 50 percent level required (\$34 million), there is still debate about whether the regional share should remain in the STIP or go directly to metropolitan planning organizations.

### **Next Steps**

Last month Caltrans convened a MAP-21 working group to seek to develop a statewide consensus on FY 2013 funding levels and determine what legislation would need to be enacted in 2013. MTC staff is participating with representatives of other MPOs, rural areas, cities, counties, public transportation agencies, and bicycle and pedestrian advocates. The group plans to convene every two weeks through the end of the year to develop an agreed-upon funding level for the various program areas included in Attachment A that could be adopted by the California Transportation Commission as early as the end of this month, and a framework for legislation to be introduced next year. Assembly Speaker John Perez, a strong advocate for transportation funding and for strengthening the decision-making authority of metropolitan areas, has already indicated his interest in the subject, and submitted language to Legislative Counsel. Staff will work to maximize funding to the San Francisco Bay Area and keep you advised as key decisions are reached.



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Steve Heminger

# Administration's Proposal for MAP-21 - Programmatic Apportionment Distribution Compared to Current SAFETEA-LU Extension

SAFTEA-LU FFY 2012			
Program	\$*M	State	Local
IM	575	575	
NH	727	727	
<b>HBP</b>			
	550	248	303
<b>STP</b>			
	721	270	451
BIP	25	25	
<b>EB</b>			
	182	182	
<b>Subtotal</b>			
	2,780	2,027	753
<b>CMAQ</b>			
	468		468
<b>MP</b>			
	42		42
<b>HSIP</b>			
	134	67	67
RRXing	15	7	7
<b>SRTS</b>			
	21		21
RT	5	5	
TE	78	78	
<b>TOTAL</b>			
	3,544	2,185	1,359
		62%	38%

MAP-21 FFY 2013			
Program	\$*M	State	Local
NHP	1,897	1,897	
Bridges on NHS are eligible under NHPP or STP			
Bridges off-system are eligible under STP			
<b>STP</b>			
	873	436	436
<b>Equity Bonus funds discontinued, funding inherent in other programs</b>			
<b>Subtotal</b>			
	2,770	2,334	436
<b>CMAQ</b>			
	445		445
<b>MP</b>			
	48		48
<b>HSIP</b>			
	209	104	104
SRTS may be funded from HSIP or TA, or STP			
TAP	72	36	36
<b>TOTAL</b>			
	3,544	2,474	1,069
		70%	30%

MAP-21 Rev. FFY 2013			
Program	\$*M	State	Local
NHP	1,897	1,670	
NHS Bridges			
			228
Bridges on NHS are eligible under NHPP or STP			
Bridges off-system are eligible under STP			
Off-system Bridges			
			75
<b>STP</b>			
	873	347	451
<b>Subtotal</b>			
	2,770	2,017	753
<b>CMAQ</b>			
	445		445
<b>MP</b>			
	48		48
<b>HSIP</b>			
	209	94	94
SRTS			
			21
SRTS may be funded from TA, HSIP, or STP			
TAP	72	67	-
Recreational Trails			
		5	
<b>TOTAL</b>			
	3,544	2,183	1,361
		62%	38%

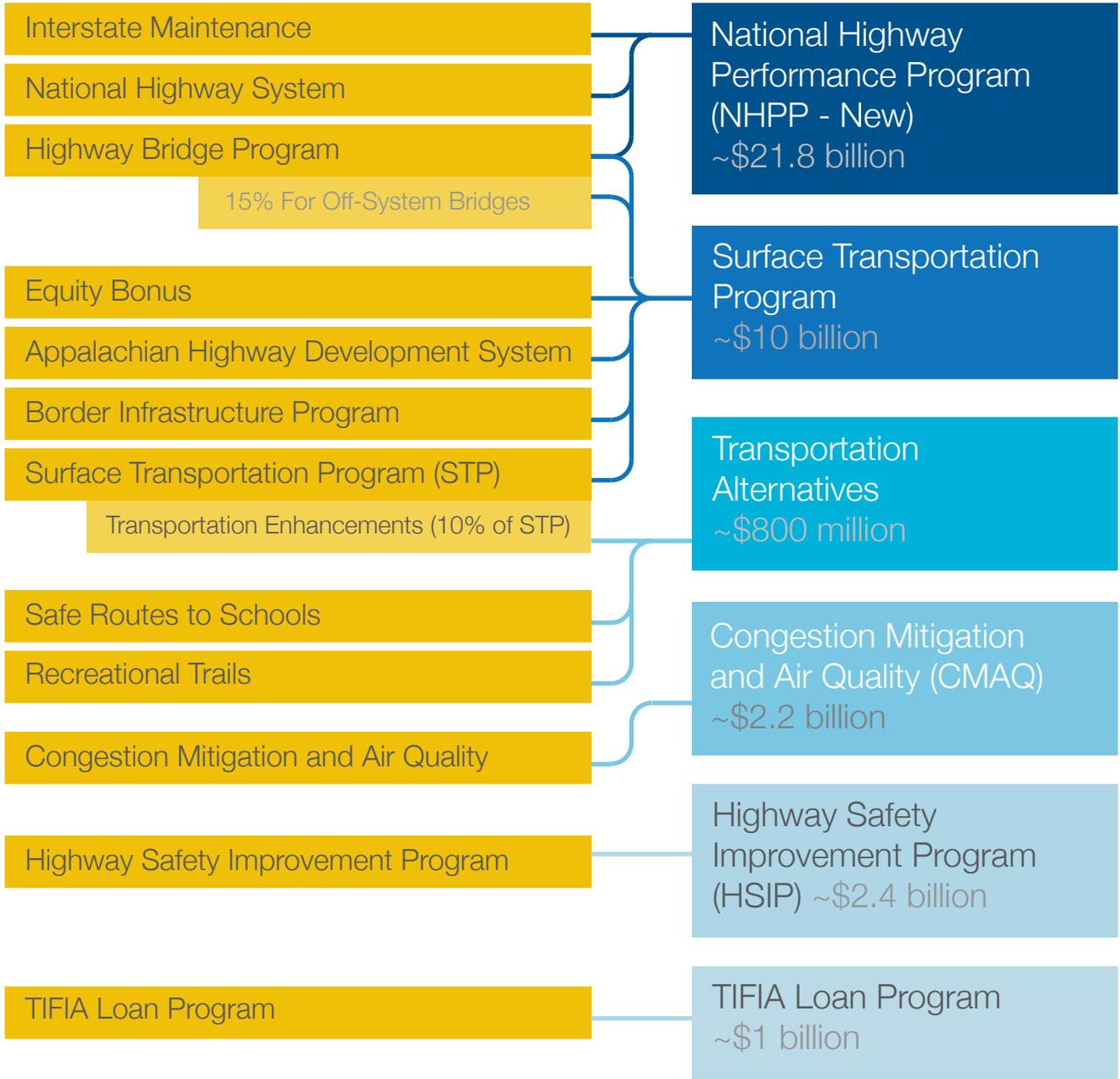
**Notes:**

- 1-Consolidation of programs under MAP-21 provides flexibility for new programs to fund projects previously funded under discontinued SAFETEA-LU programs.
- 2-MAP-21 includes an inflation increase to apportionments for FFY 2014. Increases will be applied to all programs and all splits.
- 3-Highway Bridge work may be funded under new programs such as STP or NHPP with performance targets that if not met, would result in penalties to NHPP funds.
- 4-Funds set aside from the NHPP and STP for the local bridges will be managed by the Department, with the advice of the Highway Bridge Program Advisory Committee, in order to meet the Performance Measures and avoid penalties.
- 5-The Local share shown represents subvention funds to Local Assistance that are voted as a lump-sum item by the CTC annually, with the exception of MP.
- 6-The TAP is proposed for distribution through the STIP formula, to fund programmed TE projects.
- 7-State Highway System projects or Local projects may be funded from State or Local shares if programmed by the MPOs/voted by the CTC.
- 8-Penalty under 23 USC 164 (+/- \$70M) and State Planning and Research take down (2% from each program for a total of +/- \$70M) is not included in these estimates.
- 9-Estimates are preliminary and based current available data.
- 10-For on-system bridges not on NHS, State may exchange NHPP with STP.

# Restructuring of Core Highway Programs Under the Final 2012 Transportation Bill (MAP-21)

## Former Formula Programs

## MAP-21 Core Program Structure



All above programs are eliminated or consolidated except Highway Safety Improvement Program (HSIP), Congestion Mitigation and Air Quality (CMAQ) and the TIFIA loan program.