

## STAFF REPORT

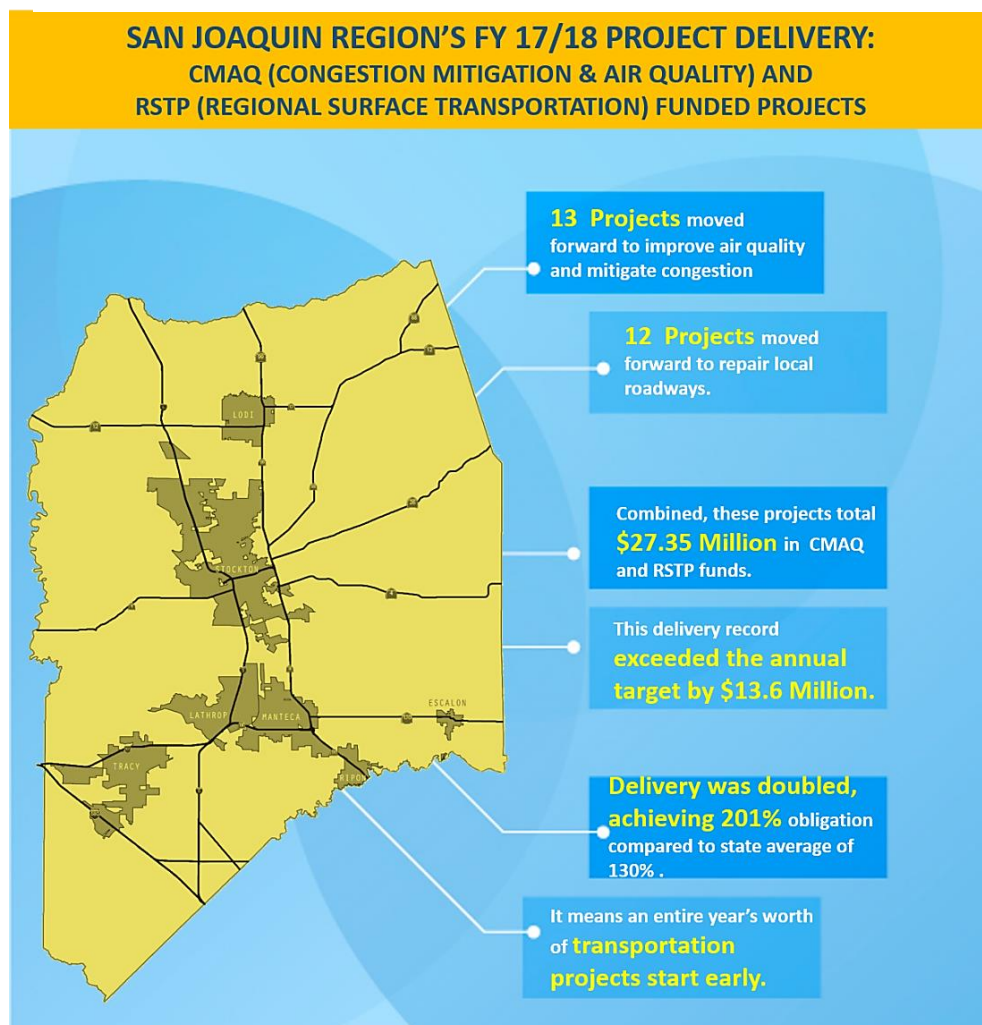
**SUBJECT:** FY 17/18 Federal Project Delivery Status

**RECOMMENDED ACTION:** Discussion

### SUMMARY:

SJCOG, in its role as the federally designated Metropolitan Planning Organization, distributes Congestion Mitigation Air Quality (CMAQ) and Regional Surface Transportation Program (RSTP) funds to local agencies. In Federal Fiscal Year (hereafter referred as FY) 2017/2018, San Joaquin agencies moved forward on \$27.3 million in federal funds for various transportation projects, amounting to a delivery of 201.2 percent of the region's annual limit known as obligation authority (Figure 1). The region also secured a \$5.6 million "bonus" due to its delivery achievement.

*Figure 1*



**RECOMMENDATION:** This staff report is for information only.

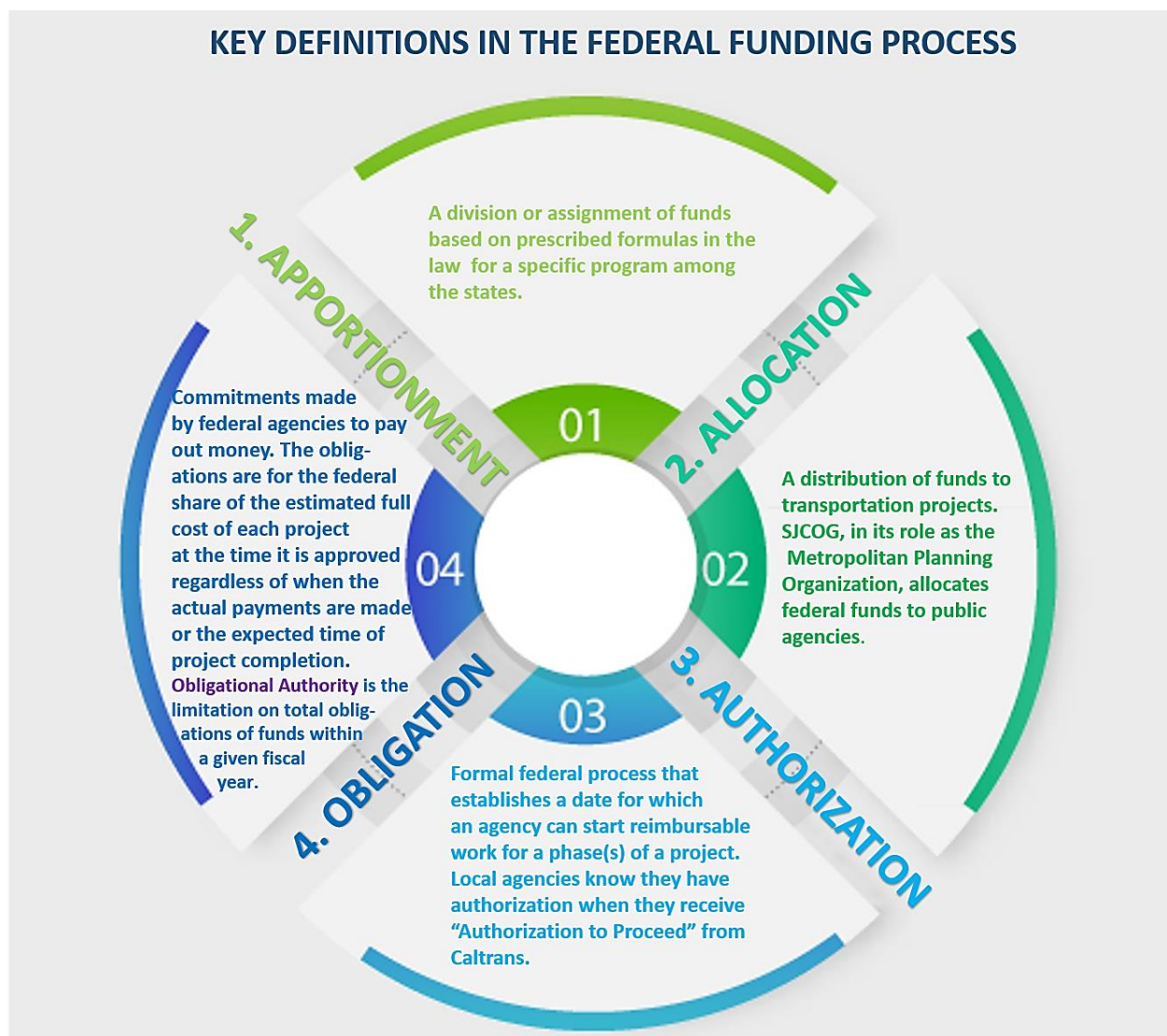
**FISCAL IMPACT:**

None. All funds reported have been previously approved by the SJCOG Board. Additional funds from the August Redistribution (the bonus) will be programmed by the SJCOG Board in a future amendment to the Federal Transportation Improvement Program.

**DISCUSSION:**

**The process** of financing the Federal-aid Highway Program begins with congressional approval of a Federal Highway Act. The current federal law is entitled, Fixing America's Surface Transportation Act or “FAST Act”. The Fast Act is the primary instrument used by Congress to shape and redirect the federal-aid highway program. The federal-aid transportation funding process starts when the funds are “apportioned” to each state (Refer to Figure 2).

*Figure 2*

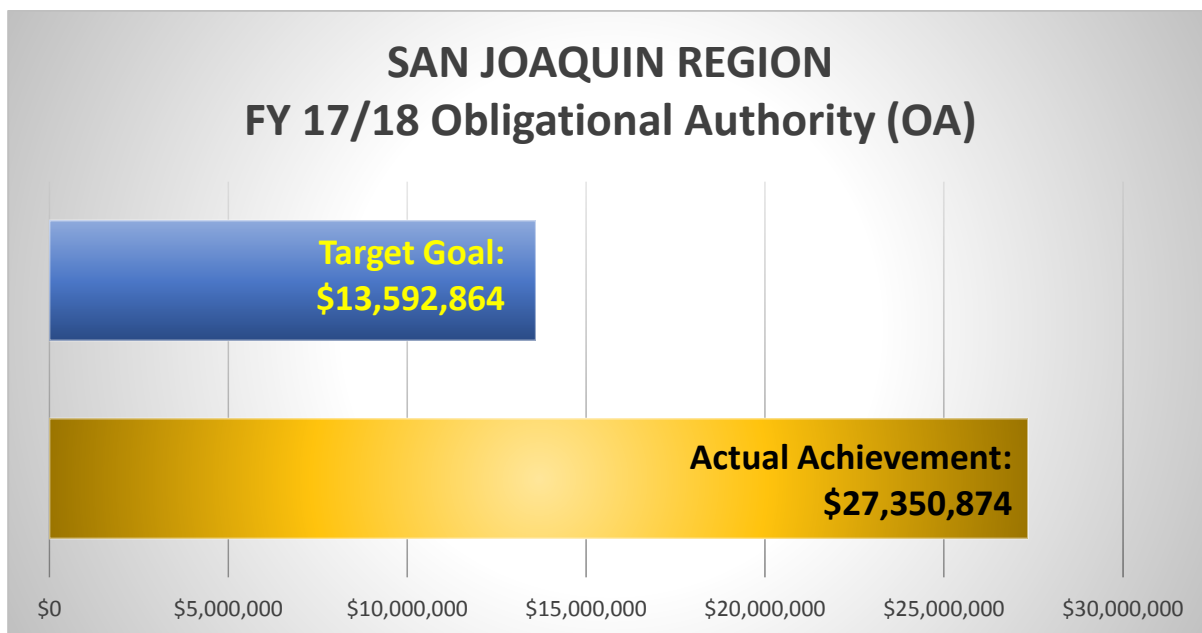


The funds are then “allocated” by the Metropolitan Planning Organizations (MPO) or state agencies, depending on the type of federal-aid program. The **Regional Surface Transportation Program** (RSTP) and the **Congestion Mitigation and Air Quality Program** (CMAQ) are two federal-aid programs which are allocated by the San Joaquin Council of Governments.

Once funds are allocated by the SJCOG Board, local agencies must get permission (also known as “authorization to proceed”) from Caltrans and Federal Highway Administration to move forward on a project before any expenditures are incurred. “Authorization” refers to the activation of funding for a project, allowing a given phase of a project to proceed with federal funding.

Funds which secure authorization to proceed are then considered “obligated” and that dollar amount is deducted from the “Obligational authority” set for the region. “Obligational authority” is the total dollar figure within a given fiscal year that the federal government commits to pay to the region. Each year, regional agencies are provided with an obligation authority total for CMAQ and RSTP funding. In FY 17/18, the amount for San Joaquin was set at \$13.59 million. As a result, each region’s obligation authority total dollar amount functions as a spending level expectation. The San Joaquin region must meet this annual target or federal-aid funds may be redistributed. This report shows that the San Joaquin region not only met this target but exceeded it by \$13.6 million (Figure 3).

*Figure 3*



Caltrans encourages project delivery beyond established obligation authority target each year, because it demonstrates the need for funding in California, as well as an ability to spend funds when they become available. As a result, Caltrans is put in a better position to capture additional obligation authority from states unable to use it. This process is often known as “use it or lose it”.

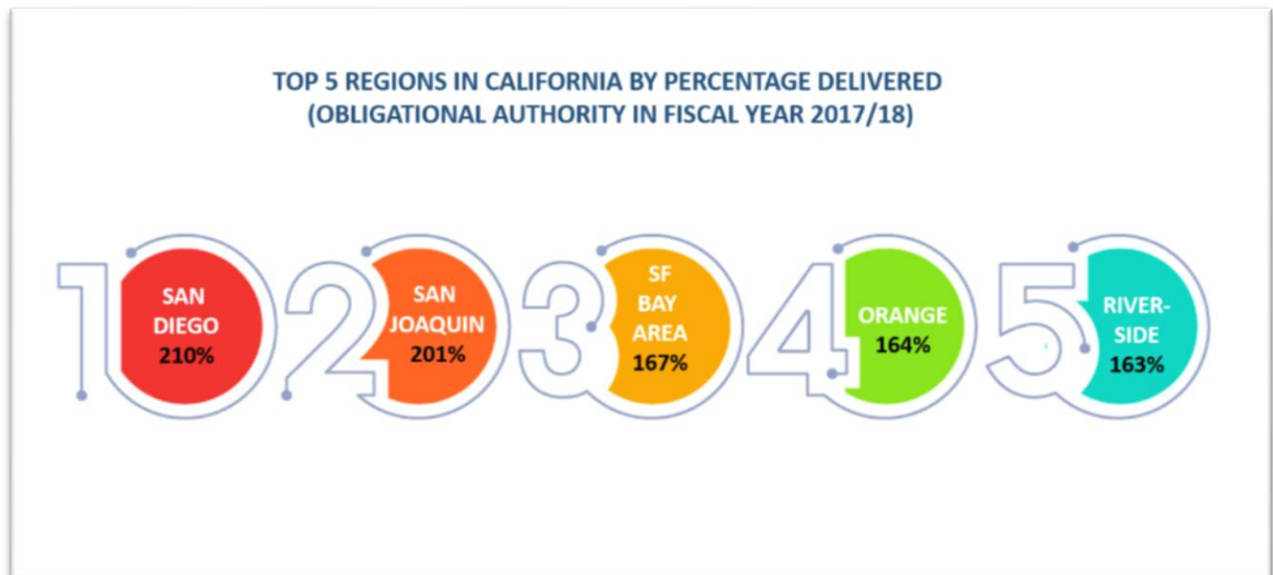
## San Joaquin's Excellent Record of Delivery

The San Joaquin County region has built a history of meeting (and exceeding) its obligation targets for CMAQ and RSTP funded projects. In FY 2017/18, 13 projects using CMAQ and 12 projects using RSTP funding have been obligated.

These projects amount to \$27,350,874 in CMAQ and RSTP obligations, representing delivery of 201.2 percent of the region's obligation authority.

Further, this total represents the second largest obligation percentage in the State (Figure 4).

*Figure 4*



On the following pages, Figure 5 shows the rank order of the San Joaquin region compared to the 7 other regions in the San Joaquin Valley. Table 1 shows the results from all regions in the state.

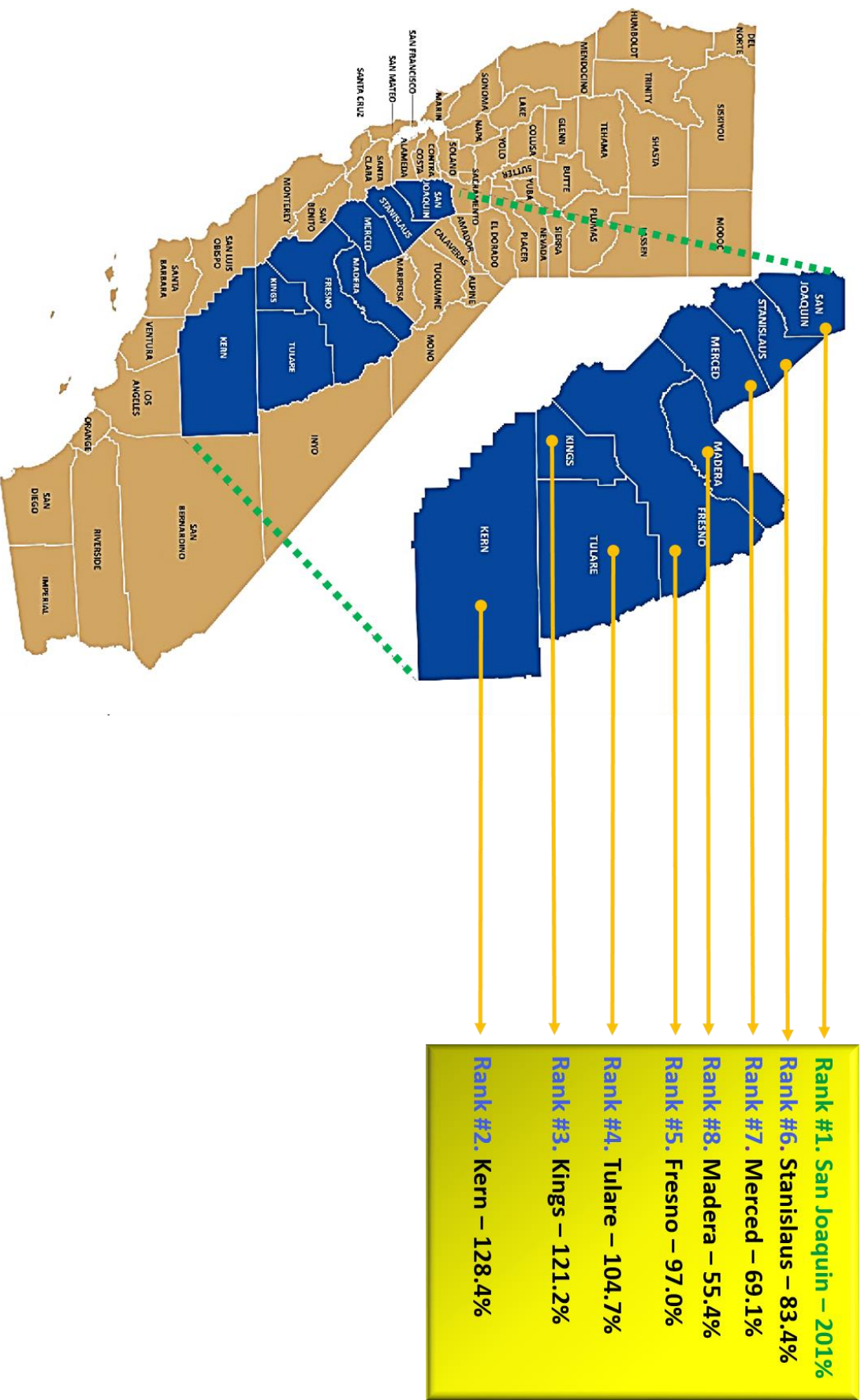
## \$5.6 Million, an added “Bonus” for Delivery

At the end of each fiscal year, Caltrans assigns additional obligation authority (for use in the following fiscal year) to regions that overdelivered. The amount each region receives is based on the extent to which they overdelivered against their obligation authority targets. Caltrans refers to this process as “August Redistribution.” Based on performance in FY 17/18, San Joaquin County will receive \$5,636,975 in additional obligation authority for FY 18/19. In addition to this benefit, this overdelivery means that a full year's worth of projects will start early. These advanced projects are able to take advantage of today's project costs and be available for the public's benefit at least one year early.



Figure 5

## RANK ORDER - 8 COUNTIES IN SAN JOAQUIN VALLEY BY PERCENTAGE DELIVERED (OBLIGATIONAL AUTHORITY IN FISCAL YEAR 2017/18)



**Table 1**

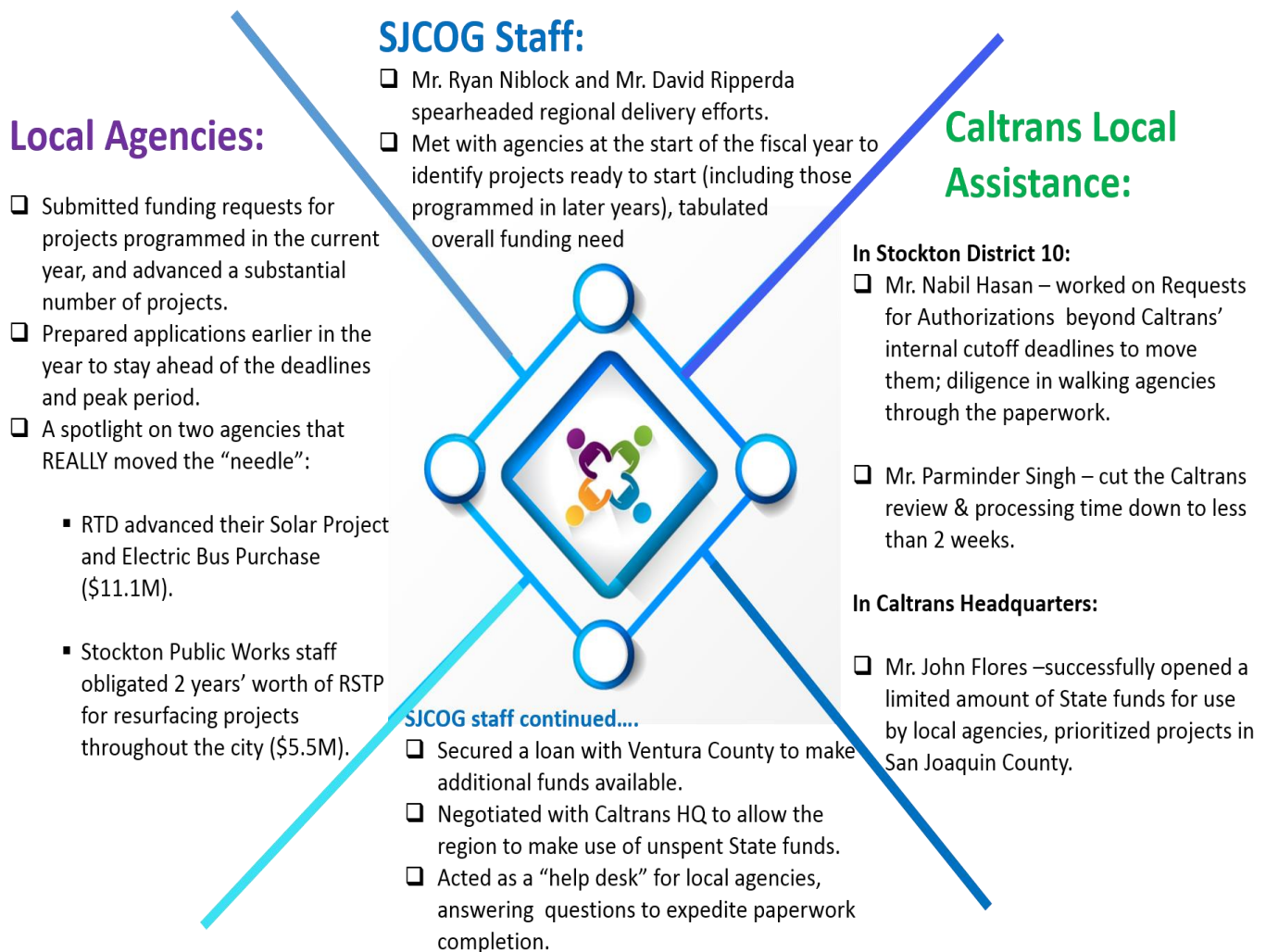
**Federal Fiscal Year (FY) 2017/2018  
Formula Obligation Authority (OA) Summary as of September 30, 2018**

<b>Region</b>	<b>FFY 17/18 Actual OA</b>	<b>FFY 17/18 Total Obligations</b>	<b>Percent OA Delivered</b>	<b>August Redistribution</b>
San Diego	\$47,686,669	\$100,295,381	210.3%	\$21,555,008
San Joaquin	\$13,592,864	\$27,350,874	201.2%	\$5,636,975
San Francisco Bay Area (MTC)	\$110,960,893	\$185,010,503	166.7%	\$30,339,841
Orange	\$80,169,717	\$131,212,503	163.7%	\$20,913,412
Riverside	\$38,375,543	\$62,686,423	163.3%	\$9,960,731
Sacramento (SACOG)	\$43,834,600	\$58,725,032	134.0%	\$6,100,955
Los Angeles	\$198,302,633	\$258,107,007	130.2%	\$24,503,238
Kern	\$15,152,074	\$19,460,426	128.4%	\$1,765,232
Monterey	\$4,423,305	\$5,441,452	123.0%	\$417,158
Kings	\$4,668,594	\$5,657,778	121.2%	\$405,292
Butte	\$5,020,118	\$5,537,411	110.3%	\$211,947
Tulare	\$10,228,775	\$10,706,373	104.7%	\$195,683
San Luis Obispo	\$6,725,932	\$6,579,275	97.8%	-
Fresno	\$20,604,218	\$19,991,164	97.0%	-
Tahoe	\$7,765,322	\$7,479,691	96.3%	-
Santa Barbara	\$7,712,917	\$6,649,349	86.2%	-
Imperial	\$3,571,956	\$3,070,381	86.0%	-
Amador	\$597,196	\$511,506	85.7%	-
Stanislaus	\$12,867,852	\$10,737,119	83.4%	-
Tuolumne	\$1,049,000	\$746,982	71.2%	-
Merced	\$8,825,033	\$6,096,513	69.1%	-
Nevada	\$2,888,000	\$1,798,291	62.3%	-
Ventura	\$22,036,950	\$13,158,712	59.7%	-
Madera	\$8,808,764	\$4,882,343	55.4%	-
Tehama	\$3,034,466	\$1,525,808	50.3%	-
Calaveras	\$1,293,867	\$584,077	45.1%	-
San Bernardino	\$77,361,283	\$34,918,442	45.1%	-
Mariposa	\$1,685,175	\$253,603	15.0%	-
<b>TOTAL:</b>	<b>\$759,243,716</b>	<b>\$989,174,419</b>	<b>130.3%</b>	<b>\$122,005,472</b>

# Partnerships make it possible

There are many agencies that deserve recognition for the delivery achievement identified in this staff report. The partnerships--between San Joaquin COG staff and the staff of cities/county and transit agencies in the San Joaquin region, and Caltrans Local Assistance-- are the primary reasons behind the resounding success of the region's transportation program. Figure 6 provides a mere snapshot of the various strategies by SJCOG staff and its partners in working together to make this all happen.

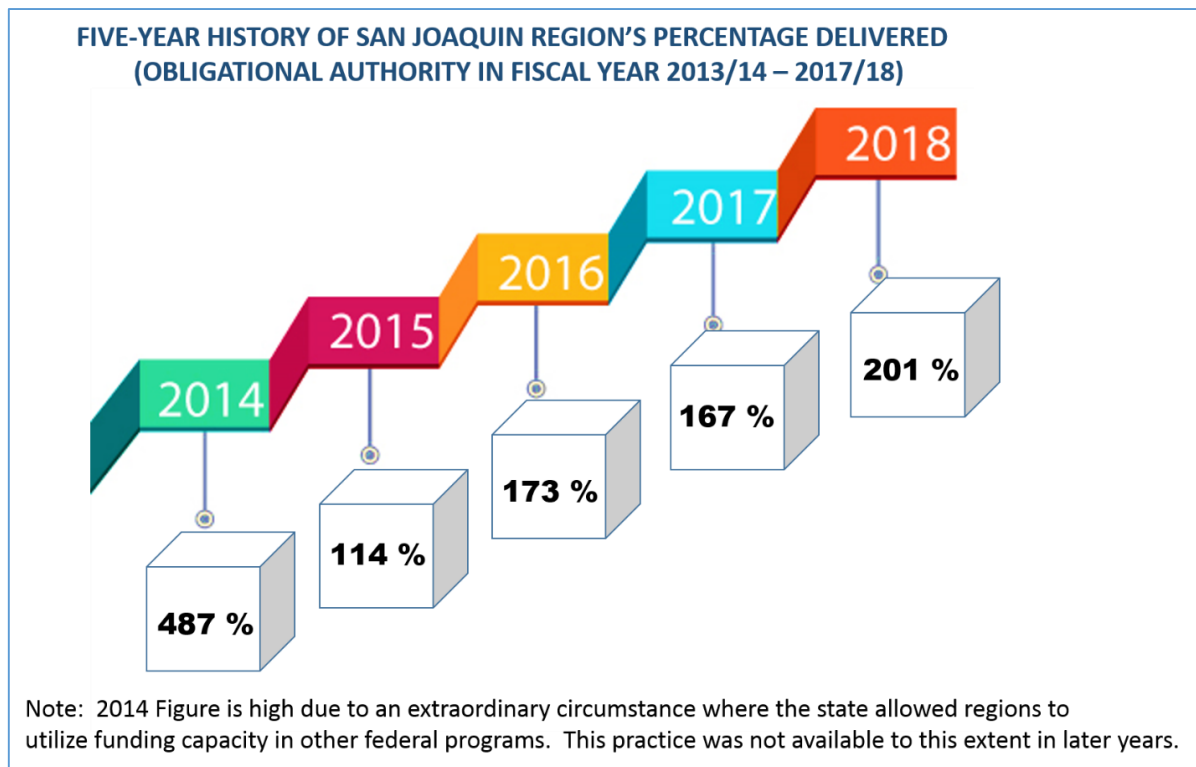
Figure 6



## A Proven Track Record

Fiscal Year 2017/18 is not an unusual achievement for the San Joaquin region. The above-mentioned strategies and partnerships have resulted in the region exceeding its delivery targets year after year (Figure 7).

Figure 7



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