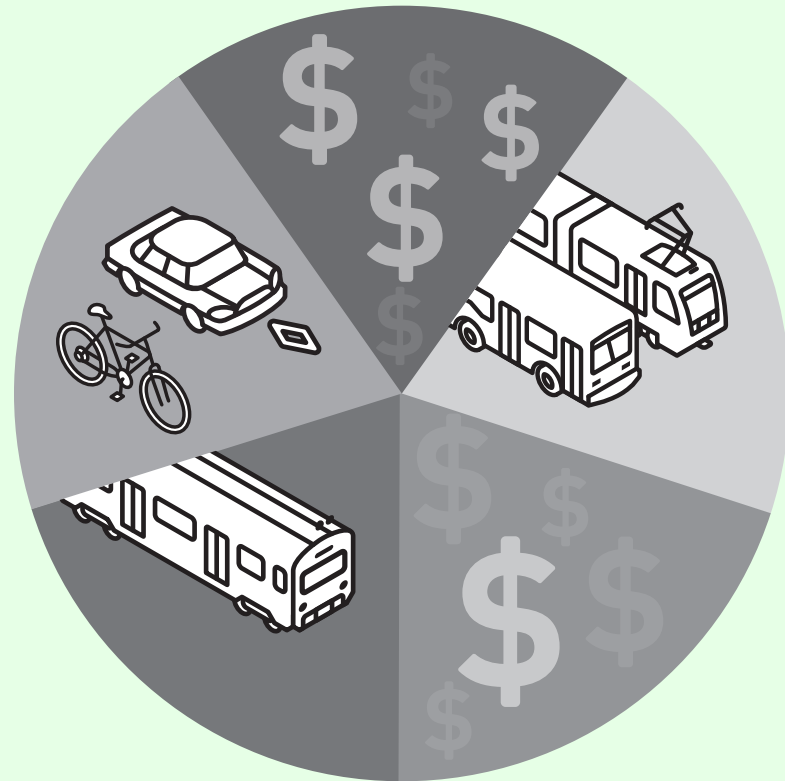


# 2012

## METRO FUNDING SOURCES GUIDE



# TABLE OF CONTENTS

INTRODUCTION .....4  
EXECUTIVE SUMMARY .....5  
SECTION I Listing of Local, State, and Federal Funding Sources and Major Funding Sources Eligibility Chart .....7  
SECTION II Description of Local, State, and Federal Funding Sources .....10

## LOCAL FUNDING SOURCES

Proposition A.....10  
Proposition C.....11  
Measure R .....13  
Transportation Development Act (TDA) .....14  
Bond and Lease Financing.....15  
Fare Revenues .....15  
HOV Violation Fund.....16  
Interest Earnings on Propositions A and C .....16  
Interest Earnings on Measure R .....16  
Interest Earnings on TDA.....16  
Local Agency Match Funds .....16  
Local Agency Street and Road Funds.....16  
Miscellaneous Metro Revenues .....16  
Mobile Source Emission Credits (MSERCs).....17  
Public/Private Joint Development.....17  
Service Authority for Freeway Emergencies (SAFE) .....17  
State Repayment of Capital Project Loans Fund 3562.....17

## STATE FUNDING SOURCES

AB 2766 Program (Air Quality Vehicle Registration Fee) .....18  
Carl Moyer Memorial Air Quality Standards Attainment Program .....18  
Environmental Enhancement and Mitigation (EEM) .....18  
Petroleum Violation Escrow Account (PVEA).....19

Proposition 1A High Speed Rail Bonds .....	19
Proposition 1B State Infrastructure Bonds.....	20
Public Transportation Account (PTA) .....	20
PUC Grade Separation Program .....	21
State Gas Tax Subventions.....	21
State Highway Account -- for Caltrans Operations.....	21
State Highway Account for Freeway Service Patrol .....	21
State Highway Operation and Protection Program (SHOPP).....	21
State Infrastructure Bank (SIB) Program.....	22
State Transit Assistance (STA).....	22
State Transportation Improvement Program (STIP) .....	23
Interregional Improvement Program (IIP).....	23
Regional Improvement Program (RIP) .....	23
Grant Anticipation Revenue Vehicles (GARVEE) bonds.....	23
AB 1012.....	23
AB 3090.....	23
Traffic Congestion Relief Program (TCRP) .....	24

**FEDERAL FUNDING SOURCES**

American Recovery and Reinvestment Act of 2009 .....	25
Homeland Security Grants.....	25
<i>SAFETEA-LU HIGHWAYS PROGRAMS</i> .....	26
Congestion Mitigation and Air Quality Improvement Program (CMAQ) .....	26
Equity Bonus Program .....	27
High Priority Projects (HPP) .....	27
Highway Bridge Program (HBP) .....	27
Highway Safety Improvement Program (HSIP) .....	28
Intelligent Transportation Systems (ITS) Research and Development Prog. ....	28
National Corridor Infrastructure Improvement Program (NCIIP) .....	28
Projects of National and Regional Significance (PNRS) .....	28
Safe Routes to Schools Program (SR2S) .....	29
Surface Transportation Program (STP) .....	29

Transportation Enhancements (TE) .....	29
STP State .....	29
Regional Surface Transportation Program (RSTP) .....	30
STP Local (STP-L) .....	30
Transportation Improvements .....	30
<i>SAFETEA-LU TRANSIT PROGRAMS</i> .....	30
Section 5307 Urbanized Area Formula Grants .....	30
Section 5308 Clean Fuels Grant Program .....	31
Section 5309 Bus and Bus-Related Equipment and Facility Grants .....	31
Section 5309 Fixed Guideway Modernization .....	31
Section 5309 New Starts .....	32
Section 5309 Small Starts .....	32
Section 5309 Very Small Starts .....	32
Section 5310 Elderly and Persons with Disabilities .....	33
Section 5311 Non-Urbanized Area Formula Grants .....	33
Section 5316 Job Access and Reverse Commute Program (JARC) .....	33
Section 5317 New Freedom Program .....	34
Section 5339 Alternatives Analysis Program .....	34
Section 5340 Growing States and High Density States .....	34
APPENDIX 1: Other State and Federal Funding Sources .....	35
APPENDIX 2: Acronyms .....	39
APPENDIX 3: Timely Use of Funding Sources .....	41
APPENDIX 4: Measure R Expenditure Plan .....	46

## INTRODUCTION

This Metro Funding Sources Guide provides an overview of the sources available for transportation funding in Los Angeles County. Transportation finance is extremely complex with funds coming from the local, state, and federal governments through their taxing sources. The Metro Funding Sources Guide is intended to assist the reader in understanding the origins and eligible uses of the various funding sources available Countywide. This Guide separately presents the three distinct governmental sources of revenue (local, state, and federal) by program source, and where appropriate, estimates of the funding available in Los Angeles County.

This Metro Funding Sources Guide is divided into three sections:

- Section I includes a brief list of all Local, State, and Federal funding sources available in Los Angeles County and a chart of funding eligibility.
- Section II provides basic information about each funding source within each category (local, state, and federal). Metro receives, programs, or monitors many of these funds and other agencies may also directly receive transportation revenues. Since each State and Federal funding program has more extensive requirements and restrictions than are described in this Guide, the reader is encouraged to consult California Department of Transportation (Caltrans), Federal Highway Administration (FHWA), and Federal Transit Administration (FTA) web sites for complete details. Useful *Transportation Funding in California* charts may be found on Caltrans web site: <http://www.dot.ca.gov/hq/tpp/offices/ote/fundchrt.html>.
- Section III contains the Appendices. Appendix 1 outlines additional transportation funding sources that may be allocated directly by State or Federal agencies to cities or agencies in Los Angeles County. Appendix 2 is a list of acronyms used in this Guide. Appendix 3 is a chart of timely use of funds requirements. Appendix 4 is the Measure R Expenditure Plan ultimately approved by the voters in 2008.

June 1, 2012

Please direct comments to:

Los Angeles County Metropolitan Transportation Authority

RE: Metro Funding Sources Guide

Regional Capital Development, MS 99-23-3

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## OVERVIEW

The Los Angeles County Metropolitan Transportation Authority (Metro) is the designated Regional Transportation Planning Agency (RTPA) for Los Angeles County with authority to program, to itself and other agencies, regional transportation funds in Los Angeles County. Programming means prioritizing and scheduling proposed projects and matching those projects with available funds. Metro uses a Call for Projects process for programming most regional funds to cities, the County, and local agencies. Some regional funds are programmed by the Metro Board to Metrolink, Access Services, and for major Metro projects and programs. Certain local, state and federal transit operating and capital funds are allocated to Los Angeles County jurisdictions, transit operators and Metro Operations through the Metro Formula Allocation Procedure (FAP). Metro is also guided by its annual Board-adopted budget, *Financial Standards*, and *Debt Policy*.

The primary sources of Countywide transportation funds are local sales taxes, a portion of the 18-cents per gallon state gasoline tax, and a portion of the 18.4-cents per gallon federal gasoline tax. Metro is legally authorized to administer the three voter-enacted local sales tax initiatives - Proposition A, Proposition C, and Measure R – which each imposed a sales and use tax of 1/2 cent in the County. Propositions A and C do not expire; Measure R expires in 2039. The Measure R Expenditure Plan, part of Ordinance #08-01 adopted by the voters in 2008, is included at the end of this Guide. These local sales taxes flow directly to Metro to be used by Metro or programmed to other agencies according to requirements of the applicable ordinances. Non-regional local transportation funds, such as gas tax subventions, go directly to other agencies. State and federal transportation-related taxes, through various funding programs, flow directly to recipients or are programmed by Metro to itself and other cities and agencies.

The total estimated amount of transportation revenues available Countywide for the period from Fiscal Year 2012 through Fiscal Year 2021 is \$64.2 billion – with 67% of this amount from local, 21% from state, and 12% from federal sources. Of the estimated \$5.9 billion in transportation revenues available in Los Angeles County in FY 2012, \$4.5 billion is included in the Metro budget. Local sources consist mostly of the local sales taxes designated for transportation purposes (Propositions A and C and Measure R), ¼ cent of the 7.25 cent statewide retail sales tax collected in L.A. County (Transportation Development Act), and fare revenues. Bond financing increases the amount of local sources depending on the bonding level assumed.

Proposition 42 (2002) amended the State Constitution to transfer state sales tax on gasoline from the State General Fund to transportation purposes beginning in FY 2004, thereby providing a significant amount of State transportation funds. However, due to the State's General Fund fiscal emergency, the transfer was

partially suspended in FY 2004 and fully suspended in FY 2005. In 2006, voters approved Proposition 1A to amend the State Constitution to further limit suspensions of the Proposition 42 transfers and to require that the FY 2004 and FY 2005 suspensions be repaid by June 30, 2016, at a minimum rate of repayment each year. In March 2010, the Legislature and Governor enacted a “fuel tax swap” (AB 105) as part of the FY 2011 State Budget to offset State General Fund debt service costs. This swap, which effectively repealed the provisions of Proposition 42 and subsequent revenue allocation, eliminated the state sales tax on gasoline and replaced the lost revenue with an additional excise tax on gasoline. Proposition 22 (November 2010) restricted the State’s ability to pay for transportation debt service using fuel excise tax revenues and prohibited the borrowing of fuel excise tax revenues as well as certain other transportation funds. Proposition 26 (November 2010) potentially repealed certain tax and fee increases including the additional excise tax on gasoline unless they were reenacted by a two-thirds vote of the Legislature. Accordingly, as part of the FY 2012 State Budget, portions of the fuel tax swap were reenacted in March 2011. This new version of the fuel tax swap relies on vehicle weight fees, rather than fuel excise tax revenues, to benefit the State General fund, thus avoiding conflicts with both propositions.

Federal transportation funding was last reauthorized in August 2005 with the Safe, Accountable, Flexible, Efficient Transportation Equity Act – a Legacy for Users (SAFETEA-LU,) which covered Federal Fiscal Years 2005 – 2009 and expired September 30, 2009. Funding has been continued through a series of extensions since then.

In California, most Federal and State transportation funds are deposited into the State Highway Account, a portion of which the California Transportation Commission (CTC) allocates by both formula and for specific projects according to statutes.

## SECTION I: Listing of Local, State, and Federal Funding Sources and Key Funding Sources Eligibility Chart

Following is a brief listing of the Local, State, and Federal transportation funding sources available in Los Angeles County and a chart of eligible uses by mode of the major funding sources. The flow of funds is complex: some funding sources belong directly to Metro or other agencies, some are received by Metro and allocated to itself and/or other agencies, and some are not received by Metro but are programmed by Metro to itself or other agencies subject to CTC, FHWA, and/or FTA approvals. See Section II for more information. Also, consult Caltrans, FHWA, and FTA web sites for complete details.

<b>Funding Source</b>		
<b>LOCAL</b>	<b>LOCAL (cont.)</b>	<b>FEDERAL</b>
Proposition A	Interest Earnings on Propositions A, C, TDA (Metro)	American Recovery and Reinvest. Act of 2009 (ARRA)
5% Administration (off the top)	Interest Earnings on Measure R	Homeland Security Grants
25% Local Return	Local Agency Match Funds for Metro Call for Projects	<b>FEDERAL -- SAFETEA-LU HIGHWAYS</b>
35% Rail Development Program	Local Agency Street and Road Funds	Congestion Mitigation & Air Quality Program (CMAQ)
40% Discretionary (95% of 40% discretionary)	Miscellaneous (Metro lease, advertising, other)	Equity Bonus Program
Incentive Program (5% of 40% discretionary)	Mobile Source Emissions Credits	Freight Intermodal Distribution Pilot Grant Program
Proposition C	Public/Private Joint Development	High Priority Projects (HPP) (earmarks)
1.5% Administration (off the top)	Service Authority for Freeway Emergencies (SAFE)	Highway Bridge Program (HBP)
5% Rail and Bus Security	State Repayment of Capital Project Loans Fund 3562	Highway Safety Improvement Program (HSIP)
10% Commuter Rail/Transit Centers/Park-n-Ride	<b>STATE</b>	Intelligent Transportation Systems Research & Dev.
20% Local Return	AB 2766 Program, Air Quality Vehicle Registration Fee	Nat'l Corridor Infrastructure Improvement (earmarks)
25% Transit-Related Highway Improvements	Carl Moyer Memorial Air Quality Standards Attainment	Projects of National & Regional Significance (earmarks)
40% Discretionary	Environmental Enhancement & Mitigation (EEM)	Safe Routes to Schools Program (SRTS)
Measure R	Petroleum Violation Escrow Account (PVEA)	Surface Transportation Program (STP):
1.5% Administration (off the top)	Proposition 1A High Speed Rail Bonds	Regional share (RSTP)
2% Rail Capital General Improvements	Proposition 1B State Infrastructure Bonds	Transportation Enhancements (TE)
3% Metrolink	Public Transportation Account (PTA)	Transportation Improvements (earmarks)
5% Rail Operations (new projects)	PUC Grade Separation Program	<b>FEDERAL – SAFETEA-LU TRANSIT</b>
15% Local Return	State Highway Account – for Caltrans Operations	Section 5307 – Urbanized Area Formula Grants
20% Bus Operations	State Highway Account – for Freeway Service Patrol	Section 5308 – Clean Fuels Grants
20% Highway Projects	State Highway Operation & Protection Prog. (SHOPP)	Section 5309 – Bus & Bus Facility Grants
35% Transit Capital- Specific Projects	State Infrastructure Bank (SIB)	Section 5309 – Fixed Guideway Modernization
Transportation Development Act (TDA)	State Subventions to Cities/Counties–gas tax	Section 5309 – New Starts
Administration	State Subventions to Cities/Counties-fuel tax swap	Section 5309 – Small Starts & Very Small Starts
TDA Article 3 (Bicycle and Pedestrian)	State Transit Assistance (STA)	Section 5310 – Elderly & Persons with Disabilities
TDA Article 4 (Public Transportation)	Population Share	Section 5311 – Non-Urbanized Area Formula Grants
TDA Article 8 (Transit & Paratransit Unmet Needs)	Operator Revenue Share	Section 5314 – National Research Program
Bond Financings	State Transportation Improvement Program (STIP):	Section 5316 – Job Access & Reverse Commute (JARC)
Fare Revenues	Interregional Improvement Program (IIP)	Section 5317 – New Freedom Program
HOV Violation Fund	Regional Improvement Program (RIP)	Section 5339 – Alternative Analysis Program
	Traffic Congestion Relief Program (TCRP)	Section 5340 – Growing States & High Density



**Los Angeles County Metropolitan Transportation Authority  
Key Funding Sources Eligibility**

Y = Yes, N = No, Cap = Capital, Ops = Operating Revenue Source	Government Entity Allocating	Allocation Process	Allocated To	Bus Eligible		Rail Eligible		New Subway Eligible		Highway Eligible	
				Cap	Ops	Cap	Ops	Cap	Ops	Hwys	TDM
<b>Proposition A - 1/2 cent L.A. County Sales Tax</b>											
Admin (5%)	Local	Metro Board	Metro	N	N	N	N	N	N	N	N
25% - Local Return		Ordinance	Cities & Unincorporated Cnty by Population	Y*	Y*	N	N	N	N	N	N
35% - Rail Development		Metro Board	Metro	N	N	Y	Y	N	N	N	N
40% - Discretionary 95% of 40%		FAP	Metro and Municipal Operators	Y	Y	Y	Y	N	N	N	N
40% - Incentive Prog. 5% of 40%		FAP	Municipal Operators	Y	Y	Y	Y	N	N	N	N
Interest		FAP	Metro and Municipal Operators	Y	Y	Y	Y	N	N	N	N
<b>Proposition C - 1/2 cent L.A. County Sales Tax</b>											
Admin (1.5%)	Local	Ordinance	Metro	N	N	N	N	N	N	N	N
5% - Transit Security		Metro Board	Metro and Municipal Operators	Y	Y	Y	Y	N	N	N	N
10% - Commuter Rail/Transit Centers/Park-n-Ride		Metro Board	Metro, Local Agencies, Metrolink (projs)	N	N	N	N	N	N	N	Y
20% - Local Return		Ordinance	Cities & Unincorporated Cnty by Population	Y*	Y*	N	N	N	N	Y	Y
25% - Transit-related Highway Improvements		Metro Board	Metro and Local Agencies for Projects	N	N	N	N	N	N	Y	Y
40% - Discretionary		Metro Board	Metro & Others (Discretionary)	Y	Y	Y	Y	N	N	N	N
Interest		Metro Board	Metro & Others (Discretionary)	Y	Y	Y	Y	N	N	N	N
<b>Measure R - 1/2 cent L.A. County Sales Tax</b>											
Admin (1.5%)	Local	Ordinance	Metro	N	N	N	N	N	N	N	N
2% - Rail Capital System Improvements, Yards, Cars		Metro Board	Metro	N	N	Y	N	Y	N	N	N
3% - Metrolink		Metro Board	Metrolink	N	N	Y	N	N	N	N	N
5% - Rail Operations		Metro Board	Metro	N	N	N	Y	N	Y	N	N
15% - Local Return		Ordinance	Cities and County Unincorp. by Population	Y	Y	Y	Y	Y	Y	Y	Y
20% - Bus Operations		Metro Board	Metro and Municipal Operators	N	Y	N	N	N	N	N	N
20% - Highway Projects		Metro Board	Metro and Local Agencies for Projects	N	N	N	N	N	N	Y	Y
35% - Transit Capital Specific Projects		Metro Board	Metro	Y	N	Y	N	Y	N	N	N
Interest (same eligibility as subfund)		Metro Board	Allocated to Each Subfund	Y	Y	Y	Y	Y	Y	Y	Y
<b>Transportation Development Act (TDA) - 1/4 cent State Sales Tax</b>											
Admin (1% Metro, 3/4% SCAG)	State	Metro Board	Metro, SCAG, LA County Auditor	N	N	N	N	N	N	N	N
Article 3 - Bikeways, Pedestrian Facilities	State	State Law	Cities by Population	N	N	N	N	N	N	N	Y
Article 4 - Transit Capital & Operating	State	FAP	Metro and Municipal Operators	Y	Y	Y	Y	Y	Y	N	Y
Article 4 - Interest	Local	FAP	Metro and Municipal Operators	Y	Y	Y	Y	Y	Y	N	Y
Article 8 - Transit/Paratransit Unmet Needs	State	State Law	Cities & Unincorporated County not served by Metro, by Population	Y*	Y*	N	N	N	N	Y	Y

## Key Funding Sources Eligibility

Revenue Source	Government Entity Allocating	Allocation Process	Allocated To	Bus Eligible		Rail Eligible		New Subway Eligible		Highway Eligible	
				Cap	Ops	Cap	Ops	Cap	Ops	Hwys	TDM
<b>Public Transportation Account (PTA) - State Transit Assistance (STA)</b>	State										
Population Share	State	Metro Board	Metro	Y	Y	Y	Y	Y	Y	N	N
Operator Revenue Share	State	FAP	Metro and Municipal Operators	Y	Y	Y	Y	Y	Y	N	N
Operator Revenue Share Interest	Local	FAP	Metro and Municipal Operators	Y	Y	Y	Y	Y	Y	N	N
<b>Service Authority for Fwy Emergencies (SAFE)-Call Boxes</b>	State	SAFE Board	Restricted to Call Box Program	N	N	N	N	N	N	Y	N
<b>Metro General Revenues</b>											
Fares	Local	Metro Board	Metro	Y	Y	Y	Y	Y	Y	N	N
Advertising Revenues	Local	Metro Board	Metro	Y	Y	Y	Y	Y	Y	N	N
Other General Revenues	Local	Metro Board	Metro	Y	Y	Y	Y	Y	Y	N	N
Lease and Leaseback Revenues	Local	Metro Board	Metro	Y	Y	Y	Y	Y	Y	N	N
<b>State Transportation Improvement Program (STIP)</b>											
Regional Improvement Prog. (RIP) (mostly federal STP)	State	Metro Board and CTC	Metro & Local Agencies for Projects	Y	N	Y	N	Y	N	Y	Y
<b>Surface Transportation Program (STP)</b>											
Surface Transp.Prog.-Regional (RSTP)-flexible to transit	Federal/FHWA	Metro Board	Metro & Local Agencies for ASI & Projects	Y	N	Y	N	Y	N	Y	Y
Surface Transportation Program-Local (STP-L)	Federal/FHWA	State Law	Fixed Amounts to Cities & L.A. County	N	N	N	N	N	N	Y	Y
Surface Transp.Prog.-10% Transp. Enhancements (TE)	Federal/FHWA	Metro Board	Metro/Local Agencies-Projects	N	N	N	N	N	N	Y	Y
<b>Congestion Mitigation &amp; Air Qual.(CMAQ)-flexible to transit</b>	Federal/FHWA	Metro Board	Metro/Local Agencies-Projects	Y	Y**	Y	Y**	Y	Y**	Y	Y
<b>Section 5307 - Urbanized Area Formula Program</b>											
Section 5307 - 85% Capital Formula	Federal/FTA	Metro Board	Metro and Municipal Operators	Y	N	Y	N	Y	N	N	N
Section 5307 - 15% Capital Discretionary	Federal/FTA	Metro Board	Metro and Municipal Operators	Y	N	N	N	N	N	N	N
<b>Section 5309-Fixed Guideway Modernization Formula Prog.</b>	Federal/FTA	Metro Board	Metro	Y	N	Y	N	Y	N	N	N
<b>Section 5309-New Starts</b>	Federal/FTA	Metro Board	Metro for Earmarked Projects	N	N	Y	N	Y	N	N	N
<b>Section 5309-Bus and Bus Related</b>	Federal/FTA	Metro Board	Metro/Local Agencies-Earmarked Projs	Y	N	N	N	N	N	N	N

\* Muni Bus use only. \*\* First three years of new transit services only.

## SECTION II: Description of Local, State, and Federal Funding Sources

Local Funding Source & Annual Amount (approx.)	Description	Eligible Uses
<p><b>Proposition A</b> <b>\$635 million</b></p>	<p>A voter-enacted (1980) ½-cent sales tax in Los Angeles County. Metro is responsible for administering the funds. Funds flow to Metro which allocates to itself and other agencies according to the Metro Formula Allocation Procedure and Metro Board actions. These funds can be leveraged by bonding for capital projects. <b>Ordinance specifies the following apportionments:</b></p>	<p>To improve and expand public transit in L.A. County. Eligible uses are defined in the Ordinance. Per the 1998 Reform and Accountability Act, these funds cannot be used for planning, design, construction or operation of any new underground subway (including any extension or operating segment thereof) other than Metro Red Line MOS-1, MOS-2 and MOS-3-North Hollywood.</p>
<p>\$30 million</p>	<ul style="list-style-type: none"> <li>• <b>Administration</b> – Metro has elected to use up to 5% for administration</li> </ul>	<p>Planning, management, execution, use and conduct of the projects and programs funded by Proposition A.</p>
<p>\$150 million</p>	<ul style="list-style-type: none"> <li>• <b>25% Local Return Program</b> – distributed to L.A. County and the cities in L.A. County on a per capita basis for public transit uses                             <ul style="list-style-type: none"> <li>– Prop A Local Return (does not apply to Prop C) may be traded to other jurisdictions in exchange for general or other funds if the traded funds are used for public transit purposes</li> <li>– Requires annual project descriptions</li> <li>– Metro conducts fiscal and compliance audits upon project completion</li> <li>– Can establish capital reserves with Metro Board approval</li> </ul> </li> </ul>	<p>Exclusively to benefit public transit: expenditures related to fixed route and paratransit services, Transportation Demand Management (TDM), Transit Systems Management (TSM), and fare subsidy programs that exclusively benefit transit. See Guidelines for complete details. Metro web site: <a href="http://www.metro.net/projects/local_return_pgm/">http://www.metro.net/projects/local_return_pgm/</a></p>
<p>\$211 million</p>	<ul style="list-style-type: none"> <li>• <b>35% Rail Development Program</b> <ul style="list-style-type: none"> <li>– Metro frequently leverages these funds by bonding in accordance with adopted debt policy to finance major construction projects such as rail lines</li> </ul> </li> </ul>	<p>Bond debt service (principal and interest on bonds to finance major rail construction projects) has first claim. Acquisition, renovation, rehabilitation, and replacement of rail vehicles, rail facilities, &amp; wayside systems. Operation of rail systems. Acquisition &amp; maintenance of rights of way.</p>

Local Funding Source & Annual Amount (approx.)	Description	Eligible Uses
<b>Proposition A continued</b> \$244 million \$232 million	<ul style="list-style-type: none"> <li> <b>40% Discretionary</b> – allocated as follows per Metro Board policy:               <ul style="list-style-type: none"> <li>– 40% (95% of 40%) Discretionary– for county bus operators by formula based on projected receipts plus CPI, adjusted once during the mid-year reallocation. Growth above CPI, if any, is transferred to Proposition C 40% Discretionary per the Discretionary Grant Program and Incentive Program Guidelines. SB 1755 (Calderon, 1991) mandates adherence to the Transit Operator Formula Funds (Formula Allocation Procedure) unless changed by ¾ vote of Metro Board.</li> </ul> </li> </ul>	Any transit purpose, but current practice limits expenditures to bus capital and operations
\$12 million	<ul style="list-style-type: none"> <li>– 5% of 40% Incentive Program – for paratransit programs. The County, cities, and public transit operators may apply. Private operators may only receive funds through sponsorship by an eligible operator.</li> </ul>	Sub-regional paratransit programs, special transit programs, community transportation programs, voluntary NTD reporting.
<b>Proposition C</b> <b>\$635 million</b>	A voter-enacted (1990) ½-cent sales tax for public transit purposes. Metro is responsible for administering the funds. Funds flow to Metro which allocates to itself and other agencies according to the Metro Formula Allocation Procedure, the Metro Call for Projects, and Metro Board actions. An MOU is executed for each project in the Metro Call for Projects. These funds can be leveraged by bonding for capital projects. <b>Ordinance specifies the following apportionments:</b>	Eligible uses are defined in the Ordinance. Per the 1998 Reform and Accountability Act, these funds cannot be used for planning, design, construction or operation of any new underground subway (including any extension or operating segment thereof) other than Metro Red Line MOS-1, MOS-2 and MOS-3-North Hollywood.
\$8 million	<ul style="list-style-type: none"> <li> <b>Administration</b> – Metro may use up to 1.5% for administration         </li> </ul>	Planning, management, execution, use and conduct of the projects and programs funded by Proposition C.
\$31 million	<ul style="list-style-type: none"> <li> <b>5% Rail and Bus Security</b> – Per SB 1755 (Calderon, 1991), 90% is allocated based on unlinked passenger trips. 10% is allocated to Metro for internal security.         </li> </ul>	Improve and expand rail and bus security such as new rail line security, transit service and facilities security, security incentives, security improvements, and demonstration projects.
\$62 million	<ul style="list-style-type: none"> <li> <b>10% Commuter Rail/Transit Centers/Park-n-Ride</b> – Generally allocated to the Southern California Regional Rail Authority (SCRRA) for operation and maintenance of the Metrolink commuter rail system. Additional Prop C 10% funds, if any, are allocated through the Metro Call for Projects process to other eligible agencies for specific projects.         </li> </ul>	Planning, construction and operation of commuter rail such as Metrolink including vehicles and equipment, and right-of-way improvements to tracks, bridges and signal systems. Other capital projects such as transit centers, freeway bus stops, park-n-ride lots. Bond debt service.

Local Funding Source & Annual Amount (approx.)	Description	Eligible Uses
<b>Proposition C continued</b> \$125 million	<ul style="list-style-type: none"> <li>• <b>20% Local Return</b> – distributed to cities on a per capita basis exclusively for public transit purposes               <ul style="list-style-type: none"> <li>– Requires annual project descriptions</li> <li>– Metro conducts fiscal and compliance audits upon project completion</li> <li>– Can establish capital reserves with Metro Board approval</li> <li>– May not be traded to other jurisdictions</li> </ul> </li> </ul>	Exclusively to benefit public transit: expenditures related to fixed route and paratransit services, Transportation Demand Management (TDM), Transit Systems Management (TSM), fare subsidy programs that exclusively benefit transit, Congestion Management Programs, commuter bikeways and bike lanes, street improvements supporting public transit service, and Pavement Management System projects. See Guidelines for details. Metro web site: <a href="http://www.metro.net/projects/local_return_pgm/">http://www.metro.net/projects/local_return_pgm/</a>
\$156 million	<ul style="list-style-type: none"> <li>• <b>25% Transit-related Improvements to Freeways and State Highways and public mass transit improvements to railroad rights-of-way</b>                Generally awarded to Metro, the County, cities and local agencies through the Metro Call for Projects or other Metro Board action. Recipients must provide for ongoing maintenance and operations. Metro frequently leverages these funds by bonding.</li> </ul>	New or improved facilities that reduce congestion such as carpool lanes, transitways, signal coordination/TSM improvements on arterial streets used by transit, grade separations, incident management programs, arterial widening, interchanges, ridesharing, and bond debt service.
\$253 million	<ul style="list-style-type: none"> <li>• <b>40% Discretionary</b> – currently allocated at discretion of Metro Board to Metro and non-Metro operators and agencies after all other funding opportunities are exhausted. Programs currently funded with this source are: Foothill Mitigation, transit service expansion, base restructuring, Municipal Operator Service Improvement Program (MOSIP), over-crowding relief, and bus security enhancements.</li> </ul>	Improve and expand rail and bus transit Countywide, provide fare subsidies, increase graffiti prevention and removal, and increase energy-efficient, low polluting public transit service. May be used for Call for Projects and other regionally significant transit programs at discretion of Metro Board. May not be used for Metro Rail subway improvements between Union Station and Hollywood.

Local Funding Source & Annual Amount (approx.)	Description	Eligible Uses
<b>Measure R</b> <b>\$635 million</b>	A voter-enacted (2008) ½-cent sales tax for public transit purposes for a period of 30 years beginning July 1, 2009 through June 30, 2039 (Rail Expansion, Local Street Improvements, Traffic Reduction, Better Public Transportation, Quality of Life). Metro is responsible for administering the funds. Provides for the following subfunds: Transit Capital, Highway Capital, Operations, and Local Return. <b>Ordinance specifies the following apportionments:</b>	Eligible uses are defined in the Ordinance. Projects are specified in the Measure R Expenditure Plan. Funds flow to Metro which allocates to itself and other agencies according to the Ordinance.
\$9 million	<ul style="list-style-type: none"> <li>• <b>Administration</b> – Metro may use 1.5% for administration</li> </ul>	Planning, management, execution, use and conduct of the projects and programs funded by Measure R.
\$13 million	<ul style="list-style-type: none"> <li>• <b>2% Metro Rail Capital System Improvements</b> – Allocated to Metro for capital improvements to Metro’s rail system.</li> </ul>	Metro rail capital - system improvements, rail yards, and rail cars.
\$19 million	<ul style="list-style-type: none"> <li>• <b>3% Metrolink Capital</b> – Allocated to the Southern California Regional Rail Authority (SCRRA) for capital improvements to the Metrolink commuter rail system.</li> </ul>	Metrolink capital improvement projects within Los Angeles County. Operations, maintenance, and expansion.
\$31 million	<ul style="list-style-type: none"> <li>• <b>5% Rail Operations</b> – Allocated to Metro for operation and maintenance of new rail projects.</li> </ul>	New rail project operations and maintenance.
\$94 million	<ul style="list-style-type: none"> <li>• <b>15% Local Return</b> – distributed to the incorporated cities within Los Angeles County and to Los Angeles County for the unincorporated area of the County on a per capita basis</li> </ul>	Major street resurfacing, rehabilitation and reconstruction; pothole repair; left turn signals; bikeways; pedestrian improvements; streetscapes; signal synchronization; and transit. <a href="http://www.metro.net/projects/local_return_pgm/">http://www.metro.net/projects/local_return_pgm/</a>
\$125 million	<ul style="list-style-type: none"> <li>• <b>20% Bus Operations</b> – Allocated to Metro and non-Metro operators and agencies for bus operations. Suspended a scheduled July 1, 2009 Metro fare increase for one year and froze all Metro Student, Senior, Disabled, and Medicare fares through June 30, 2013 by instead using Metro's Formula Allocation Procedure share of this subfund.</li> </ul>	Countywide bus service operations, maintenance, and expansion.
\$125 million	<ul style="list-style-type: none"> <li>• <b>20% Highway Projects</b> – Carpool lanes, highways, goods movement, grade separations, and soundwalls. Annual allocations per Metro Board action.</li> </ul>	Construction of specific list of projects.
\$219 million	<ul style="list-style-type: none"> <li>• <b>35% Transit Capital Specific Projects</b> – For specified new Rail and/or Bus Rapid Transit Capital Projects.</li> </ul>	Construction of specific list of new rail and/or bus rapid transit capital projects including Metro clean fuel buses and Municipal clean fuel bus capital facilities and rolling stock. Project definition depends on final environmental process.

Local Funding Source & Annual Amount (approx.)	Description	Eligible Uses
<b>Transportation Development Act (TDA) (considered a local source)</b>  <b>\$335 million</b>	A Local Transportation Fund (LTF) for each county derived from ¼ cent of the 7.25 cent statewide retail sales tax. The funds are apportioned to each county by the State Board of Equalization according to the amount of tax collected in the county. The funds are held by the County of Los Angeles which deducts for its administrative costs and distributes the balance as directed by the Metro Accounting Department. Public Utilities Code 99200	Metro allocates to itself and non-Metro transit operators based on established criteria and formula including the Metro Formula Allocation Procedure (FAP).
\$6 million	<ul style="list-style-type: none"> <li>• Administration (PUC 99233.1)</li> <li>• Planning and Programming (PUC 99233.2)</li> </ul>	<ul style="list-style-type: none"> <li>• Such sums as may be necessary for Metro administrative responsibilities including performance audits</li> <li>• Up to 1% may be used by Metro and ¾% by SCAG for planning and programming</li> </ul>
\$6 million	<ul style="list-style-type: none"> <li>• 2% TDA Article 3 (Bicycle &amp; Pedestrian Facilities) – allocated to local jurisdictions based 85% on population and 15% to City of LA and LA County unincorporated areas for maintenance of regionally significant Class I bicycle facilities.</li> </ul>	Bicycle and pedestrian facilities. Metro web site: <a href="http://www.metro.net/projects/TDA/">http://www.metro.net/projects/TDA/</a>
\$306 million	<ul style="list-style-type: none"> <li>• TDA Article 4 (Public Transportation Systems)</li> </ul> <p>TDA Article 4.5, for community transit services for riders such as handicapped who cannot use conventional transit, is not utilized since Prop A Incentive Program serves this purpose.</p>	Public transportation systems, bus capital or operating. Available only to Metro and “eligible” municipal operators subject to the Formula Allocation Procedure based on vehicle service miles and fare revenue. Often used as local match.
\$17 million	<ul style="list-style-type: none"> <li>• TDA Article 8 – For areas within LA County not served by Metro, North County unincorporated area, Palmdale, Lancaster, Santa Clarita, and Avalon. Allocated to the eligible local jurisdictions based on population. Requires annual public hearings. FY11 apportionment is 5.8% of TDA funds.</li> </ul>	Transit and paratransit programs to fulfill unmet transit needs in areas not served by Metro. If there are no unmet transit needs, may be used for street and road improvements.

Local Funding Source & Annual Amount (approx.)	Description	Eligible Uses
<b>Bond and Lease Financing (variable)</b>	Debt and lease instruments are used to leverage future revenues to currently pay for capital projects that will provide long-term benefits over the repayment period.	Metro has a Debt Policy, updated each June, which outlines the appropriate uses of debt financing. <a href="http://www.metro.net/about/financebudget/debt-program/">http://www.metro.net/about/financebudget/debt-program/</a>
	Certificates of Participation (COP): A lease obligation frequently used to finance a capital project or acquisition when a debt instrument may not be suitable. May be taxable or tax exempt.	Financing of large lease projects, primarily rail system rolling stock, buses, and bus/rail facility construction.
	Commercial Paper (CP): A short-term debt instrument with maturities ranging from 1 to 270 days frequently used as interim financing. May be either taxable or tax exempt.	Financing of capital costs related to acquisition, construction, and equipment for bus, rail, and other transit related capital projects
	Cross Border Leases: A taxable transaction where a foreign-domiciled equity investor holds the title to the leased asset and Metro benefits from a low-cost financing which may be able to be structured into an upfront cash benefit.	Buses and rail vehicles are the most likely to qualify. These leases typically require that the equipment be delivered directly from the vendor into the lease. Must be investigated well in advance of planned equipment delivery.
	Bonds: long-term debt instrument used to leverage future revenues by borrowing to pay the current capital costs of projects that will provide future benefit over the life of the repayment period, which should not exceed the useful life of the asset. The bonds Metro issues would typically be tax-exempt so long as the project complies with the private use rules of the Federal tax code.	Financing of capital costs of acquisition, construction, and equipment for bus, rail, and other transit-related capital projects. Should be limited to funding of significant assets that require large amounts of upfront cash for construction or acquisition, and that will have long useful lives. Examples include construction of rail lines, busways, and operating facilities. Repetitive capital costs such as annual bus acquisitions are generally not good candidates for bond financing. The useful life of the financed assets should be at least equal to the average life of the bonds providing the funding. Average life of Metro’s 30-year bonds is 19 years.
<b>Fare Revenues \$473 million</b> \$332 M Metro \$ 96 M Non-Metro Operators \$ 45 M Metrolink	Metro bus and rail transit fares, non-Metro bus transit fares (“Municipal” and Other Operators, Access Services), and Metrolink fares including cash fares, daily and monthly passes, discounted student, senior, and disabled passes, and other fare media.	Funds belong to each operator.



<b>Local Funding Source &amp; Annual Amount (approx.)</b>	<b>Description</b>	<b>Eligible Uses</b>
<b>HOV Violation Fund \$0.5 million</b>	Revenue generated from fines collected from violations of Los Angeles County carpool lanes and for crossing double-double solid yellow lines. Metro receives 1/3 of the first \$100 if the violation occurs in a city within the County and ½ if in un-incorporated areas of the County.	Metro programs these funds for the Freeway Service Patrol Program in which Metro contracts for tow trucks to patrol the freeways to improve traffic flow.
<b>Interest Earnings on Propositions A and C (Metro)  \$15 million</b>	Interest earned by Metro on Propositions A and C funds. Allocated at discretion of Metro Board through annual budget or specific action. If allocated to Metro Operations, Municipal Operators receive their share according to the Formula Allocation Procedure.	See 1996 Propositions A and C Interest Guidelines. Formula Allocation Procedure applies when Metro uses these funds directly or indirectly for a purpose historically covered by the Formula Allocation procedure or if Metro Board elects to use the funds for new programs or services in conjunction with the Municipal Operators.
<b>Interest Earnings on Measure R (Metro)  \$12 million</b>	Interest earned by Metro on Measure R 35% Transit Capital and Measure R 20% Highway Capital funds.	Allocated at discretion of Metro Board through annual budget or specific action.
<b>Interest Earnings on TDA (Metro) \$2.4 million</b>	Interest earned by Metro on TDA Article 4 funds. Allocated at discretion of Metro Board through annual budget. If allocated to Metro Operations, Municipal Operators receive their share according to the Formula Allocation Procedure.	
<b>Local Agency Match Funds</b>	For projects awarded regional funds through the Metro Call for Projects, local agency recipients are generally required to provide, from their direct funds (including their Local Return funds allocated by Metro), usually 20%-35% of the project's cost	Match for Call for Projects
<b>Local Agency Match Funds for Measure R 35% Transit Projects</b>	The Measure R Expenditure Plan assumes a contribution of 3% of project costs from local jurisdictions adjacent to Measure R 35% transit projects	Measure R 35% transit projects listed on the Measure R Expenditure Plan
<b>Local Agency Street and Road Funds</b>	Local agencies' own funds that they use for street maintenance	Street maintenance
<b>Miscellaneous Metro Revenues \$33 million</b>	Fees collected by Metro for advertising, chartering, leasing, ridesharing, and other miscellaneous services.	Allocated in Metro budget, usually for Metro Transit capital and operations

Local Funding Source & Annual Amount (approx.)	Description	Eligible Uses
<b>Mobile Source Emission Credits (MSERCs)</b> Variable depending on market demand	Under South Coast Air Quality Management District (SCAQMD) Rule 1612, Metro generates MSERCs when it operates alternative fuel buses with engines cleaner than state requirements. MSERCs can be traded into RECLAIM credits and be sold in SCAQMD emissions trading market.	Metro bus and rail transit operations (fuel parts, labor, etc.)
<b>Public/Private Joint Development</b> \$3 million	Revenue generated from public/private joint developments of Metro-owned property near rail lines and Metro rail transit stations.	Real estate development on Metro-owned property near rail stations
<b>Service Authority for Freeway Emergencies (SAFE)</b> \$7.9 million	Revenue generated from a \$1.00 annual registration fee on vehicles in Los Angeles County. SAFE is an independent agency with its own board. Policies and guidelines are developed by the State and implemented by SAFE.	Emergency call box operation and maintenance, Freeway Service Patrol, motorist aid
<b>State Repayment of Capital Project Loans Fund 3562</b>	Metro established the State Repayment of Capital Project Loans (fund 3562) to account for capital reimbursements from the State for advances that Metro made in lieu of capital project funding that the State could not provide on the originally programmed schedule. The fund also is referred to as the "Letter of No Prejudice (LONP) Reimbursement" fund, the "Traffic Congestion Relief Program (TCRP) Reimbursement Account", and the "TCRP Cash Account".	The Long Range Transportation Plan assumes that these funds must be used for capital purposes only and are allocated at the discretion of the Metro Board.

State Funding Source & Annual Amount (approx.)	Description	Eligible Uses
<b>AB 2766 Program (Air Quality Vehicle Registration Fee)</b> <b>\$30 million countywide</b> <b>\$4 million Metro discretionary estimate</b>	Annual \$6 vehicle registration surcharge in the South Coast Air Quality Management District (SCAQMD) to fund air pollution efforts per AB 2766 (1990). \$4 of this fee is divided as follows: 30% is used by SCAQMD to reduce motor vehicle air pollution and implement the California Clean Air Act, 40% is distributed based on population to cities and counties to reduce motor vehicle air pollution, and 30% is discretionary, on a competitive basis, recommended by the Mobile Source Air Pollution Reduction Review Committee (MSRC) to the SCAQMD Board.	Projects that reduce motor vehicle air pollution  <a href="http://www.aqmd.gov/trans/ab2766.html">http://www.aqmd.gov/trans/ab2766.html</a>  Health and Safety Code 44220-44247
<b>Carl Moyer Memorial Air Quality Standards Attainment Program (variable)</b> <b>\$25 million for SCAQMD area</b>	State program created in FY 1999 to facilitate the move to cleaner burning engines. Funded with \$2 of the aforementioned \$6 vehicle registration surcharge and portion of the tire fee. Funds are discretionary and are awarded by SCAQMD.	Purchase of clean fuel heavy vehicles and retrofitting of older diesel engines. AB 923 includes agricultural sources of air pollution and light-duty trucks in the program. Applicant projects must meet SCAQMD cost effectiveness limits.  <a href="http://www.aqmd.gov/tao/Implementation/carl_moyer_program_2001.html">http://www.aqmd.gov/tao/Implementation/carl_moyer_program_2001.html</a> SB 1107 and AB 923 (2004), AB 1390 (2001) Health and Safety Code 44275-44299
<b>Environmental Enhancement and Mitigation (EEM)</b> <b>\$10 million statewide</b> <b>\$1 million LA County discretionary estimate</b>	State program established in 1989. Local, state, and federal agencies and nonprofit organizations may apply to the California State Resources Agency which reviews and recommends a list of projects to the CTC for funding. Once the annual EEM program is adopted, the projects are administered by Caltrans.	Projects that mitigate the negative environmental effects, over and above that required, of transportation facilities modified or constructed in 1990 or later. Grants are generally limited to \$350,000. <a href="http://www.dot.ca.gov/hq/LocalPrograms/EEM/homepage.htm">http://www.dot.ca.gov/hq/LocalPrograms/EEM/homepage.htm</a>

State Funding Source & Annual Amount (approx.)	Description	Eligible Uses
<b>Petroleum Violation Escrow Account (PVEA) (variable)</b>	Nationwide refunds for price overcharges on crude oil and refined petroleum products during the period from September 1973 through January 1981 held in escrow by the U.S. Department of Energy. Although match is not required, PVEA funds must supplement funds already available for the project. Can be used as match for other Federal funds. There are strict mandatory reporting requirements.	Projects that save or reduce energy and demonstrate near-term direct quantifiable results. Local agencies should contact their local State Legislator to request allocation legislation. Projects must be proposed to the California Energy Commission and approved by the U. S. Department of Energy. See Caltrans <i>Local Assistance Program Guidelines</i> , Chapter 22.
<b>Proposition 1A High Speed Rail Bonds \$178 million estimated for LA County</b>	<p>In November 2008, California voters approved the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century to authorize \$950 million of state general obligation bonds for capital improvements to intercity rail lines, commuter rail lines, and urban rail systems that provide direct connectivity to the high-speed train system and its facilities, or that are part of the construction of the high-speed train system. Prop 1A also authorized \$9 B to fund the planning and engineering for the high-speed train system.</p> <p>The High-Speed Passenger Train Bond Program has two categories:  Intercity Rail Program- \$190 M statewide  Commuter and Urban Rail Program- \$760 M statewide</p>	<p>For the Intercity Rail Program, the program will consist of eligible project applications submitted by the Department of Transportation (Department) in two parts: A) Formula and B) Competitive. For the Commuter and Urban Rail Program, a total of \$760 million will be divided among eligible applicants using a formula distribution.</p> <p><a href="http://www.catc.ca.gov/programs/hsptbp.htm">http://www.catc.ca.gov/programs/hsptbp.htm</a></p>

State Funding Source & Annual Amount (approx.)	Description	Eligible Uses
<p><b>Proposition 1B State Infrastructure Bonds</b>  <b>\$5 billion estimated for LA County from all bond categories</b></p> <p><b>For specific projects, LA County received \$ 1.19 billion from the CMIA and \$998 million from the TCIF major discretionary programs.</b></p>	<p>In November 2006, California voters approved the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 to authorize \$19.925 billion of state general obligation bonds for specified purposes. Statewide categories and amounts:</p> <ul style="list-style-type: none"> <li>Corridor Mobility Improvement Account (CMIA) - \$4.5 billion</li> <li>Route 99 Corridor Account - \$1.0 billion</li> <li>Trade Corridors Improvement Fund (TCIF) - \$2.0 billion</li> <li>STIP Augmentation - \$2.0 billion</li> <li>State Highway Operation and Protection Program (SHOPP) - \$500 million</li> <li>Traffic Light Synchronization - \$250 million</li> <li>State-Local Partnership Program Account - \$1.0 billion</li> <li>Local Bridge Seismic Retrofit Account - \$125 million</li> <li>Highway-Railroad Crossing Safety Account - \$250 million</li> <li>Intercity Rail Improvement - \$400 million</li> <li>Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) - \$3.6 billion</li> <li>Local Street and Road, Congestion Relief, and Traffic Safety Account - \$2 B</li> <li>Goods Movement Emission Reduction Program - \$1.0 billion</li> <li>School Bus Retrofit and Replacement Account - \$200 million</li> <li>Port, Harbor, and Ferry Terminal Security Account - \$100 million</li> <li>Transit System Safety, Security and Disaster Response Account - \$1 billion</li> </ul>	<p>Bond categories are either discretionary or are allocated by formula. Each bond category has specific formulas and/or guidelines. Funding for categories must be included in the annual State Budget. Such appropriations may vary each year and are expected for six to ten years.</p> <p><a href="http://www.dot.ca.gov/hq/transprog/ibond.htm">http://www.dot.ca.gov/hq/transprog/ibond.htm</a></p>
<p><b>Public Transportation Account (PTA)</b></p>	<p>A transportation trust fund that now derives its revenue from the state sales tax on diesel fuel. Proposition 22 (2010) requires revenues from the State's portion (4.75%) be split equally between State and local transit. Per the Fuel Tax Swap, the new 1.75% increase in the state sales tax on diesel is dedicated to STA (see that section).</p> <ul style="list-style-type: none"> <li>• 4 ¾ % state sales tax on diesel fuel</li> <li>• 1 ¾ % state sales tax on diesel fuel</li> </ul> <p>AB 105 (2011) re-enacted the fuel tax swap and also implemented a new sales tax on diesel in addition to the existing 4 ¾ %. The new sales tax on diesel is as follows: 1.87% in 2011-12, 2.17% in 2012-13, 1.94% in 2013-14 and 1.75% in 2014-15 and thereafter. The new sales tax will be used for STA.</p>	<p>Transit projects excluding rolling stock.</p> <p>Revenue and Taxation Code 7102  Public Utilities Code 99310-99316</p>

State Funding Source & Annual Amount (approx.)	Description	Eligible Uses
<b>PUC Grade Separation Program</b> <b>\$15 million statewide</b>	A State funding program to help local agencies finance the high costs of grade separating highway-rail crossings. In general, allocations are limited to \$5 million each fiscal year per project or 80 percent of the project cost not to exceed \$20 million, whichever is less. There is also a minimum match requirement of 10 percent non-State and 10 percent railroad, however when Federal funds (Title 23) are part of the project budget, then the railroad match can be 5 percent. California Public Utilities Commission establishes a funding priority list of grade crossing projects most urgently in need of separation or alteration.	Highway-rail crossings nominated by a city, county, or public entity providing passenger rail services. Streets and Highways Code Sections 190, 2450- 2453. <a href="http://www.cpuc.ca.gov/PUC/hottopics/4railsafety/se190gradeseparation110729.htm">http://www.cpuc.ca.gov/PUC/hottopics/4railsafety/se190gradeseparation110729.htm</a>
<b>State Gas Tax Subventions</b> <b>\$264 million est.</b>	<ul style="list-style-type: none"> <li>Highway Users Tax Fund gas taxes that are directly disbursed by the State Controller to the cities and the county. Cities must be in conformance with Congestion Management Plan certified by Metro.</li> <li>State Excise Tax on Gasoline distributed to cities and the county for local streets and roads per the Fuel Tax Swap (2010).</li> </ul> State Controller's Office apportionment web site: <a href="http://sco.ca.gov/ard_payments_highway.html">http://sco.ca.gov/ard_payments_highway.html</a>	Recipient chooses street and highway projects that increase capacity, busways, and repaving. Cannot be used to purchase transit vehicles. Streets & Highways Code Sections 2105-2107, 2107.5
<b>State Highway Account -- for Caltrans Operations</b>	Caltrans District 7 budgeted allocation for operation and maintenance	Caltrans District 7 operations
<b>State Highway Account for Freeway Service Patrol</b> <b>\$6 million</b>	A line item (Budget Change Proposal) in the California State budget, allocated annually. The minimum local match is 25%.	Freeway Service Patrol Program in which Metro contracts for tow trucks to patrol the freeways to improve traffic flow.
<b>State Highway Operation and Protection Program (SHOPP)</b> <b>\$200 million estimate</b>	A four-year State program of Caltrans capital projects whose purpose is to maintain the safety and integrity of the State Highway System. Most of the projects are for pavement and bridge rehabilitation and traffic safety improvements. Funding is comprised of state and federal gas taxes. The California Transportation Commission must allocate to the individual projects.	Capital improvements relative to maintenance, safety, and rehabilitation of state highways and bridges that do not add a new traffic lane. Caltrans web site: <a href="http://www.dot.ca.gov/hq/transprog/shopp.htm">http://www.dot.ca.gov/hq/transprog/shopp.htm</a>

State Funding Source & Annual Amount (approx.)	Description	Eligible Uses
<b>State Infrastructure Bank (SIB) Program Variable</b>	To increase the efficiency of transportation investment and leverage Federal resources by attracting non-Federal public and private investment by establishing infrastructure revolving funds using up to 10% of apportioned Federal transportation funds. SIBs provide below-market rate subordinate loans, interest rate buy-downs on third party loans, guarantees and other forms of credit enhancement. SAFETEA-LU Section 1602; 23 USC 610	Projects eligible under Title 23 and Title 49 section 5302 of the United States Code  Federal share is generally 80%.
<b>State Transit Assistance (STA) \$96 million countywide</b>	Previously funded from 50% of the PTA funds, apportioned 50% to Population Share and 50% to Operator Revenue Share (see below). Effective July 1, 2011, funded from 75% of the 6.5% diesel fuel sales tax. Claimants must meet one of the following eligibility tests: <ol style="list-style-type: none"> <li>1. Latest audited operating cost per revenue vehicle hour does not exceed the sum of the preceding year's operating cost per revenue vehicle hour and an amount equal to the product of the percentage change in CPI for the same period multiplied by the preceding year's operating cost per revenue vehicle hour.</li> <li>2. Latest audited 3-year average operating cost per revenue vehicle hour does not exceed the sum of the average of the operating cost per revenue vehicle hour in the 3 years preceding the latest audited year and an amount equal to the product of the average percentage change in CPI for the same period multiplied by the average operating cost per revenue vehicle hour in the same 3 years.</li> </ol> Per the provisions of the "Gas Tax Swap" enacted in 2010 (and reinstated in 2011 in compliance with Proposition 26), the STA program now relies upon actual consumption of diesel fuel rather than an annual budget appropriation. Consequently, actual allocations, which are paid quarterly, will likely fluctuate and the actual annual total may be more or less than the estimate made at the beginning of the fiscal year. Funding based on actual consumption results in revenue fluctuation and a lack of predictability.	Claimants must also be eligible for TDA Article 4 funds. Claim must be consistent with claimant's Short Range Transit Plan and Short Range Transportation Improvement Program.  State Controller's Office apportionment web site: <a href="http://sco.ca.gov/ard_payments_transit.html">http://sco.ca.gov/ard_payments_transit.html</a>
\$44 million	<ul style="list-style-type: none"> <li>• <b>Population Share:</b> 50% to counties based on population</li> </ul>	Transit operations or roads. Metro allocates to Metro Rail Operations. PUC 99313
\$52 million	<ul style="list-style-type: none"> <li>• <b>Operator Revenue Share:</b> 50% to counties based on the ratio of each transit operator's revenues to the revenues of operators in the State.</li> </ul>	Transit operations or capital. Metro allocates to itself and other operators according to the Formula Allocation Procedure. PUC 99314

State Funding Source & Annual Amount (approx.)	Description	Eligible Uses
<b>State Transportation Improvement Program (STIP)</b>	A five-year state-regional program, adopted every two even years, of capital improvements on and off the State Highway System that increase the capacity of the transportation system. The STIP is funded from the State Highway Account (SHA), the primary funds of which are the \$0.18 cents per gallon state gasoline tax and Federal (primarily STP) funds.	The California Transportation Commission (CTC) must approve each County's STIP in its entirety. CTC allocation is required by the end of the fiscal year that the project is listed in the STIP. For STIP Guidelines, see: <a href="http://www.dot.ca.gov/hq/transprog/ocip.htm">http://www.dot.ca.gov/hq/transprog/ocip.htm</a>
<b>\$14 million IIP estimate</b>	<ul style="list-style-type: none"> <li>• <b>Interregional Improvement Program (IIP):</b> 25% of STIP funds for capacity enhancing highway improvements proposed and administered by Caltrans, and for intercity rail capital improvements.</li> </ul>	Interregional roads and intercity rail projects (Caltrans). May contribute funding for projects in the RIP portion of the STIP. Subject to CTC approval.
<b>\$178 million RIP estimate</b>	<ul style="list-style-type: none"> <li>• <b>Regional Improvement Program (RIP):</b> 75% of STIP funds distributed 60% by formula to the 13 southern counties and 40% to the northern counties. Metro as RTPA proposes regional projects for itself, Caltrans and local agencies. Subject to CTC approval.</li> </ul> <p>Since Metro receives no federal metropolitan planning funds, Metro may propose to use up to 5% of its RIP share for project Planning, Programming and Monitoring (PPM).</p>	Capital acquisition and construction of State highways and freeways, carpool lanes, local roads, public transit, pedestrian and bike facilities, grade separations, TDM, soundwalls, safety projects. Projects selected through Metro Call for Projects process or Metro Board action. PPM uses: project planning including studies and alternatives analyses (not preliminary engineering); program development, including preparation of Regional Transportation Improvement Programs and studies; and monitoring project implementation, including project delivery, timely use of funds, and compliance with State law and CTC guidelines.
	<b>Related Mechanisms:</b>	
	Grant Anticipation Revenue Vehicles (GARVEE) bonds issued for up to 12 years in anticipation of future federal funds. STIP projects are partially funded from the bond proceeds while the debt service payments on the bonds are funded from the STIP. Subject to CTC approval.	STIP or SHOPP projects which are ready-to-go and critical to be advanced; for right-of-way or construction costs only. For Guidelines, see: <a href="http://www.dot.ca.gov/hq/innovfinance/garvee_bond/garvee_guidelines2.htm">http://www.dot.ca.gov/hq/innovfinance/garvee_bond/garvee_guidelines2.htm</a>
	AB 1012: Advance up to 2 years of only the design component of future STIP projects to accelerate delivery. Subject to CTC approval	Only for design for STIP projects not yet programmed for right-of-way or construction. For Guidelines, see: <a href="http://www.dot.ca.gov/hq/LocalPrograms/AB1012/ab1012.htm">http://www.dot.ca.gov/hq/LocalPrograms/AB1012/ab1012.htm</a>
	AB 3090: Local agency advances STIP projects using its own local funds; reimbursement or replacement project is programmed in the STIP in the future. Subject to CTC approval. Maximum reimbursement is \$50 million for an agency or county in any one fiscal year.	STIP projects ready to be advanced. For Guidelines: <a href="http://www.dot.ca.gov/hq/transprog/ocip/otherresources/ab3090/ab3090_reqguidelines.htm">http://www.dot.ca.gov/hq/transprog/ocip/otherresources/ab3090/ab3090_reqguidelines.htm</a>



State Funding Source & Annual Amount (approx.)	Description	Eligible Uses
<b>Traffic Congestion Relief Program (TCRP)</b>	<p>In 2000, the Legislature enacted the Traffic Congestion Relief Act, a six-year funding plan to address state and local transportation needs. The Act created two funds, both of which were to receive funding from a combination of General Fund revenues (one-time) and gasoline sales taxes (ongoing) that previously did not go to transportation.</p>	
	<ul style="list-style-type: none"> <li>• Traffic Congestion Relief Fund (TCRF): \$4.9 billion statewide (\$1.6 billion General Fund and \$3.3 billion gasoline sales tax revenues) to support 141 specific projects to reduce congestion of which \$1.7 billion was for LA County. Due to the State’s fiscal condition in the early 2000s, much of the funding was loaned to the General Fund. As a result, AB 438 (2001) extended the annual transfer of revenues to the TCRF through FY 2008. The current projection is that FY2016-17 is the earliest that the \$482 M TCRF will begin to be repaid. Assuming repayments beginning in FY 17, the \$482 M will be repaid by FY 2022-23.</li> </ul>	<p>28 projects in L.A. County as specified in the legislation. CTC approves project applications, amendments, and allocations. The CTC has approved \$4.6 B in TCRP applications through 6/30/10, including at last a partial programming of funds for each of the designated projects. For Guidelines, see: <a href="http://www.catc.ca.gov/programs/tcrp.htm">http://www.catc.ca.gov/programs/tcrp.htm</a></p>
	<ul style="list-style-type: none"> <li>• Transportation Investment Fund (TIF): Proposition 42 (2002) made the transfer of gasoline sales tax revenues to the TIF permanent but then the transfers were partially suspended in 2003-04 (\$389 million) and fully suspended in 2004-05 (\$678 million), with just enough transferred to reimburse prior TCRP allocations. A total of \$1.067 billion in Proposition 42 transfers was suspended and loaned to the State General Fund. After a \$323 million repayment in 2006-07, the loan balance was \$744 million. The enactment of AB 6 in March 2010, eliminated the state sales tax on gasoline, which had provided the revenue source to the TIF. All remaining obligations of the TIF that cannot be funded with remaining resources shall become obligations of the State Highway Account (SHA).</li> <li>• Proposition 1A (November 2006) addressed the Proposition 42 suspensions occurring on or before July 1, 2007, and required that the balance be repaid no later than June 30, 2016. The \$744 million balance is being repaid in nine equal installments of \$82.7 million per year through 2015-16. An outstanding balance of \$413.4 M remains. Combined with the \$482 M TCRF balance, approximately \$895 M remains available for future TCRP allocations.</li> </ul>	

<b>Federal Funding Source &amp; Annual Amount (approx.)</b>	<b>Description</b>	<b>Eligible Uses</b>
<b>American Recovery and Reinvestment Act of 2009</b> <b>\$1.1 billion</b>	<p>The American Recovery and Reinvestment Act of 2009 was signed into law in February 2009. The Act provided transportation funding as an effort to jumpstart our economy by modernizing our nation's infrastructure.</p> <p>The U.S. DOT received a total of \$48.1 billion, of which \$38.6 billion was distributed through existing funding programs. Highway formulas were used to distribute \$27.6 billion, \$8.4 billion through transit programs, \$1.3 billion through aviation programs, \$1.3 billion to Amtrak, and \$100 million in grants to shipyards. While these funds were distributed using methods that were already in place before the Recovery Act, the Act also subjects many of them to “use or lose” provisions that ensure recipients spend funds quickly.</p>	<p>Formula and discretionary grants for projects that were able to obligate funding within 75-day deadline from when apportionments were received.</p>
<b>Homeland Security Grants</b> <b>\$4.5 million estimate</b>	<p>Discretionary grant programs to make America more secure against the threat of terrorism and other hazards. First responder programs, disaster/ response programs, training programs, research programs, non-disaster programs. Most grants are administered directly through state agencies. Amount varies annually, usually \$2 to \$4 million.</p>	<p>Discretionary grants awarded to Metro and other transit agencies for specific projects</p>

Federal Funding Source & Annual Amount (approx.)	Description	Eligible Uses
<b>SAFETEA-LU</b>	<i>Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU). SAFETEA-LU nationally authorized \$190 billion for highways, \$45 billion for transit, and \$5.7 billion for safety enhancement for a total of \$241 billion for fiscal years 2005 through 2009. Authorization levels represent the maximum funding available. Annually, the United States Congress must also appropriate the specific Federal Highway Trust Funds authorized in SAFETEA-LU. Appropriations are usually less than the authorized level. SAFETEA-LU expired September 30, 2009; however, funding has been continued with a series of extensions since then.</i>	<i>SAFETEA-LU and/or United States Code section numbers are listed for each program</i>
<i>The following are SAFETEA-LU HIGHWAYS PROGRAMS</i>	<i>For more details on each program, see highway provision fact sheets at: <a href="http://www.fhwa.dot.gov/safetealu/factsheets.htm">www.fhwa.dot.gov/safetealu/factsheets.htm</a></i>	<i>All projects must be approved in advance by FHWA</i>
<b>Congestion Mitigation and Air Quality Improvement Program (CMAQ)</b>  <b>\$137 million for Los Angeles County</b>	Funding for projects and programs in air quality nonattainment and maintenance areas for ozone, carbon monoxide, and particulate matter which reduce transportation-related emissions. Funds are apportioned by formula based on population and severity of pollution in ozone and carbon monoxide areas. Federal share is generally 80%, but is 90% or 100% in certain cases. Funds may be flexed or transferred to the FTA in order to be used for transit projects. SAFETEA-LU Sections 1101(a)(5), 1103(d), 1808 23 USC 149, 104(b)(2), 126(c)	Priority for diesel retrofit projects and programs, cost-effective emission reduction activities, and congestion mitigation projects that provide air quality benefits. Metro programs to itself and other agencies through the Metro Call for Projects or other Metro Board action. Some TDM projects may be eligible.  <a href="http://www.fhwa.dot.gov/environment/air_quality/cmaq/">http://www.fhwa.dot.gov/environment/air_quality/cmaq/</a>  Caltrans web site: <a href="http://www.dot.ca.gov/hq/transprog/federal/cmaq/Official_CMAQ_Web_Page.htm">http://www.dot.ca.gov/hq/transprog/federal/cmaq/Official_CMAQ_Web_Page.htm</a>

Federal Funding Source & Annual Amount (approx.)	Description	Eligible Uses
<b>Equity Bonus Program</b> <b>\$9.1 billion nationwide for FFY 09</b>	Provides a minimum rate of return on a state’s fuel tax contributions to the Federal Highway Trust Fund as follows: 90.5% for FFYs 05 and 06, 91.5% for FFY 07, and 92% for FFYs 08 and 09. Most of the funds are distributed to the core programs of Interstate Maintenance (IM), National Highway System (NHS), Bridge, Surface Transportation Program (STP), Congestion Mitigation and Air Quality (CMAQ), and Highway Safety Improvement Program (HSIP). Federal share is the same as that of the core program to which the funds are distributed or generally 80% for funds not distributed to the core programs. SAFETEA-LU Sections 1104, 1102	Same uses as that of the core program to which the funds are distributed. For the funds that are not distributed to the core programs, the uses are the same as the Surface Transportation Program.
<b>High Priority Projects (HPP)</b> <b>\$234 million total for FFY 05-09 for Los Angeles County</b>	Designated (earmarked) funding for specific projects identified in SAFETEA-LU, each with a specified amount of funding for FFY 05-09. Funds and associated obligation authority designated for a project are available only for that project except for projects numbered 3677 and higher which may be used for certain other earmarked projects in the same state. If used for other projects, restoration provisions apply. Federal share is 80%, available until expended.  SAFETEA-LU Sections 1101(a)(16), 1102, 1701, 1702, 1913, 1935, 1936. 23 USC 117.	Project development, right-of-way, and construction of 156 identified projects in Los Angeles County.  <a href="http://www.fhwa.dot.gov/safetealu/factsheets/highproj.htm">http://www.fhwa.dot.gov/safetealu/factsheets/highproj.htm</a>
<b>Highway Bridge Program (HBP)</b> <b>\$4.4 billion nationwide for FFY 09</b> <b>\$27 million estimate for Los Angeles County</b>	Federal Highway Bridge Program funds that are administered by Caltrans with varying local match requirements depending on project type. 45% of HBP funds flow through the SHOPP and 55% flow directly to local agencies primarily for safety improvements such as replacing or rehabilitating public highway bridges over waterways, topographical barriers, highways, or railroads when the State and FHWA determine that a bridge is significantly important and is unsafe. Federal share is 80%, 90% for projects on the Interstate System.  SAFETEA-LU Sections 1101 (a)(3), 1114; 23 USC 144	Reimbursable scopes of work include replacement, rehabilitation, painting, scour countermeasure, bridge approach barrier and railing replacement, low water crossing replacement, and ferry service replacement. <a href="http://www.dot.ca.gov/hq/LocalPrograms/hbrr99/hbrr99a.htm">http://www.dot.ca.gov/hq/LocalPrograms/hbrr99/hbrr99a.htm</a>

Federal Funding Source & Annual Amount (approx.)	Description	Eligible Uses
<b>Highway Safety Improvement Program (HSIP)</b> <b>\$1.3 billion nationwide for FFY 09</b>	<p>A core funding program which began FY 06 whose purpose is to achieve a significant reduction in traffic fatalities and serious injuries on all public roads. \$220 million is set-aside for the Railway-Highway Crossing Program. Balance is apportioned to the states based 1/3 on Federal-aid highway lane miles, 1/3 on vehicles miles traveled on lanes on Federal-aid highways, and 1/3 on number of fatalities on the Federal-aid system. Federal share is generally 90%.</p> <p>SAFETEA-LU Section 1101 (a)(6), 1401</p>	<p>Funds may be used for projects on any public road or publicly owned bicycle and pedestrian pathway or trail.</p> <p><a href="http://www.fhwa.dot.gov/safetealu/factsheets/hsip.htm">http://www.fhwa.dot.gov/safetealu/factsheets/hsip.htm</a></p>
<b>Intelligent Transportation Systems (ITS) Research and Development Prog.</b>	<p>A discretionary program subject to Congressional appropriation to expedite deployment and integration of intelligent transportation systems for consumers of passenger and freight transportation, and related activities.</p> <p>SAFETEA-LU Sections 5301 - 5310</p>	<p>ITS is defined as electronics, photonics, communications, or information processing used singly or in combination to improve the efficiency or safety of a surface transportation system.</p>
<b>National Corridor Infrastructure Improvement Program (NCIIP)</b> <b>\$100 million total for L.A. County for FFY 06-09</b>	<p>A discretionary program for construction of highway projects in corridors of national significance to promote economic growth and international or interregional trade. Funds designated for a project are available only for that project except for projects numbered 28 and higher which may be used for certain other earmarked projects in the same state. Federal share is generally 80% and may be higher in certain cases.</p> <p>SAFETEA-LU Sections 1101(a)(10), 1102, 1302, 1935, 1936, 1953</p>	<p>One earmarked project: #18, I-405 HOV Lane</p> <p><a href="http://www.fhwa.dot.gov/safetealu/factsheets/corridors.htm">http://www.fhwa.dot.gov/safetealu/factsheets/corridors.htm</a></p>
<b>Projects of National and Regional Significance (PNRS)</b> <b>\$131 million estimated total for FFY 06-09 for L.A. County</b>	<p>Specific high cost projects of national or regional importance. Funds designated for a project are available only for that project except for projects numbered 19 and higher which may be used for certain other earmarked projects in the same state. Federal share is generally 80% and may be higher in certain cases, available until expended.</p> <p>SAFETEA-LU Sections 1101(a)(15), 1102, 1301, 1935, 1936, 1953, 1959, 1964</p>	<p>Two earmarked projects: #9, Alameda Corridor East, \$125 M including any sub-projects outside Los Angeles County and #14, Gerald Desmond Bridge, \$100 M.</p> <p><a href="http://www.fhwa.dot.gov/safetealu/factsheets/natlregl.htm">http://www.fhwa.dot.gov/safetealu/factsheets/natlregl.htm</a></p>

Federal Funding Source & Annual Amount (approx.)	Description	Eligible Uses
<b>Safe Routes to Schools Program (SRTS)</b> <b>\$183 million nationwide for FFY 09</b> <b>\$2 million FY12</b>	<p>To enable and encourage children, including those with disabilities, to walk and bicycle to school; to make walking and bicycling to school safe and more appealing; and to improve safety, reduce traffic and air pollution in the vicinity of schools. Apportioned to states based on their relative shares of total primary and middle school enrollment. The State, local, and regional agencies including non-profit organizations may receive the funds. Federal share is 100%.</p> <p>SAFETEA-LU Sections 1101(a)(17), 1404</p>	<p>Infrastructure-related projects that improve the ability of students to walk and bicycle to school, such as sidewalks, traffic calming and speed reduction, pedestrian and bicycle crossings, bicycle and pedestrian facilities, secure bike parking, and traffic diversion within approximately 2 miles of schools. 10% to 30% of the State funds must be set aside for non-infrastructure related activities to encourage walking and bicycling to school, such as public awareness and outreach, education, and training.</p>
<b>Surface Transportation Program (STP)</b>	<p>Flexible funding apportioned to states based 25% on total lane miles of Federal-aid highways, 40% on vehicles miles traveled on Federal-aid highways, and 35% on highway users' tax payments into the Highway Account of the Highway Trust Fund. Federal share is generally 80% and may be higher in certain cases. Funds may be flexed or transferred to the FTA in order to be used for transit projects</p> <p>SAFETEA-LU Sections 1101(a)(4), 1103(f), 1113, 1603, 1960, 6006  23 USC 133, 104(b)(3), 140</p> <p><b>Allocated as follows:</b></p>	<p>Projects on Federal-aid highways, bridge projects on any public road, transit capital projects, and intra- and inter-city bus terminals and facilities. New eligible uses include truck stop electrification systems, Federal-aid highway intersections that have high accident rates and high congestion, environmental restoration and pollution abatement, and control of terrestrial and aquatic noxious weeds.</p>
\$19 million	<p><b>10% Transportation Enhancement (TE) Program set-aside from State's STP apportionment</b>  (included in the STIP – see STIP in the State Funding Sources section)  To strengthen the cultural, aesthetic, and environmental aspects of the Nation's intermodal transportation system. Metro allocates the L.A. County share to itself and other agencies through the Metro Call for Projects or other Metro Board action. Federal share is generally 80%.</p> <p>SAFETEA-LU Sections 1113, 1122, 6003.</p>	<p>Design and construction of improvements that beautify or enhance the interface of transportation systems and adjacent communities including pedestrian facilities, acquisition of historic or scenic sites, landscaping, mitigation of water pollution due to highway run-off.</p> <p><a href="http://www.dot.ca.gov/hq/TransEnhAct/TransEnact.htm">http://www.dot.ca.gov/hq/TransEnhAct/TransEnact.htm</a></p>
	<p><b>STP State:</b> Of the STP funds remaining after the TE set-aside, 27.5% is retained for the state to use at its discretion.</p>	

Federal Funding Source & Annual Amount (approx.)	Description	Eligible Uses
\$115 million	<p><b>Regional Surface Transportation Program (RSTP):</b> Of the STP funds remaining after the TE set-aside, 62.5% is divided among sub-State areas based on population. Metro programs the L.A. County share to itself and other agencies through the Metro Call for Projects or other Metro Board action. Federal share payable is 88.53% (100% if safety related and 80% for bicycle or pedestrian-related projects).</p> <ul style="list-style-type: none"> <li>• STP Local (STP-L): Metro allocates \$30.7 million per year of RSTP on a per capita basis to the County of Los Angeles and to each of the 88 jurisdictions in the County.</li> </ul>	<p>Regional Projects such as roadway construction, rehabilitation, or restoration; transit projects and facilities; carpool projects; bicycle and pedestrian walkways. Caltrans web site: <a href="http://www.dot.ca.gov/hq/transprog/federal/rstp/Official_RSTP_Web_Page.htm">http://www.dot.ca.gov/hq/transprog/federal/rstp/Official_RSTP_Web_Page.htm</a></p> <p>Roadway construction, rehabilitation, or restoration; transit projects and facilities; carpool projects; bicycle and pedestrian walkways.</p>
<p><b>Transportation Improvements</b>  <b>\$63 million total for FFY 06-09</b></p>	<p>Provides designated funding for specific projects identified in SAFETEA-LU. However, funds allocated for these projects may be obligated for certain other earmarked projects in the same state. Federal share is generally 80%, available until expended.</p> <p>SAFETEA-LU Sections 1102, 1913, 1934, 1935, 1936, 1941, 1949, 10210</p>	<p>Three earmarked Section 1934 projects: #17, Century Blvd Pedestrian Safety and Transportation Improvements (\$3 M), #20, Widen northbound I-405 between I-10 and US-101 for HOV Lane (\$30 M), and #21, Alameda Corridor East Construction Authority (\$30 M).</p>
<p><i>The following are SAFETEA-LU TRANSIT PROGRAMS</i></p>	<p><i>For more details on each program, see :</i>  <a href="http://www.fta.dot.gov/index_4696.html">http://www.fta.dot.gov/index_4696.html</a> for <i>SAFETEA-LU Fact Sheets and Frequently Asked Questions</i> and  <a href="http://www.fta.dot.gov/funding/grants_financing_263.html">http://www.fta.dot.gov/funding/grants_financing_263.html</a> for <i>detailed grant program information</i></p>	
<p><b>Section 5307 Urbanized Area Formula Grants</b>  <b>\$238 million</b></p>	<p>Formula grants for Urbanized Areas (UZA) designated by the U.S. Census Bureau for public transportation capital investments from the Mass Transit Account of the Highway Trust Fund. After a 1% takedown for Small Transit Intensive Cities under 200,000 in population, the formula is based on population, population density, and level of transit service. One percent for transit enhancements is no longer a set-aside but Designated Recipients must certify that the Region will spend 1% of apportioned Section 5307 funds on transit enhancements. Metro allocates 15% on a discretionary basis and 85% by formula to itself and the non-Metro operators.</p> <p>SAFETEA-LU Section 3009, 49 USC 5307, 5340, 5336(j)</p>	<p>Preventive maintenance and other bus and/or rail capital uses.</p> <p>Non-DOT federal funds can be used as match.</p> <p><a href="http://www.fta.dot.gov/funding/grants/grants_financing_3561.html">http://www.fta.dot.gov/funding/grants/grants_financing_3561.html</a></p>

Federal Funding Source & Annual Amount (approx.)	Description	Eligible Uses
<b>Section 5308 Clean Fuels Grant Program</b>	<p>Discretionary capital grants for clean fuel buses and related facilities in air quality non-attainment and maintenance areas. Funding is transferred annually to the Section 5309 Bus and Bus Facilities program. In FFY 2011, \$81 million was made available for discretionary allocation. Section 5307 program requirements apply. Federal share is 90%. FTA has administratively determined the composite Federal Share for vehicles and vehicle related equipment to be 83%, for facilities, the 90%.</p> <p>SAFETEA-LU Section 3010, 49 USC 5308</p>	<p>Purchase or lease of clean fuel buses including up to 25% clean diesel and buses built with lightweight composite materials. Construction of clean fuel buses. Construction or lease of electrical recharging facilities and related equipment. Construction or improvement of public transportation facilities to accommodate clean fuel buses.</p> <p><a href="http://www.fta.dot.gov/funding/grants/grants_financing_3560.html">http://www.fta.dot.gov/funding/grants/grants_financing_3560.html</a></p>
<b>Section 5309 Bus and Bus Facility Grants \$9 million FFY 2011 Countywide</b>	<p>Approximately 50% is allocated in SAFETEA-LU section 3044(a) for specific projects including Clean Fuels program. Subject to annual Congressional appropriation. Congress may choose to earmark the remaining funds during the annual appropriations process. Federal share is generally 80%.</p> <p>SAFETEA-LU Section 3011 and 3044, 49 USC 5309, 5318</p>	<p>Purchase of buses for fleet or service expansion, bus-related facilities such as maintenance and transfer facilities, terminals, the intercity bus portion of an intermodal facility, computers, garage equipment, bus rebuilds, and passenger shelters.</p>
<b>Section 5309 Fixed Guideway Modernization \$41 million</b>	<p>A seven-tier formula program allocated to urbanized areas of 200,000 or more population with fixed guideway systems that have been in operation for at least seven years. Fixed guideway refers to any transit service that uses exclusive or controlled rights-of-way or rails -- entirely or in part. Federal share is 80%.</p> <p>SAFETEA-LU Section 3011 49 USC 5309</p>	<p>Capital projects to modernize or improve existing fixed guideway systems including purchase and rehabilitation of rolling stock, track, line equipment, structures, signals and communications, power equipment and substations, passenger stations and terminals, security equipment and systems, maintenance facilities and equipment, operational support equipment including computer hardware and software, systems extensions, and preventive maintenance including preservation of fixed guideway infrastructure such as maintenance of vehicles, buildings, equipment, electric power facilities, vehicle movement control systems, fare collection and counting equipment, structures, tunnels, subways, and roadways.</p>



<b>Federal Funding Source &amp; Annual Amount (approx.)</b>	<b>Description</b>	<b>Eligible Uses</b>
<b>Section 5309 New Starts</b>	<p>Funding primarily for major fixed guideway capital investment projects based on formal FTA review of alternatives analysis, justification, local financial commitment, rating of project, and reliability of ridership and cost forecasts. Multiyear Full Funding Grant Agreement with the FTA is required. Total Federal share of a project is \$75 million or more with a maximum share of 80% (generally 50%), with ridership, cost estimate, and cost control incentives.</p> <p>SAFETEA-LU Section 3011 49 USC 5309(d), (e), (m)</p>	<p>Large, new, heavy rail, light rail, and bus rapid transit fixed guideway system projects.</p>
<b>Section 5309 Small Starts \$17 million</b>	<p>Discretionary grant program for public transportation capital projects that run along a dedicated corridor or a fixed guideway, have a total project cost of less than \$250 million, and are seeking less than \$75 million in Small Starts Program funding. The Small Starts program is a component of the New Starts program.</p> <p>SAFETEA-LU Section 3011</p>	<p>Potential projects must be based on regional multi-modal planning and an alternatives analysis. Potential projects include commuter rail, streetcars, trolleys, and bus rapid transit projects. Must be a fixed guideway or a corridor-based bus project.</p>
<b>Section 5309 Very Small Starts Amount to be determined</b>	<p>Discretionary grant program for simple, low-risk public transportation capital projects. In order to qualify for the streamlined Very Small Starts evaluation and rating process, a project must be a bus, rail or ferry project and contain the following features:</p> <ul style="list-style-type: none"> <li>Transit Stations</li> <li>Signal Priority/Pre-emption (for Bus/LRT)</li> <li>Low Floor / Level Boarding Vehicles</li> <li>Special Branding of Service</li> <li>Frequent Service - 10 min peak/15 min off peak</li> <li>Service offered at least 14 hours per day</li> <li>Existing corridor ridership exceeding 3,000/day</li> <li>Less than \$50 million total cost</li> <li>Less than \$3 million per mile (excluding vehicles)</li> </ul> <p>The Very Small Starts program is a component of the New Starts program.</p> <p>SAFETEA-LU Section 3011</p>	<p>Potential projects must be existing corridors where funding will help to solve problems or enhance service. Potential projects include rail and bus rapid transit projects.</p>

Federal Funding Source & Annual Amount (approx.)	Description	Eligible Uses
<b>Section 5310 Elderly and Persons with Disabilities</b> <b>\$0.4 million</b>	<p>Formula program which provides funding to States for capital projects to assist in meeting the needs of the elderly and persons with disabilities. The State administers the program. Metro applies competitive project selection criteria and applicant eligibility to recommend projects to the State for funding. Those eligible to receive funding include private non-profit agencies, public bodies approved by the State to coordinate services for the elderly and persons with disabilities, or public bodies which certify to the Governor that no non-profit corporations or associations are readily available in an area to provide the service. Federal share is 80%.</p> <p>SAFETEA-LU Section 3012 49 USC 5310</p>	<p>Capital costs of providing services to the elderly and persons with disabilities including acquisition of accessible vans, buses and communication equipment. Projects must be included in a locally-developed coordinated public transit-human service transportation coordination plan beginning in FY 2007. Non-DOT federal funds can be used as match.</p> <p>Metro web site: <a href="http://www.metro.net/projects/fta5310/">http://www.metro.net/projects/fta5310/</a></p>
<b>Section 5311 Non-Urbanized Area Formula Grants</b> <b>\$180,000 est.</b>	<p>Formula grants that provide capital and operating assistance for rural and small urban public transportation systems. Funds are distributed 80% based on non-urbanized population and 20% through a tier-based formula based on land area. Federal share is generally 80% for capital costs and 50% for operating costs.</p> <p>SAFETEA-LU Section 3013, 49 USC 5311</p>	<p>Capital, operating, and project administration in areas less than 50,000 population (in L.A. County this is the unincorporated areas of the Antelope Valley). Non-DOT federal funds can be used as match.</p>
<b>Section 5316 Job Access and Reverse Commute Program (JARC)</b> <b>\$8 million</b>	<p>Formula program, based on the number of low-income persons, to provide transportation services so that welfare recipients and eligible low-income individuals can access jobs and job-related activities. Funding is subject to annual Congressional appropriation. Eligible sub-recipients include state and local governments, nonprofit organizations, and public transportation operators. Federal share is generally 80% for capital costs and 50% for operating costs.</p> <p>SAFETEA-LU Section 3018 49 USC 5316</p>	<p>Competitive selection of projects that provide access to employment opportunities, public transportation for low-income workers, transit vouchers for welfare recipients and low-income individuals, employer-provided transportation, reverse commute services, shuttle vans or buses, public transportation to suburban employment opportunities, etc.</p> <p>Projects must be included in a locally-developed coordinated public transit-human service transportation coordination plan. Non-DOT federal funds can be used as match.</p>

Federal Funding Source & Annual Amount (approx.)	Description	Eligible Uses
<b>Section 5317 New Freedom Program Variable</b> <b>\$3 million est.</b>	<p>Formula funding based on population of persons with disabilities to provide improved public transportation services, and alternatives to public transportation, for people with disabilities, beyond those required by the Americans with Disabilities Act (ADA) or to continue existing service that exceeds ADA requirements. Federal share is 80% for capital and 50% for operating.</p> <p>SAFETEA-LU Section 3019 49 USC 5317</p>	<p>Capital and operating costs. Competitive selection of projects that encourage services and facility improvements to address the transportation needs beyond those required by ADA.</p> <p>Projects must be included in a locally-developed coordinated public transit-human service transportation coordination plan.</p>
<b>Section 5339 Alternatives Analysis Program</b>	<p>Provides grants to develop alternatives analyses for potential New Starts projects. Federal share is 80%.</p> <p>SAFETEA-LU Section 3037 49 USC 5339</p>	<p>For potential New Starts projects.</p>
<b>Section 5340 Growing States and High Density States</b> <b>\$7 million</b>	<p>Half of the funds are made available under the Growing States factors and are apportioned based on State population forecasts for 15 years beyond the most recent census. Amounts apportioned for each State are then allocated to urbanized and rural areas based on the State's urban/rural population ratio. The High Density States factors distribute the other half of the funds to States with population densities greater than 370 people per square mile and are apportioned only to urbanized areas within those States. High Density factors do not apply to California since its population density of 217 people per square mile is less than 370.</p> <p>The funds are combined with Section 5307 urbanized area formula and the Section 5311 rural formula funds for national distribution.</p> <p>SAFETEA-LU Section 3038 49 USC 5340</p>	<p>See Sections 5307 and 5311. Metro allocates funds distributed to UZA 2 (LA-Long Beach-Santa Ana) to Metro rail operations.</p>

## Section III: Appendices

**APPENDIX 1: Other State and Federal Funding Sources:** Provides brief information on other State and Federal funding sources. Metro does not have programming authority over these funding sources. These funding sources are provided for general information purposes only.

<b>Funding Source or Program</b>	<b>Funding</b>	<b>Description</b>	<b>Programmed or Administered By</b>
Alternative Transportation in Parks & Public Lands Program – Section 5320	\$27 million nationwide for FFY 2011	Improving mobility and reducing congestion and pollution in national parks SAFETEA-LU Section 3021	Federal Transit Administration (FTA)
Bicycle Transportation Account (BTA)	\$7.2 million statewide for FY 2011	State funds for up to 90% of city and county projects that improve safety and convenience for bicycle commuters. <a href="http://www.dot.ca.gov/hq/LocalPrograms/bta/btawebPage.htm">http://www.dot.ca.gov/hq/LocalPrograms/bta/btawebPage.htm</a>	Caltrans
Coordinated Border Infrastructure Program	\$210 million nationwide for FFY 2009	To expedite safe and efficient vehicle and cargo movements at or across the land borders between the United States and Canada and between the United States and Mexico. SAFETEA-LU Section 1303	FHWA
Emergency Relief Program	The maximum amount available to a single State cannot exceed \$100 million per disaster	Assists State and local governments with the expense of repairing serious damage to Federal-aid highways resulting from natural disasters or catastrophic failures. SAFETEA-LU Sections 1112; 23 USC 125	Caltrans and State Office of Emergency Services
Construction of Ferry Boats and Ferry Terminal Facilities Program	\$67 million nationwide for FFY 2009	Discretionary program for construction of ferry boats and ferry terminal facilities. SAFETEA-LU Sections 1101(a)(13), 1801 23 USC 147 and 129(c)	Caltrans
Federal Lands Highways Program	\$1,019 million nationwide for FFY 2009	For highways, roads, parkways, and transit facilities that provide access to or within public lands, national parks, and Indian reservations. SAFETEA-LU Section 1119; 23 USC 202, 203, 204	Caltrans
High Risk Rural Roads Program	\$90 million per year nationwide	A set-aside from the Highway Safety Improvement Program for safety improvements on high risk rural roads to reduce fatalities. SAFETEA-LU Section 1404(f); 23 USC 148	Caltrans

<b>Funding Source or Program</b>	<b>Funding</b>	<b>Description</b>	<b>Programmed or Administered By</b>
Highways for LIFE Pilot Program	\$20 million nationwide for FFY 2009	Incentive grants to foster the use of state-of-the-art technologies, elevated performance standards, and new business practices in highway construction that result in improved safety, faster construction, reduced congestion from construction, and improved quality and user satisfaction. Up to 10% of IM, NHS, STP, and CMAQ funds may be used for these projects. Federal share up to 100%. SAFETEA-LU Section 1502	Caltrans
Innovative Bridge Research & Deployment Program	\$13 million nationwide for FFY 2011	To promote, demonstrate, evaluate, and document the application of innovative designs, materials, and construction methods in the construction, repair, and rehabilitation of bridges and other highway structures. SAFETEA-LU Section 5202(b)	Caltrans
Interstate Maintenance Program (IM)	\$5 billion nationwide for FFY 2009	For resurfacing, restoring, rehabilitating and reconstructing (4R) most routes on the Interstate System. Funds are apportioned to States based on lane miles and total vehicle miles traveled on the Interstate System, and on a State's annual contributions to the Highway Account of the Highway Trust Fund attributable to commercial vehicles. Federal share is 90-100%. SAFETEA-LU Sections 1101(a)(1), 1111; 23 USC 119, 104(b)(4), 118(c)	Caltrans
National Highway System (NHS)	\$6.3 billion nationwide for FFY 2009 plus share of Equity Bonus Program	For improvements to rural and urban roads that are part of the National Highway System, including the Interstate System and designated connections to major intermodal terminals. Apportioned to states based on lane miles and vehicle miles of travel on principal arterials, and diesel fuel used on all highways. Federal share is generally 80%. SAFETEA-LU Section 1101(a)(2), 1103, 6006. 23 USC 103, 104(b)(1)	Caltrans
National Historic Covered Bridge Preservation Program	\$10 million nationwide for FFY 2009	To provide for the rehabilitation, repair, or preservation of historic covered bridges. Federal share is generally 80%. SAFETEA-LU Section 1804	FHWA makes grants based on applications from States
National Scenic Byways Program	\$43 million nationwide for FFY 2009	Funding for projects on National Scenic Byways, All-American Roads or state designated scenic byways. To recognize and enhance roads (other than passing lanes) having outstanding scenic, historic, cultural, natural, recreational, and archaeological qualities and provides for such designations of these roads. Federal share is generally 80%. SAFETEA-LU Sections 1101(a)(12), 1802; 23 USC 162	Caltrans

<b>Funding Source or Program</b>	<b>Funding</b>	<b>Description</b>	<b>Programmed or Administered By</b>
Railroad/ Highway Crossings	\$220 million nationwide for FFY 2009	To reduce the number of fatalities and injuries at public highway-rail grade crossings through elimination of hazards and/or installation/upgrade of protective devices at crossings. Funded from a set-aside from the Highway Safety Improvement Program. Apportioned to states based on STP formula factors and number of public highway-railway crossings. Federal share is 90%. Fifty percent of each state's apportionment must be used for installation of protective devices at crossings. SAFETEA-LU Section 1401; 23 USC 130	Caltrans
Recreational Trails	\$85 million nationwide for FFY 2009	To develop and maintain recreational trails that include pedestrian, equestrian, bicycling, non-motorized snow activities, and off-road motorized vehicle activities. SAFETEA-LU Section 1109	Caltrans
Safe Routes to School Program (SR2S)	\$24 million statewide annually	To fund bicycle and pedestrian infrastructure improvements for children in grades K-12 using federal transportation funds.	Caltrans
Transit Cooperative Research Program - Section 5313		Statewide planning and other technical assistance activities, planning support for non-urbanized areas, research, development and demonstration projects, fellowships for training in the public transportation field, university research, and human resource development. SAFETEA-LU Section 3015	Caltrans
Section 5314 National Research Program		Grants for national research and technology programs. SAFETEA-LU Section 3046.	
Transportation, Community, and System Preservation Program	\$61 million nationwide for FFY 2009	Research and grants to integrate transportation, community, and system preservation plans and practices and identify private sector-based initiatives to improve those relationships. SAFETEA-LU Section 1117	FHWA Grants may be awarded through the traditional Federal-aid mechanism or directly to grantees.
Transportation Infrastructure Finance and Innovation Act (TIFIA)	\$122 million nationwide for FFY 2009 to fund the subsidy costs of credit instruments	Federal credit assistance (e.g., direct loans, loan guarantees, and lines of credit) to nationally or regionally significant highway, transit and rail transportation projects to fill market gaps and leverage substantial private co-investment by providing supplemental or subordinate debt. Projects must be in the STIP and cost at least \$50 million (\$15 million for intelligent transportation system projects). SAFETEA-LU Section 1601; 23 USC 601-609	Caltrans, FHWA

<b>Funding Source or Program</b>	<b>Funding</b>	<b>Description</b>	<b>Programmed or Administered By</b>
Value Pricing Pilot Program	\$59 million for FFY 2009	To support the costs of implementing up to fifteen variable pricing pilots nationwide (all currently underway) to manage congestion and benefit air quality, energy use, and efficiency. Value pricing, also known as congestion pricing or peak-period pricing, entails fees or tolls for road use, typically assessed electronically, which vary by level of congestion. Federal share is 80%. SAFETEA-LU Section 1604(a)	Caltrans
Work Zone Safety Program	\$5 million nationwide for FFY 2009	To fund work zone safety training. SAFETEA-LU Section 1402	Caltrans

## APPENDIX 2: Acronyms Used In This Guide (for additional acronyms and glossary see [www.fhwa.dot.gov/planning/glossary](http://www.fhwa.dot.gov/planning/glossary))

<b>AB</b>	Assembly Bill	<b>OA</b>	Obligation Authority
<b>ADA</b>	Americans with Disabilities Act	<b>PE</b>	Preliminary Engineering
<b>ARRA</b>	American Recovery and Reinvestment Act of 2009	<b>PNRS</b>	Projects of National and Regional Significance
<b>BTA</b>	Bicycle Transportation Account	<b>PPM</b>	Planning, Programming, and Monitoring
<b>Caltrans</b>	California Department of Transportation	<b>PTA</b>	Public Transportation Account
<b>CMAQ</b>	Congestion Mitigation and Air Quality	<b>PTMISEA</b>	Public Transportation Modernization, Improvement, and Service Enhancement Account (Prop 1B)
<b>COP</b>	Certificate of Participation	<b>PUC</b>	Public Utilities Code; Public Utilities Commission
<b>CP</b>	Commercial Paper	<b>PVEA</b>	Petroleum Violation Escrow Account
<b>CPI</b>	Consumer Price Index	<b>RIP</b>	Regional Improvement Program
<b>CTC</b>	California Transportation Commission	<b>RSTP</b>	Regional Surface Transportation Program
<b>DOT</b>	Department of Transportation (U.S.)	<b>RTPA</b>	Regional Transportation Planning Agency
<b>EEM</b>	Environmental Enhancement & Mitigation	<b>R/W</b>	Right of Way
<b>FFY</b>	Federal Fiscal Year (ending Sept. 30) (e.g. FFY 12=10/1/11-9/30/12)	<b>SAFE</b>	Service Authority for Freeway Emergencies
<b>FHWA</b>	Federal Highway Administration	<b>SAFETEA-LU</b>	Safe, Accountable, Flexible, Efficient Transportation Equity Act – a Legacy for Users
<b>FAP</b>	Formula Allocation Procedure	<b>SB</b>	Senate Bill
<b>FTA</b>	Federal Transit Administration	<b>SCAG</b>	Southern California Association of Governments
<b>FY</b>	Fiscal Year (ending June 30) (e.g. FY 12 =7/1/11-6/30/12)	<b>SCAQMD</b>	Southern California Air Quality Management District
<b>GARVEE</b>	Grant Anticipation Revenue Vehicle	<b>SCRRA</b>	Southern California Regional Rail Authority (Metrolink)
<b>HBP</b>	Highway Bridge Program	<b>SHA</b>	State Highway Account
<b>HOV</b>	High Occupancy Vehicle (i.e. Carpool Lane, Diamond Lane)	<b>SHOPP</b>	State Highway Operation and Protection Program
<b>HPP</b>	High Priority Projects	<b>SIB</b>	State Infrastructure Bank
<b>HSIP</b>	Highway Safety Improvement Program	<b>SRTS</b>	Safe Routes to Schools
<b>IIP</b>	Interregional Improvement Program	<b>STA</b>	State Transit Assistance
<b>IM</b>	Interstate Maintenance	<b>STIP</b>	State Transportation Improvement Program
<b>ITS</b>	Intelligent Transportation Systems	<b>STP</b>	Surface Transportation Program



<b>JARC</b>	Job Access and Reverse Commute	<b>STP-L</b>	Surface Transportation Program - Local
<b>LOA</b>	Letter of Agreement	<b>TCIF</b>	Trade Corridors Improvement Fund (Prop 1B)
<b>LONP</b>	Letter of No Prejudice	<b>TCRF</b>	Traffic Congestion Relief Fund
<b>LTF</b>	Local Transportation Fund	<b>TCRP</b>	Traffic Congestion Relief Program
<b>LRTP</b>	Long Range Transportation Plan	<b>TDA</b>	Transportation Development Act
<b>METRO</b>	Los Angeles County Metropolitan Transportation Authority	<b>TDM</b>	Transportation Demand Management
<b>MOSIP</b>	Municipal Operator Service Improvement Program	<b>TE</b>	Transportation Enhancements
<b>MOU</b>	Memorandum of Understanding	<b>TIF</b>	Transportation Investment Fund
<b>MSERC</b>	Mobile Source Emission Reduction Credits	<b>TIFIA</b>	Transportation Infrastructure Finance and Innovation Act
<b>MSRC</b>	Mobile Source Air Pollution Reduction Review Committee	<b>TSM</b>	Transportation Systems Management
<b>NCIIP</b>	National Corridor Infrastructure Improvement Program	<b>USC</b>	United States Code
<b>NHS</b>	National Highway System	<b>UZA</b>	Urbanized Area
<b>NTD</b>	National Transit Database		

### APPENDIX 3: Timely Use of Funding Sources

Disclosure on Usage:

*This chart is intended for comparative purposes only. Actual guidelines for funding sources may change. The user is cautioned to check up-to-date guideline information for each fund source and not rely solely on this document.*

Funding Source	Obligation Authority/OA (Annual Federal Limit)/ State Funding Allocation <sup>1</sup>	Obligate <sup>1</sup> (Federal Funds), Encumber State, & Spend Local	Supporting Documentation
<b>Local<sup>8</sup></b>			
Prop A 25% - Local Return	Not Applicable	Year of allocation plus 3 years	Metro Proposition A Local Return Guidelines
Prop A 35%- Rail Development	Not Applicable	Indefinitely	Proposition A Ordinance
Prop A 40% - Discretionary Grant Program	Not Applicable	3 years Indefinite <sup>2</sup>	Metro Formula Allocation Procedure & Proposition A 5% of 40% Incentive Guidelines
Prop C 5% - Security	Not Applicable	3 years	Metro Formula Allocation Procedure
Prop C 10% - Commuter Rail & Transit Centers	Not Applicable	36 months <sup>3</sup> Indefinite <sup>4</sup>	Metro Call for Projects MOU, Proposition C Ordinance
Prop C 20%- Local Return	Not Applicable	Year of allocation plus 3 years	Metro Proposition C Local Return Guidelines
Prop C 25% - Transit-Related Highway Improvement	Not Applicable	36 months <sup>3</sup> Indefinite <sup>4</sup>	Metro Call for Projects MOU, Proposition C Ordinance
Prop C 40% - Discretionary	Not Applicable	36 months <sup>3</sup> Indefinite <sup>4</sup>	Metro Call for Projects MOU, Proposition C Ordinance
General Fund Revenue <sup>5</sup>	Not Applicable	No restrictions on timely use	No legislative restrictions
<b>State<sup>8,9</sup></b>			
Air Quality Vehicle Registration Fee	Indefinitely	2 years	Policy guidelines by South Coast Air Quality Management District (SCAQMD)
Carl Moyer Memorial Air Quality Standards Attainment Program	Eighteen months	2 years after obligation	California Environmental Protection Agency's Air Resources Board
Petroleum Violation Escrow Account	Varies, based on the individual contracts between the California Energy Commission and contractors	Not Applicable	Policy guidelines by California Energy Commission
State Transit Assistance (STA)	Not Applicable	3 years	Metro Formula Allocation Procedure

Funding Source	Obligation Authority/OA (Annual Federal Limit)/ State Funding Allocation <sup>1</sup>	Obligate <sup>1</sup> (Federal Funds), Encumber State, & Spend Local	Supporting Documentation
<b>State (continued)<sup>8,9</sup></b>			
State Transportation Improvement Program (STIP) - Preliminary Engineering (PE)	Available for allocation only until the end of the fiscal year identified in STIP	By the end of the second fiscal year following the fiscal year in which the funds were allocated (2 years)	STIP Guidelines - funds commonly called Regional Improvement Program (RIP) funds and include federal funds--STIP Letter of Agreement (LOA) if applicable
State Transportation Improvement Program (STIP) - Right of Way (R/W)	Available for allocation only until the end of the fiscal year identified in STIP	By the end of the second fiscal year following the fiscal year in which the funds were allocated (2 years)	STIP Guidelines STIP Letter of Agreement (LOA) if applicable
State Transportation Improvement Program (STIP)- Construction	Available for allocation only until the end of the fiscal year identified in STIP, funds allocated must be encumbered (by the award of a contract) within twelve months of the date of the allocation vote	A contract must be awarded within six months of allocation. Three years to spend funds after construction contract is awarded, additional 180 days after construction completion to make final payment or invoice Caltrans.	STIP Guidelines STIP Letter of Agreement (LOA) if applicable
Traffic Congestion Relief Program (TCRP)	Implementing agency must seek an allocation and start the first phase of work during the fiscal year scheduled	5 years to spend funds from date of allocation	California Transportation Commission (CTC) Guidelines for Traffic Congestion Relief Program
<b>Federal<sup>8</sup></b>			
Congestion Mitigation and Air Quality Improvement Program (CMAQ)	1 year to use obligation authority from start of fiscal year of appropriation	4 federal fiscal years including the federal fiscal year apportioned <sup>6,7</sup> -- ---State reduces to 3 years per AB 1012	CTC AB 1012 guidelines and legislation, Metro Call for Projects Letter of Agreement (LOA) if funds assigned
High Priority Projects (HPP)	Not Applicable	Not Applicable	Congressional Action/Discretionary

Funding Source	Obligation Authority/OA (Annual Federal Limit)/ State Funding Allocation <sup>1</sup>	Obligate <sup>1</sup> (Federal Funds), Encumber State, & Spend Local	Supporting Documentation
<b>Federal (continued)<sup>8</sup></b>			
Section 5307 - Urban Formula Bus Capital/Preventive Maintenance Operations	1 year to use obligation authority from start of fiscal year of appropriation excluding General Fund revenue in Transit Account	4 years (includes year of appropriation)	US Code Title 49 Section 5307
Section 5309 - New Starts discretionary	1 year to use obligation authority from start of fiscal year of appropriation excluding General Fund revenue in Transit Account	3 years (includes year of appropriation)	US Code Title 49 Section 5309 and Annual Allocation Availability Notice by FTA
Section 5309 - Fixed Guideway formula	1 year to use obligation authority from start of fiscal year of appropriation excluding General Fund revenue in Transit Account	4 years (includes year of appropriation)	US Code Title 49 Section 5309 and Section 5337 (d), and Annual Allocation Availability Notice by FTA
Section 5309 - Bus/Bus Facilities discretionary	1 year to use obligation authority from start of fiscal year of appropriation excluding General Fund revenue in Transit Account	3 years (includes year of appropriation)	US Code Title 49 Section 5309 and Annual Allocation Availability Notice by FTA
Surface Transportation Program Local (STPL)	1 year to use obligation authority from start of fiscal year of appropriation	4 federal fiscal years including the federal fiscal year apportioned. State reduces to 3 years per AB 1012	Metro Lapsing Policy
Transportation Enhancements (TE)	1 year to use obligation authority from start of fiscal year of appropriation	3 years pursuant to state law to allocate/obligate funds with one time extension made at least a year in advance. After 4 years funds go back to federal government.	CTC AB 1012 guidelines and legislation, Metro Call for Projects Letter of Agreement (LOA) if funds assigned

**Notes:**

1. **Federal and State Processes**

**Federal Funds:**

Transportation Annual Appropriations -----→Obligation Authority -----→Allocation Process -----→Obligation (grant award)-----→Expenditure  
(Apportionment/Allocation fund amounts) (Annual limitation established) (Formula amounts/discretionary notice)

**State Funds:**

Budgeting -----→ Programming -----→ Allocation -----→ Encumbrance -----→ Expenditure

**Federal Definitions**

**Authorization:** Legislation, usually multi-year, that establishes or continues Federal programs or agencies and establishes an upper limit on the amount of funds for the program(s). The current authorization act for surface transportation programs is SAFETEA-LU.

**Appropriations:** Annually, Congress develops a bill approving funding levels for transit and highway programs. The funding levels can be project specific, program specific, or state specific -- whichever is applicable.

**Obligation Authority:** Amount of funds the federal highway trust fund is allowed to obligate in any federal fiscal year.

**Apportionment:** Statutorily prescribed division or assignment of funds based on formulas in the law; consists of dividing authorized obligation authority for a specific program among the states.

**Allocation Process:** Identifying exact share of appropriations or allocations that are to be awarded to individual user, program or project.

**Obligation:** Funding is set aside for a program or project when the grant is awarded by FTA or FHWA for a specific purpose.

**Expenditure:** Spending the funds on the project or program.

**State Definitions**

**Budgeting:** The state legislature develops a bill that approves funding levels for programs. The funding levels can be project specific, program specific, or county specific -- whichever is applicable.

**Programming:** Entering specific projects into the Statewide Transportation Improvement Program (STIP) and the Federal Transportation Improvement Program (FTIP) and indicating usage of funds appropriated.

**Allocation:** Approving funds for specific projects by the CTC or concurrence with state regulations by Caltrans.

**Encumbrances:** Funds are set aside where goods or services have not yet been received.

**Expenditures:** Spending the funds.

2. Often these funds are subject to the three-year time limit per the Metro Formula Allocation Procedure.
3. Although funds need to be expended within 36 months from July 1 of the fiscal year in which the funds are programmed, other stipulations apply as well, including:
  - (a) grantees must execute the Memorandum of Understanding (MOU) within 90 days of receiving formal transmittal of the MOU or by December 31 of the fiscal year, whichever date is later;
  - (b) contracts for construction or capital purchase shall be executed within nine months from the date of completion of design;
  - (c) project design must begin within six months from the milestone start date in the MOU; and

- (d) funds programmed for project development or right-of-way costs must be expended by the second fiscal year following the year the funds were first programmed.
4. Often these funds are subject to a thirty-six month time limit per the Metro Call for Projects MOU guidelines.
  5. Metro General Fund Revenues include: leases, interest, property sale revenue, employee activities among others.
  6. CMAQ, RSTP, STIP, and TE funded projects are subject to the Letter of Agreement (LOA) guidelines when used for the Call for Projects or STIP processes. The LOA guidelines state that funds must be obligated within 36 months from the federal fiscal year apportioned. Other date specific performance criteria apply as well including:
    - (a) project sponsors must execute the LOA within 90 days of receiving formal transmittal of the LOA or by December 31 of the fiscal year, whichever date is later;
    - (b) contracts for construction or capital purchase shall be executed within nine months from the date of completion of design;
    - (c) project design must begin within six months from the milestone start date in the LOA;
    - (d) funds programmed for project development or right-of-way costs must be expended by the second fiscal year following the year the funds were first programmed;
    - (e) local timelines for meeting LOA milestones do not conflict with federal or state STIP regulations on fund usage since ultimate fund usage is the same at 36 months including year of apportionment. An LOA requires specific local performance milestones to ensure funds are progressing toward obligation. Required dates in LOA are intended to guarantee timely use of funds and avoid lapse; and
    - (f) funds not obligated within 36 months including year of apportionment become subject to usage by the state before the 48 month federal lapsing date occurs.
  7. Flexible funds (CMAQ & RSTP) transferred to the Federal Transit Administration (FTA) become Section 5307 funds and the California AB 1012 restriction on three years to obligate does not apply. The federal standard of four years applies to obligation.
  8. If funds are lapsed the following occurs:
    - (a) Local funds return to Metro for reprogramming in the next Call for Projects or become available local funds to be used in accordance with permitted use;
    - (b) STIP funds that have not been allocated by the CTC are returned to Metro for programming;
    - (c) STIP funds having had an allocation vote by the CTC and remaining unspent for four years go back to the state for reprogramming under the statewide STIP process. Funds are lost to the county, except for the limited amount returned through the STIP process; and
    - (d) Federal funds (RSTP/CMAQ/TE) that are not obligated within 36 months from federal fiscal year apportioned are returned to the state for usage within the 48 month required period. Other funds or the same source of funds are then reprogrammed to Metro by the state. Transportation Enhancement (TE) funds not allocated within 48 months are returned to the federal government if apportioned after federal fiscal year 1998.
  9. In California, the annual Obligation Authority and obligation processes are evaluated from a statewide perspective and are not left entirely to the county or the jurisdictions receiving funding. Caltrans will annually adjust statewide distributions to ensure that obligation authority and obligation processes occur in a timely manner, thus ensuring apportionments or allocations are not returned to the federal government and that maximum expenditure occurs against the annual obligation authority. In accomplishing this, Caltrans may substitute funding types to local jurisdictions or mutually agree to exchange funding types or designate a later year's funding distribution to be applied.

## **APPENDIX 4: Measure R Expenditure Plan**

Attached is the Measure R Expenditure Plan which was Attachment A to Ordinance #08-01 which was approved by the voters in November 2008.

**Proposed One-Half Cent Sales Tax for Transportation  
Outline of Expenditure Categories**

**ATTACHMENT A**

**Sunsets in 30-Years: Fiscal Year (FY ) 2010 - 2039**

(millions)

<b>Subfund</b>	<b>Program</b>	<b>% of Sales Tax (net of administration)</b>	<b>First Year Amount</b>	<b>10-Year Amount</b>	<b>30-Year Amount</b>
Transit Capital	New Rail and/or Bus Rapid Transit Capital Projects - project definition depends on final environmental review process	35%	\$ 241	\$ 2,930	\$ 13,790
Transit Capital	Metrolink Capital Improvement Projects within Los Angeles County (Operations, Maintenance, and Expansion)	3%	\$ 21	\$ 251	\$ 1,182
Transit Capital	Metro Rail Capital - System Improvements, Rail Yards, and Rail Cars	2%	\$ 14	\$ 167	\$ 788
Highway Capital	Carpool Lanes, Highways, Goods Movement, Grade Separations, and Soundwalls	20%	\$ 138	\$ 1,675	\$ 7,880
Operations	Rail Operations (New Transit Project Operations and Maintenance)	5%	\$ 34	\$ 419	\$ 1,970
Operations	Bus Operations (Countywide Bus Service Operations, Maintenance, and Expansion. Suspend a scheduled July 1, 2009 Metro fare increase for one year and freeze all Metro Student, Senior, Disabled, and Medicare fares through June 30, 2013 by instead using Metro's Formula Allocation Procedure share of this subfund.)	20%	\$ 138	\$ 1,675	\$ 7,880
Local Return	Major street resurfacing, rehabilitation and reconstruction; pothole repair; left turn signals; bikeways; pedestrian improvements; streetscapes; signal synchronization; and transit. (Local Return to the Incorporated Cities within Los Angeles County and to Los Angeles County for the Unincorporated Area of the County on a Per Capita Basis.)	15%	\$ 103	\$ 1,256	\$ 5,910
<b>TOTAL PROGRAMS</b>		<b>100%</b>	<b>\$ 689</b>	<b>\$ 8,373</b>	<b>\$ 39,400</b>
1.5% for Administration			\$ 11	\$ 127	\$ 600
<b>GRAND TOTAL</b>			<b>\$ 700</b>	<b>\$ 8,500</b>	<b>\$ 40,000</b>



**Proposed One-Half Cent Sales Tax for Transportation: Expenditure Plan**

**30 Years, Fiscal Year (FY) 2010 - 2039**

**As Adopted by the Los Angeles County Metropolitan Transportation Authority Board of Directors July 24, 2008**

(\$ in millions)

for reference only - not priority order	Subfund	Potential Project in Alphabetical Order by Category (project definition depends on final environmental process)	Cost Estimate	New Sales Tax (Assembly Bill 2321)			Other Funds			Funds Available Beginning	Expected Completion	
				Minimum	Additional	Total	Federal Funding	State Funding	Local Funding (Rail is 3% except as noted)			
1	<b>Transit Projects: New Rail and/or Bus Rapid Transit Capital Projects. Could include rail improvements or exclusive bus rapid transit improvements in designated corridors.</b>											
2			<b>Escalated \$</b>									
3		Eastside Light Rail Access (Gold Line)	\$ 30	\$ 30	\$ -	\$ 30	\$ -	\$ -	\$ -	FY 2010	FY 2013	
4		Exposition Boulevard Light Rail Transit	\$ 1,632 <sup>a</sup>	\$ 925	\$ -	\$ 925	\$ -	\$ 353	\$ 354	FY 2010-12	FY 2013-15	
5		Metro and Municipal Regional Clean Fuel Bus Capital Facilities and Rolling Stock (Metro's share to be used for clean fuel buses)	\$ 150	\$ 150	\$ -	\$ 150	\$ -	\$ -	\$ -	FY 2010	FY 2039	
6		Regional Connector (links local rail lines)	\$ 1,320	\$ 160	\$ -	\$ 160	\$ 708	\$ 186	\$ 266 <sup>b</sup>	FY 2014-16	FY 2023-25	
7			<b>Current 2008 \$</b>									
8	Transit Capital Projects	Crenshaw Transit Corridor - <b>project acceleration</b>	\$ 1,470	\$ 235.5	\$ 971.5	\$ 1,207	To be determined		\$ 263 <sup>c</sup>	FY 2010-12	FY 2016-18	
9		Gold Line Eastside Extension	\$ 1,310	\$ -	\$ 1,271	\$ 1,271			\$ 39	FY 2022-24	FY 2033-35	
10		Gold Line Foothill Light Rail Transit Extension	\$ 758	\$ 735	\$ -	\$ 735			\$ 23	FY 2010-12	FY 2015-17	
11		Green Line Extension to Los Angeles International Airport	\$ 200	\$ -	\$ 200	\$ 200			TBD <sup>d</sup>	FY 2010-12	FY 2015-28 <sup>d</sup>	
12		Green Line Extension: Redondo Beach Station to South Bay Corridor	\$ 280	\$ -	\$ 272	\$ 272			\$ 8	FY 2028-30	FY 2033-35	
13		San Fernando Valley I-405 Corridor Connection (match to total project cost)	TBD	\$ -	\$ 1,000	\$ 1,000			\$ 31	FY 2030-32	FY 2038-39	
14		San Fernando Valley North-South Rapidways (Canoga Corridor) - <b>project acceleration</b>	\$ 188	\$ 32 <sup>e</sup>	\$ 150	\$ 182			\$ 6	FY 2010-12	FY 2014-16	
15		San Fernando Valley East North-South Rapidways - <b>project acceleration</b>	\$ 70	\$ 68.5 <sup>e</sup>	\$ -	\$ 68.5			\$ 2	FY 2013-15	FY 2016-18	
16		West Santa Ana Branch Corridor (match to total project cost)	TBD	\$ -	\$ 240	\$ 240			\$ 7	FY 2015-17*	FY 2025-27*	
17		Westside Subway Extension - to be opened in segments	\$ 4,200 <sup>f</sup>	\$ 900	\$ 3,174	\$ 4,074			\$ 126	FY 2013-15	FY 2034-36	
18			Capital Project Contingency (Transit)-Escalation Allowance for lines 8-17 to be based on year of construction	\$ 7,331	\$ 173	\$ 3,103			\$ 3,276	\$ 2,200	\$ 1,015	\$ 840 <sup>g</sup>
19		<b>Total New Rail and/or Bus Rapid Transit Capital Projects</b>	<b>\$ 18,939 <sup>h</sup></b>	<b>\$ 3,408.5</b>	<b>\$ 10,381.5</b>	<b>\$ 13,790</b>	<b>\$ 2,908</b>	<b>\$ 1,554</b>	<b>\$ 1,965</b>	FY 2010	FY 2039	

**Proposed One-Half Cent Sales Tax for Transportation: Expenditure Plan**

**30 Years, Fiscal Year (FY) 2010 - 2039**

**As Adopted by the Los Angeles County Metropolitan Transportation Authority Board of Directors July 24, 2008**

(\$ in millions)

for reference only - not priority order	Subfund	Potential Project in Alphabetical Order by Category (project definition depends on final environmental process)	Cost Estimate	New Sales Tax (Assembly Bill 2321)			Other Funds			Funds Available Beginning	Expected Completion
				Minimum	Additional	Total	Federal Funding	State Funding	Local Funding (Rail is 3% except as noted)		
20		<b>Highway Projects: Capital Projects - Carpool Lanes, Highways, Goods Movement, Grade Separations, and Soundwalls</b>									
21			<b>Escalated \$</b>								
22		Alameda Corridor East Grade Separations Phase II	\$ 1,123	\$ 200	\$ 200	\$ 400	\$ 200	\$ 336	\$ 187 <sup>i</sup>	As funds become available	
23		BNSF Grade Separations in Gateway Cities	\$ 35	\$ -	\$ 35	\$ 35	\$ -	\$ -	\$ -	As funds become available	
24		Countywide Soundwall Construction (Metro regional list and Monterey Park/SR-60)	\$ 250	\$ 250	\$ -	\$ 250	\$ -	\$ -	\$ -	FY 2010	FY 2039
25		High Desert Corridor (environmental)	\$ 33	\$ -	\$ 33	\$ 33	\$ -	\$ -	\$ -	As funds become available	
26		Interstate 5 / St. Route 14 Capacity Enhancement	\$ 161	\$ 90.8	\$ -	90.8	\$ 15	\$ 41	\$ 14 <sup>j</sup>	FY 2010	FY 2013-15
27		Interstate 5 Capacity Enhancement from I-605 to Orange County Line	\$ 1,240	\$ 264.8	\$ -	\$ 264.8	\$ 78	\$ 834	\$ 63 <sup>j</sup>	FY 2010	FY 2016-17
28		I-5 Capacity Enhancement from SR-134 to SR-170	\$ 610	\$ 271.5	\$ -	\$ 271.5	\$ 50	\$ 264	\$ 24 <sup>j</sup>	FY 2010	FY 2013
29		I-5 Carmenita Road Interchange Improvement	\$ 389	\$ 138	\$ -	\$ 138	\$ 97	\$ 154	\$ - <sup>j</sup>	FY 2010	FY 2015
30			<b>Current 2008 \$</b>								
31	Highway Capital Projects	Highway Operational Improvements in Arroyo Verdugo subregion	\$ 170	\$ -	\$ 170	\$ 170	To be determined			As funds become available	
32		Highway Operational Improvements in Las Virgenes/Malibu subregion	\$ 175	\$ -	\$ 175	\$ 175					
33		Interstate 405, I-110, I-105, and SR-91 Ramp and Interchange Improvements (South Bay)	\$ 906	\$ -	\$ 906	\$ 906					
34		Interstate 5 North Capacity Enhancements from SR-14 to Kern County Line (Truck Lanes)	\$ 2,800	\$ -	\$ 410	\$ 410					
35		Interstate 605 Corridor "Hot Spot" Interchanges	\$ 2,410	\$ -	\$ 590	\$ 590					
36		Interstate 710 North Gap Closure (tunnel)	\$ 3,730	\$ -	\$ 780	\$ 780					
37		Interstate 710 South and/or Early Action Projects	\$ 5,460	\$ -	\$ 590	\$ 590					
38		State Route 138 Capacity Enhancements	\$ 270	\$ -	\$ 200	\$ 200					
39		Capital Project Contingency (Highway)-Escalation Allowance for lines 31-38 to be based on year of construction	\$ 2,575	\$ -	\$ 2,575.9	\$ 2,576					
40			<b>Total Capital Projects Highway: Carpool Lanes, Highways, Goods Movements, Grade Separations, and Soundwalls</b>	<b>\$ 22,337</b>	<b>\$ 1,215.1</b>	<b>\$ 6,664.9</b>					<b>\$ 7,880</b>

**Proposed One-Half Cent Sales Tax for Transportation: Expenditure Plan**

**30 Years, Fiscal Year (FY) 2010 - 2039**

**As Adopted by the Los Angeles County Metropolitan Transportation Authority Board of Directors July 24, 2008**

(\$ in millions)

for reference only - not priority order	Subfund	Operating and Capital Programs	Percent of New Sales Tax Net Revenues	New Sales Tax (Assembly Bill 2321)			Other Funds			Funds Available Beginning	Expected Completion
				Minimum	Additional	Total Escalated	Federal Funding	State Funding	Local Funding (Rail is 3% except as noted)		
41	Ops	Bus Operations (Countywide Bus Service Operations, Maintenance, and Expansion. Suspend a scheduled July 1, 2009 Metro fare increase for one year and freeze all Metro Student, Senior, Disabled, and Medicare fares through June 30, 2013 by instead using Metro's Formula Allocation Procedure share of this subfund.)	20%	\$ -	\$ 7,880	\$ 7,880 <sup>k</sup>	Not Applicable			FY 2010	FY 2039
42	Ops	Rail Operations (New Transit Project Operations and Maintenance)	5%	\$ -	\$ 1,970	\$ 1,970 <sup>k</sup>				FY 2010	FY 2039
43	Local Return	Major street resurfacing, rehabilitation and reconstruction; pothole repair; left turn signals; bikeways; pedestrian improvements; streetscapes; signal synchronization; and transit.	15% <sup>l</sup>	\$ 250	\$ 5,660	\$ 5,910 <sup>k</sup>				FY 2010	FY 2039
44	Tran. Cap.	Metro Rail Capital Projects - System Improvements, Rail Yards, and Rail Cars	2%	\$ -	\$ 788	\$ 788 <sup>k</sup>				FY 2010	FY 2039
45	Tran. Cap.	Metrolink Capital Improvement Projects within Los Angeles County (Operations, Maintenance, and Expansion)	3%	\$ 70	\$ 1,112	\$ 1,182 <sup>k</sup>				FY 2010	FY 2039
46		<b>Subtotal Transit and Highway Capital Projects</b>	<b>\$ 41,276<sup>m</sup></b>	<b>\$ 4,623.6</b>	<b>\$ 17,046</b>	<b>\$ 21,670</b>	<b>\$ 2,908</b>	<b>\$ 1,554</b>	<b>\$ 2,253</b>	FY 2010	FY 2039
47		<b>Subtotal page 4</b>		<b>\$ 320.0</b>	<b>\$ 17,410</b>	<b>\$ 17,730</b>	Not Applicable				
48		1.5% for Administration	N/A	\$ 10	\$ 590	\$ 600				FY 2010	FY 2039
49		<b>Total</b>		<b>\$ 4,953.6</b>	<b>\$ 35,046</b>	<b>\$ 40,000</b>	<b>\$ 2,908</b>	<b>\$ 1,554</b>	<b>\$ 2,253</b>	FY 2010	FY 2039

Notes:

- a. The Exposition Blvd Light Rail Transit project includes the following funds: Prop 1B Transit Modernization funds (\$250 M), State Transportation Improvement Program funds (\$103 M), Metro Propositions A and C funds (\$354 M).
- b. Systemwide ridership forecasts indicate need for a Regional Connector downtown. This expenditure plan assumes that Metro Long Range Transportation Plan funds freed-up from the Exposition Phase II project by passage of this sales tax will be redirected to the Regional Connector project by the Metro Board.
- c. Local funding for the Crenshaw Transit Corridor assumes a 3% local contribution (\$44 M) and a Metro Long Range Transportation Plan contribution (\$219 M).
- d. Local funding target and project schedule to be determined due to potential LAX contribution. First segment is included in the Crenshaw project.
- e. The San Fernando Valley North-South Rapidways minimum of \$100 M is divided between the East and Canoga segments.
- f. Unescalated cost estimate to Westwood.
- g. Assumes a 3% local contribution to the Escalation Allowance (\$225 M) and a Metro Long Range Transportation Plan contribution for project scheduling risk (\$615 M).
- h. Total new rail and/or bus rapid transit capital projects cost estimate subject to change when cost estimates are developed for the San Fernando Valley I-405 Corridor Connection (line 13) and the West Santa Ana Branch Corridor (line 16).
- i. The precise amounts of Federal and local funding for the Alameda Corridor East Grade Separations Phase II project are subject to change.
- j. For projects funded from other sources on or before December 31, 2008, the funds freed-up by passage of this sales tax shall remain in the subregion in which the project is located for projects or programs of regional significance (per AB 2321).
- k. Amounts are estimates. Actual amounts will be based on percentage of actual sales tax receipts net of administration.
- l. Local Return to the incorporated cities within Los Angeles County and to Los Angeles County for the unincorporated area of the County on a per capita basis per annual California Department of Finance population data.
- m. The total project cost estimate for the transit and highway capital projects of \$41.2 B includes \$12.9 B in as yet unidentified federal, state, local, and public-private partnership funds for highway projects.

Legend: Ops = Operations; Tran. Cap. = Transit Capital; SR = State Route; I = Interstate

\* The West Santa Ana Branch matching funds would be accelerated by utilizing Long Range Transportation Plan resources freed-up by the use of new sales tax funds on the Interstate 5 Capacity Enhancement from I-605 to Orange County Line project (line 27).