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12

**PLANNING AND PROGRAMMING COMMITTEE
JANUARY 16, 2008**

**EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE
JANUARY 17, 2008**

SUBJECT: SUMMARY OF SAFETEA-LU FUNDS

ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and file report that summarizes the status of programmatic and project-based federal funds that the Los Angeles County Metropolitan Transportation Authority (LACMTA) has received to-date from the Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy For Users (SAFETEA-LU).

ISSUE

The Board of Directors has requested that we provide a report on the status of SAFETEA-LU funds that the LACMTA has received to-date for its projects and programs.

BACKGROUND

The last surface transportation legislation that the U.S. Congress adopted was entitled the Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU). That measure, which President Bush signed into law in August 2005, authorized \$286 billion in transportation funding nationwide through federal fiscal year 2009.

For Los Angeles County, SAFETEA-LU provided about \$4 billion in federal funds for highway, transit and other transportation projects and programs. The bill included highway formula funding that boosted Los Angeles County's share by \$246 million or 18% above the previous transportation reauthorization bill. For transit, the bill's funding formula increased our county's share by \$158 million or 15% above the previous reauthorization bill.

As with previous federal transportation re-authorization bills, SAFETEA-LU provides funds based on a federal fiscal year (FFY) schedule from October 1 to September 30. For example, the legislation made a total of \$399 million available for the Metro Gold Line Eastside Extension (MGLEE). Of this total, the bill outlines a funding schedule that provides these funds over the next several years. In 2006, we applied for and received \$78.4 million for

MGLEE, and this past year, we applied for and secured \$100 million for this rail project. We have been applying and will continue to apply for SAFETEA-LU formula funds in a similar fashion.

Obligation of SAFETEA-LU Federal Funds

To access federal funds that have been authorized through SAFETEA-LU and made available through subsequent Congressional appropriations, we prepare and submit grant applications primarily to the Federal Transit Administration (FTA) and some to Caltrans for approval. Their approval of these funding applications “obligate” the funds requested for specific projects and programs, and the funds are then available for drawdown and use. Congress and our federal grantor agencies oftentimes consider the amount of federal funds that a grantee or sponsor has obligated or used when considering to provide additional federal funding from a current authorization or new federal funding from the next authorization to a particular grantee or sponsor.

Consistent with federal rules and regulations, we have diligently obligated the funding made available to us to-date through SAFETEA-LU as formula allocations, discretionary grant awards and earmarks. Examples of such funding that has been made available to LACMTA through the obligation process include the formula-allocated Congestion Mitigation and Air Quality Improvement (CMAQ) Program, the discretionary grant awards from the FTA’s Bus and Bus Facilities Program and the \$399 million earmark for the MGLEE through the FTA’s New Starts Program.

Attachment A to this Board Report documents the status of our role in obligating federal SAFETEA-LU funds made available for our agency. From the ten federal programs or categories shown, we have received to-date a total of over \$1.22 billion and have been able to obligate about \$1.20 billion or about 98% of the funding received. Some of the unobligated amounts from the SAFETEA-LU formula programs are pending approval from the FTA for activities that include bus purchases.

It is important to note that before the SAFETEA-LU enactment, LACMTA received a \$12 million earmark from the previous federal re-authorization legislation (Transportation Equity Act for the 21st Century or TEA-21) for Improvements to Glendale Boulevard and State Route 2. Of the \$12 million, we have spent \$1.4 million to-date on a Project Study Report and the initiation of environmental work. We plan to obligate the balance of those TEA-21 federal funds to continue the environmental and the preliminary engineering components of the project.

NEXT STEPS

We will continue to obligate formula, discretionary and earmarked funds made available to our agency through SAFETEA-LU and the follow-up FFY 2008 and 2009 appropriations. In

cases where FTA and/or Caltrans approval is necessary to access those funds, we will encourage them to expedite their consideration so that funding availability and access are not delayed.

ATTACHMENT(S)

A. Federal Funds from SAFETEA-LU Obligated by LACMTA

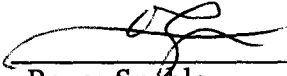
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Federal Funds From SAFETEA-LU Obligated By LACMTA

FEDERAL PROGRAM	SAFETEA-LU AMOUNT ALLOCATED THRU FY07	SAFETEA-LU AMOUNT OBLIGATED THRU FY07	SAFETEA-LU BALANCE
Job Access and Reverse Commute Formula Funds	\$12,817,961	\$1,676,039	\$11,141,922
New Starts Discretionary Funds	\$298,111,339	\$298,111,339	\$0
Bus and Bus Facilities Discretionary Funds	\$12,033,610	\$11,797,858	\$235,752
New Freedom Formula Funds	\$5,421,917	\$832,109	\$4,589,808
Urbanized Area Formula Funds	\$415,806,759	\$411,098,865	\$4,707,894
Alternative Analysis Discretionary Funds	\$2,000,000	\$2,000,000	\$0
Fixed Guideway Modernization Formula Funds	\$104,805,762	\$103,797,376	\$1,008,386
SAFETEA-LU High Priority Demo I-710-Project	\$2,901,800	\$2,901,800	\$0
Congestion Mitigation and Air Quality Formula Funds	\$325,927,181	\$325,927,181	\$0
Regional Surface Transportation Formula Funds	\$37,710,000	\$37,710,000	\$0
TOTAL FUNDS AS OF NOV. 2007	\$1,217,536,329	\$1,195,852,567	\$21,683,762