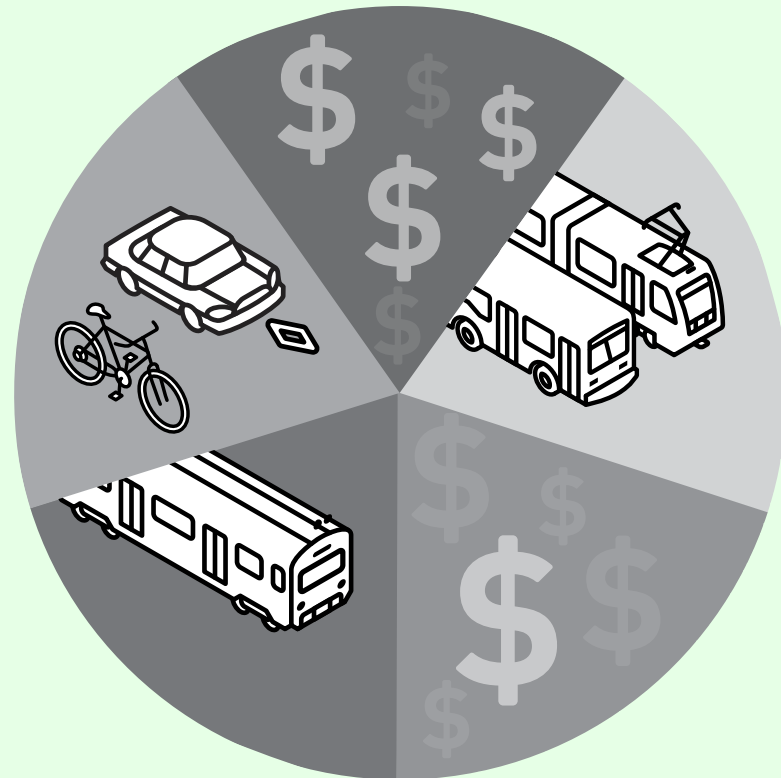


2006

METRO FUNDING SOURCES GUIDE



**Los Angeles County
Metropolitan Transportation Authority**

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.9200 Tel
213.922.5259 Fax
metro.net



INTRODUCTION

This Metro Funding Sources Guide provides an overview of the sources available for transportation funding in Los Angeles County. Transportation finance is an extremely complex issue 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.

Section III contains the Appendices. Appendix I outlines additional transportation funding sources that may be allocated directly by State or Federal agencies to cities or agencies in Los Angeles County. Appendix II is a list of acronyms used in this Guide. Appendix III is a chart of timely use of funds requirements. Appendix IV is an allocation chart for L.A. County of state and federal motor vehicle fuel excise taxes.

Prepared by:
Regional Programming Unit
Programming and Policy Analysis

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EXECUTIVE SUMMARY

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 the actual assignment of funds to specific projects or functions within a given timeframe. 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 for major Metro projects. 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, a portion of the 18.4-cents per gallon federal gasoline tax, and the California sales tax on motor vehicle fuel. Metro is legally authorized to administer the two voter-enacted local sales tax initiatives – Proposition A and Proposition C. 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 2005 through Fiscal Year 2009 will be \$22 billion, with 54% of this amount from local, 29% from state, and 17% from federal sources. Of the estimated \$4 billion in transportation revenues available in Los Angeles County in FY 2007, \$3 billion is included in the Metro budget.

Local sources consist mostly of the local sales taxes designated for transportation purposes (Propositions A and C), 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 results in a significant source of state transportation funds. Approved by the voters in 2002, Proposition 42 amended the State Constitution to transfer state sales tax on gasoline from the State General Fund to transportation purposes beginning in FY 2004. The transfer, which may be suspended in the event of a State General Fund fiscal emergency, was partially suspended in FY 2004 and fully suspended in FY 2005. The FY 2007 State Budget fully

funds the transfer of \$1.4 billion distributed as follows: \$678 million to the Traffic Congestion Relief Program (TCRP) projects, \$582 million to the State Transportation Improvement Program (STIP), and \$146 million to the Public Transportation Account (PTA). Beginning in FY 2009 the funds will be distributed 20% to the PTA, 40% to the STIP, and 40% to local streets and roads.

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 covers Federal Fiscal Years 2005 - 2009. For Federal Fiscal Year 2004, program authorizations were extended in a series of six short-term extensions of the previous 1998 six-year act (the Transportation Efficiency Act for the 21st Century [TEA-21]). SAFETEA-LU essentially maintains the programmatic structure and funding balance established in TEA-21 and represents an overall 42% average annual increase over TEA-21. SAFETEA-LU nationally authorizes \$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 frequently less than the authorized level.

SAFETEA-LU extends the five core formula programs: Interstate Maintenance (IM), National Highway System (NHS), Surface Transportation Program (STP), Congestion Mitigation and Air Quality (CMAQ), and the Highway Bridge Program; adds a new Highway Safety Improvement Program (HSIP); and provides an approximate 80:20 ratio of highway to transit funding. The Equity Bonus program (equivalent to TEA-21's Minimum Guarantee program) ensures each state a minimum rate of return on its fuel tax revenue contributions to the Federal Highway Trust Fund. Donor states, such as California, are guaranteed a minimum of 90.5 percent return in 2005 and 2006, 91.5 percent in 2007, and 92.0 percent in 2008 and 2009. Equity Bonus funds may be used for any transportation project eligible for funding under the major highway formula programs. In addition, SAFETEA-LU includes 204 earmarks that provide partial funding for specific highway and transit projects in Los Angeles County.

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.

Please direct comments to:
Los Angeles County Metropolitan Transportation Authority
Programming and Policy Analysis
RE: 2006 Metro Funding Sources Guide, MS 99-23-3
One Gateway Plaza
Los Angeles, CA 90012

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

Section I provides 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.

Funding Source	STATE	FEDERAL
Proposition A	AB 2766 Program, Air Quality Vehicle Registration Fee	Homeland Security Grants
5% Administration (off the top)	Carl Moyer Memorial Air Quality Standards Attainment	
25% Local Return	Environmental Enhancement & Mitigation (EEM)	FEDERAL -- SAFETEA-LU HIGHWAYS
35% Rail Development Program	Highway Bridge Program (HBP)	Congestion Mitigation & Air Quality Program (CMAQ)
40% Discretionary (95% of 40% discretionary)	Petroleum Violation Escrow Account (PVEA)	Equity Bonus Program
Incentive Program (5% of 40% discretionary)	Proposition 42 Funds for Cities and LA County	Freight Intermodal Distribution Pilot Grant Program
Proposition C	Public Transportation Account (PTA)	High Priority Projects (HPP) (earmarks)
1.5% Administration (off the top)	PUC Grade Separation Program	Highway Bridge Program (HBP)
5% Rail and Bus Security	State Gas Tax Subventions To Cities	Highway Safety Improvement Program (HSIP)
10% Commuter Rail/Transit Centers	State Highway Account – for Caltrans Operations	Intelligent Transportation Systems Research & Dev.
20% Local Return	State Highway Account – for Freeway Service Patrol	Nat'l Corridor Infrastructure Improvement (earmarks)
25% Transit Related Improvements	State Highway Operation & Protection Prog. (SHOPP)	Projects of National & Regional Significance (earmarks)
40% Discretionary	State Infrastructure Bank (SIB)	Safe Routes to Schools Program (SR2S)
Transportation Development Act (TDA)	State Transit Assistance (STA)	Surface Transportation Program (STP):
Administration	Population Share	Regional share (RSTP)
TDA Article 3 (Bicycle and Pedestrian)	Operator Revenue Share	Transportation Enhancements (TE)
TDA Article 4 (Public Transportation)	State Transportation Improvement Program (STIP):	Transportation Improvements (earmarks)
TDA Article 8 (Transit & Paratransit Unmet Needs)	Interregional Improvement Program (IIP)	FEDERAL – SAFETEA-LU TRANSIT
Benefit Assessments	Regional Improvement Program (RIP)	Section 5307 – Urbanized Area Formula Grants
Bond Financings	Traffic Congestion Relief Program (TCRP)	Section 5308 – Clean Fuels Grants
Fare Revenues		Section 5309 – Bus & Bus Facility Grants
HOV Violation Fund		Section 5309 – Fixed Guideway Modernization
Interest Earnings on Propositions A, C, TDA (Metro)		Section 5309 – New Starts
Local Agency Match Funds for Metro Call for Projects		Section 5309 – Small Starts
Local Agency Street and Road Funds		Section 5310 – Elderly & Persons with Disabilities
Miscellaneous (Metro lease, advertising, other)		Section 5311 – Non-Urbanized Area Formula Grants
Mobile Source Emissions Credits		Section 5314 – National Research Program
Public/Private Joint Development		Section 5316 – Job Access & Reverse Commute (JARC)
Service Authority for Freeway Emergencies (SAFE)		Section 5317 – New Freedom Program
		Section 5339 – Alternative Analysis Program
		Section 5340 – Growing States & High Density

Major 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
Y = Yes, N = No, Cap = Capital, Ops = Operating											
Proposition A - 1/2 cent L.A. County Sales Tax											
Admin (5%)	Local	Metro Board	Metro	N	N	N	N	N	N	N	N
25% - Local Return		Ordinance	Cities 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
Proposition C - 1/2 cent L.A. County Sales Tax											
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		Metro Board	Metro, Local Agencies, Metrolink for Projects	N	N	N	N	N	N	N	Y
20% - Local Return		Ordinance	Cities 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 for Discretionary/Special Programs	Y	Y	Y	Y	N	N	N	N
Interest		Metro Board	Metro & Others for Discretionary/Special Programs	Y	Y	Y	Y	N	N	N	N
Transportation Development Act (TDA) - 1/4 cent State Sales Tax											
Admin (1% Metro, \$1 M 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
Public Transportation Account (PTA) - State Transit Assistance (STA)											
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
Service Authority for Fwy Emergencies (SAFE)-Call Boxes											
	State	SAFE Board	Restricted to Call Box Program	N	N	N	N	N	N	Y	N
Metro General Revenues											
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
State Transportation Improvement Program (STIP)											
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
Surface Transportation Program (STP)											
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 (TEA)	Federal/FHWA	Metro Board	Metro/Local Agencies-Projects	N	N	N	N	N	N	Y	Y
Congestion Mitigation & Air Qual.(CMAQ)-flexible to transit											
	Federal/FHWA	Metro Board	Metro/Local Agencies-Projects	Y	Y**	Y	Y**	Y	Y**	Y	Y
Section 5307 - Urbanized Area Formula Program											
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
Section 5309-Fixed Guideway Modernization Formula Prog.											
	Federal/FTA	Metro Board	Metro	Y	N	Y	N	Y	N	N	N
Section 5309-New Starts											
	Federal/FTA	Metro Board	Metro for Earmarked Projects	N	N	Y	N	Y	N	N	N
Section 5309-Bus and Bus Related											
	Federal/FTA	Metro Board	Metro/Local Agencies-Earmarked Projects	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

Section II provides a description of each Local, State, and Federal transportation funding source available in Los Angeles County.

Local Funding Source & Annual Amount (approx.)	Description	Eligible Uses
Proposition A \$620 million	A voter-enacted (1980) ½-cent sales tax in Los Angeles County. Metro is responsible for administering the funds. The 1998 Reform and Accountability Act restricts that these funds cannot be used for underground subways. These funds can be leveraged by bonding for capital projects. Ordinance specifies the following apportionments:	To improve and expand public transit in L.A. County. Eligible uses are defined in the Ordinance. Funds flow to Metro which allocates to itself and other agencies according to the Metro Formula Allocation Procedure and Metro Board actions.
\$31 million	<ul style="list-style-type: none"> • Administration – Metro has elected to use up to 5% for administration 	Planning, management, execution, use and conduct of the projects and programs funded by Proposition A.
\$147 million	<ul style="list-style-type: none"> • 25% Local Return Program – 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"> – 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 – Requires annual project descriptions – Metro conducts fiscal and compliance audits upon project completion – Can establish capital reserves with Metro Board approval 	<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: http://www.metro.net/projects_programs/local_return.htm</p> <p>Metro contact for Local Return Guidelines or further information: Susan Richan or Nalini Ahuja</p>
\$206 million	<ul style="list-style-type: none"> • 35% Rail Development Program <ul style="list-style-type: none"> – Metro frequently leverages these funds by bonding in accordance with adopted debt policy to finance major construction projects such as the Blue, Green and Red Lines 	Bond debt service (principal and interest on bonds used to finance major rail construction projects) has first claim. Acquisition, renovation, rehabilitation, and replacement of rail vehicles, rail facilities, and wayside systems. Operation of rail systems. Acquisition and maintenance of rights of way.
\$236 million \$224 million	<ul style="list-style-type: none"> • 40% Discretionary – allocated as follows per Metro Board policy: <ul style="list-style-type: none"> – 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. 	<p>Any transit purpose, but current practice limits expenditures to bus capital and operations</p> <p>Metro contact for Guidelines or further information: Nalini Ahuja.</p>

Local Funding Source & Annual Amount (approx.)	Description	Eligible Uses
Proposition A continued \$12 million	<ul style="list-style-type: none"> - 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. 	<p>Sub-regional paratransit programs, special transit programs, community transportation programs, voluntary NTD reporting.</p> <p>Metro contact for Incentive Program Guidelines or further information: Jay Fuhrman or Susan Richan</p>
Proposition C \$620 million	<p>A voter enacted (1990) ½-cent sales tax for public transit purposes. Metro is responsible for administering the funds. The 1998 Reform and Accountability Act restricts that these funds cannot be used for underground subways. These funds can be leveraged by bonding for capital projects. Ordinance specifies the following apportionments:</p>	<p>Eligible uses are defined in the Ordinance. 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.</p>
\$9 million	<ul style="list-style-type: none"> • Administration – Metro may use up to 1.5% for administration 	<p>Planning, management, execution, use and conduct of the projects and programs funded by Proposition C.</p>
\$31 million	<ul style="list-style-type: none"> • 5% Rail and Bus Security – Per SB 1755 (Calderon, 1991), 90% is allocated based on unlinked passenger trips. 10% is allocated to Metro for internal security. 	<p>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.</p> <p>Metro contacts: Rufus Cayetano or Nalini Ahuja.</p>
\$61 million	<ul style="list-style-type: none"> • 10% Commuter Rail/Transit Centers 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. 	<p>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.</p> <p>Metro contact: Patricia Chen.</p>
\$122 million	<ul style="list-style-type: none"> • 20% Local Return – distributed to cities on a per capita basis exclusively for public transit purposes <ul style="list-style-type: none"> - Requires annual project descriptions - Metro conducts fiscal and compliance audits upon project completion - Can establish capital reserves with Metro Board approval - May not be traded to other jurisdictions 	<p>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.</p> <p>Metro web site: http://www.metro.net/projects_programs/local_return.htm Metro contact for Local Return Guidelines or further information: Susan Richan or Nalini Ahuja.</p>

Local Funding Source & Annual Amount (approx.)	Description	Eligible Uses
Proposition C continued \$153 million	<ul style="list-style-type: none"> • 25% Transit-related Improvements to Freeways and State Highways and public mass transit improvements to railroad rights-of-way <p>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.</p>	<p>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.</p> <p>Metro Call for Projects contacts: Heather Hills or Wanda Knight.</p>
\$244 million	<ul style="list-style-type: none"> • 40% Discretionary – 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, bus security enhancements, and Metro Consent Decree. 	<p>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 improvements between Union Station and Hollywood.</p>
Transportation Development Act (TDA) (considered a local source) \$315 million	<p>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</p>	<p>Metro allocates to itself and non-Metro transit operators based on established criteria and formula including the Metro Formula Allocation Procedure.</p>
\$6 million	<ul style="list-style-type: none"> • Administration (PUC 99233.1) • Planning and Programming (PUC 99233.2) 	<ul style="list-style-type: none"> • Such sums as may be necessary for Metro’s procedural and ministerial administrative responsibilities including performance audits • Up to 1% may be used by Metro and ¾% (up to \$1 million) by SCAG for planning and programming
\$6 million	<ul style="list-style-type: none"> • 2% TDA Article 3 (Bicycle & Pedestrian Facilities) – allocated to local jurisdictions based on population 	<p>Bicycle and pedestrian facilities. Metro web site: http://www.metro.net/projects_programs/tda.htm Metro contact: Susan Richan.</p>
\$286 million	<ul style="list-style-type: none"> • TDA Article 4 (Public Transportation Systems) <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>	<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. Metro contact: Rufus Cayetano</p>

Local Funding Source & Annual Amount (approx.)	Description	Eligible Uses
TDA continued \$17 million	<ul style="list-style-type: none"> TDA Article 8 (Public Transit Services Provided Under Contract) Up to 4.8% of total TDA funds allocated to cities based on population. Requires annual public hearing. 	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. Metro contact: Susan Richan
Benefit Assessments \$20 million	Special property tax assessments levied on commercial properties within ½ mile of Metro Red Line Segment 1 stations in district A1 and 1/3 mile in district A2. District A1 is downtown and A2 is the Westlake/MacArthur Park district.	Debt service on the \$162 million in assessment district bonds issued in 1992 to partially fund construction of the Metro Red Line stations. Metro web site: http://www.metro.net/projects_programs/bad.htm Metro contacts: David Sikes or James Allen
Bond and Lease Financing (variable)	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 which is annually updated each June. Metro contact: Mike Smith
	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>Financing of large lease projects, primarily rail system rolling stock, buses, and bus/rail facility construction.</p> <p>Financing of capital costs related to acquisition, construction, and equipment for bus, rail, and other transit related capital projects Buses and rail vehicles are the most likely assets that might qualify. These leases typically require that the equipment be delivered directly from the vendor into the lease. This alternative must be investigated well in advance of planned delivery dates for equipment.</p> <p>Financing of capital costs related to acquisition, construction, and equipment for bus, rail, and other transit-related capital projects. Should ideally 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. Metro's 30-year bonds have an average life of about 19 years.</p>

Local Funding Source & Annual Amount (approx.)	Description	Eligible Uses
Fare Revenues \$379 million \$275 million Metro \$76 million Non-Metro Operators \$28 million Metrolink	Metro bus and rail transit fares, non-Metro bus transit fares (“Municipal” and Other Operators, ASI), 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. Current application of Metro fares is for bus and rail and is considered a General Fund revenue source. Metro contact: Marcelo Melicor
HOV Violation Fund \$0.3 million	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. Metro contact: Byron Lee
Interest Earnings on Propositions A and C (Metro) \$1.6 million FY 06	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. Metro contact: Nalini Ahuja.
Interest Earnings on TDA (Metro) \$2.4 million	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.	Metro contact: Nalini Ahuja.
Local Agency Match Funds	For projects awarded regional funds through the Metro Call for Projects, local agency recipients are generally required to provide, from their direct funds, usually 20% of the project’s cost	Match for Call for Projects
Local Agency Street and Road Funds	Local agencies’ own funds that they use for street maintenance	Street maintenance

Local Funding Source & Annual Amount (approx.)	Description	Eligible Uses
Miscellaneous Metro revenues \$50 million	Fees collected by Metro for advertising, chartering, leasing, ridesharing, and other miscellaneous services.	Allocated in Metro budget, usually for Metro Transit capital and operations
Mobile Source Emission Credits (MSERCs) 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.) Metro contact: Doug Kim
Public/Private Joint Development \$3 million estimate	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 Metro contact: Nelia Custodio
Service Authority for Freeway Emergencies (SAFE) \$7 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 Metro contact: Byron Lee

State Funding Source & Annual Amount (approx.)	Description	Eligible Uses
AB 2766 Program (Air Quality Vehicle Registration Fee \$30 million countywide \$1 million Metro discretionary estimate)	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 Metro contact: Doug Kim http://www.aqmd.gov/trans/ab2766.html Health and Safety Code 44220-44247
Carl Moyer Memorial Air Quality Standards Attainment Program (variable) \$30 million for SCAQMD area	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. Metro contact: Doug Kim http://www.aqmd.gov/tao/Implementation/carl_moyer_program_2001.html SB 1107 and AB 923 (2004), AB 1390 (2001) Health and Safety Code 44275-44299
Environmental Enhancement and Mitigation (EEM) \$5 million statewide \$1 million Metro discretionary estimate	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. The Governor did not include EEM funding in the State budget in FY 2006 and FY 2007.	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 \$250,000. http://www.dot.ca.gov/hq/LocalPrograms/EEM/homepage.html
Petroleum Violation Escrow Account (PVEA) (variable)	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. Metro contact: Doug Kim

State Funding Source & Annual Amount (approx.)	Description	Eligible Uses
Proposition 42 Funds for Local Roads \$60 million	Beginning in FY 2009, 40% of the total Prop 42 funds are allocated for local streets and roads purposes: 20% to Counties based on miles and vehicles and 20% to cities based on population	Street and highway maintenance, rehabilitation, reconstruction, and storm damage repair
Public Transportation Account (PTA)	<p>A transportation trust fund that derives its revenue from the following sales and use taxes on diesel fuel and gasoline. PTA funds flow to Los Angeles County, 50% through the STIP and 50% through STA (see those sections below).</p> <ul style="list-style-type: none"> • 4 ¾ % sales tax on diesel fuel • 4 ¾% sales tax on 9 cents of the state excise tax on gasoline • “Spillover”: 4.75% of sales tax revenues on all sales including gasoline minus 5% of sales tax revenue on all sales except gasoline, transferred to PTA. In FYs 04-06, the Governor suspended the transfer of spillover to the PTA. For FY 07, spillover will be transferred statewide \$62 million to PTA-STIP and \$248 million to State Transit Assistance. 	<p>Transit projects excluding rolling stock.</p> <p>Revenue and Taxation Code 7102 Public Utilities Code 99310-99316</p>
PUC Grade Separation Program \$15 million statewide	A State funding program to help local agencies finance the high costs of grade separating highway-rail crossings. The program provides 80% of the cost to modify an existing railroad/roadway crossing, and 50% of a new crossing. The railroad and local jurisdiction each pay 10% up to \$5 million. 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. http://www.cpuc.ca.gov/static/transportation/crossings/rr+crossing+funding+programs.htm
State Gas Tax Subventions \$290 million	Gas tax funds 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.	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
State Highway Account -- for Caltrans Operations	Caltrans District 7 budgeted allocation for operation and maintenance	Caltrans District 7 operations

State Funding Source & Annual Amount (approx.)	Description	Eligible Uses
State Highway Account for Freeway Service Patrol \$9 million	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. Metro contact: Byron Lee
State Highway Operation and Protection Program (SHOPP) \$245 million estimate	A four-year State program of 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: http://www.dot.ca.gov/hq/transprog/shopp.htm
State Infrastructure Bank (SIB) Program Variable	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%.
State Transit Assistance (STA) \$86 million countywide (including base Prop 42 funds, not including Prop 42 loan repayments or “spillover” as described above under Public Transportation Account)	Funded from 50% of the PTA funds, apportioned 50% to Population Share and 50% to Operator Revenue Share (see below). Claimants must meet one of the following eligibility tests: 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. 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.	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. Metro contacts: Nalini Ahuja and Gloria Anderson State Controller’s Office apportionment web site: http://www.sco.ca.gov/ard/payments/transit/index.shtml
\$38 million	<ul style="list-style-type: none"> • Population Share: 50% to counties based on population 	Transit operations or roads. Metro allocates to Metro Rail Operations. PUC 99313
\$48 million	<ul style="list-style-type: none"> • Operator Revenue Share: 50% to counties based on the ratio of each transit operator’s revenues to the revenues of operators in the State. 	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
<p>State Transportation Improvement Program (STIP)</p> <p>\$35 million IIP estimate</p> <p>\$195 million RIP</p>	<p>A five-year state-regional program, prepared every two 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.</p> <ul style="list-style-type: none"> • Interregional Improvement Program (IIP): 25% of STIP funds for capacity enhancing highway improvements proposed and administered by Caltrans, and for intercity rail capital improvements. Subject to CTC approval. • Regional Improvement Program (RIP): 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. <ul style="list-style-type: none"> – 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><i>Related Mechanisms:</i></p> <p>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.</p> <p>AB 1012: Advance up to 2 years of only the design component of future STIP projects to accelerate delivery. Subject to CTC approval</p> <p>AB 3090: Local agency advances STIP projects using own local funds; 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.</p>	<p>The California Transportation Commission (CTC) must approve each County's STIP in its entirety. Allocation by the CTC is required by the end of the fiscal year that the project is listed in the STIP. For STIP Guidelines, see: http://www.dot.ca.gov/hq/transprog/stip.htm</p> <p>Interregional roads and intercity rail projects (Caltrans). May contribute funding for projects in the RIP portion of the STIP</p> <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 are selected through the Metro Call for Projects process or other Metro Board action. Metro contact: Toye Oyewole</p> <p>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: http://www.dot.ca.gov/hq/innovfinance/garvee_bond/garvee_guidelines2.htm</p> <p>For design only for STIP projects not yet programmed for right-of-way or construction. For Guidelines, see: http://www.dot.ca.gov/hq/LocalPrograms/AB1012/ab1012.htm</p> <p>STIP projects ready to be advanced. For Guidelines: http://www.dot.ca.gov/hq/transprog/stip/AB%203090/AB%203090%20Request%20Guidelines.htm</p>

State Funding Source & Annual Amount (approx.)	Description	Eligible Uses
Traffic Congestion Relief Program (TCRP) \$70 million estimate	<p>A six-year funding plan enacted in 2000 for state and local transportation projects. The Act created two funds:</p> <ul style="list-style-type: none"> • Traffic Congestion Relief Fund (TCRF): \$5.4 billion statewide for support 141 specific projects to reduce congestion; \$1.7 billion in LA County Legislation: AB 2928 (Torlakson), SB 1662 (Burton) • Transportation Investment Fund (TIF): 40% for local streets and road improvements, 40% to STIP, and 20% to PTA. 	<p>Caltrans web site: http://www.dot.ca.gov/tcrp</p> <p>28 projects in L.A. County as specified in the legislation. CTC must approve project applications and allocations. For Guidelines, see: http://www.dot.ca.gov/tcrp/</p>

Federal Funding Source & Annual Amount (approx.)	Description	Eligible Uses
Homeland Security Grants Amount varies annually, usually \$2-3 million	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.	Discretionary grants awarded to Metro and other transit agencies for specific projects Metro contact: James Allen
SAFETEA-LU	<i>Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU). The national transportation funding bill covering FFY 2005-2009.</i>	<i>SAFETEA-LU and/or United States Code section numbers are listed for each program</i>
The following are SAFETEA-LU HIGHWAYS PROGRAMS	<i>For more details on each program, see highway provision fact sheets at: www.fhwa.dot.gov/safetealu/factsheets.htm</i>	<i>All projects are subject to FHWA approval</i>
Congestion Mitigation and Air Quality Improvement Program (CMAQ) \$120 million	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. Caltrans web site: http://www.dot.ca.gov/hq/transprog/reports/Official_CMAQ_Web_Page.htm
Equity Bonus Program \$6.9 billion nationwide for FFY 06	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.

Federal Funding Source & Annual Amount (approx.)	Description	Eligible Uses
Freight Intermodal Distribution Pilot Grant Program \$5 million total for FFY 05-09	Grants to facilitate and support intermodal freight transportation initiatives at the State and local levels to relieve congestion and improve safety and to provide capital funding to address infrastructure and freight distribution needs at inland ports and intermodal freight facilities. SAFETEA-LU Section 1306	One earmarked project: item C, Ports of Los Angeles and Long Beach. Allocation is 20% per year.
High Priority Projects (HPP) \$234 million total for FFY 05-09	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.
Highway Bridge Program (HBP) \$27 million estimate	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. http://www.dot.ca.gov/hq/LocalPrograms/hbrr99/hbrr99a.htm
Highway Safety Improvement Program (HSIP) \$1.2 billion per year nationwide	A new core funding program beginning 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%. SAFETEA-LU Section 1101 (a)(6), 1401	Funds may be used for projects on any public road or publicly owned bicycle and pedestrian pathway or trail.
Intelligent Transportation Systems (ITS) Deployment \$122 million for FFY 05 nationwide	The program ended with FY 2005. ITS deployment capital projects may be funded under other FTA funding programs. SAFETEA-LU Section 5101 (a) (6)	

Federal Funding Source & Annual Amount (approx.)	Description	Eligible Uses
Intelligent Transportation Systems (ITS) Research and Development Prog. \$110 million per year nationwide	<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>
National Corridor Infrastructure Improvement Program (NCIIP) \$100 million total for L.A. County for FFY 06-09	<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>
Projects of National and Regional Significance (PNRS) \$225 million total for L.A. County for FFY 06-09	<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) [may include sub-projects outside Los Angeles County] and #14, Gerald Desmond Bridge (\$100 M).</p>
Safe Routes to Schools Program (SR2S) L.A. County amount to be determined	<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>

Federal Funding Source & Annual Amount (approx.)	Description	Eligible Uses
Surface Transportation Program (STP) \$112 million (TE and RSTP combined)	<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>Allocated as follows:</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>
\$12 million	<p>10% Transportation Enhancements (TE) Set-aside from STP [included in the California State Transportation Improvement Program (STIP)]</p> <p>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%. 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>STP State: Of the STP funds remaining after the TE set-aside, 27.5% is retained for the state to use at its discretion.</p>	
\$100 million	<p>Regional Surface Transportation Program (RSTP): 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.</p> <ul style="list-style-type: none"> • 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. 	<p>Regional Projects such as roadway construction, rehabilitation, or restoration; transit projects and facilities; carpool projects; bicycle and pedestrian walkways. Caltrans web site: http://www.dot.ca.gov/hq/transprog/reports/Official_RSTP_Web_Page.htm</p> <p>Roadway construction, rehabilitation, or restoration; transit projects and facilities; carpool projects; bicycle and pedestrian walkways.</p>
Transportation Improvements \$63 million total for FFY 06-09	<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>

Federal Funding Source & Annual Amount (approx.)	Description	Eligible Uses
The following are SAFETEA-LU TRANSIT PROGRAMS	<i>For more details on each program, see : http://www.fta.dot.gov/17003_ENG_HTML.htm for SAFETEA-LU Fact Sheets and Frequently Asked Questions and www.fta.dot.gov/grant_programs/specific_grant_programs/4187_ENG_HTML.htm for detailed grant program information</i>	
Section 5307 Urbanized Area Formula Grants \$193 million	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 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. SAFETEA-LU Section 3009, 49 USC 5307, 5340, 5336(j)	Preventive maintenance and other bus and/or rail capital uses. Non-DOT federal funds can be used as match.
Section 5308 Clean Fuels Grant Program \$3 million	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 addition, 16 projects have been designated in SAFETEA-LU, but their funding is subject to annual Congressional appropriation. Section 5307 program requirements apply. Federal share is 80%. SAFETEA-LU Section 3010, 49 USC 5308	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.
Section 5309 Bus and Bus-Related Equipment and Facility Grants \$79 million total for FFY06-09 for 43 earmarked projects	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%. SAFETEA-LU Section 3011 and 3044, 49 USC 5309, 5318	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.

Federal Funding Source & Annual Amount (approx.)	Description	Eligible Uses
Section 5309 Fixed Guideway Modernization \$33 million	<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>
Section 5309 New Starts \$80 million estimate	<p>Funding primarily for major fixed guideway capital investment projects based on alternatives analysis, justification, local financial commitment, rating of project, and reliability of ridership and cost forecasts. Multiyear Full Funding Grant Agreement required. Federal share is \$75 million or more with a maximum share of 80%, 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>
Section 5309 Small Starts Amount to be determined	<p>New 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.</p>

Federal Funding Source & Annual Amount (approx.)	Description	Eligible Uses
Section 5310 Elderly and Persons with Disabilities \$2.1 million countywide	<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. Metro contact: Larry Torres. Metro web site: http://www.metro.net/projects_programs/fta5310/default.htm</p>
Section 5311 Non-Urbanized Area Formula Grants \$180,000	<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>
Section 5314 National Research Program \$1.48 million total for FFY 06-09	<p>Grants for national research and technology programs.</p> <p>SAFETEA-LU Section 3046.</p>	<p>One earmarked project: #25, Southern California Regional Transit Training Consortium Pilot Program.</p>
Section 5316 Job Access and Reverse Commute Program (JARC) \$7 million	<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 beginning in FY 2007. Non-DOT federal funds can be used as match.</p> <p>Metro contact: David Sikes</p>

Federal Funding Source & Annual Amount (approx.)	Description	Eligible Uses
Section 5317 New Freedom Program Variable \$3 million	<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 beginning in FY 2007.</p> <p>Metro contact: David Sikes</p>
Section 5339 Alternatives Analysis Program \$1.25 million each for FFYs 06 and 07	<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>Earmark #5 for San Gabriel Valley-Gold Line Foothill Extension corridor study</p>
Section 5340 Growing States and High Density States \$1.6 billion nationwide for FFY 2006-2009 \$6 million countywide for FFY 06	<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 I: 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.

Funding Source or Program	Funding	Description	Programmed or Administered By
Alternative Transportation in Parks & Public Lands Program – Section 5320	\$22 million nationwide for FFY 2006	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 2006	State funds for up to 90% of city and county projects that improve safety and convenience for bicycle commuters. http://www.dot.ca.gov/hq/LocalPrograms/bta/btaweb%20page.htm	Caltrans
Coordinated Border Infrastructure Program	\$145million nationwide for FFY 2006	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	\$55million nationwide for FFY 2006	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	\$834 million nationwide for FFY 2006	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

Funding Source or Program	Funding	Description	Programmed or Administered By
Highways for LIFE Pilot Program	\$75 million nationwide through FY 2009, to fund up to 20% but not more than \$5 million of the cost of up to 15 projects per fiscal year	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 2005 through 2009	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)	\$4.96 billion nationwide for FFY 2006	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 billion nationwide for FFY 2006 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 2006	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	\$30 million nationwide for FFY 2006	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

Funding Source or Program	Funding	Description	Programmed or Administered By
Railroad/ Highway Crossings	\$220 million nationwide for FFY 2006	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	\$370 million nationwide through 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
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
Transportation, Community, and System Preservation Program	\$61.25 million nationwide per year through 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 per year through FFY 2009	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
Value Pricing Pilot Program	\$59 million nationwide through 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 per year beginning FFY 2006	To fund work zone safety training. SAFETEA-LU Section 1402	Caltrans

APPENDIX II: Acronyms Used In This Guide (for additional acronyms and glossary see www.fhwa.dot.gov/planning/glossary)

AB	Assembly Bill	MOSIP	Municipal Operator Service Improvement Program
ADA	Americans with Disabilities Act	MOU	Memorandum of Understanding
ASI	Access Services, Incorporated	MSERC	Mobile Source Emission Reduction Credits
BTA	Bicycle Transportation Account	MSRC	Mobile Source Air Pollution Reduction Review Committee
Caltrans	California Department of Transportation	NCIIP	National Corridor Infrastructure Improvement Program
CMAQ	Congestion Mitigation and Air Quality	NHS	National Highway System
COP	Certificate of Participation	NTD	National Transit Database
CP	Commercial Paper	OA	Obligation Authority
CPI	Consumer Price Index	PNRS	Projects of National and Regional Significance
CTC	California Transportation Commission	PTA	Public Transportation Account
DOT	Department of Transportation (U.S.)	PUC	Public Utilities Code
EEM	Environmental Enhancement & Mitigation	PUC	Public Utilities Commission
FFY	Federal Fiscal Year (ending Sept. 30) (e.g. FFY 06=10/1/05-9/30/06)	PVEA	Petroleum Violation Escrow Account
FHWA	Federal Highway Administration	RIP	Regional Improvement Program
FTA	Federal Transit Administration	RSTP	Regional Surface Transportation Program
FY	Fiscal Year (ending June 30) (e.g. FY 06 =7/1/05-6/30/06)	RTPA	Regional Transportation Planning Agency
GARVEE	Grant Anticipation Revenue Vehicle	SAFE	Service Authority for Freeway Emergencies
HBP	Highway Bridge Program	SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act – a Legacy for Users
HOV	High Occupancy Vehicle (i.e. Carpool Lane, Diamond Lane)	SB	Senate Bill
HPP	High Priority Projects	SCAG	Southern California Association of Governments
HSIP	Highway Safety Improvement Program	SCAQMD	Southern California Air Quality Management District
IIP	Interregional Improvement Program	SCRRA	Southern California Regional Rail Authority (Metrolink)
IM	Interstate Maintenance	SHA	State Highway Account
ITS	Intelligent Transportation Systems	SHOPP	State Highway Operation and Protection Program
JARC	Job Access and Reverse Commute	SIB	State Infrastructure Bank
LOA	Letter of Agreement	SR2S	Safe Routes to Schools
LTF	Local Transportation Fund	STA	State Transit Assistance
Metro	Los Angeles County Metropolitan Transportation Authority	STIP	State Transportation Improvement Program

STP	Surface Transportation Program
STP-L	Surface Transportation Program - Local
TCRF	Traffic Congestion Relief Fund
TCRP	Traffic Congestion Relief Program
TDA	Transportation Development Act
TDM	Transportation Demand Management
TE	Transportation Enhancements
TEA	Transportation Enhancement Activities
TEA-21	Transportation Equity Act for the 21st Century
TIF	Transportation Investment Fund
TIFIA	Transportation Infrastructure Finance and Innovation Act
TSM	Transportation Systems Management
USC	United States Code
UZA	Urbanized Area

APPENDIX III: 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 on this document alone.

Funding Source	Obligation Authority/OA (Annual Federal Limit)/ State Funding Allocation ¹	Obligate ¹ (Federal Funds), Encumber State, & Spend Local	Supporting Documentation
Local⁸			
Prop A 25% - Local Return	Not Applicable	Year of allocation plus 3 years	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 ²	Formula Allocation Procedure & Proposition A 5% of 40% Incentive Guidelines
Prop C 5% - Security	Not Applicable	3 years	Formula Allocation Procedure
Prop C 10% - Commuter Rail & Transit Centers	Not Applicable	36 months ³ Indefinite ⁴	Call for Projects MOU, Proposition C Ordinance
Prop C 20%- Local Return	Not Applicable	Year of allocation plus 3 years	Proposition C Local Return Guidelines
Prop C 25% - Transit-Related Highway Improvement	Not Applicable	36 months ³ Indefinite ⁴	Call for Projects MOU, Proposition C Ordinance
Prop C 40% - Discretionary	Not Applicable	36 months ³ Indefinite ⁴	Call for Projects MOU, Proposition C Ordinance
General Fund Revenue ⁵	Not Applicable	No restrictions on timely use	No legislative restrictions
State^{8,9}			
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 the contractors	Not Applicable	Policy guidelines by California Energy Commission
State Transit Assistance (STA)	Not Applicable	3 years	Formula Allocation Procedure

Funding Source	Obligation Authority/OA (Annual Federal Limit)/ State Funding Allocation ¹	Obligate ¹ (Federal Funds), Encumber State, & Spend Local	Supporting Documentation
State (continued)^{8,9}			
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 year 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
Federal⁶			
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 ^{6,7} -- ---State reduces to 3 years per AB 1012	AB 1012 guidelines and legislation, Call for Projects Letter of Agreement (LOA) if funds assigned
High Priority Projects	Not Applicable	Not Applicable	Congressional Action/Discretionary
Regional Surface Transportation Program (RSTP)	1 year to use obligation authority from start of fiscal year of appropriation	4 federal fiscal years including the federal fiscal year apportioned ^{6,7} -- ---State reduces to 3 years per AB 1012	AB 1012 guidelines and legislation, Call for Projects Letter of Agreement (LOA) if funds assigned

Funding Source	Obligation Authority/OA (Annual Federal Limit)/ State Funding Allocation ¹	Obligate ¹ (Federal Funds), Encumber State, & Spend Local	Supporting Documentation
Federal (continued)⁸			
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 Enhancement Activities (TEA) -before 1998	1 year to use obligation authority from start of fiscal year of appropriation	A contract must be awarded within year of allocation. 3 years to spend funds after construction contract is awarded, for local grant projects additional 180 days after construction completion to make final payment or invoice Caltrans. If funds lapse they return to state for reprogramming	Call for Projects Letter of Agreement (LOA) if funds assigned

Funding Source	Obligation Authority/OA (Annual Federal Limit)/ State Funding Allocation¹	Obligate¹ (Federal Funds), Encumber State, & Spend Local	Supporting Documentation
Transportation Enhancements (TE) - after 1998	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	AB 1012 guidelines and legislation, 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

Transportation Appropriations: 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.

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, public telephones 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/TEA) 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 IV: Los Angeles County Allocation of State and Federal Motor Vehicle Fuel Taxes under SAFETEA-LU and SB 45

