

CHAPTER 2 FINANCING THE FEDERAL-AID HIGHWAY PROGRAM**CONTENTS**

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CHAPTER 2 FINANCING THE FEDERAL-AID HIGHWAY PROGRAM

2.1 INTRODUCTION

This chapter describes the actions required for the financing of the Federal Highway Administration (FHWA) federal-aid projects on the national, state, and project levels. On the national level, the chapter covers the Federal-aid Highway Program actions taken in Washington D.C. to fund local federal-aid projects. State level actions cover the five kinds of federal funds available for local federal-aid projects as well as the monitoring and tracking of obligational authority. The project level actions outline the documents that need to be in place and tasks to complete before a local agency can begin invoicing for federal-aid funds.

DEFINITIONS

Allocation – An administrative distribution of funds among the states, done for funds that do not have statutory distribution formulas.

Apportionment – A statutorily prescribed division or assignment of funds. An apportionment is based on prescribed formulas in the law and consists of dividing authorized obligational authority for a specific program among the states.

Authorization – Formal federal process that establishes a date for which an agency can start reimbursable work for a phase(s) of a project. For the construction phase, an agency must obtain authorization prior to project advertisement. Authorization can be given by Congress, FHWA, or state depending on funding program regulations. Local agencies know they have authorization when they receive “Authorization to Proceed” from Caltrans.

Obligation – Commitments made by federal agencies to pay out money as distinct from the actual payments, which are “outlays.” Generally, obligations are incurred after the enactment of budget authority. However, since budget authority in many highway programs is in the form of contract authority, obligations in these cases are permitted to be incurred immediately after apportionment or allocation. The obligations are for the federal share of the estimated full cost of each project at the time it is approved regardless of when the actual payments are made or the expected time of project completion.

Obligational Authority – Another term for limitation on obligations.

2.2 NATIONAL LEVEL ACTIONS

The process of financing the Federal-aid Highway Program begins with congressional approval of a Federal Highway Act. The most recent Federal Highway Act is the Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users (SAFETEA-LU) signed by President George W. Bush on August 10, 2005, which superseded the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), and the Transportation Equity Act for the 21st Century. The highway act is the primary instrument used by Congress to shape and redirect the federal-aid highway program.

Most programs (CMAQ, STP, etc.) within the federal-aid highway program operate under what is called “contract authority,” a special form of budget authority. Under contract authority, the sums authorized in federal highway acts are made available for obligation without an annual appropriations action. The use of contract authority gives the states advance notice of the size of the federal-aid program as soon as the authorization is enacted. It should be understood that contract authority is unfunded by definition and does not allow the obligation of funds to a project. It does, however, allow an assignment of funds to projects when preparing planning documents, such as the Transportation Improvement Program. A subsequent appropriations act is necessary to pay obligations made under contract authority (discussed later). One program that does not operate under contract authority is the discretionary program. See the figure below for more information on contract authority.

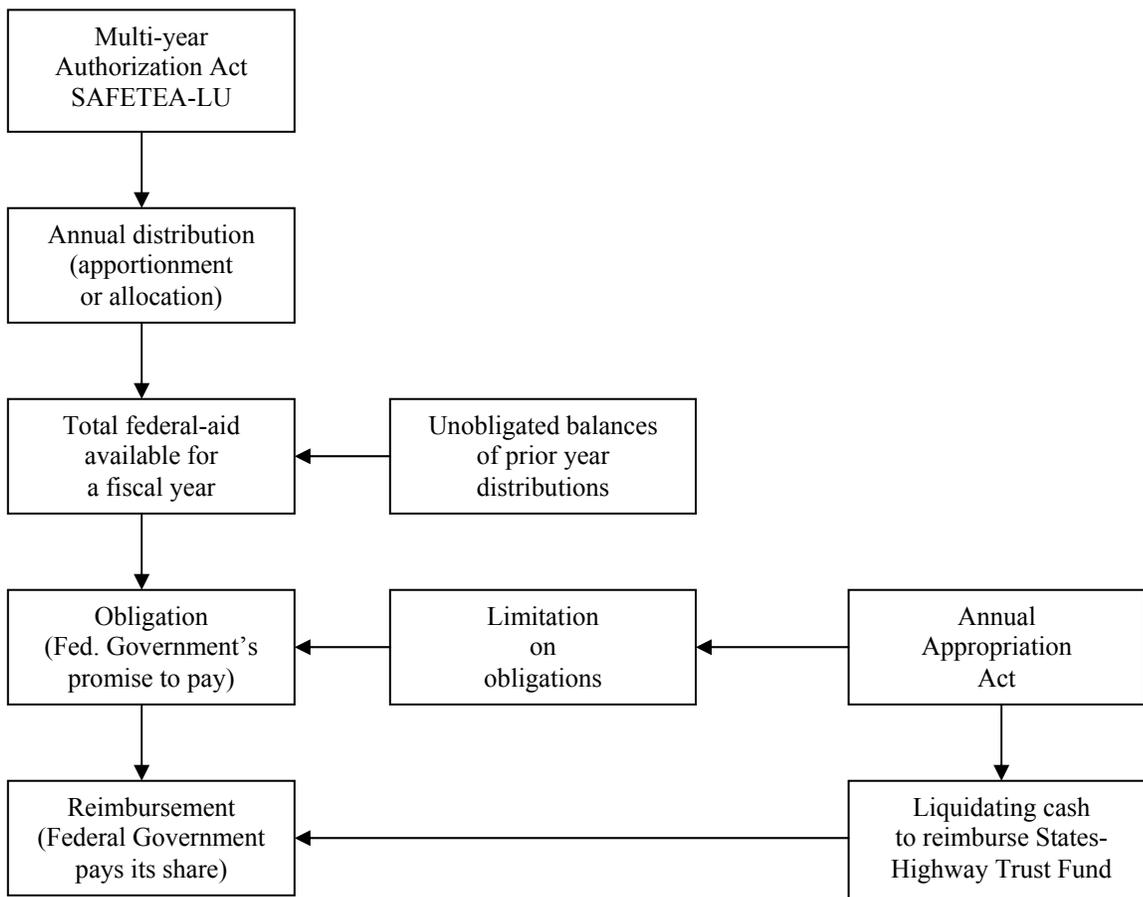


Figure 1.—Contract Authority Programs

Title 23 of the United States Code (23 USC) is titled “Highways,” and contains most of the laws that govern the federal-aid highway program. It includes the provisions of law that Congress considers permanent or continuing, and need not be reenacted with each new highway act. As new highway acts are passed, sections of Title 23 are amended, added or repealed as necessary. Title 23 does not contain requests for studies, special projects, etc., and most authorizations are not codified.

AUTHORIZATIONS AND DEDUCTIONS

Congressional authorizations represent the upper limits on the federal funding commitments, which can be made against the various federal-aid highway programs included in a Federal Highway Act.

Before these authorizations are released to the states, two administrative deductions are made. The first deduction is for FHWA oversight of the highway program and FHWA sponsored research development and technology transfer. This deduction is limited to 3.5 percent of the funds apportioned to the states for most authorized programs. The second deduction is for metropolitan transportation planning activities mandated by 23 USC 134. This deduction is equivalent to 1.0 percent of the amount remaining after the FHWA oversight deduction is made from the Interstate Maintenance (IM), National Highway System (NHS), Surface Transportation Program (STP), Congestion Mitigation and Air Quality (CMAQ) Improvement Program and Highway Bridge Program (HBP).

APPORTIONMENTS AND ALLOCATIONS

The FHWA apportions (distributes) the remaining authorized program funds, after deductions and set asides, to the states using federally mandated formulas and procedures.

Federal apportionment of authorized amounts generally occurs on the first day of the federal fiscal year (FFY). The FFY begins October 1 and ends September 30 and is referred to by the ending year (e.g. 2000 fiscal year begins on October 1, 1999). Once an apportionment is made to a state, it cannot be taken away except by lapsing or through a congressional action.

The majority of Federal Highway Program funds are available for three years after the close of the fiscal year for which such sums are authorized. In effect, these funds are available for a four-year period. However, at the end of this period of availability, the authority to obligate remaining funds from that particular fiscal year's apportionment will lapse—it is no longer available for obligation.

The apportioned funds for the current year are added to the unused portion (unobligated balance) of the previous years' apportionments to establish the new unobligated balance. This balance represents the total funds authorized by Congress and distributed (apportioned) by FHWA for eventual obligation by the state. However, as discussed in the next section on "Obligational Authority," there is a limitation (established annually) on the total amount of apportioned funds, including unexpired funds from previous fiscal years, which can be obligated in a given year.

"Allocation" is the distribution of funds where there are no federally mandated formulas. In most cases, allocated funds are divided among the states using administratively determined formulas and/or criteria provided by law.

OBLIGATIONAL AUTHORITY

Because of the multi-year authorization and multi-year availability of funds associated with the federal-aid highway program, federal limitations are placed on the amount of

funds that a state can obligate within a given fiscal year. This annual limitation is called “Obligational Authority” (OA) and applies to the total obligations of apportioned funds within a given fiscal year, regardless of the year in which the funds were apportioned. A limit on OA enables the federal-aid highway program to be more responsive to economic and budgetary conditions. The ceiling on annual OA does not take back authorized funds already apportioned to the states; it only limits the annual rate of obligation. The amount of OA is included in the federal annual appropriations act. Any unused OA does not carry over to subsequent years.

The OA ceiling is divided among the states based on each state’s relative share of total apportioned funds. SAFETEA-LU, Section 1102 provides for an annual redistribution of this obligational ceiling after August 1. OA is redistributed from states unable to utilize their initial full share of OA to other states able to obligate more than their initial share. A state which uses up both its initial OA limit and any OA received through the August 1 redistribution before September 30 may also be eligible for an additional OA bonus. This process does not increase the overall total funds authorized to a state, however, it does permit a state to use their authorization faster.

OA only impacts apportioned funds. Allocated funds are either exempt from OA controls or are covered by their own spending authority. Please see individual program chapters to see which funds are impacted by OA.

ANNUAL APPROPRIATIONS ACTIONS

Although obligations are commitments by the federal government to reimburse the states for the federal share of a project cost, actual cash reimbursements by the Department of the Treasury cannot be made until approval of the annual appropriations act. The two primary functions of the annual appropriations act are to: 1) provide cash to liquidate (pay) the federal commitment and 2) establish the annual limit on obligational authority.

2.3 STATE LEVEL ACTIONS

LOCAL AGENCY APPORTIONMENTS

There are essentially five kinds of federal funds that are made available to local agencies to fund their projects. These are funds associated with:

- **Statewide pools of Federal-aid**
The statewide funds set aside for local use include programs like Highway Bridge Program (HBP), Highway Safety Improvement Program (HSIP), and Safe Routes to School (SRTS). Projects are prioritized and placed on statewide program lists. Each one of these programs has its own unique method of determining prioritized lists based on program goals.
- **High Priority (Demonstration) Projects**
Demonstration programs have project descriptions and locations defined in legislation so they are not a source for general purpose funding of local projects. Demonstration projects are earmarked in federal legislation. They come with their own OA, may have an impact on what the state receives in Minimum Guarantee funds and are not

subject to Senate Bill 45 (SB 45) rules. See Chapter 12, “Other Federal Programs,” of the “*Local Assistance Program Guidelines* (LAPG)” for additional information.

- **Local Federal-aid**

Federal-aid is apportioned to Regional Transportation Planning Agencies (RTPAs) and Metropolitan Planning Organizations (MPOs) based on state law.

Regional Surface Transportation Program (Chapter 4, LAPG) funds and Congestion Mitigation and Air Quality (CMAQ) Improvement Program (Chapter 5, LAPG) funds are apportioned to RTPAs and MPOs. State legislation (Section 182.6 of the Streets and Highways Code) defines how the funds are apportioned to RTPAs and MPOs within California. Each RTPA and MPO determines which projects are to be funded with these funds.

The California Transportation Commission (CTC) adopted a resolution (G-98-20), at the October 28, 1998 meeting that divided up California’s Transportation Enhancement Activity (TEA) allocation between regions, Caltrans and the Resources Agency. Regional TEA funds (Chapter 8, Transportation Enhancement Activities [TEA], LAPG) are apportioned to RTPAs and MPOs. Regional TEA funds are now divided by formula into county shares. RTPAs/MPOs decide when and how to use their county share.

RSTP, CMAQ, and Regional TEA funds are subject to use it or lose it provisions of Assembly Bill 1012 (AB 1012) (Chapter 783 in Statutes of 1999).

- **State Transportation Improvement Program (STIP) funds**

Under SB 45, the STIP consists of two broad programs, the Regional Improvement Program (RIP) funded from 75 percent of the STIP funding and the Interregional Improvement Program (IIP) funded from 25 percent of STIP funding. The 75 percent regional program is further subdivided by formula into county shares.

County shares are available solely for projects (local streets and roads, state highway, or mass transportation must compete for the 75 percent regional share) nominated by RTPAs/MPOs in their Regional Transportation Improvement Programs (RTIPs). Caltrans will nominate only projects for the IIP. Under restricted circumstances, an RTPA/MPO may recommend a project for funding from the interregional share. See Chapter 23, “Local Agency STIP Projects,” of this manual for further information on how this relates to federal funds.

- **Traffic Congestion Relief Program (TCRP)**

The TCRP, created by Assembly Bill 2928, is a transportation funding measure which incorporates: 1) congestion relief and 2) additional funds for local street and road maintenance. The project descriptions, locations and funding amounts for congestion relief are defined by legislation. The maintenance funds will be allocated to cities and counties through the State Controller by formulation described within the legislation.

See the TCRP Web site at www.dot.ca.gov/tcrp for the statute, its requirements, CTC guidelines, and the project application form.

LOCAL OBLIGATIONAL AUTHORITY

When ISTEA funds first became available to local agencies, available OA was not perceived as a problem (see Section 2.1 for a discussion of OA) because most local agencies were in the process of learning federal-aid procedures. At that time, most local agency obligations against apportionments statewide were well below the OA limit. Now, under SAFETEA-LU, many local agencies are familiar with the rules and flexibility of federal-aid so the obligations against total apportionments are much higher. Therefore, it is necessary to monitor obligations to ensure that all local agencies have the opportunity to use their apportionments. It is also necessary to monitor obligations to ensure that the Division of Local Assistance (DLA), as a whole, does not exceed its proportionate share of the OA limitation.

The following procedures are used in managing federal OA for Local Assistance projects:

- Based on state statute, after the beginning of each FFY (October 1), or when federal apportionments and OA allocations are received from FHWA, Caltrans will allocate federal apportionments and corresponding OA to each MPO/RTPA. The OA will be determined based on the obligation limitation established by FHWA for that year and the federal apportionments for RSTP, CMAQ, and Regional TEA for each MPO/RTPA.
- FHWA sets a 15 percent limitation of the annual OA allocation that can be used in the first quarter of the FFY.
- The DLA monitors apportionment and OA usage/transfers and provide online reports for the District Local Assistance Engineers (DLAEs) and MPOs/RTPAs.
- The DLA grants the MPOs/RTPAs flexibility in borrowing/loaning OA from other MPOs/RTPAs at any time during the year, provided that the DLA is notified of the agreement by the affected MPOs/RTPAs.
- When an MPO/RTPA region exhausts its OA allocation, the DLAE will ask any local agency submitting a “Request for Authorization,” in the affected area, if it wants to obligate any project under Advance Construction (AC), or if they have arranged with another MPO/RTPA to borrow their OA (see Chapter 3, “Project Authorization,” of the *Local Assistance Procedures Manual* (LAPM)).
- When an MPO/RTPA regional OA is exhausted, and the MPO/RTPA and local agencies in the region have not agreed to use AC, the DLAE will place all local agency “Requests for Authorization” (in that MPO’s/RTPA’s region) on hold until July 1 of that fiscal year.

Note: Any MPO/RTPA may negotiate a loan of OA from any other MPO/RTPA and continue to obligate projects using the borrowed OA. MPOs/RTPAs must notify DLA in writing of any loans prior to, or at the time of, submitting a request to obligate funds that use the borrowed OA.

- On June 1 of each year, the DLA will transfer all unused OA, including statewide OA (bridge and safety programs are in the statewide OA), into a statewide pool. The DLA will then cash out all AC and obligate all projects on hold on a first-come, first-served basis until the OA is exhausted or all projects are obligated.
- Also on June 1, the DLA will request that local agencies provide “Requests for Authorization” to the DLAE for any additional projects that are not under AC or on hold and that could be obligated prior to September 30 of that year. This is in preparation for the “August Redistribution” of OA. In August of each year, FHWA redistributes OA (from states that have not used all of their OA) to states that (1) have used their OA or (2) can show that they will use all their OA by September 30 and have requested additional OA. Lists of projects on hold plus any additional projects are provided by the DLAEs to the DLA by July 20 of each year. Projects under AC will be identified by the DLA.
- On July 30 of each year, the DLA will provide the Federal Resources Office (FRO) with a list of AC projects (if any), projects that are still on hold (if any), and additional projects to be obligated before September 30. This list is used in requesting additional OA from FHWA.
- The FRO will request additional OA from FHWA on or around August 4.
- If additional OA is obtained from FHWA, a pro rata portion, based on the ratio of the dollar costs of Caltrans and local agency projects submitted for redistributed OA, is provided by FRO to the DLA.
- The DLA will cash out any remaining AC projects, obligate projects that are on hold (if any), and obligate those additional projects with “Requests for Authorization” submitted between July 1-20. This will be done on a first-come, first-served basis until the additional OA is exhausted.
- If OA is still remaining, the DLA will continue to obligate projects as they are requested until September 15, or until the statewide OA pool and the regional Minimum Allocation is exhausted.
- If there is OA remaining on September 15, the FRO will obligate Caltrans projects (or cash out AC for Caltrans projects) to utilize all the OA that is available statewide. This is necessary since OA is available for one year only and expires on October 1 of each year.

OBLIGATIONAL AUTHORITY AND ADVANCE CONSTRUCTION GUIDELINES

- Advance Construction (AC) allows agencies to begin work on a project. However, agencies are required to use their own funds and they have the option to seek federal reimbursement. Federal reimbursement is postponed until the OA is available to obligate funds for reimbursement. Federal Authorization must be received prior to beginning work that will be reimbursed later.
- Once funds are obligated on a project, they cannot be withdrawn and substituted with a different fund (e.g., cannot de-obligate RSTP and substitute with CMAQ).

- If AC is used, the federal participation rate can be set at the time AC is converted to federal funds. (This allows federal funds to be obligated when better cost data is available). This procedure works especially well for underfunded projects (see Chapter 3, “Project Authorization,” of the LAPM) and can be used even if OA is available.
- AC can be used to fund part of the project costs when a project will be funded from various federal apportionments and whether or not all of the apportionments have OA available.

TRACKING OBLIGATIONAL AUTHORITY

Local agencies should track their own OA usage. To assist a local agency in tracking OA, a set of balance reports is available for use. The reports may be accessed via the Internet at the Division of Local Assistance Web site under “Reports and Databases” at: <http://www.dot.ca.gov/hq/LocalPrograms/public.htm>.

2.4 PROJECT LEVEL ACTIONS

FEDERAL-AID PROJECT FINANCING

The federal-aid highway program is a reimbursable program. The federal government reimburses the state only for those eligible costs which are actually incurred by the project sponsor. Authorized funds, distributed to the state through apportionments or allocations, represent lines of reimbursement credit upon which a project sponsor may draw as they advance a federal-aid project. Typically, the sponsor of a federal-aid project must initiate a federal-aid project using their own money, i.e. provide front-end financing and receive monthly cash reimbursements for the federal share of the project cost as the work is completed. Refer to Chapter 5, “Accounting/Invoices,” of the LAPM for the requirements to receive reimbursement.

These following sections outline the major project related documents and actions necessary before a local agency can begin invoicing for reimbursement of the federal share of a local federal-aid project.

LOCAL AGENCY-STATE MASTER AGREEMENT

A Local Agency-State Master Agreement must be executed before a local agency requests federal participation from the DLA. In the Master Agreement, a local agency agrees to comply with all federal laws and regulations and FHWA and Departmental policies and procedures relative to environmental compliance, design, right of way acquisition, construction and maintenance of the proposed facility, and for other authorized uses. Periodically, Master Agreements must be re-executed because of changes in laws and policies. Refer to Chapter 4, “Agreements,” of the LAPM for additional information on the agreements used on federal and state-aid local transportation projects.

PROJECT INCLUSION IN THE FTIP/FSTIP AND APPROVED ELIGIBILITY LISTS

All projects, except Emergency Relief (ER), must be included in a Federal Statewide Transportation Improvement Program (FSTIP) before work can be authorized and initiated. ER projects must be included in the FTIP/FSTIP only if they involve substantial functional, location or capacity changes. Local agencies are responsible for ensuring that their project is programmed correctly with an FTIP prior to requesting authorization to proceed for that project. For additional information on FTIP/FSTIP, see Chapter 1, “Introduction/Overview,” of this manual.

To provide local agencies with the increased flexibility in handling projects, expedite project delivery, and reduce paperwork, certain categories of projects (see Exhibit 2-A, “Transportation Improvement Program (TIP) Exempt Projects” - “Table 1”) may be excluded from project-specific listing in Metropolitan Transportation Plans and TIPs. This exemption does not apply to Table 1 projects; if the MPO in consultation with other state and federal agencies under the interagency consultation requirements concurs that the project has potentially adverse emissions impacts for any reason.

Funding for Table 1 projects still must be listed in TIPs to meet the programming requirements under SAFETEA-LU, but that requirement may be fulfilled by an appropriate grouped project listing. For more information on lump sum listings, see the Transportation Programming Web site at www.dot.ca.gov/hq/transprog/fedpgm.htm, under “Grouped Project Listing.”

Additional regulation allows certain types of regional transportation projects to be exempted from regional emissions analyses. These project types are listed in Exhibit 2-A, “TIP Exempt Projects” - “Table 2.” The local effects of these projects with respect to carbon monoxide (CO) or particulate matter (PM10) concentrations must be considered to determine if hotspot analysis is required prior to making a project-level conformity determination (see Chapter 5, “CMAQ,” of this manual). If a local agency determines a hot-spot analysis is not required, the local agencies can then proceed with the project development process and place those eligible projects for exemption under the appropriate lump sum listing. However, the exemption clause does not apply to those projects when the MPO, in consultation with other state and federal agencies under the interagency consultation conformity requirements, concurs that the project has potentially adverse emissions impacts for any reason. In addition, the following projects must also be included on the approved multi-year program lists:

- Grade Crossing Improvement funds - California Public Utilities Commission (CPUC) approved list (see Division of Rail, Rail Crossing Safety and Track Branch for more information)
- Highway Bridge Program (HBP) funds - Caltrans approved list (see Chapter 6, “HBRR,” of this manual)
- Highway Safety Improvement Program (HSIP) funds - Caltrans approved list (see Chapter 9, “HSIP,” of this manual)
- Safe Routes to School (SRTS) – California Highway Patrol and Caltrans approved list (see Chapter 24, “Federal Safe Routes to School,” of this manual)

These multi-year program lists (or plans) are explained in detail in the appropriate chapters of this manual. The multi-year program lists may be downloaded from the DLA Web site.

AUTHORIZATION TO PROCEED

Prior to beginning reimbursable work on a federal-aid project, an “Authorization to Proceed” (E-76) (see Chapter 3, “Project Authorization,” of the LAPM) must be granted by the FHWA or Caltrans (per Stewardship Agreements), which authorizes reimbursement with federal funds. Any work performed prior to such authorization is not eligible for federal participation. The project shall not be advertised prior to authorization of construction phase. The obligation of funds for all federal-aid projects is performed by the FHWA.

“Authorization to Proceed” is required for each phase of work for which federal reimbursement is sought. These include preliminary engineering, right of way, utility relocation and construction, and construction engineering (concurrent phase authorization is permissible). However, right of way and construction cannot be authorized without NEPA approval. “Authorization to Proceed” may also be granted for a portion of a work phase, (e.g., utility work may be authorized as part of the right of way phase). Within a phase of work, the work for partial approval must be at logical break points as agreed to by Caltrans or the FHWA, based on task accomplishments and not a period of time. The work tasks must be specifically attributable to the development of the project.

For declared emergencies approved by the FHWA for Emergency Relief funding, emergency repair work (to open public roads to traffic) and preliminary engineering work may be initiated without prior authorization. Restoration work requires prior authorization. Provide documentation necessary to prepare the Disaster Assessment Form (see Chapter 11, “Disaster Assistance,” of this manual).

For highway related projects, detailed procedures for obtaining federal authorization to proceed and obligating federal funds are contained in Chapter 3, “Project Authorization,” of the LAPM.

SAFETEA-LU funds made available for public transit projects, which are typically administered by the Federal Transit Administration (FTA), must be transferred to the jurisdiction of the FTA. The procedures for transferring federal funds and administrative responsibility from the FHWA to the FTA are also discussed in Chapter 3, “Project Authorization,” of the LAPM.

PROGRAM SUPPLEMENT AGREEMENT

A Program Supplement Agreement between the state and local agency must be executed prior to the reimbursement of federal funds for each project. This agreement is a supplement to the above referenced Local Agency-State Master Agreement and addresses project specific financial responsibilities (see Chapter 4, “Agreements,” of the LAPM).

Program Supplement Agreements will no longer display phases of work on the front page of the agreement. Instead, special covenants will be added to the project Program Supplement Agreement that allow funding for future phases of the project to be encumbered upon approval of the “Request for Authorization” of those phases. The DLA will prepare a Program Supplement Agreement upon receiving and approving the agency’s initial Request for Authorization, Finance Letter, and Agreement Checklist.

DETAIL ESTIMATE

Before the award of a construction contract, the project sponsor prepares a “Detail Estimate.” The Detail Estimate is used to:

- Identify federally participating and non-participating portions of work
- Segregate work by major federal work type codes
- Quantify supplemental work, state/local agency furnished materials, and contingencies and construction engineering
- Establish the federal reimbursement ratio for the project

See Exhibit 15-M, “Detail Estimate,” of the LAPM.

FINANCE LETTER

A Finance Letter is also prepared by the local agency to identify the funding sources of a project. It is based on the Detail Estimate and other costs for nonconstruction phases of work. A Finance Letter segregates project costs by eligible phases of work, identifies work performed by state and/or local forces, shows the total and participating and nonparticipating project costs, and identifies the various project funding sources. The Finance Letter is the basis for reimbursement of the federal funds shown in the Federal-aid Project Agreement (E-76). Eligible project costs cannot be reimbursed until a Finance Letter is submitted to the Local Program Accounting Branch via the DLAE and DLA. See Exhibit 15-N, “Finance Letter,” of the LAPM.

COMBINED STATE AND FEDERAL-AID PROJECT FINANCING

Where the state is providing funds to match or supplement federal funding, the details of this funding shall be provided with the “Request for Authorization” (see Chapter 3, “Project Authorization,” of the LAPM) submittal. Sufficient information and cost breakdown shall be provided to segregate the state funding.

Before beginning preliminary engineering, the local agency should discuss the current program rules with the DLAE.

2.5 REFERENCES

- SAFETEA-LU Web site: <http://www.fhwa.dot.gov/safetealu/index.htm>
- Section 176 (c)(4) of the Clean Air Act as Amended in 1990
- Section 182 Streets and Highway Code
- California Transportation Commission, *STIP Guidelines*, amended July 19, 2000, CTC Resolution G-00-20
- *Transportation Enhancement Activities Guidelines*, April 6, 1999 and April 27, 1999
- *Local Assistance Procedures Manual (LAPM)*
- 23 CFR 630.114
- 23 CFR 635.301 et.seq.
- 23 CFR 450
- *Financing Federal-aid Highways*
- Transportation Planning Web site: www.dot.ca.gov/hq/transprog/fedpgm.htm

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Table 1 -- Transportation Improvement Program (TIP) Exempt Projects

SAFETY

Railroad/highway crossing
 Hazard elimination program
 Safer non-Federal-aid system roads
 Shoulder improvements
 Increasing sight distance
 Safety improvement program
 Traffic control devices and operating assistance other than signalization projects
 Railroad/highway crossing warning devices
 Guardrails, median barriers, crash cushions
 Pavement resurfacing and/or rehabilitation
 Pavement marking demonstration
 Emergency relief
 Fencing
 Skid treatments
 Safety roadside rest areas
 Adding medians
 Truck climbing lanes outside the urbanized area
 Lighting improvements
 Widening narrow pavements or reconstructing bridges (no additional travel lanes)
 Emergency truck pullovers

MASS TRANSIT

Operating assistance to transit agencies
 Purchase of support vehicles
 Rehabilitation of transit vehicles
 Purchase of office, shop, and operating equipment for existing facilities
 Purchase of operating equipment for vehicles (e.g., radios, fareboxes, lifts, etc.)
 Construction or renovation of power, signal, and communications systems
 Construction of small passenger shelters and information kiosks
 Reconstruction or renovation of transit buildings and structures (e.g., rail or bus buildings, storage and maintenance facilities, stations, terminals, and ancillary structures)
 Rehabilitation or reconstruction of track structures, track, and trackbed in existing rights-of-way
 Purchase of new buses and rail cars to replace existing vehicles or for minor expansions of the fleet
 Construction of new bus or rail storage/maintenance facilities categorically excluded in 23 CFR 771

AIR QUALITY

Continuation of ridesharing and vanpooling promotion activities at current levels
 Bicycle and pedestrian facilities

OTHER

Specific activities which do not involve or lead directly construction, such as:
 Planning and technical studies
 Grants for training and research programs
 Planning activities conducted pursuant to Titles 23 and 49 U.S.C.
 Federal-aid systems revisions
 Engineering to assess social, economic, and environmental effects of the proposed action or alternatives to that action
 Noise attenuation
 Advance land acquisitions (23 CFR 712 or 23 CFR 771)
 Acquisition of scenic easements
 Plantings, landscaping, etc.
 Sign removal
 Directional and informational signs
 Transportation enhancement activities (except rehabilitation and operation of historic transportation buildings, structures, or facilities)
 Repair of damage caused by natural disasters, civil unrest, or terrorist acts, except projects involving substantial functional, locational or capacity changes

Table 1 appears as Table 2 in the Federal Register, Vol. 58, No. 225

Table 2 - Projects Exempt From Regional Emissions Analyses

Intersection channelization projects
Intersection signalization projects at individual intersections
Interchange reconfiguration projects
Changes in vertical and horizontal alignment
Truck size and weight inspection stations
Bus terminals and transfer points

Table 2 appears as Table 3 in the Federal Register, Vol. 58, No. 225