

# Memorandum

**To:** CHAIR AND COMMISSIONERS

**CTC Meeting:** June 2, 2023

**From:** TANISHA TAYLOR, Interim Deputy Director

**Reference Number:** 4.2, Action

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**Subject:** Delegate Authority to Make Programming Changes to Projects Approved under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) Program, Resolution G-23-52

**Recommendation:**

Staff recommends the California Transportation Commission (Commission) delegate authority to the Department of Transportation (Caltrans) to make programming changes to projects the Commission previously approved for funding under the CRRSAA Program enabling Caltrans to obligate CRRSSAA funding prior to any federal rescission resulting from The Fiscal Responsibility Act of 2023 (H.R. 3746) and require Caltrans to report by the August Commission meeting on all programming changes.

**Issue:**

The Fiscal Responsibility Act of 2023 (H.R. 3746) will immediately rescind all unobligated federal COVID relief funds for Highway Infrastructure Programs appropriated in the CRRSAA of 2020. It is anticipated that the proposed legislation, released on May 28, 2023, would need to be enacted prior to June 5 to avoid the United States defaulting on its debt.

The Commission has allocated approximately \$163 million in CRRSAA Program funds to date. After the Commission allocates funds, local agencies must work with Caltrans and the Federal Highway Administration to obligate the funds. Approximately \$107 million of allocated funds have not been obligated.

Due to urgency of this matter, local agencies will need flexibility to work with Caltrans to make programming changes to avoid losing funds. Programming changes may include increasing or decreasing project funding or replacing previously allocated projects with projects that can be obligated prior to the rescission. This is consistent with Caltrans and local agencies processes to make programming changes with federal funding the Commission allocates to the department annually as a lump sum.

**Background:**

At its meeting on March 24-25, 2021, the Commission approved distributing \$364.7 million of California's \$911.8 million CRRSAA apportionment to regional agency programs. This \$364.7 million was split equally between the regional share of the State Transportation Improvement Program (STIP) and a new formula program called the CRRSAA Program. As of today, \$113 million and \$19 million remain unallocated from the STIP and CRRSAA Program, respectively. These funds are at risk of being rescinded if the federal debt ceiling legislation proposed on May 28 is enacted.

**Resolution G-23-52:**

Be it Resolved, that the Commission delegates authority to Caltrans to make programming changes to projects the Commission previously approved for funding under the CRRSAA Program.

Be it Further Resolved, that Caltrans shall report on any actions taken to implement Resolution G-23-52 at the August Commission meeting.