

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 2, 2023

From: TANISHA TAYLOR, Interim Deputy Director

Reference Number: 4.5, Action

Prepared By: Teresa Favila
Deputy Director, Programming

Published Date: May 31, 2023

Subject: Lump Sum Allocation of Coronavirus Response and Relief Supplemental Appropriations Act of 2020 (CRRSAA) Program funds, Resolution G-23-53

Recommendation:

Staff recommends that the California Transportation Commission (Commission) approve a lump-sum allocation of \$18,141,000 from the CRRSAA Program to Caltrans to sub-allocate to local agencies and require Caltrans to report by the August Commission meeting on all sub-allocations.

Issue:

Once signed into law, The Fiscal Responsibility Act of 2023 (H.R. 3746), will immediately rescind all unobligated federal COVID relief funds for Highway Infrastructure Programs appropriated through CRRSAA. 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.

Currently, \$18,141,000 in CRRSAA Program funds remain unallocated. Allocating these funds as a lump sum to Caltrans to sub-allocate to local agencies will provide needed flexibility to obligate funding prior to the proposed rescission's effective date. This is consistent with the Commission's longstanding practice to allocate most federal funds to Caltrans as a lump sum to then sub-allocate to local agencies. For example, at the October 12-13, 2022 meeting, the Commission allocated \$2.1 billion in federal funds as a lump sum to Caltrans for Federal Fiscal Year 2022-23. Delegating authority to Caltrans includes the requirement that all projects comply with state and federal law.

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 These funds are at risk of being rescinded if the federal debt ceiling legislation proposed on May 28 is enacted.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-23-53:

Be it Resolved, that the Commission approves a lump-sum allocation from the CRRSAA Program to Caltrans to sub-allocate to local agencies.

Be it Further Resolved, that Caltrans shall report on any actions as a result of Resolution G-23-53 at the August Commission meeting.