

San Bernardino County Transportation Authority	Policy No.	31701
Adopted by the Board of Directors July 2, 1997	Revised	06/01/22
Allocation of State and Federal Funds	Revision No.	3

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I. PURPOSE

The Board of Directors has the responsibility for allocation of certain State and Federal funds to projects within San Bernardino County. The purpose of this policy is to provide guidance to staff in recommending projects for funding and in the administration of funding allocations.

II. REFERENCES

Ordinance No. 04-01 of the San Bernardino County Transportation Authority, Exhibit A – Transportation Expenditure Plan

Policy 40023, Determination of Proportional Shares (PS) of State and Federal Funds between Subareas

III. DEFINITIONS

Allocation – An action by the Board to assign funds to a specific project.

Apportionment – A share of a State or Federal fund that is assigned to a subarea.

Award – An allocation by the Board resulting from a competitive process.

Congestion Mitigation and Air Quality Program (CMAQ) – CMAQ funds are authorized to fund transportation projects or programs located in nonattainment or maintenance areas that contribute to attainment of ambient air quality standards. CMAQ eligibility is conditional upon analyses showing that the project will reduce emissions of criteria pollutants. Activities typically eligible for funding by CMAQ include high occupancy vehicle (HOV) lanes, transit improvements, travel demand management strategies, traffic flow improvements such as signal synchronization, and public fleet conversions to cleaner fuels. SBCTA receives annual apportionments of CMAQ and is the agency responsible for selecting projects.

Highway Infrastructure Program (HIP) – Federal HIP funds are eligible for activities included under section 133(b) of title 23 of the United States Code. HIP funds may be used for construction of highways, bridges, and tunnels, among other activities that are noted in each fiscal year’s funding notice announced by the Federal Highway Administration (FHWA). SBCTA receives apportionments of HIP and is the agency responsible for selecting projects.

Surface Transportation Program (STP) –Federal STP funds provide flexible funding that may be used for projects on any federal aid highway, bridge projects on any public road, transit capital projects, and public bus terminal and facilities, and more. STP funds are apportioned to SBCTA in five apportionments – one for each of the three urban areas of the county (Riverside-San Bernardino, Los Angeles-Long Beach-Anaheim, Victorville-Hesperia), one for all other areas of the county, and one for any area of the county. The apportionments to the urban areas and all other areas are based on relative populations through the State. The apportionment to any area of the county is based upon a formula that considers a mixture of population and highway miles. SBCTA receives annual apportionments of STP and is the agency responsible for selecting projects. The Fixing America’s Surface Transportation Act (FAST Act) changed the name of the long-standing Surface Transportation

Program to the Surface Transportation Block Grant Program (STBG). However, the program is still most commonly referred to as STP, so wherever STP is referenced in this policy, it refers to the current Federal Surface Transportation Program, regardless of the name.

IV. POLICIES FOR THE ALLOCATION OF STATE AND FEDERAL FUNDS

A. Use of State and Federal Funds for Measure I 2010-2040 Projects - General

1. The Board of Directors shall assure reasonable equity in the shares of projected State and Federal transportation funds allocated and expended within geographic areas of the county, subject to the eligibility of funds for the specified programs within those geographic areas, in accordance with Policy 40023, Determination of Proportional Shares (PS) of State and Federal Funds between Subareas.
2. The Board of Directors has discretion to program State and Federal funds to projects based on needs and priorities that exist at the time the decisions are made, subject to the eligibility of projects for each funding source and approvals by appropriate State and Federal authorities.
3. SBCTA shall implement strategies that maximize the use of State and Federal funds when projects are planned and delivered. This may include borrowing against future revenues streams, such as with Grant Anticipation Revenue Vehicles (GARVEE bonds) for Federal funds.
4. SBCTA will aggressively advocate for its share of State and Federal dollars to deliver Measure I projects.

B. Use of State and Federal Funds for Measure I 2010-2040 Projects – Specific Sources

1. CMAQ funds (or funds in any successor program to CMAQ) necessary to continue previously approved regional programs, including Freeway Service Patrol (FSP), rideshare activities, and Valley-wide Signal Synchronization shall be set aside for those purposes.
2. CMAQ funds (or funds in any successor program to CMAQ) shall be considered as a significant source to fund transit capital projects and start-up operating expenses in accordance with CMAQ criteria. Allocation of CMAQ funding to transit capital projects is to be made by SBCTA in a manner consistent with the 10-Year Delivery Plan and plans developed by the transit operators and approved by the Board of Directors.
 - a) Allocations of State and Federal funds to transit operators shall only supplement, not supplant, funds available for transit purposes. In the case that funds primarily available for transit purposes are not claimed by the transit operator and are allocated to jurisdictions for local streets and roads, an equal amount of State and Federal funds shall be removed from near-term planned allocations to the transit operator.
3. Remaining CMAQ funds may be allocated to High Occupancy Vehicle facility or Managed Lane components of the Freeway projects listed in the Measure I Expenditure Plan, subject to eligibility criteria.
4. STP and HIP funds apportioned to the San Bernardino Valley Subarea shall be allocated to the Valley Freeway Program projects listed in the Measure I Expenditure Plan.
5. SBCTA shall work closely with Caltrans to identify projects that are eligible to receive State Interregional Improvement Program (IIP) funds to assist in timely delivery of those projects. This may include projects within as well as outside urbanized areas.

C. Competitive Awards of State and Federal Funds

1. In the instance of a competitive project evaluation whereby the evaluation of proposed projects results in insufficient funds to fully cover the next ranked project on the eligibility list, staff will administratively offer the project sponsor an opportunity to provide the balance of project funding from other available funding sources under the following conditions:
 - a) The original application submitted by the project sponsor shall be considered the “best and final offer”. No re-scoping of the project to reduce cost is permitted, nor will the project be re-scored to account for a changed percentage of local matching funds.

b) Within one week of the opportunity notification by staff, an authorized representative of the funding agency and project sponsor must provide the commitment to fully fund the project.

2. Projects awarded State and/or Federal funding shall be eligible for a one-time administrative augmentation of the smaller of 10 percent of the award amount, or \$500,000, if the augmentation is required to complete the project. Any increases that exceed this limit would require approval by the Board of Directors.

V. REVISION HISTORY

Revision No.	Revisions	Adopted
0	Adopted by the Board of Directors.	07/02/97
1	- Revised title from "Surface Transportation Program Project Cost Over-Runs". - Added paragraph 31071.1.1 through paragraph 31071.1.2. - Added paragraph 31071.2 REVISION HISTORY	03/07/01
2	Revised to be consistent with SB1305. Change approved by the Board on January 4, 2017, Agenda Item 6.	01/04/17
3	Revised to consolidate allocation policies. Approved by the Board on June 1, 2022, Agenda Item 24.	06/01/22
