

Metropolitan Transportation Commission Programming and Allocations Committee

July 14, 2021

Agenda Item 2i - 21-0910

FY 2020-21 Federal Earmark Repurposing

Subject: Potential projects to receive Federal Highway Administration (FHWA) repurposed earmark funds under the earmark repurposing provision of the Department of Transportation Appropriations Act, 2021.

Background: The Department of Transportation Appropriations Act, 2021 includes a provision enabling states to repurpose unused earmark balances from projects that have not substantially progressed (with less than 10% of the earmark funds having been obligated), or that are completed and closed.

Repurposed funds can be directed to any new or existing project that is eligible to receive Surface Transportation Block Grant Program (STBGP) funds. The project must also be located within 25 miles of the original earmark designation in the state.

Earmarks Available for Repurposing

At this time, MTC has not received a list of potential eligible earmarks for repurposing. We expect to receive guidance and a potential project list from Caltrans within the next couple weeks. Upon receipt of this list, staff will work with project sponsors and Caltrans to identify specific earmarked funds to be repurposed. It is expected that the balance available for repurposing will be limited, as many unused earmarks have already been repurposed in prior years.

Recommendation for Projects to Receive Repurposed Funds

For the next step in the process, Caltrans typically requests regions to submit a recommended list of projects to receive repurposed funds (or the projects to which the earmark funds will be directed). Staff will work with project sponsors and County Transportation Agencies (CTAs) to develop this list.


Depending on when MTC receives guidance from Caltrans, the staff recommendation for repurposing may be presented to the Commission at the July 28, 2021 meeting for review and approval. Staff will forward the repurposing recommendation to Caltrans to be included in the State's submission to FHWA. The final complete list of projects is due to FHWA Headquarters by September 10, 2021.

If Caltrans guidance is not released in time to develop a recommendation for the July Commission meeting, staff will forward repurposing recommendations to Caltrans to be included in the State's submission to FHWA by the required deadline and follow-up with an item at the September Committee meeting.

Issues: Federal regulations require repurposed funds to be fully obligated within three fiscal years of repurposing, or by September 30, 2024 for this year's repurposing effort. To reduce the risk of funds being lost to the region, and consistent with MTC's Project Delivery Policy (MTC Resolution No. 3606), Bay Area sponsors are required to fully obligate any repurposed earmark balances one year in advance of federal deadlines. Additionally, once repurposed onto a new project, the earmark funds cannot be repurposed again.

Recommendation: Direct staff to develop the FY 2020-21 repurposed Earmark list and submit to Caltrans by the required deadline.

Attachments: None.


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