

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: May 23, 2012

Reference No.: 4.19
Action Item

From: NORMA ORTEGA
Chief Financial Officer

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Chief
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Subject: **ADOPTION OF THE RATE FOR STATE MATCHING OF FEDERAL AIRPORT
IMPROVEMENT PROGRAM (AIP) GRANTS
RESOLUTION G-12-09**

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve the federal Airport Improvement Program (AIP) State match rate at 5 percent. This item was presented for information at the April 25, 2012 Commission meeting.

ISSUE:

The AIP provides public use, publicly owned airports with federal grants for airport improvement and maintenance projects. As part of the recent reauthorization of the Federal Aviation Administration, the federal share was reduced from 95 percent to 90 percent, effective immediately. The Department assists the airport sponsors with the local match for AIP grants.

By changing the State AIP match rate to 5 percent, available funds will help local governments continue to leverage federal AIP funds for needed airport projects despite the increase in required local AIP match. Without the increased State AIP match rate, local government airport sponsors will incur a tripling of the required local funding match, which could lead to inability to provide funding for the match, and potential reductions in safety and functionality of the airports.

At its May 9, 2012 meeting, the Commission's Technical Advisory Committee on Aeronautics (TACA) expressed support for the Department's proposal to establish the State match rate at 5 percent.

BACKGROUND:

State law (Public Utilities Code Section 21683.1 (a)) states that the Commission may, at its discretion, provide a portion of the local match for federal AIP grants. The Department is proposing to increase the State matching rate from 2.5 percent to 5 percent with support from TACA and Commission staff. The Department's legal counsel has reviewed previous proposals and deemed that the Commission has the authority to provide the AIP match rate from 0 to 5 percent.

Attachment

CALIFORNIA TRANSPORTATION COMMISSION

**Adoption of the Rate for State Matching
of Federal Airport Improvement Program (AIP) Grants**

Resolution G-12-09

- 1.1 WHEREAS, pursuant to Section 21683.1 (a) of the Public Utilities Code, the California Transportation Commission (Commission) may, at its discretion, provide a portion of the local match for federal Airport Improvement Program (AIP) grants; and
- 1.2 WHEREAS, a 5 percent matching rate enables the California Department of Transportation to provide the State match for airports; and
- 1.3 WHEREAS, the 2011-12 Aeronautics Allocation for set-aside to match AIP grants was submitted with a State matching rate of 2.5 percent; and
- 1.4 WHEREAS, the recent Reauthorization of the Federal Aviation Administration reduced the federal share of AIP grants from 95 percent to 90 percent.
- 1.5 WHEREAS, a 5 percent State matching rate allows greater opportunity for leveraging of federal grant funds by publicly-owned, public use airports, in consideration of the increase in required local match.
- 2.1 NOW THEREFORE BE IT RESOLVED, that the Commission hereby establishes the State matching rate for federal AIP projects in the 2010 Aeronautics Program at 5 percent of an airport project federal grant.