



Programming Procedures for FHWA-Administered Federal Funding

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Overview

These programming procedures focus on post-award activity for the following Southern California Association of Governments (SCAG) selected federal fund sources: Carbon Reduction Program (CRP), Congestion Mitigation and Air Quality Improvement Program (CMAQ), Surface Transportation Block Grant (STBG), that is, programs requiring Metropolitan Planning Organization project selection through current federal transportation infrastructure law. Program revenues may also include other redirected funds apportioned to the SCAG region in the same proportion as the distribution of CRP, CMAQ, and STBG apportionments. The intent of these procedures is to prevent and minimize loss of federal funds to the SCAG region and to provide flexibility in delivering transportation projects. They also assist the region in managing obligation authority (OA) and meeting federal financial constraint requirements. This document is intended to be complementary to the SCAG-approved program guidelines and together these documents provide an outline of the federal transportation project funding process.

FTIP Programming

Federal funds are to be programmed in the approved Federal Transportation Improvement Program (FTIP), up to the regional apportionment level available, in the federal fiscal year (FFY) in which the funds are to be obligated by the Federal Highway Administration (FHWA) or transferred to the Federal Transit Administration (FTA). The implementing agency is committed to obligate/transfer funds programmed in the current federal fiscal year of the FTIP. It is the responsibility of the county transportation commission and/or project sponsor to ensure the FTIP is kept up-to-date.

Projects that may require federal funds to be programmed in a subsequent phase for federal National Environmental Policy Act (NEPA) clearance should inform SCAG staff to schedule a project specific consultation. SCAG may request that these projects submit a separate project nomination through a subsequent call for project nominations in-order-to receive additional funds beyond the environmental phase.

Provisions Specific to Projects Programmed with STBG or CMAQ Funds in the 2025 FTIP

Any project that is programmed with STBG or CMAQ funds after December 2026 will be required to be SCAG-selected to align with the schedule for the development of the 2027 FTIP.

For purposes of this program, SCAG-selected is defined as meeting one of the following criteria:

- A project that was awarded in a prior SCAG STBG/CMAQ call for projects.
- A project that was identified on the Contingency List of a prior SCAG STBG/CMAQ call for projects and subsequently funded with newly available STBG and/or CMAQ funds.
- A project that is awarded in a current SCAG STBG/CMAQ call for projects.
- A project that is identified on the Contingency List of a current SCAG STBG/CMAQ call for projects and subsequently funded with newly available STBG and/or CMAQ funds.

Any project programmed with STBG or CMAQ funds that has not been identified as SCAG-selected by December 2026 must obligate those funds by the December 2026 deadline. Otherwise, the STBG/CMAQ funds will be considered lapsed, and the unclaimed funds will become available for reprogramming to other SCAG-selected projects.

Obligation Deadlines and Management

CMAQ and STBG funds are subject to Assembly Bill (AB) 1012 provisions. These provisions state that CMAQ and STBG funds are required to be obligated within the first three years of federal eligibility, which begins with the start of the FFY in which the apportionment occurred (two years from year of apportionment). CRP funds have three FFYs to obligate following the FFY of apportionment (three years from year of apportionment).

The California Department of Transportation (Caltrans) is responsible for monitoring and reporting unobligated STBG and CMAQ balances. SCAG, in partnership with county transportation commissions and implementing agencies, is responsible for obligating funds within the required time period and for developing a plan for any remaining unobligated balances that may be subject to lapse.

In consideration of the responsibility to administer these programs, SCAG establishes various deadlines for the delivery of federal funds including the STBG, CMAQ, and CRP to ensure timely delivery, ability to meet state and federal funding deadlines, and to prevent or minimize loss of federal funds to the SCAG region.

These deadlines will be set on an annual basis and include but are not limited to:

- Deadline for obligation plan submittal
- Deadlines for Request for Authorization (RFA) submittal
- Deadline for obligation/authorization

Projects that fail to meet deadlines, including obligating in the year programmed in the FTIP, are subject to reprogramming and may result in loss of STBG/CMAQ/CRP funds to the project.

Delivery

Agencies that repeatedly demonstrate poor performance in project management (failure to obligate funds in a timely manner, lack of timely communication, unresponsiveness, etc.) may be restricted from receiving additional federal funding in future solicitations for project nominations. Agencies with consistent delivery may receive prioritization for their Contingency List projects in the event the region is under-delivering for the FFY, or additional funding becomes available.

Obligation Plan

In order to use CRP/CMAQ/STBG apportionments, federal OA is needed. OA is provided on an annual basis and has to be used in the FFY it is provided. Caltrans determines the SCAG region's OA on an annual basis. Prior to the start of the FFY, SCAG, in coordination with the county transportation commissions, will develop a draft obligation plan. This plan will help ensure apportionment and OA are available for projects planned for obligation/transfer in the upcoming year.

County transportation commissions will collaborate with local agencies and submit a draft obligation plan to SCAG by Oct. 30. This obligation plan will be revisited by the county transportation commissions in January/February with finalized obligation plans due to SCAG by Feb. 1 to allow for regional review. SCAG will then submit the final regional obligation plan to the Caltrans' Districts by March 15. Any changes to the finalized regional obligation plan (e.g., advancements or delays) will require SCAG approval.

Project Authorization for OA

SCAG will try to ensure sufficient OA is available for all projects needing to deliver prior to the statewide OA pool or May free-for-all. However, in the event OA is not available for all projects prior to this date, SCAG will prioritize projects based on the following criteria:

- Projects with California Transportation Commission (CTC) allocations
- Projects with timing constraints
- Transportation Control Measures (TCMs)

All other obligations will receive OA on a first-come-first-serve basis.

Loans

Dependent on the obligation plan and the region's delivery, SCAG may enter into loan agreements with other regions and/or the State for OA and/or apportionment. These loan agreements will be reflected in the FTIP financial constraint report. Loan agreements will be based on the final obligation plan developed by SCAG in partnership with county transportation commissions. SCAG will notify the county transportation commissions via email of any loan agreements.

FTA Transfers

Once FHWA-administered funds are transferred to the FTA, non-applicable provisions of this policy no longer apply. The project sponsor must then follow FTA guidance and requirements.

Post-Award Changes

Cost Increases

County transportation commissions have delegated authority to approve CRP/CMAQ/STBG funds for cost increases when funds are available as a result of project savings/cancellations within the respective county. Please see the [Project Savings/Cancellations](#) section below. Additionally, county transportation commissions have delegated authority to provide CRP/CMAQ/STBG funds for cost increases up to the total level of CRP/CMAQ/STBG funding awarded to the county by SCAG. Funds must be programmed in the quad of the currently approved FTIP to qualify for this provision. Shifting of funds across SCAG-selected or SCAG Contingency List projects must be done in collaboration with project sponsors and are subject to approval by the county transportation commission. County transportation commissions must inform SCAG via email of the resulting changes and subsequently submit the necessary updates in the FTIP.

Requests for additional CRP/CMAQ/STBG funding in excess of the funding level awarded by SCAG for the county will be considered by SCAG on a case-by-case basis and programmed according to state and federal programming requirements. Project sponsors must have exhausted all other funding opportunities before approaching SCAG for additional funds.

Dependent on the project schedule, SCAG may recommend that the project sponsor apply for additional funding through an upcoming solicitation for project nominations.

After December 2026, projects to be considered for additional funding must be SCAG-selected. SCAG will prioritize cost increases based on the following criteria:

- TCMs with substitution challenges
- Projects in advanced stages of implementation (i.e. right-of-way or construction)
- The project's SCAG ranking (i.e. highly recommended, recommended, etc.)

The availability of additional funding is subject to apportionment balances, OA, and FTIP programming at the time of the request. Requests in excess of \$20 million will require SCAG Executive/Administration Committee or Regional Council approval. Requests that meet this threshold should be sent to program staff with a documented justification and will be considered by either the SCAG Executive/Administration Committee or Regional Council on a regular basis. The SCAG Executive Director or his designee has delegated authority to approve all other additional funding requests.

SCAG will notify the county transportation commissions via email of cost increase requests in excess of the funding level awarded by SCAG for the county.

POST-PROGRAMMING

Post-programming requests, in excess of the funding level awarded by SCAG for the county, will be considered on a case-by-case basis and will follow the same criteria as outlined in the [Cost Increases](#) section above. For more information regarding FTIP programming procedures, please visit the [SCAG FTIP webpage](#).

Schedule Changes

ADVANCEMENTS

Advancements or Expedited Project Selection Procedure (EPSP) requests for funds programmed in a future FFY of the FTIP will be considered by SCAG from the start of the FFY, as long as the advancement is accounted for and approved in the annual obligation plan. However, after Feb. 15 advancements via EPSP requests will be encouraged on a first-come-first serve basis, assuming there is sufficient apportionment available. This will allow for projects programmed in the current FFY of the FTIP to have priority access to OA and available apportionment. In some years OA may not be available for advancements until after May 1 when Caltrans opens the OA statewide.

Project sponsors may also move ahead with projects by using “advanced construction,” where the sponsor begins a project with local funds until federal funds can be made available.

DELAYS

County transportation commissions have delegated authority to approve delay requests up to the delivery deadline for the call for projects in which the project was awarded funding or on the Contingency List (i.e., Sept. 30, 2029, for all projects within the 2023-2026 call for projects). County transportation commissions must coordinate with SCAG to ensure sufficient OA and apportionment are available in the requested year and financial constraint requirements are met. There is no guarantee that federal funds will be available in the requested year and may result in a loss of funding.

In the event the SCAG region is under-delivering within the obligation plan, the county transportation commissions that have approved delay requests may be required to provide replacement projects to ensure the region is meeting our OA target.

Scope Changes

Any changes to the project scope from what was submitted in the SCAG application will require SCAG approval. Major additions or reductions to the project scope may be required to go through a subsequent call for projects process. If the project is already programmed in the FTIP, the project sponsor will need to coordinate with the county transportation commission to submit a scope change through an FTIP formal amendment or Regional Transportation Plan amendment as outlined in the FTIP Guidelines. Scope changes/schedule delays to TCM committed projects must abide by the TCM process as outlined in the FTIP Guidelines.

Project Savings/Cancellations

Projects may be completed at a lower cost than anticipated, have a minor change in scope resulting in a lower project cost, or may not proceed with implementation. County transportation commissions have delegated authority to reprogram CMAQ/STBG/CRP funds from project cost savings/cancellations within their county to other SCAG-selected or SCAG Contingency List projects. County transportation commissions must work with their local agencies on these project cost savings/cancellations and inform SCAG of the resulting changes via email and subsequently submit the necessary updates in the FTIP. Anticipated deobligations should be included as part of the development of the obligation plan.

In the event the county transportation commission is unable to reprogram these funds, then the funds will be returned to SCAG to be reprogrammed to SCAG Contingency List projects according to SCAG ranking and delivery timeframe from agencies with a consistent record of delivery.

For project savings on FTA transferred funds, the project sponsor must inform SCAG and their county transportation commissions to reprogram these funds. County transportation commissions should inform SCAG of the resulting changes.

Regional Coordination

SCAG, in collaboration with Caltrans Local Assistance and county transportation commissions, facilitates opportunities throughout the year for coordinating on OA delivery and the development of the obligation plan. This may include SCAG-led roundtables, Caltrans Local Assistance-led obligation plan meetings, and county transportation commission-led meetings, when applicable. The goal of regional coordination efforts will be to communicate project updates and work through any challenges to project delivery. Failure to provide timely communication of project updates via meetings or alternative forms of communication may impact future funding opportunities. SCAG will coordinate with the county transportation commissions and project sponsors on the status of projects selected for CRP/CMAQ/STBG funds as needed, in order to provide updates to SCAG Committees or Regional Council.



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