State of California
Business, Transportation and Housing Agency
Department of Transportation

POLICY MATTERS
Proposed TCRA Exchange Guidelines
Action Item

CTC Meeting: February 21-22, 2001

Agenda Item: 4.3

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PASSED BY
CTC
FEB 21 2001
CALIFORNIA
TRANSPORTATION COMMISSION

W. J. EVANS, Deputy Director
Finance
February 23, 2001

ADOPTION OF GUIDELINES FOR TRAFFIC CONGESTION RELIEF ACT EXCHANGE PROGRAM

Resolution G-01-11

RECOMMENDATION

The Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve the attached resolution adopting the TCRA Exchange Program guidelines as proposed.

BACKGROUND

In accordance with Streets and Highways Code Section 182.8, the Commission is required to implement the Traffic Congestion Relief Act Exchange Program. The Commission is required to develop the guidelines and adopt them by March 1, 2001. The Commission established a workgroup with representatives from the Department, regional agencies, and the Commission to provide direction for the development of the guidelines. In January 2001 the draft guidelines were the subject of a regional agency workshop and a Commission public hearing. The draft guidelines were revised in response to the comments received at the January workshop and public hearing. The revisions are highlighted in the attached copy of the proposed guidelines.

The following is a summary of policy changes and significant technical revisions to the guidelines.

Section 3.2 Regional Agency Notification – provides for notice to regional agencies of the potential for an initial lump sum advance payment prior to initiating quarterly advance payments.

Section 3.3 Application – streamlines the flow of paperwork from regional agencies.

Section 3.4 Allocations – streamlines the flow of paperwork from regional agencies.

Section 4.1 Program Level – clarifies potential impact of RSTP restrictive funds on establishment of the program level (i.e., certain urbanized area funds may only be used in the specified urban area. Also, technical correction to change "minimum" to "maximum" and reiteration of the potential for an initial lump sum advance payment.

Section 5.1 Submittal of Application - streamlines the flow of paperwork from regional agencies.

Section 5.2 Content and Format of Application – clarifies expenditure plan requirements for submittal with application.

Section 5.3 Content and Format of Application – clarifies expenditure plan requirements for submittal with application and streamlines the flow of paperwork from regional agencies.

Section 6.2 Caltrans Allocation of Funds - streamlines the flow of paperwork from regional agencies.

Section 7.1 Agreements - streamlines the flow of paperwork from regional agencies.

Section 7.2 Advance Payments – clarifies advance payment process and streamlines the flow of paperwork from regional agencies.

Section 8.1 Progress Reports - streamlines the flow of paperwork from regional agencies.

Attachment

FINAL

CALIFORNIA TRANSPORTATION COMMISSION
GUIDELINES FOR
TRAFFIC CONGESTION RELIEF ACT
EXCHANGE PROGRAM

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1 AUTHORITY AND PURPOSE

1.1 **Authority and Scope:** The Traffic Congestion Relief Act (TCRA) was established by Chapter 91 (AB 2928) of the Statutes of 2000, and was further amended by Chapter 656 (SB 1662). The TCRA requires the California Transportation Commission (Commission) to adopt guidelines and implement an Exchange Program that allows the exchange of federal Congestion Mitigation and Air Quality Improvement (CMAQ) and Regional Surface Transportation Program (RSTP) funds for State transportation funds, based upon funding availability. The Commission is required to hold one public hearing prior to adopting the guidelines. The guidelines must be adopted no later than February 1, 2001.

These guidelines apply to all funds and State and regional agencies as specified in Streets and Highways Code Sections 182.6, 182.7 and 182.8.

The Commission may amend these guidelines after holding a public hearing. The guidelines may not be amended between the time the regional planning agencies are notified of the amount of State funds available for exchange and the approval of projects for exchange in any given year.

1.2 **Purpose and Objectives of Guidelines:** These guidelines are intended to clarify and interpret statutes and to guide and facilitate local, regional, and State actions related to defining, scoping, approving funding and implementing the projects proposed under the TCRA Exchange Program. The Commission intends with these guidelines to:

- Clarify roles and responsibilities.
- Expedite exchange fund approval.
- Maintain accountability for actions of the agencies involved.
- Establish the methodology for the exchange.

The TCRA Exchange Program is intended to increase flexibility in the use of State and federal transportation funding to complete transportation improvements without compromising other state funded projects or activities.

1.3 **Conditions for Exchange:** The following conditions must be met before the Commission will consider requests for exchange:

- **Availability of Funds:** Adequate State funds must be available in the Traffic Congestion Relief Fund (TCRF) to accomplish the requested exchanges without putting at risk other transportation activities or projects requiring State funds.

- **Consistency with Traffic Congestion Relief Act:** Any requested exchange must be consistent with full implementation of the Traffic Congestion Relief Act of 2000.

- **Ability to Use Exchange Funds:** Federal obligation authority received in exchange can be obligated on projects or activities by the State during the federal fiscal year.

- **Regional Agency's RSTP and CMAQ Balance**: Regional agencies requesting TCRA Exchange Program funds must have adequate fund balances to meet other funding commitments for those funds exclusive of the amount requested for exchange.

- **Project Inclusion in the FTIP:** Projects submitted for funding with TCRA exchange funds are not required to be included in the FTIP at the time of application. However, projects must be included in the FTIP at the point the Commission approves the request for exchange funds.

- **Eligible Projects**: Projects submitted for funding with TCRA exchange funds must
  - Be for the same purposes for which the federal local assistance funds being exchanged were originally intended.
  - Be fully funded.

1.4 **Definitions:** For purposes of the guidelines the following definitions apply:

- Act means the Traffic Congestion Relief Act of 2000.
- Agreement means a contract between the State (Caltrans) and a regional agency to carry out specified work using specified funds, under conditions specified therein.
- Allocation means the Commission's approval of the project and direction to Caltrans to authorize expenditure of specified funds for specified project work.
- Applicant means the responsible regional transportation planning agency (an RTPA, Metropolitan Planning Organization, or County Transportation Commission on behalf of local agencies within their jurisdiction).
- Apportionment means the distribution of federal funds as prescribed by federal and state statutory formula. Apportionment is the amount of categorical funds distributed, and is not the same as the approved annual obligation authority which is the amount of apportioned federal funds that can be used in a given year.
- Caltrans means the State Department of Transportation.
- Commission means the California Transportation Commission.
- Committed funding means State or local (or private) funds programmed (or otherwise pledged, designated, or reserved) to a specified project or project phase by resolution or similar official action of the elected or appointed authority with legal power to assign those funds.
- Encumbrance means designation of funds pledged and secured within the Traffic Congestion Relief Fund and authorized to be expended upon execution of an agreement.

- Exchange Program means the Traffic Congestion Relief Act Exchange Program as authorized by Chapter 91 (AB 2928) of the Statutes of 2000.
- Implementing agency means the agency responsible for carrying out the work necessary to complete the project.
- Obligation means a commitment of federal funds to a specific project– the Federal government's promise to pay the States for the Federal share of a project's eligible cost.
- Obligation Authority (OA) means the total amount of federal apportionment that may be obligated in a federal fiscal year.
- Optional Federal Exchange Program means the "rural" exchange program defined in the Streets and Highways Code Section 182.6
- Regional agency means the agency responsible under State statutes for the regional transportation plan or Regional Transportation Improvement Program, as appropriate for the reference.
- TCRF means the Traffic Congestion Relief Fund.
- TCRP means the Traffic Congestion Relief Program as defined in the Traffic Congestion Relief Act of 2000.

1.5 **Contact Points:** Regional agencies should contact the Caltrans District Local Assistance Engineer for information on the TCRA Exchange Program and other project related issues.

Regions should submit exchange fund applications, allocation requests and progress reports to the Commission, with a copy to Caltrans, at the addresses listed in Appendix 9.1. Both the Commission and Caltrans will accept communications, exchange fund applications, allocation requests, and progress reports for this program electronically (by fax or e-mail). When submitting documents by e-mail, an agency must follow up by sending official signed copies within five days.

2 RESPONSIBILITIES

2.1 **Applicant:** Applications for exchange funds must be submitted by the responsible regional agency. As such, the regional agency is responsible for:

- Concurring in decisions affecting the project recommended by the implementing agency.
- Ensuring projects are contained in or consistent with the regional transportation plan.
- Preparing and submitting the application for Exchange Program funds.
- Securing funding commitments necessary to complete the project if the total project cost exceeds the amount allocated through the Exchange Program.
- Executing agreements with Caltrans.
- Requesting allocation of funds on behalf of implementing agencies.
- Requesting, by invoice, advances on the funds allocated, based upon Commission approved expenditure plans from the regional agency.

- If necessary, preparing administrative amendments to the FSTIP and FTIP, and forwarding to Caltrans.
- Monitoring exchanged funds and making progress reports to the Commission and Caltrans.
- Ensuring exchanged funds are used only for approved purposes and projects and within the required timelines.
- Fulfilling administrative requirements, including providing any additional information requested by the Commission or Caltrans.
- Ensuring maintenance of effort requirements are met (i.e., exchange funds do not supplant other local transportation funding). Agencies not meeting this maintenance of effort requirement may not be allowed to participate in the next exchange cycle.

2.2 **Commission:** The Commission is responsible for:

- Adopting and amending the exchange program guidelines.
- Notifying regional agencies of the amount of State funds available for exchange.
- Receiving, reviewing, and approving (or denying) project applications.
- Determining exchange payment schedule based on project expenditure plans and the cash flow of the TCRF.
- Directing the allocation of funds for project implementation.
- Reporting on program implementation annually to the Legislature and Governor.
- Rescinding or denying allocations and redirecting funds, if warranted, based on lack of project progress.

2.3 **Caltrans:** Caltrans is responsible for:

- Notifying the Commission annually of the following:
- The maximum amount of RSTP and CMAQ apportionments available for exchange under this program.
- OA level for the year.
- Determining the amount of federal funds Caltrans expects to be able to obligate on all programs by September 30.
- Assisting the Commission in determining the amount available in the TCRF for the Exchange Program for each year.
- Reviewing applications for exchange of funds and advising the Commission.
- Preparing and executing agreements with the regional agencies.
- Processing necessary FSTIP and FTIP amendments.
- Authorize expenditures as directed by the Commission.
- Administering the program, including payout of allocated funds.
- Monitoring and providing program progress reports to the Commission.

3 DEADLINES

By statute, if the distribution of federal apportionments and OA are delayed beyond November 1, all deadlines shall be extended by an equivalent amount of time except that the federal funds must be obligated by September 30. For the first year of implementation, (FFY 2000-01) this provision is in effect.

3.1 **Commission Notification**: Caltrans is required to provide the following information to the Commission by January 5 of each year:

- RSTP and CMAQ apportionment amounts by region.
- OA levels.
- The amount of federal funds Caltrans can use by September 30 of each year.

Caltrans will also work with the Commission to determine the amount of TCRF funds available for exchange each year.

3.2 **Regional Agency Notification**: The Commission is required to notify regional agencies of the available funding for the Exchange Program no later than February 1 of each year. At the time of notification, the Commission will set a percentage of funds that may be claimed by regional agencies for initial advance payments after application approval. The percentage will be set based on anticipated federal reimbursements and full exchange of available funds (see section 7.2 of these guidelines).

3.3 **Application:** Applications for exchange funds must be submitted by regional agencies no later than March 15 of each year. The Commission has until the second regularly scheduled meeting after March 15 to approve or deny these applications. The Commission action will usually occur by mid May. Applications may include an allocation request. After the first year, the application may be packaged with an allocation request and the spring progress reports for prior years.

3.4 **Allocations:** The regional agency must seek an allocation from the Commission to request exchanged funds within one (1) year of approval of the application. No time extensions will be allowed. Allocation requests may be made at the time of application submittal. Regional board approval is required prior to allocation. A single allocation for each regional agency is preferred; however, a regional agency may request multiple allocations for whole projects, in groups or blocks of projects.

All allocation requests must be submitted to the Commission and Caltrans. Caltrans, as the Commission's grant administrator, will report allocation requests on the Commission's regular meeting agenda (the Commission generally meets every five weeks). Caltrans will report allocation requests on the Commission's next agenda whenever those requests are received at least 21 days before the meeting date, unless an allocation request raises

issues which need more time for examination. Regional agencies may directly request that the Commission consider an allocation request if the regional agency cannot resolve issues raised by Caltrans.

3.5 **Timely Use of Funds:** State funds received through the Exchange Program must be encumbered within one year of receipt of the funds, and expended within three years from the date of encumbrance.

Federal funds received by Caltrans through the Exchange Program must be obligated by September 30 of each year.

4 DETERMINATION OF EXCHANGE AMOUNTS

4.1 **Exchange Program Level:** The annual Exchange Program level is determined based on the following criteria:

- The maximum amount of State funds that can be exchanged may not exceed fifty (50) percent of the total statewide amount of federal RSTP and CMAQ funds apportioned and that can be obligated for the current fiscal year as local assistance. This amount is exclusive of funds that may be exchanged per the Optional Federal Exchange Program. It is anticipated that the **maximum** annual amount of State funds that can be exchanged will average $320 million, based on the current annual level (FFY 2001) of federal RSTP and CMAQ apportionments.

- The amount of funds exchanged cannot jeopardize delivery of the approved projects contained in the TCRP that will be funded from the TCRF. The TCRF available funding level for the Exchange Program is based upon the following:
  - The expenditure plan for the exchanged projects.
  - The draw down by TCRP projects.
  - Federal reimbursements.

- Exchanges cannot exceed Caltrans' ability to obligate the exchanged federal funds by September 30th each year, or the amount of funds available in the TCRF.

- Caltrans' use of the exchanged funds must comply with federal urbanized area and air quality nonattainment usage requirements. RSTP urbanized area funds will be used in the same area they were originally apportioned. To the extent practical, exchanged federal CMAQ funds will be used in the area they were originally apportioned. CMAQ funds may, if necessary, be used in any nonattainment or maintenance area.

- Each region's exchange level will be based on a maximum of 50 percent of their federal RSTP and CMAQ funds apportioned for the current fiscal

year, exclusive of funds that may be exchanged per the Optional Federal Exchange Program. Each region may also apply for exchange funds above their initial maximum in order to capture any unused shares from other regions.

- RSTP and CMAQ funds not exchanged in one year will not be carried over for purposes of calculating the subsequent year's exchange.

- The Commission will establish the percentage for the initial advance payment based on the anticipated federal reimbursements into the TCRF by October each year and full utilization of the exchange program. The percentage may be adjusted if full utilization of the exchange program does not occur and results in a change in the timing of anticipated federal reimbursements.

4.2 **State Funds:** The Commission may exchange State funds from the Traffic Congestion Relief Fund (TCRF) for local assistance RSTP and CMAQ funds from requesting regional agencies. Regional agencies shall provide apportionments and obligational authority at the same rate the Federal Highway Administration distributes obligation authority. In exchange, State dollars will be provided to regional agencies at **90 percent** of the **obligation authority** exchanged.

4.3 **Federal Funds:** The federal funds exchanged by the regional agencies will be made available to Caltrans for use on State administered projects that can be funded with federal funds. Caltrans must obligate these funds by September 30 of each year.

5 APPLICATION FOR EXCHANGE FUNDS

A sample exchange fund application form is included in Appendix 9.2, and is also available on the internet at www.dot.ca.gov/hq/LocalPrograms/. Section I is a summary sheet and includes information relative to the total request for exchange. Sections II, III, IV, and V are project specific; separate sheets must be used for each project. Section VI is the agency signature and certification sheet. Only one signature sheet is required for each agency's exchange application. Use of the standard format is required.

5.1 **Submittal of Application:** Applications for exchange funds must be submitted by the regional agency to the Commission by March 15. The application may include the allocation request and be packaged with spring progress reports.

Applications must cover all work and funding sources for each project funded with TCRA exchange funds, including work that may be funded from other sources. An application must be complete as to contents and other

requirements for any work for which it will serve as the basis for a subsequent funding allocation. Regional agencies must prioritize projects included in each application prior to submittal.

Regional agencies are encouraged to submit applications that include a contingent list of projects for an amount exceeding 50 percent of their RSTP and CMAQ federal apportionments in order to capture any unused balances from other regions.

Regions should submit completed exchange fund applications to the Commission with a copy to Caltrans, at the addresses listed in Appendix 9.1.

5.2 **Content and Format of Application:** The Commission expects a complete application to include at a minimum the following information, unless some of the information is not applicable:

- Project title.
- Identification of, and contact for regional agency and implementing agency.
- Description of project location and scope.
- Purpose of project.
- Schedule for starting and completing construction.
- A proposed expenditure plan for the project that shows costs on a quarterly basis (by State fiscal year) and reflects the timing and expenditure of the first advance payment (based on the percentage established in the Commission notification to regional agencies or the revised percentage if full utilization of the exchange program does not occur) and subsequent payments.
- Estimated time savings and other benefits resulting from defederalizing the project. Narrative should be supplied which explains the time savings and other benefits received.
- Identification of any federal permits required for the project.
- Signature of authorized representative of the regional agency certifying the following:
  - The information provided is complete and accurate.
  - Ensure the exchanged funds are used only for approved purposes and projects.
  - Maintenance of effort requirements will be met (i.e. local funds for transportation purposes are not supplanted).
  - Comply with all existing Commission policies and rulings.
  - The regional planning agency has reviewed and approved the projects listed in this application.

5.3 **Project Expenditure Plan:** The Commission will use the expenditure plan in the application to evaluate the financial feasibility of the exchange.

Each project's expenditure plan should include information demonstrating that funding commitments have been secured to complete the project. The regional agency takes responsibility for cost estimates for all project phases, based on consultation with the implementing agency.

The expenditure plan should be an estimate of anticipated expenditures for each quarter and should consider any initial lump sum payment that may cover expenditures for several quarters. If an individual project in the plan costs $300,000 or less, the project may be listed in a single quarter rather than multiple quarters. For projects that are $300,000 or less, the regional agency should request advance payment in the expenditure plan quarter closest to the anticipated start of the project.

The regional agency must submit semi-annual progress reports. (See Section 8.1) The progress report must include an update of the actual expenditures charged against each quarterly payment request, as well as changes to project schedules. If actual expenditures are less than the corresponding payments, the Commission may adjust the expenditure plan to compensate for the remaining balance. The spring progress reports may be submitted with the application for subsequent program cycles.

5.4 **Other State Program Requirements:** The Act did not waive statutory requirements applying to other State programs, and the Commission cannot do so either. The Commission's adoption of these guidelines does not amend or waive guidelines for other State programs. Thus regions may need to consider, in preparing an application, requirements and timelines for other programs from which projects will also receive funds (i.e., STIP).

5.5 **Review of Applications:** The Commission is required to approve or deny applications for exchange funds no later than the second regularly scheduled Commission meeting after March 15 (generally by mid May). The Commission will undertake review of applications in the time order received. Caltrans will review applications concurrently with the Commission, and may present its advice or recommendations for Commission consideration.

In making a determination about schedule and funding, the Commission will consider at least the proposed schedule, the availability and mix of funds from all sources that make up the project financial plan and the availability of funds for the Exchange Program.

The Commission will review projects submitted by regions. Approval will be based on, but not limited to the following.

- The project will be fully funded.
- No other federal funds are being used on the project.
- Project delivery timeframe.
- Expenditure Plan.
- Caltrans will be able to use the exchanged federal funds.

- The equity of exchange among regions over the program's life.
- Demonstrate a time savings or other benefit as a result of defederalizing the project.

The above process will also be followed if applications are received in excess of available exchange funds.

6 ALLOCATION OF FUNDS

6.1 **Commission Delegation:** The Commission delegates to Caltrans approval of allocation requests where the allocation matches the scope of work and funding amount approved in the application. The Commission also delegates to Caltrans authority to advance allocations and payments.

6.2 **Caltrans Allocation of Funds:** Funds will be allocated only when the regional agency requests an allocation. Allocations will be made for each regional agency requesting exchange. The allocation may be requested concurrent with the application but must be requested within one year of approval of the application and must be consistent with the expenditure plan in the approved application. Regional board approval is required prior to allocation. All allocation requests must be submitted to the Commission and Caltrans, as the Commission's grant administrator. Approval of an allocation request authorizes the execution of an agreement with the region, and payments to the region as specified in the allocation approval.

Requests for allocations should include all information in the format contained in the appendix. Allocations will be made in units of $1,000, and allocation requests should therefore be rounded to the nearest $1,000. Copies of the allocation request form are available on the internet at www.dot.ca.gov/hq/LocalPrograms/.

Caltrans will report allocations on the Commission's next agenda whenever those requests are received at least 21 days before the meeting date, unless an allocation request raises issues which need more time for examination.

6.3 **Commission Allocation of Funds:** The Commission will consider allocation requests on its regular agenda for:

- allocation requests not meeting the criteria established in the approved application for exchange, i.e., due to project changes or inconsistencies with expenditure plans
- allocation requests submitted directly to the Commission by a regional agency when the agency cannot resolve issues raised by Caltrans

Commission allocations require notice and preparation time. The Commission intends to consider on the next upcoming agenda, allocation

requests received at least 21 days before its meeting date, with priority by date of receipt.

6.4 **Agreement Timing:** A regional agency is required to execute an agreement with Caltrans to carry out the exchange program and get advanced reimbursement from allocated funds. When the Exchange Fund application is approved, the federal funds are no longer available for use by the regional agency. Agreements must be in place within 90 days of allocation. It is the responsibility of the regional agency to ensure agreements are in place in time to meet the encumbrance of funds deadline.

7 ADMINISTRATION OF FUNDS

7.1 **Agreements:** A regional agency is required to execute an agreement with Caltrans before it can be paid for exchanges.

TCRA Exchange Agreement: The TCRA Exchange Agreement constitutes a binding contract between the State and the agency governing expenditure of State funds and outlines all legal requirements necessary to exchange federal funds through the TCRA Exchange Program. A single agreement will be required for each regional agency requesting exchange of funds. A regional agency may submit the initial invoice with the signed agreement.

7.2 **Advance Payments:** Regional agencies will receive funds as advance payments based on the expenditure plan as approved in the application, allocation request, and TCRA Exchange Agreement. An initial payment will be made based on the percentage established by the Commission (or any adjustment made by the Commission once all applications are received). Quarterly payments will be made thereafter.

Requests for advance payments must be submitted by the regional agency on an invoice, and routed through the Caltrans District Local Assistance Engineer for approval. The invoices will then be forwarded to Caltrans Office of Local Programs with a copy to the Caltrans Accounting Service Center. The initial invoice may be submitted with the signed exchange agreement. Subsequent invoices should be submitted no sooner than 45 days prior to the quarter following expenditure of the initial advance.

The Commission and Caltrans expect regional agencies to be paid expeditiously, and electronic payment procedures will be used to the extent prudent and practical. In return, the Commission and Caltrans expect regional agencies to submit requests for advance payments within a reasonable time after allocation, in accordance with terms of the agreement.

The semi-annual progress reports (See Section 8.1) must include a reconciliation of expenditures made against the advance payments. If actual

expenditures are less than the corresponding payments, the Commission may adjust the expenditure plan to compensate for the remaining balance.

7.3 **Accelerated Project Expenditures:** If spending is occuring faster than the expenditure plan anticipated, the regional agency may submit an additional invoice prior to the next payment being due. Due to the potential impact on the TCRF, these additional advances are limited to the amount of the next payment in the expenditure plan.

7.4 **Cost Increases and Savings:** The treatment of cost increases and savings should be defined in the agreement, within the following guidelines. If cost increases require additional funding to complete a project, the regional agency will be responsible for securing additional funds from sources other than the TCRA Exchange Program or for making adjustments within the approved program and reporting to the Commission and Caltrans on any modifications made.

Cost savings may be retained by the regional agency for cost overruns on other approved projects within that region. If the excess funds are not needed for existing approved projects, the regional agency may submit a new project for approval. However, all timelines contained in these Guidelines will remain in effect as applied to the original allocation of the funds. Any cost overruns or adjustments to the approved program expenditures must be reported in the semi-annual progress reports.

The Commission strongly discourages use of Federal funds to cover cost increases, as it is the intent of this program to remove federal funds from specified projects to assist in delivery.

7. 5 **Audits:** All funds authorized by the Exchange Program, allocated, and expended will be subject to financial and compliance audits by Caltrans' Audits and Investigations. The regional agency assumes responsibility for establishing and maintaining records of project costs, expenditures, allocations, and reimbursements in accordance with State audit requirements. State audit requirements should be included in the executed agreements described in section 7.1 above. Upon completion of a full exchange cycle (where all quarterly payments have been invoiced, received, and expended), the regional agency will prepare and submit to Caltrans a final expenditure report no later than 180 days after completion of the exchange cycle.

7.6 **Project Delays and Failures:** The regional agency is required to make diligent progress toward completing the project. Exchange funds must be encumbered within one year of allocation and expended within three years from the date of encumbrance. The Department will review the status of the projects, and, if it determines that the region is not pursuing the work and use

of funds diligently, the Department will recommend that the Commission rescind its allocation.

If the Department and region determine that a project is being delayed by factors external to the control of the region and those factors are not likely to be removed within a reasonable time, the Commission will allow the region to submit an alternative project. The amount available for the newly identified project will not exceed the unexpended amount available from the failed project. If the expenditure plan needs to be modified for the newly identified project, the regional agency will be required to submit a request to amend their expenditure plan. The deadline for submittal will be within 60 days of the determination, and the revised expenditure plan must conform to the requirements in these guidelines, taking into consideration the situation the region faces in coming up with a new project.

Caltrans will be delegated the authority by the Commission through this Section to stop payment if no progress is being made on a project. Caltrans will then recommend to the Commission that the project be de-allocated. The Commission reserves the right to implement this program as a reimbursed program for a regional agency rather than an advance payment program if it finds that a regional agency is not making diligent progress on projects.

8 PROGRESS OF PROJECT IMPLEMENTATION

8.1 **Progress Reports:** To assist the Commission in assessing the program and preparing its annual report, each regional agency will prepare and submit jointly to the Commission with a copy to Caltrans, semi-annual progress reports.Reports are due October 1 and March 15 of each year, at the addresses listed in Appendix 1. The spring progress report may be submitted with the program application due March 15. The March 15 deadline may be extended pursuant to Section 3 of these guidelines; however, the October 1 deadline will not.

Each report shall provide information appropriate to assess the current project progress, which will include the estimated or actual date for submittal of the allocation request and actual expenditures and status of work, until projects have been completed. The report should identify and discuss any significant issues, which may impact implementation of the projects.

Each regional agency receiving an allocation for TCRA exchange funds must provide an accounting of the actual expenditure of those funds reconciled against the advance payments received. This report must also document any cost overruns or adjustments to the approved program expenditures. This report must be submitted to the Commission with a copy to Caltrans as part

of the required progress report, and must cover all TCRA exchange funds received.

If a failed project results in the substitution of an alternative project that requires a change in the expenditure plan, the regional agency must submit a revised expenditure plan to the Commission within 60 days of determination of the project failure. The Commission will evaluate the revised plan based on cash flow in the TCRF, consistent with these guidelines.

The Commission may implement this program as a reimbursed program rather than an advance payment program if it finds that a regional agency is not making diligent progress on projects. The Commission also has the authority to adjust expenditure plans based on the cash flow of the TCRF.

A sample progress report form is included in the appendix to these guidelines, and is also available on the internet at www.dot.ca.gov/hq/LocalPrograms/. The use of the standard format will facilitate the development of the progress report and contribute to better understanding of a project's status.

To keep the Commission apprised of the flow of projects, Caltrans will notify the Commission, monthly or on an ongoing basis, of all completed allocations, and identify projects for which an agreement has not been executed within 90 days of a Commission allocation.

9 APPENDICES

9.1 Addresses

9.2 Application Form

9.3 Allocation Request Form

9.4 Progress Report Form

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Appendix 9.1– Addresses

Traffic Congestion Relief Act Exchange Program

A. COMMISSION ADDRESS

Bob Remen, CTC
1120 N Street, MS 52
Sacramento, CA 95814

- Phone: (916) 654-4245
- FAX: (916) 653-2134
- E-mail: bob_remen@dot.ca.gov

B. CALTRANS ADDRESS

Norma Ortega, Caltrans
1120 N Street, MS 1
Sacramento, CA 95814

- Phone: (916) 654-6841
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Appendix 9.2 - Project Application

Traffic Congestion Relief Act Exchange Program

Section 1 is a summary sheet and includes information relative to the total request for exchange. Sections II, III, IV, and V are project specific and separate sheets must be used for each project.

Section I. Summary Application Information

A. Total Traffic Congestion Relief Act Exchange Program Funds requested for this federal fiscal year (dollars in thousands):$_____

Federal Apportioned Funds Exchanged:

RSTP $_____ Apportionment Code _____
CMAQ $_____ Apportionment Code _____

B. List all projects, in priority order, that are included in this application for Traffic Congestion Relief Act Exchange Program Funds. The list must include the following:

Project Priority	
(1, 2, 3, etc)	Project Description
	Project FTIP No.
	Exchanged RSTP Funds $
	Exchanged CMAQ Funds $

C. Provide a summary of all projected expenditures by quarter (based on State Fiscal Year) for the total exchange funds requested:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Year 1					
Year 2					
Year 3					
Total					

The initial payment requested by October of the 1st year is:

_____%, $_____

Subsequent payments will be requested beginning:

Year _____ Quarter_____

D. Are you requesting allocation at this time?(Yes or No) _____

E. Applicant Agency:_____
Address:_____
_____
Contact Person:_____

Phone #: _____FAX #: _____
Email _____

F. Caltrans District Local Assistance Engineer:_____
District: _____
Address: _____
_____

Section II. General Project Information

A. Project Name & FTIP No:_____

B. Project Description & Purpose: _____

C. Project Location: _____

D. Project Scope:_____

E. Total Estimated Cost of Project: $_____

G. Estimated Time Savings Resulting from Defederalizing Project:

H. List any federal permits required for the project:_____

I. Project Start Date:_____

J. Project End Date:_____

J. Construction Schedule:_____

_____

_____

_____

_____

_____

_____

K. Implementing Agency:_____
Address:_____

_____

Contact Person:_____

Phone #: _____FAX #: _____
Email _____

Section III. Expenditure Plan

A. **List all proposed project costs for each quarter** (based on State Fiscal Year) **over the projected life of the project.**

	Proposed Costs				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Year 1					
Year 2					
Year 3					
Total Costs					

Section IV. Other Funding Sources for Exchange Project

A. List all funding sources other than TCRA Exchange Funds that will be used to fund the exchanged project.

Total Project Costs: $_____

TCRA Exchange Funds Requested for this Project: $_____

Other Funds Used on Project – Specify Source and Amount:

$_____

$_____

Section V. Additional Information

A. If this project will utilize other fund sources (i.e., STIP, local measure tax, demo funds, etc.) have they been programmed or committed? Please provide a narrative describing how they have been committed or a strategy that the Agency will undertake to commit necessary funds:

_____

_____

_____

_____

_____

_____

Section VI. Signatures of Applicant Agencies

- By affixing the signature(s) below, the agency, certifies it has provided complete and accurate information necessary for the California Transportation Commission to review and process this TCRA Exchange Program Application; that the agency will in good faith use these funds for the public's benefit in a timely and diligent manner, **ensure exchanged funds are used only for approved purposes and projects**, ensure only CMAQ or RSTP funds have been exchanged and that no local funds have been supplanted so that the supplanted funds are used for nontransportation purposes, comply with all existing and future Commission policies and rulings; and that the Regional Planning Agency has reviewed and approved the projects listed in this application.

_____ _____

Officer or Director of Applicant Agency Date

Address:_____

_____

FINAL

Appendix 9.3 – Allocation Request
Traffic Congestion Relief Act
Exchange Program

Section I. Approved Application Information

A. Agency Requesting Allocation:_____

B. Amount of TCRA Exchange Funds requested: $_____

C. Date of approval for the TCRA Exchange Program Application that covers this Allocation Request? _____

D. Expenditure Plan as approved in Exchange Application:

	Proposed Costs (based on State Fiscal Year)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Year 1					
Year 2					
Year 3					
Total Costs					

Section II. Signatures of Requesting Agency and Governing Board

A. Signature of Requesting Agency

_____ _____

Officer or Director of Applicant Agency Date

Address:_____

_____

B. Signature of Governing Board. Signature certifies the regional agency board has reviewed and approved this allocation request.

_____ _____

Director of Regional Agency Board Date

Appendix 9.4 - Progress Report

Traffic Congestion Relief Act
Exchange Program

A. Specify the CTC Resolution authorizing TCRA exchange funds, the amount authorized for exchange, and project allocation date:

CTC Resolution: _____

Authorized TCRA Exchange Amount: $_____

Application Approval Date: _____

Project Priority # _____

Project Name/Description:_____
_____
_____
_____
_____

B. Implementing Agency:_____
Address:_____
_____
Contact Person:_____

Phone #: _____FAX #: _____
Email _____

C. Caltrans District Contact:_____
Phone #: _____FAX #: _____
Email _____

D. Actual project expenditures by quarter (based on State Fiscal Year) compared to projected expenditures:

Year	**Costs Per Quarter**				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Year One					
Actual					
Projected					
Difference					
Year Two					
Actual					
Projected					
Difference					
Year Three					
Actual					
Projected					
Difference					

E. Provide Information on Projects with Cost Overruns or Adjustments Made to Approved Program Expenditures

_____
_____
_____
_____
_____
_____

F. Percent of work complete by phase:

Phase	1. Studies, environmental review & permits	2. Plans, specification and estimates	3. Right of Way acquisition	4. Construction or procurement	Total percent complete
Percent complete					

G. Synopsis of issues which may impact project implementation/progress:

_____
_____
_____
_____
_____
_____

H. Updated Expenditure Plan

Attach an updated copy of the expenditure plan for this project, highlighting any changes.

I. Signature of Applicant Agency:

_____ _____
Officer or Director of Applicant Agency Date