

Reimbursable State Transportation Improvement Program: Projects Implemented Prior to Allocation



© 2019 California Department of Transportation – All rights reserved



Report to the Legislature
2019

This report is available online at
<http://www.dot.ca.gov/legislative/reports-legislature.html>

This document is available in alternate formats for
individuals with sensory disabilities.

For alternate format information, contact Caltrans Legislative Affairs at
(916) 654-2397, TTY 711, or at California Department of Transportation,
1120 N Street, Mail Stop 49, Sacramento, CA, 95814.

Table of Contents

Executive Summary	2
Report Purpose	2
Report Results	2
Background.....	4
Statutory Reference & Purpose	4
Program Background	4
Project Data	5
Conclusion.....	6
Appendix A. Statutory Reporting Reference	7
Appendix B. Projects Implemented Prior to Allocation Period:	
April 1, 2018 to March 31, 2019	8

Executive Summary

The State Transportation Improvement Program is the biennial 5-year plan adopted by the California Transportation Commission for future allocations of certain state transportation funds for state highway improvements, intercity rail, and regional highway and transit improvements. State law requires the commission to update the State Transportation Improvement Program biennially, in even-numbered years, with each new program adding two new years to prior programming commitments.

The Regional Transportation Improvement Program provides 75 percent of the funds allocated through the State Transportation Improvement Program for projects selected by regional agencies. This program allows regional agencies to program federal and State Transportation Improvement Program funds for projects on the State Highway System or eligible local roads. Under the State Transportation Improvement Program guidelines, agencies must request allocation for their projects through the California Transportation Commission.

Regional and local agencies are allowed to spend their own funds to implement projects programmed in the State Transportation Improvement Program in advance of the California Transportation Commission's approval of project allocations. Caltrans reimburses regional and local agencies for the expenditures subsequent to the California Transportation Commission's approval of the allocation.

Report Purpose

The purpose of the report is to provide the Legislature with information on the California Department of Transportation's (Caltrans') efforts to assist local agencies in accelerating projects and receiving timely reimbursement through the Regional Transportation Improvement Program, as required by Government Code section 14529.19(b). This report provides information on the number of projects where an agreement was not executed and associated reasons. This report also details Caltrans' actions during the prior fiscal year to streamline, expedite, and simplify the department's process for executing the agreements to transfer funds.

Report Results

Between April 1, 2018, and March 31, 2019, Caltrans made 13 allocations for 13 projects subsequent to California Transportation Commission approval of project allocations. Agreements for nine projects were executed within 90 days of allocation. Caltrans sent ten agreements to local agencies within the 90-day period and one agreement was returned by a local agency beyond the 90-day period, which delayed its execution. Three projects were delayed in being sent

to local agencies due to changes to internal process-coding numbers. In comparison, Caltrans made 28 allocations within the 90-day period out of the 33 total allocations in the last fiscal year. Caltrans recently streamlined this process through a Lean Six Sigma Program review and expects that revised process will result in full compliance with the 90-day statutory requirement in the next fiscal year.

Background

The purpose of this report is to provide information on Caltrans' efforts to assist local agencies in accelerating projects and receiving timely reimbursement through the Regional Transportation Improvement Program. Pursuant to Government Code section 14529.19(b), this report provides:

1. The number of projects where an agreement was not executed and the associated reasons.
2. Caltrans' actions during the prior fiscal year to streamline, expedite, and simplify the department's process for executing the agreements to transfer funds.

Statutory Reference & Purpose

- Senate Bill (SB) 45 (Kopp, Chapter 633, Statutes of 1997)
- Assembly Bill (AB) 872 (Alquist, Chapter 572, Statutes of 1999)
- SB 184 (Alquist, Chapter 462, Statutes of 2007)
- California Government Code Section 14529.19(b)

Program Background

The State Transportation Improvement Program is the biennial 5-year plan adopted by the California Transportation Commission for future allocations of certain state transportation funds for state highway improvements, intercity rail, and regional highway and transit improvements. State law requires the commission to update the State Transportation Improvement Program biennially, in even-numbered years, with each new program adding two new years to prior programming commitments.

The Regional Transportation Improvement Program was created by SB 45 (1997). This program provides that 75 percent of funds allocated through the State Transportation Improvement Program are reserved for projects selected by regional agencies. The Regional Transportation Improvement Program allows regional agencies to program federal and State Transportation Improvement Program funds for projects on the State Highway System or eligible local roads. Under the State Transportation Improvement Program guidelines, agencies must request allocation for their projects through the California Transportation Commission.

The Legislature passed AB 872 (1999) to streamline the process by which local agencies may begin projects and expend funds in the State Highway Account from increasing revenues in the late 1990s. Local agencies can expedite a

project using their own funds with the expectation of receiving an allocation vote from the California Transportation Commission.

Regional and local agencies are allowed to spend their own funds to implement projects programmed in the State Transportation Improvement Program in advance of the California Transportation Commission's approval of project allocations, as provided by AB 872 (1999) and SB 184 (2007). Regional and local agencies must comply with all requirements for the project specified in federal and State law. Section 14529.17 of the Government Code limits this requirement to projects advanced for expenditure within the current fiscal year's State Transportation Improvement Program.

Per section 14529.19 of the Government Code, Caltrans is required to execute a program supplement agreement within 90 days from the date on which the California Transportation Commission approves an allocation for the project. Regional and local agencies can request reimbursement from Caltrans after the agreement is executed. This process is intended to improve the delivery of local projects within a fiscal year.

The process for these reimbursements is as follows:

1. The California Transportation Commission programs the project into the State Transportation Improvement Program.
2. Regional and local agencies can begin expending their own funds on the project.
3. The California Transportation Commission allocates funding for the projects.
4. Caltrans and the regional or local agency enters into a program supplemental agreement to reimburse the regional or local agency.
5. Regional and local agencies are reimbursed for the expenditures.

Project Data

Under AB 872, 13 allocations totaling \$6,532,000 were made between April 1, 2018, and March 31, 2019, for 13 projects. Detailed project processing information is provided in this report in Appendix B. Caltrans sent ten agreements within the 90-day period. Agreements for nine projects were executed within 90 days of allocation, one project was delayed by the local agency, and three were delayed due to project coding changes that required technical corrections at the subsequent commission meeting. The coding numbers used on the three projects were from allocations provided in the previous year. These

were administratively corrected upon discovery and resulted in a 30-day delay. All projects have been issued a program supplement agreement.

In early 2018, Caltrans nominated the program supplement agreement process for the department's Lean Six Sigma Program. In September 2018, the program supplement agreement process underwent a six-month lean six sigma review to reduce processing time. Prior to the lean six sigma review, executing all program supplement agreements averaged 7 days. The goal was set to reduce the time to 30 days. The lean six sigma effort eliminated 20 non-value-added steps, which resulted in an eight-step process that has been in place since December 2018. The streamlined effort relies on more electronic communication and the acceptance of electronic signatures. This has resulted in an average processing time of 33 days to obtain a fully executed program supplement agreement.

Conclusion

Between April 1, 2018, and March 31, 2019, Caltrans made 13 allocations for 13 projects in advance of California Transportation Commission approval of project allocations. Caltrans sent ten agreements to local agencies within the 90-day period and one agreement was returned by a local agency beyond the 90-day period, which delayed its execution. Three projects were delayed in being sent to local agencies due to changes to internal process-coding numbers that have since been corrected. Caltrans expects the streamlined process put in place through the department's Lean Six Sigma Program will result in full compliance executing agreements within the 90-day period in the next fiscal year.

Appendix A. Statutory Reporting Reference

CALIFORNIA GOVERNMENT CODE

TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA

DIVISION 3. EXECUTIVE DEPARTMENT

PART 5.3. CALIFORNIA TRANSPORTATION COMMISSION

CHAPTER 2. Duties

14529.19. (a) If no deficiencies that require clarification by a local or regional entity are identified in the preaward audit for a local or regional project that is included in an adopted state transportation improvement program, the department and the local or regional entity shall execute an agreement to transfer funds for the project within 90 days from the date on which the commission approves an allocation for the project.

(b) Notwithstanding Section 7550.5, on July 1, 2000, and annually thereafter, the department shall compile information and report to the Legislature on the number of projects for which an agreement to transfer funds under subdivision (a) was executed and on all projects for which an agreement was not executed within the period provided under subdivision (a) and the reasons therefor. The information provided by the department shall include a description of any actions taken by the department during the prior fiscal year to streamline, expedite, and simplify the department's process for executing the agreements to transfer funds required under subdivision (a).

(Added by Stats. 1999, Ch. 572, Sec. 3. Effective January 1, 2000.)

Appendix B. Projects Implemented Prior to Allocation Period: April 1, 2018 to March 31, 2019

District	Agency Name	County Name	Project Number	PPNO	Allocation Date	90-day Deadline (from allocation date)	Agreement Sent to Local Agency	Agreement Received from Local Agency	Construction Funds
1	Del Norte Local Transportation Commission	Del Norte	PPM19-6130(050)	01-1032	8/16/2018	11/14/2018	11/26/2018	12/18/2018	\$ 42,000.00
1	Lake County/City Area Planning Council	Lake	PPM19-6136(050)	01-3002P	8/16/2018	11/14/2018	11/26/2018	12/6/2018	\$ 35,000.00
1	Mendocino County Council of Governments	Mendocino	PPM19-6140(053)	01-4002P	8/16/2018	11/14/2018	11/26/2018	12/6/2018	\$ 89,000.00
3	Nevada County Transportation Commission	Nevada	PPM19-6144(043)	03-0L83	8/16/2018	11/14/2018	9/13/2018	10/3/2018	\$ 79,000.00
4	Alameda County Transportation Commission	Alameda	PPM19-6480(018)	04-2179	8/16/2018	11/14/2018	9/20/2018	10/19/2018	\$ 565,000.00
4	Metropolitan Transportation Commission	Alameda	PPM19-6084(238)	04-2100	8/16/2018	11/14/2018	9/20/2018	10/5/2018	\$ 140,000.00
4	Metropolitan Transportation Commission	Contra Costa	PPM19-6084(238)	04-2118	8/16/2018	11/14/2018	9/20/2018	10/5/2018	\$ 91,000.00
4	Metropolitan Transportation Commission	Marin	PPM19-6084(238)	04-2127	8/16/2018	11/14/2018	9/20/2018	10/5/2018	\$ 26,000.00
4	Metropolitan Transportation Commission	Napa	PPM19-6084(238)	04-2130	8/16/2018	11/14/2018	9/20/2018	10/5/2018	\$ 16,000.00
4	Metropolitan Transportation Commission	San Francisco	PPM19-6084(238)	04-2131	8/16/2018	11/14/2018	9/20/2018	10/5/2018	\$ 71,000.00
4	Metropolitan Transportation Commission	San Mateo	PPM19-6084(238)	04-2140	8/16/2018	11/14/2018	9/20/2018	10/5/2018	\$ 74,000.00
4	Metropolitan Transportation Commission	Santa Clara	PPM19-6084(238)	04-2144	8/16/2018	11/14/2018	9/20/2018	10/5/2018	\$ 163,000.00
4	Metropolitan Transportation Commission	Solano	PPM19-6084(238)	04-2152	8/16/2018	11/14/2018	9/20/2018	10/5/2018	\$ 43,000.00
4	Metropolitan Transportation Commission	Sonoma	PPM19-6084(238)	04-2156	8/16/2018	11/14/2018	9/20/2018	10/5/2018	\$ 52,000.00
4	Contra Costa Transportation Authority	Contra Costa	PPM19-6072(025)	04-2011O	8/16/2018	11/14/2018	9/17/2018	10/29/2018	\$ 454,000.00

District	Agency Name	County Name	Project Number	PPNO	Allocation Date	90-day Deadline (from allocation date)	Agreement Sent to Local Agency	Agreement Received from Local Agency	Construction Funds
4	Santa Clara Valley Transportation Authority	Santa Clara	PPM19-6264(083)	04-2255	8/16/2018	11/14/2018	9/20/2018	10/15/2018	\$ 783,000.00
4	City/County Association of Governments of San Mateo County	San Mateo	PPM19-6419(029)	04-2140A	8/16/2018	11/14/2018	9/20/2018	10/1/2018	\$ 338,000.00
4	Solano Transportation Authority	Solano	PPM19-6249(047)	04-2263	8/16/2018	11/14/2018	9/20/2018	10/5/2018	\$ 204,000.00
5	Santa Cruz County Regional Transportation Commission	Santa Cruz	STPLNI-6149(107)	05-2826	8/16/2018	11/14/2018	10/18/2018	11/5/2018	\$ 181,000.00
11	San Diego Association of governments	San Diego	PPM19-6066(143)	11-7402	8/16/2018	11/14/2018	10/05/2018	11/8/2018	\$ 1,605,000.00
12	Orange County Transportation Authority	Orange	PPM19-6071(137)	12-2132	8/16/2018	11/14/2018	9/26/2018	11/26/2018	\$ 1,481,000.00