

DEPARTMENT OF TRANSPORTATION

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*Serious drought.
Help save water!*

August 1, 2016

Ms. Diane Boyer-Vine
Legislative Counsel
State Capitol, Room 3021
Sacramento, CA 95814

Mr. Daniel Alvarez
Secretary of the Senate
State Capitol, Room 3044
Sacramento, CA 95814

Mr. E. Dotson Wilson
Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, CA 95814

Dear Ms. Boyer-Vine and Messrs. Alvarez and Wilson:

I am pleased to transmit the California Department of Transportation's (Caltrans) "Report of Reimbursable Projects Implemented Prior to Allocation," as required by Section 14529.19(b) of the Government Code.

Caltrans has distributed this report to the Legislature pursuant to Section 9795 of the Government Code. This report can be found at <http://www.dot.ca.gov/reports-legislature.htm>.

Sincerely,

A handwritten signature in blue ink that reads "Malcolm Dougherty".

MALCOLM DOUGHERTY
Director

Attachments

1. Report to the Legislature
2. Reimbursable STIP Projects Implemented Prior to Allocation

REIMBURSABLE STATE TRANSPORTATION IMPROVEMENT PROGRAM PROJECTS IMPLEMENTED PRIOR TO ALLOCATION



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Report to the Legislature

April 2016



**REIMBURSABLE STATE TRANSPORTATION
IMPROVEMENT PROGRAM (STIP) PROJECTS
IMPLEMENTED PRIOR TO ALLOCATION**

PURPOSE:

This report was prepared in accordance with Section 14529.19(b) of the Government Code (Code), which states:

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).

The purpose of the report is to provide the California State Legislature (Legislature) with information on efforts to help local agencies accelerate projects and receive timely reimbursement.

SUMMARY:

Between April 2015 and March 2016, a total of 25 allocations were made under the provisions of Assembly Bill (AB) 872 for 25 projects. Agreements for 22 projects were executed within 90 days of allocation. The California Department of Transportation (Caltrans) sent 25 agreements within the 90-day period; three were returned by the local agencies beyond the 90-day period delaying their execution.

BACKGROUND:

Senate Bill (SB) 45 (Chapter 633, Statutes of 1997) provided 75 percent of funds allocated through the State Transportation Improvement Program (STIP) for projects selected by regional agencies. The 75-percent program, entitled the Regional Transportation Improvement Program, allows regional agencies to program State and federal STIP funds for projects on the State Highway System or on eligible local projects. Under the STIP guidelines, agencies must request allocation for their projects through the California Transportation Commission (CTC).

AB 872 (Chapter 572, Statutes of 1999) amended by SB 184 (Chapter 462, Statutes of 2007), permits a regional or local agency to spend its own funds in order to implement projects programmed in the STIP in advance of CTC approval of project allocations. The regional or local agency will be reimbursed for the expenditures subsequent to the CTC's approval of the allocation. Regional or local agencies have to comply with all legal requirements for the project, as specified in federal and State law.

Per SB 184, Section 14529.17 of the Government Code, the statute is limited to projects advanced for expenditure within the current Fiscal Year (FY) STIP. Per AB 872, Section 14529.19 of the Government Code, Caltrans is required to execute the program supplement

agreement within 90 days from the date on which the CTC approves an allocation for the project.

AB 872 was passed in order to streamline the process by which local agencies may begin projects and was an attempt to “spend down” the large amount of dollars that had accumulated in the State Highway Account in the late 1990s. The Legislature was concerned that the allocation process impeded the delivery of transportation projects programmed in the STIP. Local agencies could expedite a project using their own funds, with the expectation of receiving an allocation vote from the CTC. Once a project is allocated, Caltrans is required to execute an agreement within 90 days of the allocation and an agency can request reimbursement from Caltrans. This would increase the delivery of local projects within a given FY.

PROJECT DATA:

Under AB 872, allocations for 25 projects totaling \$5,389,000 were made between April 1, 2015, and March 31, 2016. Detailed information about the projects is shown on the attachment to this report. Agreements for 22 projects were executed within 90 days of allocation. Caltrans sent 25 agreements within the 90-day period; three were returned by the local agencies beyond the 90-day period delaying their execution.

In April 2013, the Division of Local Assistance (DLA) updated the AB 872 agreement process. The process is now closely monitored and is tracked by the DLA’s STIP Coordinator. AB 872 project agreements are considered to be the highest priority and an effort is made to process and send the agreements to the local agencies within 30 days. Throughout the past year, the DLA has increased the number of project agreements executed prior to the 90-day deadline and will continue to follow the AB 872 process.

PROGRAM CHALLENGES:

The budget difficulties faced by the State of California continue to create an unstable funding environment for transportation projects. For example, at the May 2016 California Transportation Commission meeting, the Commission deleted \$754 million of projects from the STIP and delayed another \$755 million worth of projects. Beginning in July 2010, Caltrans implemented the Fiscal Year 2010–11 Federal-aid Project Guidelines (FPFG) and applied the FPFG to the STIP in order to maximize the use of federal funds and help alleviate concerns with the State Highway Account (SHA) balance. In recent years, many STIP projects have been allocated with federal funds; however, the majority of AB 872 projects in past years have been for planning, programming, and monitoring projects, which cannot receive federal funds and can only be funded by State funds. Agencies invoke SB 184 in order to begin expending their own funds to continue developing projects in a timely manner to meet delivery schedules and environmental windows even when State funding is reduced or delayed. AB 872/SB 184 allows agencies to expend local funds in advance of allocation. Therefore, no SHA funds are committed to projects until the Governor approves the budget, granting budget authority to allocate State funds to projects. The CTC made 25 allocations under AB 872 for this report period, which represents a 13 percent increase in the number of allocations reported in last year’s report.

Reimbursable STIP Projects Implemented Prior to Allocation

Allocation Period: April 1, 2015 to March 31, 2016

District	Agency Name	County Name	Project Number	PPNO	Location Description	Allocation Date	Effective Reimb Date	Program Supplement Agreement Effective Date	Environmental and Permits Funds	Plans, Specifications, and Estimates Funds	Right of Way Funds	Construction Funds
01	Del Norte Local Transportation Commission	Del Norte	115000106	01-1032	Planning, Programming, and Monitoring	8/27/2015	11/27/2015	10/5/2015	\$0	\$0	\$0	\$34,000
01	Humboldt County Association of Governments	Humboldt	115000107	01-2002P	Planning, Programming, and Monitoring	8/27/2015	11/27/2015	10/14/2015	\$0	\$0	\$0	\$100,000
01	Lake County City Area Planning Commission	Lake	115000118	01-3002P	Planning, Programming, and Monitoring	8/27/2015	11/27/2015	10/5/2015	\$0	\$0	\$0	\$41,000
01	Mendocino Council of Governments	Mendocino	115000117	01-4002P	Planning, Programming, and Monitoring	8/27/2015	11/27/2015	10/15/2015	\$0	\$0	\$0	\$140,000
02	City of Montague, Siskiyou County Local Transportation Commission	Siskiyou	214000164	02-2523	In Montague on 7th and 8th Streets between Prather Street and Web Street	8/27/2015	11/27/2015	4/5/2015	\$0	\$0	\$0	\$86,000
02	City of Yreka, Siskiyou County Local Transportation Commission	Siskiyou	216000023	02-2518	Oregon Street Rehabilitation- Yreka on Oregon Street from Miner Street to north end. Rehabilitate approximately 3750 linear feet of roadway	10/22/2015	1/10/2016	12/18/2015	\$3,000	\$0	\$0	\$0
03	Nevada County Transportation Commission	Nevada	315000231	03-0L83	Planning, Programming, and Monitoring	8/27/2015	11/27/2015	10/15/2015	\$0	\$0	\$0	\$47,000
04	Contra Costa County Metropolitan Transportation Commission	Contra Costa	415000392	04-2011O	Planning, Programming, and Monitoring	8/27/2015	11/27/2015	10/7/2015	\$0	\$0	\$0	\$222,000
04	Napa County Metropolitan Transportation Commission	Napa	415000393	04-1003E	Planning, Programming, and Monitoring	8/27/2015	11/27/2015	1/5/2016	\$0	\$0	\$0	\$69,000

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04	Santa Clara Valley Metropolitan Transportation Commission	Santa Clara	415000394	04-2255	Planning, Programming, and Monitoring	8/27/2015	11/27/2015	10/27/2015	\$0	\$0	\$0	\$628,000
04	San Mateo City/ County Association of Governments, San Mateo County Metropolitan Transportation Commission	San Mateo	415000395	04-2140A	Planning, Programming, and Monitoring	8/27/2015	11/27/2015	10/26/2015	\$0	\$0	\$0	\$165,000
04	Solano Transportation Authority , Metropolitan Transportation Commission	Solano	415000397	04-2263	Planning, Programming, and Monitoring	8/27/2015	11/27/2015	10/7/2015	\$0	\$0	\$0	\$98,000
04	Sonoma County Transportation Authority, Metropolitan Transportation Commission	Sonoma	415000398	04-0770E	Planning, Programming, and Monitoring	8/27/2015	11/27/2015	10/19/2015	\$0	\$0	\$0	\$125,000
04	Metropolitan Transportation Commission	Alameda	415000391	04-2100	Planning, Programming, and Monitoring	8/27/2015	11/27/2015	10/27/2015	\$0	\$0	\$0	\$126,000
04	Metropolitan Transportation Commission	Contra Costa	415000391	04-2118	Planning, Programming, and Monitoring	8/27/2015	11/27/2015	10/27/2015	\$0	\$0	\$0	\$82,000
04	Metropolitan Transportation Commission	Marin	415000391	04-2127	Planning, Programming, and Monitoring	8/27/2015	11/27/2015	10/27/2015	\$0	\$0	\$0	\$23,000
04	Metropolitan Transportation Commission	Napa	415000391	04-2130	Planning, Programming, and Monitoring	8/27/2015	11/27/2015	10/27/2015	\$0	\$0	\$0	\$14,000
04	Metropolitan Transportation Commission	San Francisco	415000391	04-2131	Planning, Programming, and Monitoring	8/27/2015	11/27/2015	10/27/2015	\$0	\$0	\$0	\$64,000

Reimbursable STIP Projects Implemented Prior to Allocation

Allocation Period: April 1, 2015 to March 31, 2016

District	Agency Name	County Name	Project Number	PPNO	Location Description	Allocation Date	Effective Reimb Date	Program Supplement Agreement Effective Date	Environmental and Permits Funds	Plans, Specifications, and Estimates Funds	Right of Way Funds	Construction Funds
04	Metropolitan Transportation Commission	San Mateo	415000391	04-2140	Planning, Programming, and Monitoring	8/27/2015	11/27/2015	10/27/2015	\$0	\$0	\$0	\$67,000
04	Metropolitan Transportation Commission	Santa Clara	415000391	04-2144	Planning, Programming, and Monitoring	8/27/2015	11/27/2015	10/27/2015	\$0	\$0	\$0	\$147,000
04	Metropolitan Transportation Commission	Solano	415000391	04-2152	Planning, Programming, and Monitoring	8/27/2015	11/27/2015	10/27/2015	\$0	\$0	\$0	\$39,000
04	Metropolitan Transportation Commission	Sonoma	415000391	04-2156	Planning, Programming, and Monitoring	8/27/2015	11/27/2015	10/27/2015	\$0	\$0	\$0	\$47,000
05	Santa Cruz County Regional Transportation Commission	Santa Cruz	512000213	05-2368	Los Gatos, on Redwood Lodge Road at PM 1.65.	6/25/2015	8/25/2015	12/4/2015	\$0	\$0	\$0	\$850,000
05	City of Capitola, Santa Cruz County Regional Transportation Commission	Santa Cruz	515000117	05-2554	Bay Avenue/Capitola Avenue Roundabout	6/25/2015	8/25/2015	10/27/2015	\$0	\$59,000	\$0	\$0
08	San Bernardino Associated Governments	San Bernardino	815000224	08-9811	Planning, Programming, and Monitoring	8/27/2015	11/27/2015	1/12/2016	\$0	\$0	\$0	\$1,200,000
10	Tuolumne County Transportation Council	Tuolumne	1016000004	10-0452	Planning, Programming, and Monitoring	8/27/2015	11/27/2015	10/14/2015	\$0	\$0	\$0	\$59,000
11	San Diego Association of Governments	San Diego	1115000160	11-7402	Planning, Programming, and Monitoring	8/27/2015	11/27/2015	1/5/2016	\$0	\$0	\$0	\$854,000
								TOTAL	\$3,000	\$59,000	\$0	\$5,327,000