

California Department of Transportation

DIVISION OF LOCAL ASSISTANCE
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www.dot.ca.gov/programs/local-assistance



October 16, 2024

Dear Transportation Partner:

The Department of Transportation (Caltrans) Division of Local Assistance in collaboration with the Federal Highway Administration (FHWA) is continuing its proactive efforts to reduce the number of inactive projects. Especially those that have not been reimbursed for 24 months or more with unexpended federal funds of \$50,000 or more. Local agencies are expected to invoice Caltrans regularly for projects in accordance with the Code of Federal Regulations 23 CFR 630.106.

This letter intends to request Local Agencies to submit an invoice or proper documentation (see attachment Repeat Inactives Obligations Justification form) to your respective Caltrans District Local Assistance Office as outlined below by **November 7, 2024**.

For those projects unable to submit an invoice by November 7th, a justification must be submitted on the form provided. Justifications need to include an explanation of why the inactive project will not be able to bill during the quarter, when the project is expected to bill, and the current cost estimate for the project. If a justification is not submitted by **November 7, 2024**, unexpended funds will be de-obligated on November 15, 2024 and the project subject to closure.

It is the Local Agency's responsibility to work in collaboration with their respective District Local Assistance Engineer prior to November 7th to ensure their projects are removed from the list. If Caltrans does not receive an invoice or justification, adverse actions will be taken on these projects identified on the accompanying list.

Adverse actions include:

- If the justification is approved and a current cost estimate is provided, the project sponsor will not be impacted but will be required to provide an updated justification and current cost estimate for each subsequent quarter until project is no longer inactive.

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- If the justification is not submitted or approved, all unexpended funds will be de-obligated, and the project will be subject to closure.
- If a current cost estimate is not provided, all unexpended funds will be de-obligated, and the project will be subject to closure.
- If a current cost estimate is provided and supports the need for less than the current amount of unexpended federal funds on the project, then a portion of the funds will be de-obligated to reflect the current cost estimate.
- If a current cost estimate is provided and supports the need for the current amount of unexpended federal funds on the project, then no funds will be de-obligated.
- If during a 12 month period the project sponsor submits multiple unapproved justifications or has multiple instances of not submitting a justification, they will not receive authorization or obligation of Federal funding for new projects until certain actions have been demonstrated (e.g. project sponsor complies with the required 6-month billing cycles per the Caltrans/LPA Master Agreement).

Caltrans will communicate adverse actions, acceptance, or denial of project justifications by November 22, 2024. We require local agencies to invoice regularly for reimbursable costs to avoid inactivity or adverse action in the future.

Sincerely,



Dee Lam
Division Chief

Attachments:

Repeat Inactives Obligations Justification Form
CA Repeat Inactive Projects List
Example Current Cost Estimate Form

c: Steven Keck, Chief Financial Officer, Caltrans

Gilbert Petrissans, Division of Accounting, Caltrans
Ann Fox, Planning & Modal Programs, Acting Deputy Director, Caltrans
Felicia Haslem, Division of Local Assistance, Caltrans
Robert Nguyen, Division of Local Assistance, Caltrans
John Wishing Lima, Division of Local Assistance, Caltrans
Fardad Falakfarsa, Office of Federal Resources, Caltrans

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Sergio Aceves, Acting District 3 Director, Caltrans
Dina El-Tawansy, District 4 Director, Caltrans
Scott Eades, District 5 Director, Caltrans
Diana Gomez, District 6 Director, Caltrans
Gloria Roberts, District 7 Director, Caltrans
Grace Magsayo, Acting District 10 Director, Caltrans
Everett Townsend, Acting District 11 Director, Caltrans
Lan Zhou, District 12 Director, Caltrans
Sukhvinder (Sue) Takhar, D3 Deputy District Director Planning, Caltrans
Cameron Oakes, D4 Deputy District Director, Planning,
Caltrans
Brandy Rider, D5 Deputy District Director, Planning, Caltrans
Michael Navarro, D6 Deputy District Director, Planning, Caltrans
Marlon Regisford, D7 Deputy District Director, Planning, Caltrans
Gregoria Ponce, Acting D10 Deputy District Director, Planning, Caltrans
Roy Abboud, Acting D11 Deputy District Director, Planning, Caltrans
Lan Zhou, D12 Deputy District Director, Planning Caltrans
Elissa Konove, FHWA
Matt Schmitz, FHWA
Rodney Whitfield, FHWA
Chun Guo, FHWA
Aimee Kratovil, FHWA
Daniel Hawk, FHWA
Zylkia Martin-Yambao, FHWA