Chapter 25 **State Programs for Local Agency Projects**

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All LAPG Exhibits are located at:
https://dot.ca.gov/programs/local-assistance/forms/local-assistance-program-guidelines-forms

Chapter 25 **State Programs for Local Agency Projects**

25.1 Introduction

This chapter covers a broad spectrum of necessary guidance and information needed by the implementing agency to successfully deliver their projects programmed in State Programs. The chapter covers the State Transportation Improvement Program (STIP), Active Transportation Program (ATP), Proposition 1B Program (Prop 1B), and the Senate Bill (SB)1 programs Local Partnership Program (LPP), Trade Corridor Enhancement Program (TCEP), and the Solutions for Congested Corridors Program (SCCP).

The STIP is a major source of state transportation funding in the State of California. Prop 1B, enacted by a vote of the people of California on November 7, 2006, authorized the issuance of $19.925 billion in State general obligation bonds for specific transportation programs. In addition, Senate Bill 1 passed in 2017, provides the first significant and stable increase in state transportation funding in more than two decades and created the LPP, TCEP, SCCP, and augmented ATP.

The information listed in this chapter is created to highlight key documents, dates, and other pertinent information. It is the full responsibility of the implementing agency to understand the detailed guidance and information provided in this chapter and comply with relevant State and Federal requirements.

25.1.1 State Transportation Improvement Program (STIP)

The STIP is adopted by the California Transportation Commission (CTC) for future allocations of certain state transportation funds. The purpose of this program is to provide state transportation funds for state highway improvements, intercity rail, and regional highway and transit improvements. The STIP consists of two broad sub-programs: the Regional Improvement Program (RIP) and the Interregional Improvement Program (IIP). This chapter provides procedures that supplement the State Transportation Improvement Program Guidelines adopted by the CTC.

The objectives of the STIP are to:

- Develop and manage the STIP as a resource management document.
- Facilitate transportation decision-making by those who are closest to the transportation problems.
- Recognize that although the Department of Transportation (Caltrans) is the owner-operator of the State Highway System (SHS), the regional agencies have the lead responsibility for resolving urban congestion problems, including those on State highways.
- Provide incentives for regional accountability for the timely use of funds.
- Facilitate CTC and Caltrans' role as guardian of State capital dollars, with responsibility for determining how best to manage those dollars in a wise and cost-effective manner.
- Facilitate cooperative programming and funding ventures between regions and between Caltrans and regions.
- Make progress towards regional and statewide goals and objectives in the improvements of the State's multi-modal transportation system.

- Emphasize partnerships between Caltrans and regional agencies in making investment decisions addressing the most critical corridor needs, regardless of mode choice or system condition.
- Mitigate negative environmental and community impacts.

Roadway projects programmed in the STIP that are 100% state funded and are **off** the State Highway System may be treated as federal-aid funded for the purpose of selecting the appropriate design standard, and will be developed in accordance with Local Assistance Procedures Manual (LAPM) Chapter 11: Design Guidance. STIP projects **on** the State Highway System and administered by local agencies are processed by Caltrans Division of Project Management, not Division of Local Assistance.

25.1.2 Active Transportation Program (ATP)

The Active Transportation Program (ATP), created by Senate Bill 99 (Chapter 359, Statutes of 2013) and Assembly Bill 101 (Chapter 354, Statutes of 2013), consolidated several federal and state transportation programs to focus on making California a national leader in active transportation. The purpose of the ATP program is to encourage increased use of active modes of transportation, such as biking and walking. This chapter provides procedures that supplement the Active Transportation Program Guidelines adopted by the CTC. Note that Metropolitan Planning Organizations (MPOs) may have adopted guidelines that differ than those adopted by the CTC. Please contact your MPO for guidelines specific to your MPO's solicitation.

The primary goals for ATP are to:

- Increase the proportion of trips accomplished by biking and walking.
- Increase safety and mobility of active transportation users.
- Advance the active transportation efforts of regional agencies to achieve Greenhouse Gas (GHG) reduction goals as established pursuant to SB 375 and SB 391.
- Enhance public health, including reduction of childhood obesity using programs including, but not limited to, projects eligible for Safe Routes to School Program (SRTS) funding.
- Ensure that disadvantaged communities fully share in the benefits of the program.
- Provide a broad spectrum of projects to benefit many types of active transportation users.
- Consider State goals and provisions set forth in Executive Order N-19-19 including State housing goals.

25.1.3 Local Partnership Program (LPP)

Local Partnership Program (LPP), established by The Road Repair and Accountability Act of 2017 or SB1 (Beall, Chapter 5, Statutes of 2017) was subsequently amended by Assembly Bill (AB) 115 (Committee on Budget, Chapter 20, Statutes of 2017) and AB 135 (Committee on Budget, Chapter 255, Statutes of 2017). The purpose of LPP is to provide funding to local and regional agencies to improve aging infrastructure, road conditions, active transportation, and gain health and safety benefits. This chapter provides procedures that supplement the Local Partnership Program Guidelines adopted by CTC. The Local Partnership Program Guidelines were developed in cooperation with Caltrans, transportation planning agencies, county transportation commissions, local agencies, and other transportation stakeholders, pursuant to Streets and Highways Code Section 2033.

LPP funds are distributed through a 40% statewide competitive component and a 60% formula component. The primary objective of LPP is to provide funding to counties, cities, districts, and

regional transportation agencies in which voters have approved fees or taxes dedicated solely to transportation improvements or that have imposed fees, including uniform developer fees, dedicated solely to transportation improvements as defined by Government Code Section 8879.67(b).

LPP program is administered and tracked by Caltrans Division of Local Assistance, while other SB 1 funded programs are administered by Caltrans Division of Programming.

25.1.4 Trade Corridor Enhancement Program (TCEP)

The Road Repair and Accountability Act of 2017 or SB1 (Beall, Chapter 5, Statutes of 2017), established the Trade Corridor Enhancement Account to fund corridor-based freight projects nominated by the State and local agencies. The National Highway Freight Program was established with the approval of Fixing America's Surface Transportation (FAST) Act, on December 4, 2015.

Note: A freight project is a project that significantly contributes to the freight system's economic activity or vitality; relieves congestion on the freight system; improves the safety, security, or resilience of the freight system; improves or preserves the freight system infrastructure; implements technology or innovation to improve the freight system or reduce or avoid its negative impacts; reduces or avoids adverse community and/or environmental impacts of the freight system; or improves system connectivity.

CTC is responsible for programming and allocating these state and federal funds and the funds will be administered through the Trade Corridor Enhancement Program (TCEP). This chapter provides procedures that supplement the Trade Corridor Enhancement Program Guidelines adopted by the CTC. The TCEP Guidelines are built from the 2007 Proposition 1B Trade Corridors Improvement Fund Guideline in consultation with stakeholders representing State, regional, and local governments, advocacy group, and private industry.

The objective of TCEP is to fund infrastructure improvements on federally-designated Trade Corridors of National and Regional Significance, on California's portion of the National Highway Freight Network, as identified in the California Freight Mobility Plan, and along other corridors that have a high volume of freight movement as determined by CTC. TCEP will also support the goals of the National Highway Freight Program, the California Freight Mobility Plan, and the guiding principles in the California Sustainable Freight Action Plan.

25.1.5 Solutions for Congested Corridors Program (SCCP)

The Solution for Congested Corridors Program (SCCP) was established by the Road Repair and Accountability Act of 2017, or SB1 (Beall, Chapter 5, Statutes of 2017). This statewide competitive program is to fund projects designed to achieve a balanced set of transportation, environmental, and community access improvements within highly congested travel corridors throughout the State. This chapter provides procedures that supplement the Solutions for Congested Corridors Program Guidelines adopted by CTC.

The primary objective of SCCP is to fund projects designed to reduce congestion in highly traveled and highly congested corridors through performance improvements that balance transportation improvements, community impacts, and that provide environmental benefits.

25.1.6 State-Local Partnership Program (SLPP)

State-Local Partnership Program (SLPP) was created by Proposition 1B, enacted through legislation SB 88, AB 193, and AB 268; this is a sunsetting program to which no further projects will be added. The purpose of this program is to provide funding for eligible

transportation projects nominated by an applicant transportation agency. This chapter provides procedures that supplement the State-Local Partnership Program Guidelines adopted by CTC.

25.1.7 Trade Corridors Improvement Fund (TCIF)

Trade Corridors Improvement Fund (TCIF) was created by Proposition 1B and subject to Government Code 8879. TCIF was enacted through legislation SB 88 and AB 193 in 2007. The purpose of this program is to improve infrastructure along corridors that have a high volume of freight movement. This chapter provides procedures that supplement the Trade Corridors Improvement Fund Guidelines adopted by the CTC.

25.1.8 Traffic Light Synchronization Program (TLSP)

Traffic Light Synchronization Program (TLSP) was created by Proposition 1B and was enacted through legislation SB 88 in 2007. The purpose of this program is to fund traffic light synchronization projects and other technology-based improvements to improve safety, operations and the effective capacity of local streets and roads infrastructures along corridors that have a high volume of freight movement. This chapter provides procedures that supplement the Traffic Light Synchronization Program Guidelines adopted by CTC.

25.2 Eligible Applicants and Projects

To be eligible to receive state transportation funds, a local agency must enter into the appropriate Local Administering Agency Master Agreement (Master Agreement or MA). It is normally processed once with the implementing agency when it begins its first federal-aid or state-funded project, and:

- An applicant who does not currently hold an MA is not guaranteed to pass the pre-award audit and is encouraged to partner with an implementing agency that already has an MA.
- An applicant that is unable to apply for state and/or federal funds, or that is unable to enter into a MA with the State must partner with an eligible applicant to implement the project.
- An applicant unfamiliar with the requirements to administer a Federal-Aid Highway Program (FAHP) project is encouraged to partner with an eligible applicant to implement the project. If another entity agrees to be the implementing agency and assume responsibility for the ongoing operations and maintenance of the facility, documentation of the agreement (e.g., letter of intent) must be submitted with the project application, and a copy of the Memorandum of Understanding or Interagency Agreement between the parties must be submitted with the first request for allocation.
- An implementing agency may also start a project and then opt to partner with a more experienced implementing agency.

There are two types of MAs: one is the Administering Agency-State Agreement for Federal-Aid Projects and the other is the Administering Agency-State Agreement for State-Funded Projects (with no federal funds). Refer to LAPM Chapter 4: Agreements for MA guidance and procedures.

Applicants and/or implementing agencies must be able to comply with all the federal and state laws, regulations, policies, and procedures. The implementing agency for federal and/or state funds assumes responsibility and accountability for the use and expenditure of programmed funds.

Tribal governments have the option of transferring funds to the Bureau of Indian Affairs (BIA) through a tri-agency agreement between the tribal government, BIA, and Caltrans.

25.2.1 State Transportation Improvement Program (STIP)

Eligible Applicants

Conformance with Division 12, Chapter 2 and Sections 130303 and 130304 of the Public Utilities Code, local transportation agencies and county transportation commissions must adopt and submit the county transportation improvement program to the multicounty-designated transportation planning agency.

STIP includes projects proposed by regional agencies (MPOs and RTPAs) in their Regional Transportation Improvement Programs (RTIPs) and by Caltrans in its Interregional Transportation Improvement Program (ITIP). The list of MPOs and Regional Transportation Planning Agencies (RTPA) can be found at the Transportation Planning webpage.

Eligible Projects

Funds made available for IIP will be used for transportation improvement projects that are needed to facilitate interregional movement of people and goods. The projects may include State highway, intercity passenger rail, mass transit guideway, or grade separation projects. Funds made available for RIP will be used for transportation improvement projects that are needed to improve transportation within the region and providing funds to match federal funds. The projects may include, but not be limited to, improving state highways, local roads, public transit, intercity rail, pedestrian, bicycle facilities, grade separation, safety, transportation system management, transportation demand management, sound wall projects, and intermodal facilities.

Routine maintenance such as spot application projects (pothole repairs other than removal and replacement of localized failures in areas to be resurfaced, cleaning drainage ditches and culverts, etc.), is not eligible. All local road rehabilitation projects proposed for STIP funding are subject to verification at the time of allocation that each project meets the standard for rehabilitation and does not include ineligible maintenance costs.

Since some of the funds in the STIP are federal funds, projects must be federal-aid eligible unless the project is designated as “State-Only Funded”. Refer to “State-Only Funding” in Section 25.3.1.

25.2.2 Active Transportation Program (ATP)

Eligible Applicants

The following entities, within the State of California, are eligible to apply for ATP funds:

- Caltrans*, Local, Regional, or State Agencies. Examples include city, county, MPO*, and Regional Transportation Planning Agency.
- Transit Agencies. Any agency responsible for public transportation that is eligible for funds under the Federal Transit Administration (FTA).
- Natural Resources or Public Land Agencies. Federal, Tribal, State, or local agency responsible for natural resources or public land administration.
- Public schools or school districts.
- Tribal Governments – federally recognized Native American Tribes.

- Private nonprofit tax-exempt organizations may apply for projects eligible for Recreational Trail Program funds.
- Any other entity with responsibility for oversight of transportation or recreational trails that the Commission determines to be eligible.

* Note: Caltrans and MPOs, except for MPOs that are also regional transportation planning agencies, are not eligible project applicants for the federal Transportation Alternative Program funds appropriated to ATP. Therefore, funding awarded to projects submitted directly by Caltrans and MPOs are limited to other ATP funds. Caltrans and MPOs may partner with an eligible entity to expand funding opportunities.

Eligible Projects

All applicants must submit an application for one of the following project categories:

Infrastructure Projects: Capital improvements that will further the goals of the ATP. This typically includes the environmental, design, right of way, and construction phases of a capital (facilities) project.

Non-infrastructure (NI) Projects: Education, encouragement, and enforcement activities that further the goals of the ATP. NI projects can be start-up programs or new and/or expanded components of existing programs. All NI projects must demonstrate how the program is sustainable and will be continued after ATP funding is exhausted.

Infrastructure projects with non-infrastructure components: This is a capital improvement project that includes an education, encouragement, or enforcement component. The non-infrastructure component should be mentioned throughout the application and enhance the infrastructure project.

Plans: The development of a community-wide bicycle, pedestrian, safe routes to school, or active transportation plan that encompasses or is predominately located in a disadvantaged community.

Quick-Build Project Program: Quick-build projects are interim capital improvement projects that further the goals of the ATP. These projects require construction, and are built with durable, low to moderate cost materials but last from one year to five years. See Appendix D of CTC's ATP Guidelines for additional details.

Applications for plans may not be combined with applications for infrastructure or other non-infrastructure projects. See more details in Section 13 (Eligible Projects) of CTC's ATP Guidelines.

Senate Bill 99 specifies that at least 25% of ATP funds must benefit disadvantaged communities and other types of projects, such as Safe Route to School projects and Recreational Trail projects. Refer to Section 16 (Project Type Requirements) of CTC's ATP Guidelines.

All projects eligible for programming must be selected through a competitive process and must meet one or more of the ATP goals. Refer to Appendix B of CTC's ATP Guidelines for example projects.

Since some of the funds in the ATP are federal funds, projects must be federal-aid eligible unless the project is designated as "State-Only Funded" at the time of programming. Refer to "State-Only Funding" in Section 25.3.2.

CTC may designate projects as SB 1 funded projects at time of programming.

25.2.3 Local Partnership Program (LPP)

Eligible Applicants

LPP-Formulaic requires the applicant must be a taxing authority that has sought and received voter approval of taxes, tolls, or fees, which taxes or fees are dedicated solely to transportation improvements. Taxing Authorities that have imposed fees and have **not** received voter approval of taxes, tolls, or fees are only eligible for the Local Partnership Competitive Program funding.

LPP-Competitive requires the applicant must be a taxing authority that has sought and received voter approval of taxes, tolls, or fees, or that has imposed fees, including uniform developer fees as defined by subdivision (b) of Section 8879.67 of the Government Code, which taxes or fees are dedicated solely to transportation improvements.

A taxing authority may identify another agency to be the project implementing agency. If a taxing authority agrees to transfer its formulaic funding by nominating a project in another county, this taxing authority must submit a letter signed by all parties to CTC with its project nomination. Taxing authorities and implementing agencies must comply with all relevant federal and state laws, regulations, policies, and procedures.

Eligible Projects

Consistent with Government Code Section 8879.70, and Streets and Highways Code Section 2032(a), projects eligible for the LPP funds include all the following:

- Improvements to the State Highway System (SHS) and/or the local road system.
- Improvements to transit facilities, including guideways, that expand transit services, increase transit ridership, improve transit safety, enhance access or convenience of the traveling public, or otherwise provide or facilitate a viable alternative to driving.
- The acquisition, retrofit, or rehabilitation of rolling stock, buses, or other transit equipment, including, but not limited to maintenance facilities, transit stations, transit guideways, passenger shelters, and fare collection equipment with a useful life of at least 10 years. The acquisition of vans, buses, and other equipment necessary for the provision of transit services for seniors and people with disabilities by transit and other local agencies is an eligible project under this paragraph.
- Improvements to bicycle or pedestrian safety or mobility with an extended useful life.
- Improvements to mitigate the environmental impact of new transportation infrastructure on air quality or water quality, commonly known as “urban runoff,” including management practices for capturing or treating urban runoff.
- Mitigates the project’s environmental impacts, including, but not limited to, sound walls, landscaping, wetlands or habitat restoration or creation, replacement plantings, and drainage facilities.
- Sound walls for a freeway that was built prior to 1987 without sound walls if the completion of the sound walls has been deferred due to lack of available funding for at least 20 years and a noise barrier scope summary report has been completed within the last 20 years.
- Road maintenance and rehabilitation.
- Other transportation improvement projects.

25.2.4 Trade Corridor Enhancement Program (TCEP)

Eligible Applicants

Eligible applicants include state, local, regional, and public agencies such as cities, counties, MPOs, RTPAs, port authorities, public construction authorities, and Caltrans. Project proposals from private entities must be submitted by a public agency sponsor. An applicant may identify another agency to be the project implementing agency. Applicants and implementing agencies must comply with all relevant federal and state laws, regulations, policies, and procedures. The list of MPOs and RTPAs can be found at the Transportation Planning website.

The MPOs will be responsible for compiling project nominations from their respective agencies as described in Attachment 4 (Project Nominations) of CTC's TCEP Guidelines.

Eligible Projects

To be eligible for funding under TCEP, a project must meet the freight project definition, support the objectives of the program, and meet the screening and evaluation criteria. Refer to freight project definition in Section 25.1.4.

- Projects receiving state funds must be consistent with Article XIX of the California Constitution.
- Projects receiving federal National Highway Freight Program funds must comply with the provisions of Title 23 of the U.S. Code of Federal Regulations and be located on the Primary Highway Freight System or a designated Critical Rural Freight Corridor or Critical Urban Freight Corridor.

  Note: The designation of the Critical Rural Freight Corridor or Critical Urban Freight Corridor is not required at the time of project nomination; however, the designation must be federally approved prior to the project requesting allocation.
- Grade Crossing improvement projects, Grade Separation projects, Intermodal projects, and Intelligent Transportation System projects are not required to have a Critical Rural Freight Corridor or Critical Urban Freight Corridor designation.

Projects eligible for funding under TCEP include, but are not limited to, the following:

- Highway improvements to more efficiently accommodate the movement of freight, particularly for ingress and egress to and from the State's land ports of entry, rail terminals, and seaports, and to relieve traffic congestion along major trade or goods movement corridors.
- Freight rail system improvements to enhance the ability to move goods from seaports, land ports of entry, and airports to warehousing and distribution centers, including grade separations.
- Port capacity and efficiency enhancements, excluding the purchase of fully automated cargo handling equipment.
- Truck corridor improvements, including dedicated truck facilities or truck toll facilities, including the mitigation of the emissions from trucks or these facilities.
- Border access improvements to enhance goods movement.
- Surface transportation, local road, and connector road improvements to effectively facilitate the movement of goods, particularly for ingress and egress to and from the

State's land port of entry, airports, and seaports, to relieve traffic congestion along major trade or goods movement corridors.

- Port and/or rail projects to facilitate intermodal interchange, transfer, and access into or out of the facility (limited to 10% of federal yearly apportionments).
- Intelligent Transportation Systems (ITS) or other advanced technology to improve the flow of freight, real-time information systems, weigh-in-motion devices, electronic screening/credentialing systems, traffic signal optimization, work zone management and information systems, ramp metering, electronic cargo, and border security technologies.
- Environmental/community mitigation or efforts to reduce environmental impacts of freight movement, such as projects that reduce noise, overnight truck idling, or truck queues and advanced traveler Information Systems such as Freight Advanced Traveler Information Systems (FRATIS).

25.2.5 Solutions for Congested Corridors Program (SCCP)

Eligible Applicants

A regional transportation planning agency or county transportation commission or authority responsible for preparing a regional transportation improvement plan under Section 14527 of the Government Code or Caltrans may nominate projects for funding. The list of MPOs and RTPAs can be found at the Transportation Planning website.

Eligible Projects

Applicants are encouraged to apply for projects of the following type:

- Align with the State's climate goals and manage congestion through innovative strategies and encourage multimodal solutions.
- Transformative projects that make specific improvements designed to reduce congestion in highly traveled and highly congested corridors through performance improvements that balance transportation improvements, community impacts, and that provide environmental benefits.

These improvements may be on the State Highway System, local streets and roads, public transit facilities, bicycle and pedestrian facilities, or required mitigation or restoration or some combination thereof. Projects eligible for funding under the program include, but are not limited to, the following:

- Addition of high-occupancy vehicle lanes and managed lanes.
- New or existing transit infrastructure improvements for new or improved service including: adding roadway capacity for new or improved transit service, such as bus-only lanes; traffic signal priority for new or improved bus or light rail service; adding rail capacity or implementing other rail improvements; operational and/or safety improvements that allow for faster transit speeds, more reliable service, or more frequent service; improvements at transit stations that allow for improved safety, operational efficiency, or additional capacity.
- Adding new or improving existing rail infrastructure such as: construction of track siding to allow for trains to pass; adding railroad capacity by expanding the number of tracks serving the rail corridor; operational and/or safety improvements that allow for faster train

speeds; improvements at rail stations that allow for improved safety, operational efficiency, or additional capacity.

- Transit hubs for multimodal transportation modes including network fare integration and fare modernization systems to increase linked trips.
- Transit hubs or stations and nearby roadways providing accessibility for first-mile and last-mile connectivity to public transit systems.
- Acquisition of zero-emission buses, and the cleanest available rail cars, locomotives, or other rolling stock.
- Operational improvements such as: interchange and ramp modifications, auxiliary lanes for merging or weaving between adjacent interchanges, passing lanes, curve corrections and alignment improvements, truck climbing lanes, signals and/or intersection improvements, two-way left-turn lanes, channelization, turnouts, railroad at-grade crossings improvements or separations, or shoulder widening.
- Closing gaps in the street network including general purpose mainline lanes on local streets and roads.
- Safety improvements such as: wet pavement corrections, curve corrections, shoulder widening, high friction treatment, left turn channelization, safety barriers, new guardrail, end treatments and crash cushions, rumble strips, lighting, glare screen, rock fall mitigation, over crossing pedestrian fencing, or bikeways and crosswalk safety enhancements.
- Direct mitigation or other regulatory requirements of a transportation project or facility funded under the SCCP, including restoration or protection of critical habitat and open space.
- Projects that employ advanced and innovative technology, like Intelligent Transportation Systems.
- Projects that include supporting infrastructure for deployment of current and future technologies, such as zero-emission vehicle charging or fueling stations.
- Transportation Management Systems and Transportation Demand Management.
- Bicycle facilities such as dedicated bicycle lanes, separated bikeways, bicycle parking, and secure storage.
- Pedestrian facilities, including: sidewalks, walkways, paths, driveways, crosswalks, median islands, ramps, pedestrian bridges, and tunnels.
- Projects that propose to construct a toll transportation facility and are successful in the SCCP must request approval from the Commission to operate the toll facility in accordance with CTC Toll Facility Application Guidelines within six months of the project being programmed and prior to allocation.
- Highway lane capacity-increasing projects funded by this program must be limited to high-occupancy vehicle lanes, managed lanes, and other non-general-purpose lanes designed to improve safety for all modes of travel.
- General purpose lanes on the SHS are **NOT** eligible for funding under SCCP. If a project nomination includes general purpose lanes as part of the overall project, the nominating agency must certify that no funding from SCCP will fund the general-purpose lanes. In

addition, the benefits and impacts of the eligible and ineligible components must be clearly separated and defined in the application. Further, if the project is programmed in the SCCP, the recipient agency must track and report project benefits for both components, including the reporting of the net overall project benefits/impacts.

- Projects on railroad corridors that do not serve passenger rail are **NOT** eligible for funding.

Beginning with the 2022 Program, all projects nominated for SCCP must be included in a comprehensive multimodal corridor plan. The comprehensive multimodal corridor plan must be prepared consistent with the approved Comprehensive Multimodal Corridor Plan Guidelines.

25.3 Funding

Article XIX of the California Constitution permits the use of State revenues in the State Highway Account (SHA) only for State highways, local roads, and fixed guideway facilities. Proposition 1B authorized the issuance of $19.925 billion in State general obligation bonds for specific transportation programs such as TCIF, SLPP, and TLSP. Created by SB 1, the Road Maintenance and Rehabilitation Account provides funds to and/or augments many State programs, which include STIP, ATP, LPP, TCEP, and SCCP.

Where required in the program guidelines, matching funds must be applied in accordance with this section. For purposes of calculating the required match, funds that are not allocated by CTC will be counted towards the match, with exception of State Transportation Improvement Program funding. See STIP guidelines for more details on matching funds. See LAPM Chapter 3: Project Authorization for match types and requirements. Costs incurred prior to project adoption will not be counted towards the match. The matching funds must be expended concurrently and proportionally on the project component programmed with respective program funds, except for project components that have been approved for non-proportional spending by the Commission. For projects receiving federal funds, the non-proportional spending must be approved by the FHWA prior to allocation.

25.3.1 State Transportation Improvement Program (STIP)

STIP Funding at a Glance

Program Length	Funding Source(s)	Eligible Phases	Matching Required	Matching Sources	Funds Cost Increases
5 years	SHA, PTA	PA&ED, PS&E, R/W, CON	11.47% for Federal funds	Local, Private and/or State	Yes

Funding Source

STIP is a biennial five-year plan program. The funding sources of STIP are the State Highway Account (SHA), which includes both state revenues and federal revenues, and the Public Transportation Account (PTA). Unless the fund estimate specifies otherwise, a region may propose, in its RTIP, projects to be funded from any of these funding sources, or a combination of them. The Commission will provide and calculate STIP county shares without regard to the individual STIP funding sources.

The STIP Program funds may be used for any capital project component: 1) Project Approval and Environmental Document (PA&ED), 2) Plans, Specifications, and Estimates (PS&E), 3) Right of Way (R/W), and 4) Construction (CON).

Funding Distribution

STIP consists of two broad programs: the regional program funded from 75% of new STIP funding and the interregional program funded from 25% of new STIP funding. The 75% regional program is further subdivided by formula into county shares. County shares are available solely for projects nominated by regions in their RTIPs. The Caltrans ITIP will nominate only projects for the interregional program. Under restricted circumstances, an RTIP may also recommend a project for funding from the interregional share.

Planning, Programming, and Monitoring Funds (PPM): Section 14527 of the Government Code and the CTC STIP Guidelines allow the programming of up to 5% of the county share of STIP funds for project planning, programming, and monitoring activities by the regional transportation planning agency. Programming of these funds comes from county shares and can be programmed for each year of the STIP. Agencies will receive state-only funding for eligible PPM activities. Caltrans has prepared standard agreements for the distribution of these funds. Each agency receiving PPM funds is required to prepare a PPM work plan to be included as part of the standard agreement. Agencies are required to submit a final report of expenditures within 60 days from the completion of the PPM work plan. Planning agencies must request allocations and agreements for the upcoming year as they near completion of PPM expenditures for the current year.

Matching Requirements

CTC does not require a funding match for STIP. Since one of the funding sources of STIP is the Federal Highway Trust Fund, the federal government requires California provide an 11.47% matching funds to any federal STIP funding.

If an implementing agency does elect to supply matching funds to the federal funding, the source of the matching funds may be any combination of local, private, or state. The CTC STIP Guidelines allow a reserve of state funds in the STIP to provide matching funds for federal funds. These state-only funds are reserved from the regions' county shares for each year of the STIP. The reserves of state matching funds are available for any eligible federal projects that are also permissible under Article XIX of the California Constitution. The state-match amount must also be less than or equal to the required minimum nonfederal-match of federal participating costs. Since Timely Use of Funds rule applies, the RTPAs must monitor the allocation of the reserves each year to ensure that all reserves programmed have been allocated before the end of the fiscal year.

In the event of project cost savings, local contribution and STIP funds will be reduced proportionally. Matching funds may be proportionally adjusted before or shortly after contract acceptance to reflect any substantive change after construction completion.

Where a project is funded from both STIP and non-STIP sources, and where the Commission has approved non-proportional spending allowing for the expenditure of STIP funds before other funds, (sometimes referred to as sequential spending), the project is not eligible for an increase (supplemental) allocation under the authority delegated to Caltrans by Commission Resolution G-12 until all other funds committed to the project have been expended. Locally implemented projects do not receive supplemental or G-12 funds.

Funding Restriction

In accordance with federal statutes and regulations, federal highway funds programmed for transit projects must be transferred from the Federal Highway Administration (FHWA) to the Federal Transit Administration (FTA) for administration when the project or project component is ready to be implemented.

Except for project planning, programming, and monitoring, all STIP projects will be capital projects (including project development costs) needed to improve transportation in the region. Non-capital costs for transportation system management or transportation demand management may be included where an RTPA finds the project to be a cost-effective substitute for capital expenditures.

State-Only Funding

CTC assumes that all projects will meet federal requirements unless state-only (non-federal) funding has been approved. CTC will review the state-only funding policy annually based on the balance in the State Highway Account.

In accordance with the Federal-Aid Project Funding Guidelines, currently programmed STIP projects that have been previously approved for state-only funds are still approved.

Future requests for programming new projects within the following categories must be given priority for state-only funding, pending review by Caltrans and confirmation to CTC that sufficient funds are available.

- Projects with a total cost of $10,000,000 or less
- Planning, Programming, and Monitoring activities
- Regional Rideshare and Traffic Demand Management activities
- Match for local federal funds

To request an exception to the Federal-Aid Project Funding Guidelines (a request for state-only funding), the following information is required:

- A description of the project, specifically what work will be accomplished.
- Key timelines, including the beginning and ending dates of the project, proposed advertising date, contract and construction award dates.
- A detailed funding description of all elements of the project. This requires outlining all the funding sources for each phase of the project, when the funds are needed and a cash-flow projection.
- A reason why federal funds should not be used on the project.
- Regional agency concurrence with the request, if being requested by someone else.

The format provided in Exhibit 25-E: Request for State-Only Funding for STIP Project should be used to request exceptions to the policy. Requests should be submitted to Caltrans District Local Assistance Engineer (DLAE) who will forward them to the appropriate program manager for review and submittal to Caltrans Budgets. Projects proposed for state-only funding are subject to Caltrans' recommendation prior to CTC approval.

25.3.2 Active Transportation Program (ATP)

ATP Funding at a Glance

Program Length	Funding Source(s)	Eligible Phases	Matching Required *	Matching Sources	Funds Cost Increases
4 years	SHA, FTF, SB1	PA&ED, PS&E, R/W, CON	11.47% for Federal funds	Local, Private, Toll Credits, and/or State	No

* CTC does not require matching funds. Toll Credits can be used to meet federal matching requirements.

Funding Source

The ATP is funded from federal funds, State Highway Account (SHA) and Senate Bill 1 (SB1) funds. Each ATP programming cycle will include four years of funding.

ATP Program funds may be used for any capital project component: PA&ED, PS&E, R/W, and Construction, including Construction Non-infrastructure.

Funding Distribution

State and federal law segregate ATP into multiple, overlapping components. The ATP Fund Estimate must indicate the funds available for each of the program components. Consistent with these requirements, the ATP funds must be distributed among statewide selection, MPOs in urban areas, small urban and rural areas, and certified conservation corps including California Conservation Corps. For more details, see Section 6 (Distribution) of CTC's ATP Guidelines.

Leveraging Funds

CTC encourages applicants to leverage additional non-ATP funds for their projects. For Leveraging Requirements, see Section 8 (Leveraging Funds) of CTC's ATP Guidelines.

Matching Requirements

While CTC does not require a funding match for ATP, large MPOs administering a competitive selection process may require a funding match for projects selected through their competitive process. In addition, the federal government does require California provide an 11.47% matching funds to any federally-funded ATP projects.

If an implementing agency does elect to supply matching funds to the federal ATP funding, the source of the matching funds may be any combination of local, private, or state. Federal Highway Administration (FHWA) funds may not be used to match ATP FHWA funds. Implementing agencies may use Toll Credits in lieu of non-federal funds, and when Toll Credits are used, MPOs and implementing agencies must identify the Toll Credits in the FTIP. For a federally-funded ATP project providing less than the required 11.47% match, the project should be programmed by project phase, and:

(1) show 11.47% of the federal ATP funds as Toll Credits, with the non-ATP, non-federal funds shown as non-participating; or

(2) request Caltrans meet the 11.47% match requirement with a combination of the implementing agency's non-ATP funding and State-ATP (SHA or SB1) funding.

In the event of project cost savings, local contribution and ATP funds will be reduced proportionally. Matching funds may be proportionally adjusted before or shortly after contract award to reflect any substantive change in the bid compared to the estimated cost of the project.

State-Only Funding

Some of the funds in the ATP are federal funds. Projects must be federal-aid eligible unless the project is designated as "State-Only Funded" (SOF) at the time of programming. ATP projects that are not designated as SOF; and are (1) awarded as part of the Statewide and Small Urban and Rural competitions and (2) with capital construction values of $1,000,000 or more in ATP funding must maintain federal eligibility. Since projects programmed in Quick-Build Pilot Program are relatively small, all programmed quick-build projects will be designated for state-only funding. Agencies may request State-only funding at the time of application. Such a request may not guarantee a State-only funding designation. Refer to Exhibit 25-F: Request for State-Only Funding for ATP Project.

The Statewide and Small Urban & Rural SOF process:

1. The Department and CTC may keep a portion of the SOF funds, State Highway Account (SHA) and Roadway Maintenance and Rehab Account (RMRA) unprogrammed to have SOF funds available for projects that are later determined to be unable to meet all federal requirements.
2. Caltrans will designate projects with construction programming of less than $1 million as SOF, unless the project is partially funded with federal funds.
3. ATP HQ staff will reach out to districts for SOF project recommendations to receive any remaining funds.
4. Any remaining funds will be disbursed to projects until the balance has been fully programmed.

The Metropolitan Planning Organization (MPO) SOF process:

1. The MPOs must designate the fund types that each MPO-selected project receives (state or federal) and must send the final determination to Caltrans HQ ATP managers.
2. Caltrans will assist the MPOs that need assistance.
3. The MPO's funding determinations will be entered into the ATP database. Upon any changes to the funding, the MPO must notify Caltrans and the database must be updated.

The format provided in Exhibit 25-F: Request for State-Only Funding for ATP Project should be used to request exceptions to the policy. Requests should be submitted to the Caltrans DLAE who will forward them to the appropriate program manager for review. Projects proposed for state-only funding are subject to Caltrans' recommendation prior to CTC approval.

Funding Restriction

ATP funds must not supplant other committed funds and are not available to fund cost increases. Any cost increases must be funded from other fund sources.

Projects that are already fully funded or projects that require private development approval or permits are not eligible for ATP funding.

A project applicant found to have purposefully misrepresented information that could affect a project's score may result in the applicant being excluded by CTC from the program for the current cycle and the next cycle.

The minimum request for ATP funds is $250,000. This minimum does not apply to non-infrastructure projects, Safe Routes to Schools projects, Recreational Trail projects, and plans. MPOs, in administering a competitive selection process, may use a different minimum funding

size. Use of a minimum project size greater than $500,000 must be approved by CTC prior to the MPOs call for projects.

25.3.3 Local Partnership Program (LPP)

LPP Formulaic Funding at a Glance

Program Length	Funding Source(s)	Eligible Phases	Matching Required	Matching Sources	Funds Cost Increases
Determined by CTC	SB1	PA&ED, PS&E, R/W, CON	1:1	Local, Private and/or State	Yes

LPP Competitive Funding at a Glance

Program Length	Funding Source(s)	Eligible Phases	Matching Required	Matching Sources	Funds Cost Increases
Determined by CTC	SB1	CON	1:1	Local, Private and/or State	No

Funding Source

The LPP receives $200 million annually from the Road Maintenance and Rehabilitation Account (SB1). New cycles will be programmed at intervals determined by CTC.

Funding Distribution

The Formulaic Incentive Funding of $20 million will be set-aside each year from LPP, leaving $180 million to be distributed 60% via Formulaic and 40% via Competitive. All taxing authorities eligible for formulaic funding will receive a minimum annual amount of $200,000. CTC may adjust this minimum funding in future programming cycles.

To recognize new or renewed voter approved self-help efforts and to incentivize jurisdictions to pursue future sales tax measures, tolls, or fees, one-time incentive funding will be provided to jurisdictions that seek and receive voter approval of new or renewed sales tax measures, tolls, or fees, if those tax measures, tolls, or fees have a minimum period of ten years, are dedicated solely to transportation, and for sales taxes are equal to or greater than one quarter cent. Incentive funding amounts will be a minimum of $200,000 and up to a maximum of $5,000,000 for each jurisdiction. The incentive funding amount will be $200,000 if the projected tax revenue is less than $200,000. For jurisdictions that generate tax revenues above $200,000, the incentive funding amount will not exceed $5,000,000.

Matching Requirement

LPP requires at least a one-to-one match of private, local, federal, or state funds with the following exceptions:

- Taxing authorities with a voter-approved tax, toll, or fee which generates less than $100,000 annually are only required to provide a match equal to 25% of the requested LPP- Formulaic funds and must be in the same phase as the LPP funds.
- For sound-wall only projects, the expenditure of local funds to complete PA&ED, PS&E, and R/W components may be used to meet the one-to-one match for the construction component.

The matching funds must be expended concurrently and proportionally on the project component programmed with LPP funds, except that the project component has been approved for non-proportional spending by the Commission.

Funding Restriction

LPP-Formulaic funds may be used for any capital project component: PA&ED, PS&E, R/W, and Construction. LPP-Formulaic projects must commence right of way acquisition or construction within ten years of receiving pre-construction funding through the LPP Program, or the implementing agency must repay the LPP funds. Repaid funds will be redistributed in the subsequent programming cycle.

A taxing authority may nominate an existing project for supplemental funding if the project meets the requirements for the supplemental LPP-Formulaic funding. Refer to Section 3A (Funding Restrictions) of CTC's LPP Guidelines.

LPP-Competitive Program will only fund the construction component of a project, and the program will only fund projects, or segments of projects that are fully funded, have independent utility, and will be ready to start construction by the timeframe provided in the CTC's LPP Guidelines.

- A project will be considered for funding if at time of adoption, the project has completed a project level environmental process in accordance with California Environmental Quality Act (CEQA) and, if the project is federalized, the National Environmental Policy Act (NEPA).
- A project will be considered for funding if at time of adoption, it has completed the final draft of a project level environmental document in accordance with CEQA and if applicable, NEPA. Environmental clearance must be completed within six months of program adoption.
- Funds will not be allocated without completed environmental process.
- The maximum request for LPP-Competitive funds is $25,000,000 per project.

LPP- Competitive funds must not supplant other committed funds, and it will not participate in cost increases to the project. Any cost increases must be funded from other fund sources.

25.3.4 Trade Corridor Enhancement Program (TCEP)

TCEP Funding at a Glance

Program Length	Funding Source(s)	Eligible Phases	Matching Required	Matching Sources	Funds Cost Increases
Determined by CTC	SB1	PA&ED, PS&E, R/W, CON	At least 30%	Local, Private, Federal and/or State	No

Funding Source

TCEP will be developed consistent with the estimated annual amount of funds available based on 50% of the revenues generated by the diesel fuel excise tax imposed by State statute and the obligation authority limits on the National Highway Freight Program. The 2020 TCEP funding was developed based on the federal National Highway Freight Program continuing under the next federal transportation act. If necessary, adjustments to the total program funding will be made at a later date.

The 2020 TCEP provides three years of programming with an estimated total of $1.001 billion of TCEP funds. Over the three years in this programming cycle, it is estimated that $391 million of National Highway Freight Program Funds will be available. Any unused balance or savings generated will be added to the available funding in the following cycle and subsequent program cycles will include two new years of programming.

TCEP Program funds may be used for any capital project component: PA&ED, PS&E, R/W, and Construction.

Funding Distribution

To promote a corridor-based approach while also recognizing the key role of the state in prioritizing interregional freight projects, it was determined that the following corridors are eligible for funding under this program:

- Bay Area (Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma counties)
- Central Valley (El Dorado, Placer, Fresno, Kern, Kings, Madera, Merced, Sacramento, San Joaquin, Stanislaus, Sutter, Tulare, and Yolo counties)
- Central Coast (Monterey, San Benito, San Luis Obispo, Santa Barbara, and Santa Cruz counties)
- Los Angeles/Inland Empire (Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties)
- San Diego/Border (Imperial and San Diego counties)
- Other (Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tahoe Basin Counties, Tehama, Trinity, Tuolumne, and Yuba counties)

Other regions that have goods movement infrastructure needs along corridors that have a high volume of freight movement are eligible for funding. CTC anticipates those regions will nominate their projects for consideration. Pursuant to Streets and Highways Code, Section 2192, the target for Caltrans is 40% of the identified TCEP funding. The remaining 60% is available for projects nominated by regional transportation agencies and other public agencies, including counties, cities, and port authorities.

Matching Requirement

TCEP requires at least a 30% match of private, local, federal, or state funds. For projects jointly nominated by Caltrans and a local agency, the matching funds must account for 30% of the local agency's share of the project costs.

The matching funds must be expended concurrently and proportionally on the project component programmed with LPP funds, except that the project component has been approved for non-proportional spending by CTC.

Leveraging Funds

CTC encourages applicants to leverage Nationally Significant Freight and Highway Project Funds for their projects, and CTC will program up to 50% of the applicable regional corridor target to match a project that has been awarded federal funds in the 2020 Nationally Significant Freight and Highway Projects (INFRA Grant) program, if the project is eligible under TCEP. For

Leveraging Requirements, see Section 7 (Leveraging Federal Discretionary Funds) of CTC's TCEP Guidelines.

Funding Restriction

TCEP funds must not be shifted between programmed project components and must not supplant other committed funds. TCEP funds will not participate in cost increases to the project; any cost increases must be funded from other fund sources. For projects jointly nominated by Caltrans and a local agency, CTC expects the responsibility for payment of cost increases will be negotiated and agreed upon through a funding agreement between both agencies prior to nomination

Projects must commence right of way acquisition or actual construction within ten years of receiving pre-construction funding through TCEP, or the implementing agency must repay TCEP funds. Repaid funds will be made available for redistribution in the subsequent programming cycle.

Projects on the State Highway System and/or projects implemented by Caltrans require a Caltrans-approved Project Initiation Document if requesting funds for PA&ED component, and a Caltrans-approved Project Report for all other components.

Project nominations requesting funds for PA&ED component will not be considered for funding for PS&E, R/W, or Construction in that program cycle. However, this does not preclude an entity from requesting TCEP Funds for another component in a future program cycle.

A project that is already fully funded or a project that requires private development approval or permits is not eligible for funding from TCEP.

25.3.5 Solutions for Congested Corridors Program (SCCP)

SCCP Funding at a Glance

Program Length	Funding Source(s)	Eligible Phases	Matching Required	Matching Sources	Funds Cost Increases
Determined by CTC	SB1	CON	No	N/A	No

Funding Source

$250 million will be available upon appropriation to SCCP annually from the Road Maintenance and Rehabilitation Account (SB1). Any unused balance or savings generated will be added to the available funding in the following cycle.

SCCP funds can only be used for the construction component of a capital project.

Matching Requirement

Projects funded under SCCP do not require a match. While there is no match requirement for this funding source, funding leverage is desirable and will be considered in the evaluation of projects, refer to Section 16.3 of CTC's SCCP Guidelines. Consideration will also be given to projects that leverage funding from private, federal, state, local, or regional sources that are discretionary funds.

Funding Restriction

SCCP will only fund the construction component of a capital project, or segments of the construction component of a capital project, which is fully funded, has independent utility, and will be ready to start construction by December 31, 2023.

SCCP funds also require the funded capital project:

- Has completed a project-level environmental process in accordance with CEQA and, if the project is federalized, NEPA, at time of adoption.
- Has completed the final draft of a project-level environmental document in accordance with CEQA and, if the project is federalized, NEPA, at time of adoption. Under this case, the environmental clearance must be completed within six months of program adoption.

Projects on the SHS and/or projects implemented by Caltrans require a Caltrans approved Project Report before moving to final design stage (PS&E stage).

SCCP will not participate in cost increases to the project. Any cost increases must be funded from other fund sources. The implementing agency or agencies must provide evidence of their ability to absorb any cost overruns and deliver the project with no additional funding from the program. For projects jointly nominated by Caltrans and a local agency, CTC expects the responsibility for payment of cost increases will be negotiated and agreed upon through a funding agreement between both agencies prior to nomination.

SCCP funds must not supplant other committed funds.

25.4 Application Process

The application is the formal scoping document, which defines the fundable project elements that must be adhered to during the life of the project. Although all the programs are under CTC's purview, they vary in application requirements and processes.

Once the CTC has adopted a program of projects, Caltrans HQ Division of Financial Programming will provide the list of approved projects to MPOs. Since all projects that receive or may receive federal funds in any project phase must be programmed in the FTIP, the MPOs will amend the FTIP to include their projects. Caltrans, acting as the MPO for the rural RTPAs, will amend the Federal Statewide Transportation Improvement Program (FSTIP) accordingly. Once the FTIP/FSTIP is amended, applicants may proceed to implement their project per established procedures.

25.4.1 State Transportation Improvement Program (STIP)

Program Period

Each STIP will cover a five-year period and add two new years of programming capacity. The new programming capacity for the 2020 STIP will be for State fiscal years 2020-21 through 2024-25.

Requirements

Per CTC guidelines, the STIP application is expected to be and will be considered a Project Study Report (PSR) equivalent. A PSR is a report that meets the standards of the Commission's PSR Guidelines.

A PSR equivalent will, at a minimum, be adequate to define and justify the project scope, cost, and schedule to the satisfaction of the regional agency. Though a PSR or equivalent may focus

on the project components proposed for programming, it must provide at least a preliminary estimate of costs for all components. This requirement applies to the programming of project development components as well as right of way and construction. This requirement does not apply to the programming of project planning, programming, and monitoring funds. For a transit project, the CTC's Uniform Transit Application is a PSR equivalent.

The PSR, PSR equivalent, or Project Report must be submitted with the RTIP or ITIP, or a link may be provided to view the document electronically.

Evaluation and Selection

To maximize the State's investments in transportation infrastructure, each RTIP and the ITIP will be evaluated for performance and cost-effectiveness at the regional level and, where applicable, at the project level:

- A performance evaluation at the regional level and how each RTIP furthers the goals of the region's RTP, and if applicable, its Sustainable Communities Strategies (SCS), and for Caltrans, how the ITIP furthers the goals of the ITSP.
- An evaluation of the cost-effectiveness of the RTIP at the regional level or ITIP at the statewide level.
- Project-specific data on proposed changes to the built environment.
- For projects with total cost of $50 million or greater, or STIP programming for right of way and/or construction of $15 million or more, a project-specific benefit evaluation will be performed to estimate its benefit to the regional system from changes to the built environment. Consistent with Executive Order B-30-15, the project-specific benefit evaluation must include a full life-cycle cost evaluation and take climate change impacts into account.

Programming and Schedule

Each new STIP will include projects carried forward from the previous STIP plus new projects and reserves from among those proposed by regional agencies in their RTIPs and by Caltrans in its ITIP.

Several actions must take place during the programming of STIP to establish the scope, estimated cost, and schedule of local grant projects:

1. The applicant completes a Project Study Report (PSR) or equivalent.
2. The applicant completes and submits PPR forms to the regional agency (see Exhibit 25-I: Project Programming Request and the instructions Exhibit 25-I1).
3. The regional planning agency adopts the project in the RTIP.
4. The regional planning agency submits the RTIP to the CTC and Caltrans.
5. The CTC conducts two separate STIP hearings: one in Northern California and one in Southern California.
6. CTC adopts the project into the STIP.

Refer to the adopted 2020 STIP Guidelines for development schedule of major STIP milestones.

25.4.2 Active Transportation Program (ATP)

Program Period and Application Types

Each ATP programming cycle will include four years of funding, and information on how to submit project applications will be posted prior to the call for projects. The application information is located at CTC's ATP website.

There are five different application types available for applicants to complete depending on the project type and size.

- Large Project, Infrastructure-only, or Infrastructure/Non-infrastructure: Projects with a total project cost of greater than $7 million will be considered a Large Project. Any project requesting over $10 million in ATP funding must expect to have an onsite field review with Caltrans and CTC staff
- Medium Project, Infrastructure-only, or Infrastructure/Non-infrastructure: Projects with a total project cost more than $2 million up to $7 million will be considered a Medium Project
- Small Project, Infrastructure-only, or Infrastructure/Non-infrastructure: Projects with a total project cost of $2 million or less will be considered a Small Project
- Non-infrastructure only
- Plan only

Requirements

Applicants may apply for ATP funding on multiple projects. In doing so, applicants should use a new application for each project funding request if no clear nexus (e.g. connection or relationship) exists between the projects.

For capital projects off the SHS, the project applicant will be responsible for the ongoing operations and maintenance of the facility. If another entity agrees to assume responsibility for the ongoing operations and maintenance of the facility, documentation of the agreement must be submitted with the project application, and a copy of the Memorandum of Understanding or Interagency Agreement between the parties must be submitted with the request for allocation. All applicants need to provide consistent and uniform project-user data in their applications and in subsequent project progress and completion reports (refer to the ATP Project Reporting website for more details).

All project applications must:

- Include completed application form via https://catc.submittable.com/submit.
- Include the signature of the Chief Executive Officer or other officer authorized by the applicant's governing board.
- Include documentation of the agreement between the project applicant and the implementing agency with the project application, if projects that will be implemented by an agency other than the applicant.
- Be PSR or PSR equivalent; PSR Guidelines are posted online.
- Include documentation of all other funds committed to the projects.

In addition to submitting a project application to Caltrans, a copy must also be sent to the following agencies in hard copy or electronic – check with the agency for their preference:

- RTPA or County Transportation Commission within which the project is located.
- The MPO

The list of MPOs and RTPAs can be found at the Transportation Planning website.

Evaluation and Selection

Applications will receive an initial screening for completeness and eligibility before moving to the evaluation process. Incomplete or ineligible applications may not be evaluated. Applications will be screened for the following:

- Consistency with an adopted regional transportation plan.
- Use of appropriate application.
- Supplanting Funds: a project that is already fully funded will not be considered for funding in the ATP. ATP funds cannot be used to supplant other committed funds.
- Eligibility of project: the project must be one of the five types of projects listed above in "Program and Application Types."
- With the exceptions outlined in Section 25 of ATP Guidelines and applicants using the large infrastructure application, an applicant applying for pre-construction phases must also apply for funding in the construction phase.
- Request at least the minimum amount listed under "Funding Restriction" of Section 25.3.2.
- Projects that are already fully funded or projects that require private development approval or permits are not eligible for ATP funding.
- An applicant found to have purposefully misrepresented information that could affect its project's score may result in the applicant being excluded from the program for the current cycle and the following cycle.

Projects that are screened out because of the above listed criteria will not be considered eligible for the ATP and will not be evaluated or given a score. Applicants with projects that are screened out will be notified as soon as non-eligibility has been determined.

Projects that pass the initial screening will go through a sequential selection process by the CTC:

1. Evaluations for all passed applications.
2. Selection and recommendation for projects in the statewide competition based on score, eligibility and deliverability, and program capacity.
3. Selection and recommendation for projects in the Small Urban and Rural competition based on score, eligibility and deliverability, and program capacity.

All applications must be submitted to Caltrans for consideration in the Statewide competition. Projects not selected for programming in the Statewide competition will be considered in the MPO competition or the Small Urban and Rural competition.

Proposed projects will be scored and ranked on the basis of applicant responses to the project type criteria. Refer to Title V: Project Selection Process of CTC's ATP Guidelines for more

details on the evaluation criteria. Please note, project programming recommendations may not be based strictly on the rating criteria given the various components of ATP and requirements of the various fund sources.

Beginning with the 2023 ATP, nominated projects that are included in an adopted active transportation plan or similar plan will be awarded points.

Active Transportation Resource Center

Caltrans administers contracts to support all current and potential ATP applicants on:

- Providing technical assistance and training resources to help agencies deliver existing and future projects and to strengthen community involvement in future projects including those in disadvantaged communities.
- Assisting with program evaluation.

Programming and Schedule

Several actions must take place during the programming of the ATP to establish the scope, estimated cost, and schedule of local grant projects:

1. The applicant completes the application form at https://catc.submittable.com/submit. For infrastructure projects, the application will be considered a PSR equivalent. For Plan projects, the applicant must also complete Exhibit 25-P. For Non-infrastructure projects, the applicant must also complete Exhibit 25-R.
2. Application packages are submitted to Caltrans for Statewide and Rural and Small Urban areas, and other applicants in urbanized areas need to submit applications to their RTPA or MPO.
3. CTC adopts projects for the Statewide and Small Urban and Rural portion of ATP program.
4. RTPA or MPO submits the ATP projects to CTC.
5. CTC adopts the MPO projects into the ATP.

MPOs are encouraged to program all projects into the FTIP, including State-Only Funded projects, to reduce the potential need for program amendments.

Successful projects must submit the required performance metric data within six months of programming. CTC may delete a project for which no performance metric data is received. CTC will not consider approval of a project allocation for projects that have not submitted the required performance metric data.

25.4.3 Local Partnership Program (LPP)

Program Period

The current LPP programming cycle includes three years of funding. New programming capacity for the 2020 LPP (formulaic and competitive) will be for State fiscal years 2020-21 through 2022-23.

LPP-Formulaic Program Evaluation and Selection

For the 2020 LPP- Formulaic Program, CTC will consider adopting project applications on a case-by-case basis. Applications will be screened for the following:

- Demonstrate a one-to-one funding match.

- Project demonstrates that all other funds for the proposed project (segment) are committed.

LPP-Competitive Program Evaluation and Selection

An applicant submitting multiple project applications must clearly prioritize its project applications. If a project is submitted by multiple applicants, the priority of the applicants should be consistent.

Applications will receive an initial screening for completeness and eligibility before moving to the evaluation process. Incomplete or ineligible applications may not be evaluated.

Applications will be screened for the following:

- Include documentation regarding the quantitative and qualitative measures validating the project's consistency with policy objectives
- Demonstrate a one-to-one funding match.
- Provide specified information for eligibility verification.
- Demonstrate that negative environmental/community impacts will be avoided or mitigated.
- Demonstrate that all other funds for the proposed project (segment) are committed.

All project applications that meet the LPP-Competitive screening criteria will be evaluated and selected through a competitive process by the CTC. Each application will be evaluated for compliance with the objectives of the program and be rated using the evaluation criteria listed in Section 12B (Evaluation Criteria) of CTC's LPP Guidelines.

The highest-ranking application will be selected for Local Partnership Competitive Program funding.

Programming and Schedule

Several actions must take place during the programming of the LPP to establish the scope, estimated cost, and schedule of local grant projects:

1. The applicant prepares Project Nomination (Attachment 1 and 2 of CTC's LPP Guidelines) including Performance Metrics, and the Form CTC-0002.
2. The applicant completes PPR forms (see Exhibit 25-I: Project Programming Request, and the instruction Exhibit 25-I1).
3. The applicant submits the Project Nominations and PPR to CTC.
4. CTC adopts the project into the LPP.

Refer to the adopted 2020 LPP Guidelines for development schedule of major LPP milestones.

25.4.4 Trade Corridor Enhancement Program (TCEP)

Program Period

The current TCEP programming cycle includes three years of funding. The 2020 TCEP Program will provide three years of programming in fiscal years 2020-21 through 2022-23.

Requirements

Right of way and construction capital costs will only be programmed if the project has completed a project level environmental process in accordance with CEQA, and if applicable NEPA, within six months of program adoption. If the project level environmental document is not filed within six months, the project will be deleted from the program.

A project application must include documentation that includes quantitative metrics and qualitative information demonstrating how the project meets the evaluation criteria. For performance metrics, the methodology, data sources, and assumptions used, refer to Appendix 3 of Attachment 4 (Performance Metrics Form) of TCEP Guidelines.

Evaluation and Selection

Applications will receive an initial screening by CTC for completeness and eligibility before moving to the evaluation process. Incomplete or ineligible applications may not be evaluated. An agency submitting multiple project applications must clearly prioritize its project applications.

Applications will be screened for the following:

- The project application form in Attachment 4 of CTC's TCEP Guidelines must be complete.
- Project must be included in an adopted regional transportation plan and if applicable, consistent with a Sustainable Communities Strategy determined by the State Air Resources Board to achieve the region's greenhouse gas emissions reduction targets.
- Application must describe how the project supports the Freight Investment Themes identified in the California Freight Mobility Plan and included in Attachment 3 of CTC's TCEP Guidelines.
- Project must demonstrate a 30% funding match for each programmed component as outlined in Section 6 of CTC's TCEP Guidelines.
- Project demonstrates that all other funds for the proposed project (segment) are committed, except as noted in Section 20 of CTC's TCEP Guidelines.
- Project must be one of the types of projects listed in Section 10 of CTC's TCEP Guidelines.
- Project must not have the purpose or intent to increase the State's overall capacity to facilitate the transportation of coal in bulk, pursuant to Government Code Section 14525.3. In evaluating each new terminal project, if related environmental documents are not yet complete, CTC will base their review on written confirmation from the project applicant.
- Project must meet the objectives of the TCEP and support the goals of the National Highway Freight Program, The California Freight Mobility Plan, and the California Sustainable Freight Action Plan.
- Project must provide information for the required Performance Metrics as outlined in Section 17 of CTC's TCEP Guidelines.
- Project contributes to corridor or air basin emission reduction of greenhouse gases, diesel particulates (PM 10 and PM 2.5), carbon monoxide, nitrogen oxides, and other pollutants.

- Project demonstrates that negative environmental/community impacts will be avoided or mitigated.
- Project will stimulate economic activity, enhance trade value, and preserve/create jobs.

All project applications that meet the screening criteria will be selected through a competitive process by evaluating the applications for compliance with the objectives of the program and rating them based on the evaluation criteria listed in CTC's TCEP Guidelines. The evaluation criteria include three types of factors: freight system factors, transportation system factors, and community evaluation factors. In addition, CTC will consider the following factors during evaluation (refer to Section 18 Evaluation Criteria of CTC's TCEP Guidelines for more details):

- The overall need, benefits, and cost of the project in the context of its contribution to advancing the California Freight Mobility Plan, the California Sustainable Freight Action Plan, and if applicable, an adopted regional freight plan.
- Project readiness and reasonableness of the schedule for project implementation, including the following: progress towards achieving environmental protection requirements.
- The comprehensiveness and sufficiency of agreements with key partners (particularly infrastructure owning railroads) that will be involved in implementing the project.
- The leveraging and coordination of funding from other private, federal, state, local, or regional sources, with consideration of those sources that are discretionary compared to those that are nondiscretionary.
- The commitment of multiple partners in the delivery of the project, as evidenced by joint nomination and/or joint funding of a project.
- The level of demonstrated support for the project from community-based organizations.
- For PA&ED component applications, include a copy of the Notice of Preparation document required for CEQA process if possible. Include a description demonstrating there is sufficient planning capacity and community support for the project.
- Priority will also be given to projects that have committed discretionary federal funds at time of project application.

Programming and Schedule

Several actions must take place during the programming of the TCEP to establish the scope, estimated cost, and schedule of local grant projects:

1. The applicant prepares Project Nomination (Attachment 4 of CTC's TCEP Guidelines) including Performance Metrics Form and the Form CTC-0002.
2. The applicant completes PPR forms (see Exhibit 25-I: Project Programming Request and the instructions in Exhibit 25-I1).
3. Based on the location, the applicant submits Project Nomination and PPR either to CTC directly or to RTPA / MPO where the project resides.
4. RTPA / MPO compiles and submits the TCEP nominations to the commission.
5. The CTC adopts the project into the TCEP.

Refer to the adopted 2020 TCEP Guidelines for development schedule of major TCEP milestones.

25.4.5 Solutions for Congested Corridors Program (SCCP)

Program Period

The current SCCP programming cycle includes four years of funding. New programming capacity for the 2020 SCCP will be for State fiscal years 2020-21 through 2023-24.

Requirements

All applicated projects must be identified in a currently adopted regional transportation plan and an existing comprehensive corridor plan. A project application must include documentation regarding the quantitative and qualitative measures validating the project's consistency with policy objectives.

Evaluation and Selection

All applications will be evaluated based on the evaluation criteria, and there are no regional guarantees, minimums, or targets for this program. Applications will receive an initial screening for completeness and eligibility before moving to the evaluation process. Incomplete or ineligible applications may not be evaluated. An agency submitting multiple project applications must clearly prioritize its project applications. Applications will be screened for the following:

- Project meets the primary objective of SCCP as specified in Section 2 of CTC's SCCP Guidelines.
- Project is included in an adopted regional transportation plan and, if within the boundaries of an MPO, consistent with an approved Sustainable Communities Strategies determined by the State Air Resources Board to achieve the region's greenhouse gas emissions reduction targets.
- Project is included in a multimodal comprehensive corridor plan as specified in Section 5 of CTC's SCCP Guidelines.
- Project demonstrates that any negative environmental/community impacts will be avoided or mitigated.
- Project demonstrates that all other funds for the proposed project (segment) are committed.

All project applications that meet the screening criteria will be evaluated and selected through a competitive process. The evaluation criteria are in three categories: Primary Evaluation Criteria, Secondary Evaluation Criteria, and Deliverability Criteria. Refer to Section 16 (Evaluation Criteria) of CTC's SCCP Guidelines.

Programming and Schedule

Several actions must take place during the programming of the SCCP to establish the scope, estimated cost, and schedule of local grant projects:

1. The applicant prepares Project Nomination (Attachment 1 of CTC's SCCP Guidelines) including Performance Indicators and Measures, and the Form CTC-0002.
2. The applicant completes PPR forms (see Exhibit 25-I: Project Programming Request and the instructions in Exhibit 25-I1).
3. The applicant submits the Project Nominations and PPR to CTC.
4. CTC adopts the project into the SCCP.

SCCP Program is developed consistent with the annual amount of funds available for the Program and will only include the construction component. The last year of programming in the 2018 Program (FY 2020-21) will be carried into the 2020 Program.

Refer to the adopted 2020 SCCP Guidelines for development schedule of major SCCP milestones.

25.5 Project Implementation

Programmed projects become eligible for reimbursement through the CTC allocation process. Each program has specific requirements beyond those listed in the General Requirements and Procedures for All Programs (Section 25.5.1), and it is the implementing agency's obligation and responsibility to comply with all the related codes, regulations, policies, guidelines, and procedures when implementing state and/or federally-funded projects.

Caltrans program oversight is imbedded throughout the process and procedures for project implementation. This standard oversight applies to federal and/or state-funded projects. Standard oversight begins with programming and is present in the allocation, invoicing, tracking, and reporting processes. Additional oversight on specific projects will be performed on select projects with SOF meeting specific criteria, including funding thresholds, complexity, schedule, extensive right of way or utility relocation need, railroad involvement, environmental sensitivity, compliance and audit history, and any other project that District, HQ, or CTC deems needing additional oversight. This oversight, referred to as Enhanced Oversight, will require Caltrans District staff participation on project development team meetings, project plan verification at the time of CON allocation, local agency compliance with A&E procurement processes on SOF projects, and cross analysis of project reporting, delivery, and completion. Enhanced-oversight designation will be performed by Caltrans HQ staff at time of programming.

Caltrans will verify that the full project scope approved by the CTC is included in the PS&E as part of the Construction (CON) allocation, final payment, and project close out.

25.5.1 General Requirements and Procedures for All Programs

Allocation

A funding allocation request can be submitted after a project is adopted or amended into the program by submitting a request for funding allocation to the DLAE (LAPG 25-A). If the project will be implemented by an agency other than the applicant, the allocation request must include a copy of the Memorandum of Understanding or Interagency Agreement between the project applicant and the implementing agency.

In compliance with Section 21150 of the Public Resources Code,

- CTC will not allocate funds for design, right of way, or construction prior to documentation of environmental clearance under CEQA.
- CTC will not allocate funds for design, right of way, or construction of a federally-funded project prior to documentation of environmental clearance under NEPA.
- CTC will only approve the allocation in whole thousands of dollars if the funds are available and are necessary to implement the project as included in the adopted programs.

The implementing agency is the lead agency under CEQA and provides CEQA approvals and clearances. Caltrans is only involved in the review of local agency CEQA documents that impact a State route through the Intergovernmental Review (IGR) planning process.

Allocation requests for construction funds will only be approved if a project is ready to advertise. For ready-to-advertise projects, CTC requires the project's PS&E package to be complete, environmental and right of way clearances secured, and all necessary permits and agreements (including railroad construction and maintenance) executed.

For projects that require a Baseline Agreement, no allocation request for PS&E, R/W acquisition, and/or construction will be approved prior to the execution of a completed baseline agreement.

Implementing agencies must submit their requests for allocation to the DLAE prior to each CTC meeting per the CTC Preparation Calendar (typically 60 days prior to upcoming CTC meeting). For federally-funded projects, include Exhibit 25-H: State/Federal Finance Letter in the allocation request package. For State-Only Funded (SOF) projects, include Exhibit 25-C: State-Only Finance Letter in the allocation request package. CTC will consider allocation of funds for a project or project component when it receives an allocation request and recommendation from Caltrans. Caltrans' recommendation will include a determination of the project readiness, the availability of funding, and a recommendation on the source of funding.

All funding allocations are subject to the Timely Use of Funds provisions as described in this section. Generally, allocations must be requested and approved prior to the start of reimbursable work, and the implementing agency must not award the contract for a project until CTC has allocated the construction funds for the project.

Implementing agencies requesting federal and/or state funds must provide the following information in the Request for Funding Allocation:

Project Identification - the project identification number (PPNO), the project name and location, and the Assembly and Senate Districts. Note: PPNOs, and project numbers are issued by Caltrans. Regional agencies are required to request PPNOs at the time of project programming. Project numbers are issued by Caltrans upon project initiation.

Description of Proposed Improvement - a detailed description of the project scope must match the information listed in the Project Programming Request. If the project scope description has changed from the original Project Programming Request, attach written concurrence from all the project partnering agencies and the RTPA after going through the scope change process.

Outputs/Outcomes - an Output is an action(s) to be taken or product (i.e., adding a number of new miles of lanes) and Outcomes can be described as quantifiable benefits or results (i.e., improved travel time by a number of minutes).

Fund Allocation Summary - the total amount of funding allocation including project programmed amounts by fiscal year, and the amount of previous and current fund allocations (by project component).

Project Funding Plan by Fiscal Year - the type of program funding, identification of all other sources of funding, and any specified funding conditions. If expenditures and reimbursement will extend beyond the fiscal year of allocation, provide a schedule by fiscal year of anticipated cash flow.

Request for Additional Funding - if the request exceeds the amount programmed for any component, provide information on the amount of additional funding required and justification for the addition. Not all programs allow for cost increases, see Section 25.3 Funding.

Status of Project - status of environmental studies, right of way certification, and estimated ready-to-advertise dates.

Estimated Timely Use of Funds Deadlines - the estimated deadlines for the various timely use of funds deadlines are based on the requested funding-approval date (date of CTC meeting). Caltrans will identify the actual deadlines when the requested funding is approved.

Projects with federalized funding are required to obtain Authorization to Proceed and establish the date for the start of reimbursable work. To initiate the Authorization to Proceed for any phase of a federally-funded project, the local agency must prepare a Request for Authorization to Proceed (RFA) package per LAPM Chapter 3. This package provides the information needed by Caltrans and the FHWA to formally authorize the start of each phase of reimbursable work, prepare the project agreement(s) and set up the project in the federal and state accounting systems.

It is encouraged to submit a Request for Authorization to Proceed package concurrently with a request for CTC allocation of federal funds.

1. Local agency completes and submits package for State Allocation Request and package for federal Request for Authorization (RFA) to District Local Assistance Engineer (DLAE).
2. DLAE reviews both Allocation Request and RFA for completeness and accuracy.
3. If both Allocation Request and RFA are complete and accurate, the DLAE will submit both to HQ Office of Implementation simultaneously within CTC's published Preparation Schedule, and with a note on the E-76 FADS FUNDSUM Screen Status Comment field: "On Hold for CTC Allocation."
    - If only the Allocation Request is complete and accurate, the DLAE submits it to HQ Office of Implementation within the CTC's published Preparation Schedule.
    - If only RFA is complete and accurate, the DLAE submits it to HQ Office of Implementation and notes in FADS FUNDSUM Screen Status Comment field: "On Hold for CTC Allocation".
4. Upon receipt of the Allocation request, HQ Office of Project Implementation will review and process it according to the CTC's published Preparation Schedule.
5. Upon receipt of the RFA (E-76), HQ Office of Project Implementation will review and process it. Office of Implementation will transmit Allocation receipt to FHWA only after the CTC allocates the funds for the project and posts the Actions Taken Report on its website. HQ Office of Implementation will monitor these E-76s as the corresponding allocation requests make their way through the allocation process.
6. If CTC does not allocate the funds for the project, and/or if the project cannot be authorized by FHWA, HQ Office of Implementation will return the Allocation Request and/or RFA to the DLAE and the implementing agency will be informed and advised what corrective actions are necessary. The DLAE will resubmit the Allocation Request and/or RFA to HQ Office of Implementation at a future date coinciding with CTC allocation.
7. The CTC approves the Allocation Request, and FHWA approves the implementing agency's RFA.
8. If not previously executed, Caltrans and the implementing agency enter into an Administering Agency-State Master Agreement for federal-aid projects and/or state-only funded projects. Caltrans and the implementing agency execute the Program Supplement Agreement.

9. HQ Office of Implementation sends an executed allocation letter to the DLAE.
10. The DLAE sends an "Authorization to Proceed" notification to the implementing agency as verification that they may begin with that phase of the project and subsequently be eligible for reimbursement.

Note: i. Caltrans does not verify the implementing agency's capability to accomplish the specific project component as part of the allocation procedures. Instead, Caltrans maintains a process review program as the main method for determining if implementing agencies are in compliance with all applicable federal and state laws, related regulations, and procedures. If deficiencies are identified in a process review, implementing agencies, under sanctions imposed by Caltrans, may not be allowed to administer new projects until corrective action has been implemented.

ii. If the RTPA's governing board passes a resolution requiring their approval prior to submittal to Caltrans, the implementing agency must provide written evidence of such approval on the Funding Allocation Request.

Baseline Agreement

The Baseline Agreement sets forth the agreed-upon expected benefits, project scope, schedule, and cost, and provides a benchmark for comparison to the current status of the project and the forecast of conditions under a no-build scenario. The Baseline Agreement is considered the front-end document that forms the foundation for CTC's in-progress and follow-up accountability. The Baseline Agreement is due six months after the implementing agency files of a notice of exemption or files a notice of determination pursuant to CEQA. The Baseline Agreement is required prior to begin work on PS&E, right of way, and construction phases.

Project Baseline Agreements are required for some of the programs listed below and sample template can be found at CTC's webpage.

- ATP projects with a total project cost of $25 million or greater or a total programmed amount of $10 million or greater.
- LPP- Competitive projects with a total project cost of $25 million or greater or a total programmed amount of $10 million or greater.
- All projects programmed in SCCP and TCEP.

If a project that initially falls below the aforementioned threshold later increases to equal or exceed the threshold requirements, a Baseline Agreement will be required within 60 days of when the change is identified.

A Baseline Agreement will be amended if a project receives additional state funds in a subsequent programming cycle, if there is a change in the responsible parties, or at the discretion of CTC.

Each Baseline Agreement must be signed by a duly authorized officer (ex: board chair, executive director) of the applicant and the implementing agency, Caltrans Director, and the CTC Executive Director. CTC may delete a project for which no Baseline Agreement is executed. Caltrans will update the Master Agreement consistent with program guidelines and executed Baseline Agreements.

Amendment for Scope, Schedule, and Cost

The implementing agency is required to complete the project as programmed and as represented in the scope of work identified in the original CTC approved project application,

unless an Amendment(s) Request has been submitted to Caltrans for review and approved by CTC.

Amendment requests include scope changes, cost changes, schedule changes, programming a new project, deprogramming fund-matching project(s) funding from a programmed project, and deleting a programmed project.

- Scope Changes – Caltrans should be notified as soon as possible of a change in project scope. Scope changes rise to three distinct levels- design modifications, minor scope changes, and major scope changes.
    - If the proposed changes do not impact the project's benefits and vary slightly from the original scope, they may be deemed a Design Modification (e.g. same termini and project length, similar traffic calming measures). These will have to be documented and kept in the project file once Caltrans staff approves the changes.
    - If the change is minor (e.g., the scope change has minimal impact to the project benefits, or the scope change increases the benefits of the project). CTC staff may approve a minor scope change for ATP projects. For other programs, CTC staff will present recommended changes to the Commission as a part of the project allocation request.
    - If the change is significant, and the project benefits decrease, then the request will be considered a major scope change. CTC staff will evaluate the proposed changes and present the request to the Commission to make a determination to continue funding the project or to delete the project from the program through a formal amendment.
- Cost Changes – No state programs except STIP will participate in cost increases to projects. If there is a change in the cost estimate, CTC should be notified as soon as possible in writing explaining the change and the plan to cover the increase. A revised PPR form identifying the source of funding must also be included in the amendment request.
    - Savings at contract award may be used to expand the scope of the project only if the expanded scope provides additional quantifiable benefits. The expanded scope must be approved by CTC staff prior to contract award.
- Schedule Changes – Schedule changes to a project will not be considered unless a time extension was approved by CTC.

Implementing agencies must receive the approval of all the project partnering agencies before submitting amendment requests to Caltrans. All amendment requests should be submitted to the appropriate Caltrans district at least eight weeks prior to each CTC meeting and include documentation that supports the requested change and its impact on the scope, cost, schedule, and benefits. A complete request should include, but is not limited to, the following:

- A cover letter from all the project partnering agencies with a summary of the proposed change.
- An explanation from the implementing/responsible agency clearly identifying the need and/or reason for the programming change, the extraordinary circumstances that led to the request with a detailed background of the project.
- The consequences if the request is not approved.

- Assurances of full funding for the project and/or an explanation of future funding needs, if applicable.
- The impact the proposed change would have to the project.
- An estimate of the impact the proposed change would have on the potential of the project to deliver the project benefits as compared to the benefits identified in the project application (increase or decrease in benefits) and an explanation of the methodology used to develop the aforementioned estimate.
- An updated and completed PPR form, including the Project Programming Number (PPNO).
- Location map(s).

Caltrans will review the proposed amendment change and forward it with Caltrans' written analysis and recommendation to CTC for final approval.

Construction Signage

The implementing agency must, for all SB 1 funded projects, include signage stating that the project was made possible by SB 1 – The Road Repair and Accountability Act of 2017. The signage should be in compliance with applicable federal or state law, and Caltrans' manual and guidelines, including but not limited to the provisions of the California Manual on Uniform Traffic Control Devices.

Project Reporting

The purpose of all required reports is to ensure that the project is executed on time and is within the scope and budget identified at the time of programming. All reporting provisions specified in the SB1 Accountability and Transparency Guidelines apply to the projects programmed in ATP, LPP, SCCP, and TCEP, including the report content, submission timeline, and consequences for noncompliance.

For all programs subject to the Baseline Agreement requirement (ATP, TCEP, SCCP, and LPP-Competitive), the progress report will include the following:

- Current budget, schedule, scope, and expected benefits as compared to an approved Baseline Agreement, an approved scope change or at the time the project was adopted into the respective program. A status of the construction or consultant contract award is required, if applicable.
- A summary describing any changes pending approval to the scope, cost, schedule, and expected benefits of the project and a corrective action plan if necessary, since the last report.
- Incurred expenditures to date for all project components, with the SB 1 Program funds identified separately.
- Identification and discussion of any significant issues that may affect implementation of the project including, but not limited to, financial constraints and commitments, and risks and impacts.
- Status of the Completion and Final Delivery Reports submittals for completed projects or completed project segments. This requirement will apply to all projects in the SB 1 Programs. See the Follow-up Accountability section of SB1 Accountability and Transparency Guidelines for more details.

All implementing agencies must submit regular and timely project updates through CalSMART to Caltrans. Implementing agencies should also refer to the Local Assistance website for more details on ATP projects. Consequences for noncompliance include, but are not limited to, the following:

- Written warning
- Request to appear before the Commission
- Placement on a Project Watch List
- For the most egregious situations:
    - Ineligibility for future allocations or programming actions
    - Reduced reimbursements

Reimbursement and Invoice

All state programs are reimbursement programs for eligible costs incurred. An agency may begin incurring eligible costs upon allocation; however, reimbursement is dependent upon entering into an agreement with Caltrans. Costs incurred prior to CTC allocation and, for federally-funded projects, FHWA Project Authorization approval are not eligible for reimbursement. Refer to LAPM Chapter 3: Project Authorization. Reimbursement may be affected if the implementing agency does not complete the project as indicated in the original application (refer to LAPM Chapter 5: Invoicing).

Generally, the earliest date for which work may be reimbursed is the date project funds are allocated by the CTC unless the local agency has previously submitted a project allocation request that includes a notice of the agency's intent to expend its own funds for the project prior to the allocation approval. In that case, if the agency has complied with all other applicable statutes and regulations, the CTC's allocation will specify the date of earliest reimbursement based on the original notification date. Not all state programs allow for early reimbursable work dates. Caltrans will issue an allocation letter that states the effective date for the start of reimbursement for the particular project component. If federal funds are included in the allocation, an E-76 is required for all federal-aid projects, the earliest date of reimbursement will not be earlier than the date of approval of the Federal Authorization to Proceed (E-76).

Note: Beginning work prior to allocation does not protect funds subject to the timely use of funds rules. Work performed prior to the adoption of the project or project component in the state programs is not eligible for reimbursement.

After CTC allocates the funds, and if applicable FHWA authorizes the funds, and the start of reimbursable work has been authorized with an effective date, the following actions must be completed before the local agency can actually be reimbursed for the work:

1. Appropriation of funds in the Budget Act.
2. Project-specific agreement(s) is/are prepared and executed – execution of the Program Supplement Agreement (PSA) will be deemed a contractual obligation by the State for the payment of the state share of the project for eligible costs incurred after the effective date. Actual reimbursement for the eligible cost of work cannot occur in advance of entering into PSA and, for federal projects, execution of the E-76 document.
3. LPA submits progress invoices to DLAE.

CTC Guidelines also stipulates the requirements for timely submittal of invoices. The implementing agency must invoice Caltrans for reimbursement in accordance with the timely use of funds deadlines described in this section below. Invoices must be submitted no more frequently than monthly to minimize the administrative costs to the State and local agency. Implementing agency progress invoices must be submitted to the appropriate DLAE for review and approval to pay. Following District review, the progress invoices will be forwarded to the Division of Accounting for review and concurrence at the following address:

Department of Transportation
Division of Accounting, MS 33
Local Program Accounting Branch
P.O. Box 942874
Sacramento, CA 94274-0001

The implementing agency must invoice Caltrans for eligible project development and right of way costs no later than 180 days after the end of the last eligible fiscal year of expenditure.

For construction costs, the implementing agency has 180 days after project completion to make the final payment to the contractor and prepare the final Report of Expenditures and final invoice and submit to Caltrans for verification and payment.

These requirements are also referenced in the Local Agency-State Agreement (Master Agreement). Extension of the deadline for submittal of the final invoice may be approved by Caltrans to accommodate the settlement of contract claims. For further information regarding invoice processing refer to LAPM Chapter 5: Invoicing and LAPM Chapter 17: Project Completion.

Timely Use of Funds

Timely Use of Funds – The timely use of funds provisions enacted by SB 45 for STIP and CTC Guidelines for other state programs are intended to encourage local and regional agencies to accurately program, monitor, and deliver projects in a timely manner. Caltrans will provide reports to CTC on regular basis for projects which have not been awarded or transferred to FTA within six months of the date of the construction allocation approval. Whenever allocated funds are not encumbered by the award of a contract or transfer to FTA, or expended within the deadlines specified below, all unencumbered, not transferred, or unexpended funds from the allocation will be rescinded.

There are several deadlines that must be met:

- Project Funding Allocation – project components must be allocated in the year in which they are programmed.
- Project Expenditure – project expenditures for PA&ED, PS&E, or R/W must occur by the end of the 2nd fiscal year following allocation.
- Project Contract Award – construction contracts must be awarded within six months of the construction and construction non-infrastructure allocations. Please fill out Exhibit 25-O: Award Information for state funded projects and notify Caltrans districts when construction contracts are awarded. Notification is required within 60 days of contract award. Refer to LAPM Chapter 15: Advertise and Award Project for more details. Projects not awarded within four months are required to be reported to the CTC on a monthly basis.

- Project Completion – After award of the contract, the implementing agency has up to 36 months to complete (accept) the contract. At the time of construction fund allocation, agencies may request additional time beyond the 36 months. Justification from the agency at the time of CON allocation will be required. CTC may extend the deadline for completion of work and the liquidation of funds, if necessary, to accommodate the proposed expenditure plan for the project. The implementing agency must invoice Caltrans for these costs no later than 180 days after the project completion in which the final expenditure occurred.

While the Timely Use of Funds or T.U.F. process mentioned in this section applies to projects originating from state programs, Project Inactivity applies to FHWA funds (federalized state program funding)

Project Inactivity – Once federal funds for a project are encumbered, implementing agencies are expected to invoice on a regular basis (for federal funds, see 23 CFR 630.106 and the Caltrans' Inactive Obligation Policy). Failure to do so will result in the project being deemed "inactive" and subject to de-obligation and deallocation if proper justification is not provided. It is the implementing agencies' responsibility to work in collaboration with their respective DLAE to ensure their federally-funded projects are invoiced timely. For more details refer to LAPM Chapter 5: Invoicing.

AB 1012 – Assembly Bill 1012 (AB 1012) was enacted in October 1999 with a goal of improving the delivery of transportation projects. The legislation states that regional agency RSTP and Congestion Mitigation and Air Quality Improvement (CMAQ) funds that are not obligated within the first three years of federal eligibility are subject to reprogramming by the CTC in the fourth year. If the STIP project involves RSTP or CMAQ funding, "use it or lose it" fund rules apply to the apportioned federal funds. Guidelines for these fund rules can be found on the Local Assistance website.

Interim T.U.F – In case of catastrophic events, the CTC has the right to adopt interim guidelines to address the impact these catastrophic events may have on project delivery. The CTC has issued an Interim T.U.F. to address the impact from the COVID-19 Pandemic and Executive Order N-33-20. For information refer to the 2020 Interim Timely Use of Funds Policy, Resolution G-20-84. In addition, refer to the CTC website for any future interim guidelines.

Where a project component will not be ready for allocation as programmed in the current fiscal year, the implementing agency should request an extension of the allocation deadline rather than a project amendment.

Upon the request of the regional agency or the implementing agency, CTC may extend the deadlines for allocation of funds, for award of a contract, for expenditures for project development or right of way, or for contract completion no more than one time, and only if it finds that an unforeseen and extraordinary circumstance beyond the control of the implementing agency has occurred that justifies the extension. CTC may consider the extension of each of these deadlines separately.

The extension request must describe the specific circumstance that justifies the extension and identify the delay directly attributable to that circumstance and provide a timeline to justify the number for months requested. All requests for project delivery deadline extensions must be submitted directly to the appropriate Caltrans district:

- Except for the extension of funding allocation, the implementing agency must submit the time extension request for any of the deadlines specified above before the expiration

date and at least 60 days prior to the specific deadline for which the particular extension is requested.

- For extension of funding allocation, the time extension must be approved by CTC by June 30th of the year the funds are programmed, otherwise the funds will lapse or be redistributed. Time extension requests should be submitted directly to the appropriate Caltrans district at least 60 days prior to the CTC meeting.

Caltrans will review extension requests and forward them to CTC for approval.

Implementing agencies must use the LAPG 25-A to submit time extension requests for allocation, contract award, expenditure, and project completion.

The amount of additional time an implementing agency may request for their project, is limited to what is permitted in the CTC Guidelines. See Table 1 for extension summary.

Table 1 – Summary of Time Extensions

Program	STIP Timely Use of Funds	ATP Timely Use of Funds	LPP Timely Use of Funds	TCEP Timely Use of Funds	SCCP Timely Use of Funds
Authority	SB45 of 1997	SB99 / AB101 / SB1	SB1	SB1	SB1
Possible Extensions	CTC may approve up to **20**-month extension for each of the deadlines.	CTC may approve up to **12**-month extension for each of the deadlines, except Allocations. Allocations can be requested up to **20**-months.	CTC may approve up to **12**-month extension for each of the deadlines, except Project Completion. Project Completions can be requested up to **20**-months.	CTC may approve up to **12**-month extension for each of the deadlines, except Project Completion. Project Completions can be requested up to **20**-months.	CTC may approve up to a **12**-month extension for CON Allocation and Contract Award. Project Completion can be requested up to **20**-months.
Number of Extensions Allowed	One extension per phase per type, i.e., **ALLOCATIONS** • PA&ED, PS&E, R/W, CON **EXPENDITURE** • PA&ED, PS&E, R/W **AWARD** • CON **COMPLETION** • CON	One extension per phase per type, i.e., **ALLOCATIONS** • PA&ED, PS&E, R/W, CON **EXPENDITURE** • PA&ED, PS&E, R/W **AWARD** • CON **COMPLETION** • CON	One extension per phase per type, i.e., **ALLOCATIONS** • PA&ED, PS&E, R/W, CON **EXPENDITURE** • PA&ED, PS&E, R/W **AWARD** • CON **COMPLETION** • CON	One extension per phase per type, i.e., **ALLOCATIONS** • PA&ED, PS&E, R/W, CON **EXPENDITURE** • PA&ED, PS&E, R/W **AWARD** • CON **COMPLETION** • CON	One extension per phase per type, i.e., **ALLOCATIONS** • CON **AWARD** • CON **COMPLETION** • CON

25.5.2 State Transportation Improvement Program (STIP)

Allocation of Funds

Implementing agencies are responsible for submitting requests for funding allocations for their projects in the adopted STIP. A checklist was provided in Exhibit 25-N for preparing the request package.

If the amount requested is equal to or less than the programmed amount and the description and/or scope of the project does not change, formal concurrence from RTPA is not required. All requests to split or combine projects must be approved by the RTPA. CTC will consider making an allocation which exceeds the amount programmed in the STIP if a region has adequate reserves in the STIP, or if CTC finds it can approve an advance to the county share from STIP reserves.

An implementing agency may request to allocate a portion of the programmed amount. If the implementing agency elects to receive only a portion of the amount programmed for a project, the remainder will automatically return to the unprogrammed county share, unless the implementing agency and region clearly identify the balance or portion of the balance that is to remain programmed for a later allocation for the same project. Additional information on county share balances can be found in the CTC's STIP Guidelines.

Projects using design-build or design-sequencing procurement must be identified at the time of programming or as soon as possible prior to allocation. The allocation may be a combined amount to include design, right of way, and construction.

Projects using the Construction Manager/General Contractor (CMGC) delivery method should be identified at the time of programming. During the design phase, the CMGC contract costs are considered design phase expenditures. Upon award of the construction contract, expenditures will be reported as construction phase expenditures. The project will be programmed and allocated in the same manner as projects utilizing design-bid-build delivery, although flexibility in schedule, scope, and cost may be requested and approved consistent with allocation and programming capacity.

To ensure that local road rehabilitation projects meet CTC guidelines, the RTPAs must certify compliance prior to Caltrans processing requests for funding allocations. Exhibit 25-K: Local Road Rehabilitation Project Certification, is to be used for this purpose. Also provided is Exhibit 25-L: Pavement Management System (PMS) Certification, for those implementing agencies requesting funding for pavement rehabilitation projects with less than a ten-year service life.

If a project, or project component, is ready for implementation earlier than the fiscal year that it is programmed in the STIP, the implementing agency may request an allocation in advance of the programmed year. CTC may make an allocation in advance of the programmed year if it finds that the allocation will not delay availability of funding for other projects.

Special Requirements or Cases

Equipment Purchase – Rail equipment procurements are valid for six months from the date of allocation unless CTC approves an extension.

FTA Transfer – Federal highway transportation funds programmed and allocated for transit projects are considered obligated and are deducted from the State's federal obligation authority balances as soon as they are transferred to the FTA as described in Section 26 of the STIP Guidelines. Federal funds for such projects will be considered encumbered and expended upon completion of the fund transfer to FTA. State funds allocated to match the federal funds for such projects will be subject to the timely use of funds provisions. Any federal funds which were

transferred to FTA but not expended will be rescinded as State Highway Account revenue with no adjustment to county shares. Any State match funds which were allocated but not expended will also be rescinded with no adjustment to county shares.

If the STIP funds are required for FTA transfer, the implementing agency must agree to comply with the following:

- Allocations are separated for each phase, with the transfer occurring after each allocation.
- Information to fulfill STIP reporting requirements will still be required.
- Projects will still be subject to auditing requirements of the program.

AB 3090 – Government Code Section 14529.7, as amended by AB 3090 (1992) allows two types of arrangements under which a local agency pays for the delivery of a STIP project with its own funds in advance of the year in which the project is programmed. Refer to Section 67A of the STIP Guidelines for more details and related requirements.

- The first arrangement is an implementing agency that advances the STIP project has another project or projects of equivalent value programmed in its place, and these arrangements are implemented by a STIP amendment designating the specified dollar amount for an “AB 3090 replacement project” without identifying the specific project to be implemented as the replacement.
- The second arrangement is an implementing agency that advances the STIP project is programmed to receive a direct cash reimbursement, and those arrangements are implemented by a STIP amendment that gives approval to Caltrans to execute a reimbursement agreement and programs the reimbursement for the fiscal year in which the project was scheduled in the STIP or a later year.

GARVEE Bonding – STIP projects proposed from either an RTIP or the ITIP may be selected for accelerated construction through GARVEE bonding. With the agreement of the applicant that proposed the project, CTC may designate a STIP project for GARVEE bonding even if the original RTIP or ITIP did not specifically propose GARVEE bonding. Refer to Section 67B of CTC’s STIP Guidelines for more details and related requirements.

SB 184 – Government Code Section 14529.17, as amended by SB 184 (2007) gives a regional or local implementing agency the option of starting work on a STIP project in advance of CTC Allocation. An implementing agency wanting to start work on a STIP project component ahead of allocation must:

1. Prior to first expenditure, submit a notification letter “Notice of SB 184 Project Start for Local STIP Projects” (Exhibit 25-M) to Caltrans District DLAE and CTC. The notification letter must state the approximate date that the proposed reimbursement work will commence. The letter must identify the specific STIP project to which the Government Code 14529.17 provisions will apply.
2. Get FHWA approval on E-76 prior to the start of reimbursable work or advertisement of a construction contract on federally-funded projects, regardless of the allocation request date. Refer to Section 64B of CTC’s STIP Guidelines for more details and related requirements.

County Share Balances and Adjustments – For the purposes of share balances, the amounts counted for local managed STIP projects will be the amounts actually allocated by the CTC. No adjustment will be made after the allocation vote for any amount not expended by the

implementing agency. However, at the time of allocation request, an implementing agency can request a transfer of the funds to another project phase. In order to provide a degree of flexibility to implementing agencies in administering projects, allocated funds may be shifted between project components without CTC action to accommodate cost changes within the following limits:

- Funds may be shifted between the two project development components (environmental studies and permits, and preparation of PS&E) up to the amount of allocation for each component.
- Funds may be shifted between project development, right of way, and construction, limited to within 20% of the amount allocated for either component. This means that the amount transferred by the implementing agency from one component to another may be no more than 20% of whichever of the components has received the smaller allocation from the CTC.

To take advantage of shifting allocated funds, an implementing agency must complete a revised Finance Letter and submit it to the Caltrans DLAE for review (see Exhibits 25-C and 25-H). The Finance Letter will then be forwarded to HQ Local Assistance, Office of Project Implementation, which will process a fund transfer letter and forward both to Local Program Accounting. The implementing agency will receive the original fund transfer letter acknowledging that the transfer has taken place.

County share balances will be based on the amounts allocated for each component. So, shifting of allocated funds between project components will not impact county share balances.

Amendment for Scope, Schedule, and Cost

All regional requests for STIP amendments must be submitted directly to the appropriate Caltrans district and Caltrans will review proposed amendments and forward them to CTC for public notice and action. CTC will amend the STIP only after providing at least 30 days public notice. Projects proposed by amendment will be subject to the same standards and criteria that apply to RTIP and ITIP proposals. Each amendment will designate from which county share(s) or interregional share the project is being funded, and CTC will adjust share balances accordingly. An amendment may not create or increase a county share surplus unless CTC finds that it can approve an advance of the county share. The RTPA may request the CTC to amend the STIP to increase the programmed amount.

For each amendment that would delay the year of construction, the agency requesting the amendment should submit, in conjunction with the amendment request, a project construction STIP history. The request should also identify any cost increase related to the delay and how the increase would be funded. The STIP history should note the original inclusion of project construction in the STIP and each prior project construction STIP amendment including, for each, the amendment date, the dollar amount programmed for construction, and the scheduled year of construction delivery. It is CTC's intent to review this history when considering a STIP amendment that would delay the year of construction.

If local or non-STIP funds are involved in the project, please clearly identify the funding source. Examples of non-STIP funding sources include RSTP, CMAQ, Highway Bridge Program (HBP), Federal Transit Administration (FTA), Federal Demonstration/High Priority, Measure/Proposition funds, etc.

CTC will not amend the STIP:

- to delete or change the program year of the funding for any project component after the beginning of the fiscal year for which it is programmed (except for the adjustments at the time of allocation described in Section 65 of the STIP Guidelines); or
- to change the programming of any funds after they have been allocated.

RTIP Progress Reports

Each regional agency must, in its RTIP, report on all STIP projects completed between the adoption of the RTIP and the adoption of the previous RTIP. The report must include a summary, by component and fund type, of the funds programmed, allocated, and expended at the time the construction contract was accepted. For projects with a total cost of $50 million or greater or a total STIP programmed amount (in right of way and/or construction) of $15 million or greater, the reports must also include a discussion of the project benefits that were anticipated prior to construction compared to an estimate of the actual benefits achieved. The regional agency may elect to defer the reporting of project benefits if it believes such a deferral is needed to better assess the project benefits. If reporting is deferred, the regional agency must include a list of all the projects for which reporting has been deferred and indicate when it anticipates reporting.

Monthly Status of Construction Contract Award – Per Resolution G-06-08, adopted June 8, 2006, Caltrans is required to report monthly to the CTC on the status of construction contracts that are not awarded within four months. The monthly report is presented to the CTC as a monthly book item on the meeting agenda. The report specifies if an agency is on track to award a construction contract by the deadline, or if the agency will be requesting a time extension.

Extensions

For each request to extend the deadline to allocate project construction funds, the agency requesting the extension should submit, in conjunction with the request, a project construction STIP history. The request should also identify any cost increase related to the delay and how the increase would be funded. The STIP history should note the original inclusion of project construction in the STIP and each project construction STIP amendment (the amendment date, the dollar amount programmed for construction), and the scheduled year of construction delivery. It is CTC's intent to review this history when considering a construction allocation extension request. Unlike proposed STIP amendments, extension requests do not require a 30-day notice period.

25.5.3 Active Transportation Program (ATP)

Allocation of Funds

Projects will not receive construction allocation until any pending Scope Change Requests for the project are resolved, and the project's PS&E package agrees with the CTC-approved scope of work. The implementing agency must not award the contract for a project until CTC has allocated the construction funds for the project.

Allocation requests for an MPO-selected project must include a recommendation from the MPO.

Special Requirements or Cases

FTA or BIA transfer – ATP funds are eligible for FTA and BIA transfers. An implementing agency must notify Caltrans as early as possible following programming, so that funding eligible

for transfer from FHWA to FTA or BIA can be assigned in a timely manner to the project. Caltrans will make a recommendation to CTC regarding the readiness of the project for allocation. The implementing agency should submit the FTA or BIA transfer form to Caltrans along with their allocation request:

- Allocations must be separated for each phase, with the transfer occurring after each allocation.
- Information to fulfill ATP reporting requirements will still be required.
- Use of Corps will still be tracked by Caltrans on transferred projects.
- Projects will still be subject to auditing requirements of the program.
- Projects will still be subject to other ATP requirements for scope, schedule, funding distribution, and cost amendments.

Non-Infrastructure Projects – All non-infrastructure projects must comply with the Non-Infrastructure Program Guidance.

Letter of No Prejudice (LONP) – CTC will consider approval of a Letter of No Prejudice (LONP) to advance a project programmed in ATP. Approval of LONP will allow the implementing agency to begin work and incur eligible expenses prior to allocation. The LONP Guidelines are available on the CTC's website. When beginning work ahead of CTC allocation, the Request for Authorization to Proceed Package (E-76) must be approved by the FHWA prior to the start of reimbursable work or advertisement of a construction contract on federally-funded projects, regardless of the allocation request date.

Design Standards – Streets and Highways Code Section 891 requires that all city, county, regional, and other local agencies responsible for the development or operation of bikeways or roadways where bicycle travel is permitted utilize all minimum safety design criteria established by Caltrans, except that an agency may utilize other minimum safety design criteria if specific conditions are met, as described in Streets and Highways Code Section 891(b). LAPM Chapter 11: Design Standards describes statewide design standards, specifications, procedures, guides, and references that are acceptable in the geometric, drainage, and structural design of agency projects.

Partnering with Conservation Corps – Implementing agencies are encouraged to partner on their ATP projects with the California Conservation Corps (CCC), a certified community conservation corps as represented by the California Association of Local Conservation Corps (CALCC), or the Tribal Corps (TC), if applicable. When the ATP application asserts use of the CCC, CALCC, or TC on the project, the implementing agency must:

- Obtain and keep, in their project file, an itemized estimate of the proposed work received from the CCC, CALCC, or TC;
- Provide a copy of the respective partnering agreement in their Request for Allocation submittal package

For federally-funded projects, if the implementing agency follows 23 CFR 635.204 and can demonstrate cost effectiveness, direct contracting with the CCC, CALCC, or TC, without bidding is permissible. Cost effectiveness may be demonstrated by submitting a Public Interest Finding (PIF) to the DLAE, LAPM Exhibit 12-F: Cost-Effectiveness/Public Interest Funding. DLAE approval of the PIF must be obtained by the implementing agency **before** construction begins.

Implementing agencies committing to partner with the CCC, CALCC, or TC in their ATP project application, then failing to do so, may receive a point reduction on the score of future ATP applications.

Amendment for Scope, Schedule, and Cost

Scope Changes – An implementing agency is encouraged to contact either the district ATP coordinator or their district area engineer as soon as they believe an ATP project may need a scope change. After discussing the issue with district staff, there will likely be a teleconference with the HQ ATP Manager. If a scope change is needed, the implementing agency must submit the Exhibit 25-D: Request for Project Scope Change and supporting documents. Refer to Exhibit 25-D1: Instruction for Request for Project Scope Change for detailed instructions on completing the scope change request. The Scope Change Request package should be submitted to the District ATP Coordinator, the implementing agency's district area engineer, and/or the DLAE.

Funding Distribution Changes – Agencies may request to move amounts between programmed phases (PA&ED, PS&E, R/W, and Construction). Moving funds between phases will not increase the total programmed amount. The agency must show that the project is still fully funded and that the benefit of the project will remain the same or increase. All funding distribution change requests must be considered by CTC for approval. When preparing a request for a Funding Distribution Change, agencies should consider the following:

- The request cannot be made in the same State fiscal year in which the funds have been programmed.
- The funds that are part of the request cannot have been allocated.
- Funds programmed in construction cannot be moved out of construction.
- An agency can only request a Funding Distribution Change once during the life of the project. Agencies should consider waiting until after the environmental review has been completed to submit a Funding Distribution Change.

The Request for Funding Distribution Change (Exhibit 25-G with the instructions found in Exhibit 25-G1), and any supporting documents including the information listed below, should be submitted to the District ATP Coordinator, the implementing agency's district area engineer and/or the DLAE:

- A revised PPR form that outlines the proposed Funding Distribution Change.
- The reason for the proposed Funding Distribution Change.
- The impact the proposed change would have on the overall cost of the project. The project must remain fully funded.
- A discussion of whether the Funding Distribution Change will affect the benefit of the project as described in the project application.

Project Reporting

An implementing agency administering a project in the MPO-selected portion of the program is required to also submit copies of all of its reports to the MPO. However, all implementing agencies are encouraged to submit copies of their reports to their MPO or RTPA.

Reimbursement

An implementing agency wanting to advance project delivery may request an advanced allocation from the CTC. CTC will allocate funds to projects programmed in future fiscal years, on a first-come, first-served basis. In general, advancement requests are preferred over the LONP process.

25.5.4 Local Partnership Program (LPP)

Allocation of Funds

Where the project is to be implemented by an agency other than the taxing authority, the allocation request must be signed by the implementing agency.

Allocated LPP- Formulaic Funds may be shifted between project components to accommodate cost changes within the following limits:

- Any amount that is allocated for PA&ED may also be expended for PS&E.
- The amount transferred by an implementing agency from one component to another should not be more than 20% of whichever of the components has received the smaller allocation from CTC.
- Shifting of allocated funds between components will not impact the formulaic funding balances. Implementing agencies must receive the approval of all the project partnering agencies before submitting allocation adjustment requests to Caltrans.

The implementing agency must not award the contract for a project until CTC has allocated the construction funds for the project.

Special Requirements

Letter of No Prejudice (LONP): CTC will consider approval of a LONP to advance a project programmed in the LPP. Approval of the LONP will allow the implementing agency to begin work and incur eligible expenses prior to allocation. The LONP Guidelines are available on CTC's website. When beginning work ahead of CTC allocation, the Request for Authorization to Proceed Package (E-76) must be approved by the FHWA prior to the start of reimbursable work or advertisement of a construction contract on federally funded projects, regardless of the allocation request date.

Workforce Development Requirements – Pursuant to Streets and Highways Code Section 2038, by July 1, 2023, agencies receiving Road Maintenance and Rehabilitation Account funds (SB 1 Funds) will need to describe how projects will address participation and investment in new or existing pre-apprenticeship training programs that focus on outreach to women, minority participants, underrepresented subgroups, formerly incarcerated individuals, and local residents to access employment opportunities. Therefore, this information should be included in the semi-annual reports submitted to Caltrans.

Amendment for Scope, Schedule, and Cost

For projects programmed in the last year of the LPP, the implementing agency may request to reprogram the project only once with justification. CTC may approve the request only if it finds that an unforeseen and extraordinary circumstance beyond the control of the responsible agency has occurred that justifies the change at the time the LPP is adopted.

25.5.5 Trade Corridor Enhancement Program (TCEP)

Allocation of Funds

In compliance with Section 21150 of the Public Resources Code, CTC will not allocate funds for PS&E, R/W, or construction prior to documentation of environmental clearance under the CEQA, and if applicable NEPA. Exceptions to this policy may be made in instances where federal law allows for the acquisition of right of way prior to completion of NEPA review.

The implementing agency must not award the contract for a project until CTC has allocated the construction funds for the project.

Special Requirements

Letter of No Prejudice (LONP): CTC will consider approval of a LONP to advance a project programmed in the TCEP. Approval of the LONP will allow the implementing agency to begin work and incur eligible expenses prior to allocation. The LONP Guidelines are available on CTC's website. When beginning work ahead of CTC allocation, the Request for Authorization to Proceed Package (E-76) must be approved by the FHWA prior to the start of reimbursable work or advertisement of a construction contract on federally-funded projects, regardless of the allocation request date.

Amendment for Scope, Schedule, and Cost

For projects programmed in the last year of the TCEP programs, the implementing agency may request to reprogram the project only once with justification. CTC may approve the request only if it finds that an unforeseen and extraordinary circumstance beyond the control of the responsible agency has occurred that justifies the change at the time TCEP is adopted.

Progress Reports

The National Highway Freight Program funds administered under the TCEP will be subject to the National Performance Management Measures for assessing Performance of Freight Movement. These are FHWA Performance Measures used to help identify needed transportation improvements and monitor their effectiveness. Contact Caltrans' Division of Transportation Planning for further information.

25.5.6 Solutions for Congested Corridors Program (SCCP)

Allocation of Funds

The implementing agency must not award the contract for a project until CTC has allocated the construction funds for the project.

Special Requirements

Letter of No Prejudice (LONP): CTC will consider approval of a LONP to advance a project programmed in the SCCP. Approval of the LONP will allow the implementing agency to begin work and incur eligible expenses prior to allocation. The LONP Guidelines are available on CTC's website. When beginning work ahead of CTC allocation, the Request for Authorization to Proceed Package (E-76) must be approved by the FHWA prior to the start of reimbursable work or advertisement of a construction contract on federally-funded projects, regardless of the allocation request date.

Amendment for Scope, Schedule, and Cost

For projects programmed in the last year of the SCCP programs, the implementing agency may request to reprogram the project only once with justification. CTC may approve the request only if it finds that an unforeseen and extraordinary circumstance beyond the control of the responsible agency has occurred that justifies the change at the time SCCP is adopted.

25.6 Project Completion

The closeout process to be followed must be consistent with existing processes now in place for ongoing transportation programs. Several actions must take place during the project close-out process:

1. Final Inspection by Local Agency: the implementing agency representative or his/her staff must make the final inspection, and the inspection of work performed under contract must be made sufficiently in advance of contract acceptance to allow time for possible corrective action.
2. Project Verification: if deemed necessary, Caltrans will field review and verify that the project was constructed in accordance with the scope and description of the project authorization document.
3. Final Project Deliverables: the implementing agency submits final invoice and report etc. These deliverables provide key information required to initiate timely project closure and payment.
4. Caltrans Approval: Caltrans will review the final deliverables, and the project will be closed once the final deliverables are approved.

If a project utilizes federal-aid funds, the Federal Report of Expenditures must be completed, and federal completion process must be followed. For further information regarding Completion process, refer to LAPM Chapter 17: Project Completion.

25.6.1 State Transportation Improvement Program (STIP)

Cost Savings

Proposition 1B augmented STIP and created Transportation Facilities Account (TFA). TFA now represents the unallocated funds and closeout savings from STIP projects.

Closeout

Upon acceptance of a completed project and within 180 days, the implementing agency is responsible for preparing and submitting to Caltrans the final report documents including the final invoice, final inspection form, and the Report of Expenditures or Project Close-Out Report. The reports should describe any change to the project and the reason for such change, when compared to the original scoping document.

Caltrans will review the completed project and verify that it was completed in accordance with the scope and description of the project authorization documents before processing the final invoice. The implementing agency is responsible for maintaining written source document records that identify its own costs and project development payments made to consultants, vendors, and contractors. Contract records must be retained by the implementing agency for a minimum period of three years from the date of final payment.

Audit

Local agencies receiving federal funds are subject to the audit requirements of the Federal Office of Management and Budget's Circular A-133. From 2019, a single audit is required if an agency receives more than $750,000 annually in federal funds from all sources. Local agency expenditures for all local assistance programs are subject to financial and compliance audits by the State Controller's Office and Caltrans Independent Office of Audits and Investigations (IOAI). Normally, project audits are not necessary if the expenditures for a project are covered by a single audit report accepted by the appropriate Federal agency.

25.6.2 SB 1 Funded Programs (ATP, LPP, SCCP, and TCEP)

SB 1 Accountability and Transparency Guidelines are applicable to some state programs including ATP, LPP, SCCP, and TCEP.

Cost Savings

Savings at project completion must be returned proportionally except when an agency has, subsequent to project programming, committed additional funds to the project to fund a cost increase. In such instances, savings at project completion may be returned to other fund types first, until the proportions match those at programming. Any additional savings at project completion must be returned proportionally. For ATP projects refer to the ATP guidelines for additional guidance.

Closeout

Beginning with the 2017 ATP Augmentation, 2018 LPP, 2018 SCCP, and 2018 TCEP, the Implementing Agency, unless otherwise specified, will submit timely Completion and Final Delivery Reports to Caltrans via CalSMART for all projects receiving funds in the aforementioned programs. Caltrans will review and approve the reports prior to submitting to CTC.

Project Completion Report: Within six months of construction contract acceptance, the project becoming operable (open to the public), whichever comes sooner, or all NI activities are complete, the Implementing Agency must provide a Completion Report to Caltrans on the scope of the completed project, its estimated final cost, estimated schedule, and project benefits as compared to those included in the executed project agreements.

Final Delivery Reports: A Final Delivery Report must be submitted within 180 days of conclusion of all remaining project activities beyond the acceptance of the construction contract or all NI activities are complete to reflect final project expenditures, any changes that occurred after submittal of the Completion Report, and an updated evaluation of the benefits.

Consequences for noncompliance include, but are not limited to, the following:

- Written warning
- Request to appear before the Commission
- Placement on a Project Watch List
- For the most egregious situations:
    - Ineligibility for future allocations or programming actions
    - Reduced reimbursements

Audit

The audit requirements outlined in the SB1 Accountability and Transparency Guidelines apply to all projects programmed in the ATP, LPP, SCCP, and TCEP.

Audits will be conducted on a representative sample of SB1 funded projects and provide findings on the following:

- Whether project costs incurred and reimbursed comply with the executed project agreements or approved amendments, state and federal laws and regulations, contract provisions, and CTC's guidelines.
- Whether project deliverables (outputs) and outcomes are reasonable in comparison with the project cost, scope, schedule, and benefits described in executed project agreements or approved amendments.

Additional audits, if deemed necessary, may be requested by CTC during the implementation phases of the project. In addition to any final audit performed, it may be beneficial to provide semi-final audits when a project is substantially completed. It is expected that the findings from these audits will be included in the Inspector General's reports to CTC.

25.6.3 Proposition 1B Funded Programs (SLPP, TCIF, and TLSP)

Cost Savings

Savings at project completion will be de-allocated and return back to the programs.

Closeout

In general, the close-out process contains up to four significant deliverables as shown below.

- Within six months of project becoming operable or contract acceptance, which one is sooner, the Final Delivery Report (FDR) must be completed, reviewed, and uploaded to the Local Assistance On-Line Data Input System (LA-ODIS).
- Within six months of project completion, the Supplemental Final Delivery Report (SFDR) must be completed to reflect final project expenditures at the conclusion of all project activities. This report is then reviewed and uploaded to LA-ODIS.
- If chosen for audit, a Semi-Final Audit Report will be completed within six months of the Final Delivery Report. The completed audit will be uploaded to LA-ODIS.
- If needed, a Final Audit Report is prepared and uploaded to LA-ODIS within six months of project completion.

FDR Contents – The final report for all projects will compare the scope, schedule, cost, and benefits of the project as outlined in the project's baseline agreement with the project as actually delivered. In addition, all reports need to identify and discuss:

- Scope, schedule, and cost variances from the baseline agreement that occurred during the life of the project.
- Approved changes that were made during the life of the project.

SFDR Contents – The SFDR will update changes from the FDR and will report final project expenditures at the conclusion of all project activities and any changes that occurred after submittal of the FDR. If all project activities are complete, the FDR and SFDR can be submitted together as a combined final report.

Segmented Projects – For projects that are delivered in segments, the implementing agency must provide a FDR for each segment and note that a summary FDR will be provided when the final segment is complete. A SFDR should be submitted after the summary FDR and does not have to be submitted for each segment. An audit can be done on one or all segments of a segmented project.

Benefits/Outcomes – Actual benefits must be reported and compared to baseline agreement planned benefits. If benefits are not available at the time of the FDR, it should be noted when they will be available and must be reported in the SFDR.

Process Sequence

1. The implementing agency prepares the FDR and uploads a PDF file of the report to the Local Assistance On-Line Data Input System (LA-ODIS). The FDR is due to the Program Coordinator within 6 months of the project becoming operable or contract acceptance (Exhibit 25-W).
2. Program Coordinators will review the report and provide comments back to the implementing agency as necessary. After final review and approval, the Program Coordinator will "accept" the FDR in LA-ODIS and migrate it to the staging site. The Program Coordinator will also update the Semi-annual Report to reflect current status of the project closeout.
3. The SFDR is due within six months of the completion of the project which occurs at the conclusion of all project activities. The SFDR will follow the same submittal procedures as the FDR (Exhibit 25-W).

A copy of the approved FDR/SFDR will be forwarded to the Independent Office of Audits & Investigations (IOAI).

Audit

Projects should be ready for audit within six months of becoming operable. If a project is selected for audit:

- A Semi-final audit report is due within six months after completion of the Final Delivery Report.
- The Final Audit Report is due six months after completion of the Supplemental Final Delivery report.

Completed audit results will be saved and uploaded as a PDF file by IOAI.

25.6.4 Consequences for Noncompliance

The implementing agency must construct the project in accordance with the scope of work presented in the application or baseline agreement and approved by CTC. Any changes to the approved project scope without prior expressed approval of CTC are ineligible for reimbursement and may result in the entire project becoming ineligible for reimbursement.

Sanctions may be imposed by Caltrans on agencies that are found in noncompliance with the reporting requirements.

If there is a discrepancy between the Final Invoice and Final Detail Estimate, the implementing agency will be notified by phone that a discrepancy exists, and their payment will be delayed until it is resolved. If the problem cannot be resolved within 180 days, Caltrans Local Program Accounting (CLPA) will bill the implementing agency for all expenditures made on this project. If

the implementing agency does not pay the accounts receivable bill within 30 days, CLPA will initiate actions with the State Controller Office to offset funds due the local agency.

25.7 Reference

25.7.1 Roles and Responsibilities

CTC defines the roles and responsibilities of each of the following organizations in the program guidelines:

- California Transportation Commission (CTC)
- California Department of Transportation (Caltrans)
- Metropolitan Planning Organizations (MPOs) With Large Urbanized Areas
- Regional Transportation Planning Agencies (RTPAs) Outside an MPO With Large Urbanized Areas and MPOs without Large Urbanized Areas
- Project Applicant (if awarded, becomes Implementing Agency)

25.7.2 References

- 23 Code of Federal Regulations
- 49 Code of Federal Regulations
- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended (Uniform Act)
- Title VI of the 1964 Civil Rights Act
- OMB Circular A-110 and OMB Circular A-133
- Transportation Alternative Program (TAP) Guidance
- 2020 STIP Guidelines
- 2021 Active Transportation Program Guidelines
- 2020 Local Partnership Program Guidelines
- 2020 Solutions for Congested Corridors Program Guidelines
- 2020 Trade Corridor Enhancement Program Guidelines
- CTC Guidelines for Preparation of Project Study Reports
- Senate Bill No. 99
- Senate Bill 1
- Caltrans Project Development Procedures Manual
- Caltrans, Right of Way Manual
- Local Assistance Procedures Manual (LAPM)
- Local Assistance Program Guidelines (LAPG)
- Standard Environmental Reference (SER)

25.7.3 Links

Active Transportation Program
https://catc.ca.gov/programs/active-transportation-program

Baseline Agreements
https://catc.ca.gov/programs/sb1/baseline-agreements

Federal-Aid Project Funding Guidelines
https://dot.ca.gov/programs/local-assistance/fed-and-state-programs/state-transportation-improvement-program

LAPG Forms
https://dot.ca.gov/programs/local-assistance/forms/local-assistance-program-guidelines-formsforms

Local Partnership Program
https://catc.ca.gov/programs/sb1/local-partnership-program

Metropolitan Planning Organization & Regional Transportation Planning Agency Links
https://dot.ca.gov/programs/transportation-planning/multi-modal-system-planning/system-planning/corridor-planning/metropolitan-planning-organization-regional-transportation-planning-agency-links

Office of Management and Budget Circulars
https://www.whitehouse.gov/omb/information-for-agencies/circulars/

Solutions for Congested Corridors Program
https://catc.ca.gov/programs/sb1/solutions-for-congested-corridors-program

State-Local Partnership Program
https://catc.ca.gov/programs/proposition-1b-highway-safety-traffic-reduction-air-quality-and-port-security-bond-act-2006/prop1b-state-local-partnership-program

State Transportation Improvement Program
https://catc.ca.gov/programs/state-transportation-improvement-program

Trade Corridor Enhancement Program
https://catc.ca.gov/programs/sb1/trade-corridor-enhancement-program

Trade Corridors Improvement Fund
https://catc.ca.gov/programs/proposition-1b-highway-safety-traffic-reduction-air-quality-and-port-security-bond-act-2006/prop1b-trade-corridors-improvement-fund

Traffic Light Synchronization Program
https://catc.ca.gov/programs/proposition-1b-highway-safety-traffic-reduction-air-quality-and-port-security-bond-act-2006/prop1b-traffic-light-synchronization-program