

2018 FREEWAY SERVICE PATROL SENATE BILL 1 FUNDING GUIDELINES



March 30, 2018



Caltrans California Department of Transportation

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1. Summary

These guidelines are the policies and procedures specific to the use of funding from Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017, for the Freeway Service Patrol (FSP) Program. Specifically, they cover the \$25 million in SB 1 funding appropriated by Schedule (c) of Item 2660-102-0042 of the 2017 Budget Act (Assembly Bill 97, statutes of 2017), and future SB 1 appropriations, and do not modify the baseline non-SB 1 FSP Program funding appropriated in Schedule (a) of that same item. To expedite the public benefit from the SB 1 FSP Program, these guidelines largely follow the process of the baseline FSP Program articulated in the November 2007 edition of the Motorist Aid Guidelines (2007 Guidelines), with the exceptions noted below. The FSP Program is administered by a partnership of the California Department of Transportation (Caltrans), the California Highway Patrol (CHP), and regional transportation agencies (Local Agencies).

These guidelines outline a three-step allocation of SB 1 FSP Program funding. First, the State recognizes that Caltrans funding for the FSP Program has been static since it was last increased in the 2006-07 budget from \$18 million to \$25.48 million. Since that last increase, the statewide average hourly cost of tow service has increased 17.5 percent, causing some Local Agencies to reduce hours of operation and other Local Agencies to increase their local match to maintain or grow hours of service. Accordingly, \$12.16 million of SB 1 funds are directed to adjust the baseline funding allocation to account for inflation and changes in service hours, with funding proportionally allocated using existing formulas. Second, a total of 15 percent of SB 1 funds (\$3.75 million) are reserved for reimbursement to the CHP for their participation in the program. The CHP funds flow through the local allocations in 2017-18; however, the Governor's 2018-19 proposed budget would direct this same amount to the CHP at the State level and exclude it from local allocations in future years. Third, remaining SB 1 funds of \$9.09 million are available for new and expanded FSP service as defined below – with allocation by existing formula with adjustments as specified.

2. Authority and Purpose

SB 1 directs an additional \$25 million per year to the FSP Program in 2017-18 and thereafter. The state funding for FSP in 2016-17 was \$25.4 million. The portion of funds allocated as an inflationary and service hour adjustment, and the funds directed to reimburse the CHP, are added to the baseline funding allocation, as described in Section 2560.5 of the Streets and Highways Code. The portion of funds for new or expanded service are allocated pursuant to the authority of Section 2562.2 of the Streets and Highways Code. Except where revised by these guidelines, or in conflict with these guidelines, the 2007 Guidelines for the base funding program shall apply.

3. Distribution

The \$25 million in SB 1 funding shall first be offered to Local Agencies using the formula-based allocation in 2007 Guidelines that includes county population, traffic congestion, and urban freeway lane miles (“existing formula”). Allocations will be made as specified below and Appendix A of these guidelines indicates the funding available for each category of allocation.

A. Allocation for Inflation and Service-Hour Adjustments

\$12.2 million is allocated as an inflationary and service hour adjustment related to the pre-SB 1 Caltrans funding of \$25.4 million, which has been static since 2006-07. As an adjustment to the baseline funding allocation, as described in Section 2560.5 of the Streets and Highways Code, the required Local Agency match for the adjusted baseline allocation shall not be less than the statutorily specified minimum of 25 percent.

B. Allocation for the California Highway Patrol

\$3.75 million is allocated to reimburse the California Highway Patrol to both recognize static Caltrans reimbursements since the 2006-07 budget, and new workload associated with new or expanded FSP service. The CHP funds flow through the local allocations in the 2017-18 budget, however, the Governor’s 2018-19 proposed budget would direct this same amount to the CHP at the State level and exclude it from local allocations in future years. If the CHP is reimbursed at the State level in future years, this allocation to local recipients will cease. Any SB 1 funds directed to the CHP shall not require a local match.

C. Allocation for New or Expanded Service

\$9.05 million is available for allocation to support new or expanded service. Funding shall first be offered by the existing formula contingent on Local Agency agreeing with all of the following in the implementing SB 1 Funding Agreement:

- 1) The recipient demonstrates it will meet the requirements of subdivision (c) of Section 2562.2 of the Streets and Highways Code (see Appendix A in the 2007 Guidelines), including the following:
 - For the purpose of these guidelines, the new or expanded service shall include expanded routes of service, extended hours of service, additional service within existing routes, or cost escalation since 2016-17 for existing service. New and expanded service that was initiated on or after January 1, 2017 will also be considered new service. Re-established service that was in place, but formally discontinued, prior

to July 1, 2017, and can be documented to have been discontinued, shall also be defined as new service. Re-established service excludes service in place as of July 1, 2017, such that a recipient may not cancel and later re-establish service to meet the definition of new or expanded service – this shall be considered to be the prohibition in paragraph (5) of subdivision (c) of Section 2562.2 of the Streets and Highways Code that prohibits service “previously provided in its jurisdiction” from the definition of new or expanded service. Other improvements with Caltrans concurrence may be considered as new or expanded service.

- Pursuant to paragraphs (3) and (5) of subdivision (c) of Section 2562.2 of the Streets and Highways Code, a Local Agency must demonstrate that its new or expanded service is eligible by demonstrating the basis of service need and providing an effectiveness estimate calculated on a cost benefit analysis. If a Local Agency determines no further expansion of FSP is effective, Caltrans will reallocate the Local Agency allocation share to other Local Agencies for new or expanded service by existing formula.
 - The Local Agency required match for all FSP allocations shall not cumulatively be less than the statutorily specified minimum of 25 percent.
- 2) To be considered competitive and eligible for this allocation, the Local Agency shall maintain effort for existing tow service hours, such that not less than the total hours of tow service in place during 2016-17 shall be maintained, including peak period, midday, weekend, and holiday hours. The total hours of tow service in 2016-17 may be reduced by the number of hours that are demonstrated to have been one-time related to a construction project or another limited-term event that was initiated with the intent to be limited term.

Any funding left unallocated pursuant to the above conditions will roll over to be allocated in following fiscal year pursuant to guidelines in effect for that year. Appendix A of these guidelines indicates an estimate based on the 2017 allocation funding distribution of the amount of SB 1 funds available through the formula for each eligible recipient if requirements are met. SB 1 fund allocations will be updated each year by following the funding formula prescribed in Streets and Highways Code Section 2562.1(a).

Section 2564 of the Streets and Highways Code permits no more than 2 percent of the state funds appropriated for the FSP Program to be used for administrative overhead expenses or purposes by Caltrans and the CHP. Accordingly, Caltrans may, in the

future, request a portion of the state funds to pay a consultant to develop the annual performance report on the FSP Program.

4. Schedule

The following schedule lists the major milestones for the development and adoption guidelines for 2017-18 SB 1 FSP funds.

Caltrans released discussion-draft guidelines for Local Agency comment	December 8, 2017
Comments due on the discussion-draft guidelines	December 23, 2017
Caltrans released revised discussion-draft guidelines for Local Agency comment	January 5, 2018
Caltrans released second revised discussion-draft guidelines for Local Agency comment	January 22, 2018
Comments due on the revised discussion-draft guidelines	January 26, 2018
Caltrans released third revised discussion-draft guidelines for Local Agency comment	January 31, 2018
Comments due on the revised discussion-draft guidelines	February 7, 2018
Caltrans releases formal draft guidelines for 30-day public review	February 14, 2018
Caltrans holds two public workshops on formal draft guidelines	Week of March 19th
Caltrans posts final guidelines	March 30, 2018
Caltrans signs SB 1 Funding Agreements with recipients	April – May 2018

Note: The schedule is subject to modification.

Pursuant to Assembly Bill 115, Section 25, Caltrans will hold at least two public workshops on formal draft guidelines no sooner than 30 days after the formal draft guidelines are posted. Concurrently with the posting, Caltrans will transmit the formal draft guidelines to the fiscal committees and to the appropriate policy committees of the Legislature.

5. SB 1 Accountability

Recipients of SB 1 FSP Program funding will be asked to report the anticipated FSP service improvements from the new funding and this information will be reported on the RebuildingCA.ca.gov website, based on the reporting requirements in the 2007 Guidelines and as detailed in the SB 1 Funding Agreements. Recipients will agree to provide other reporting as required by Caltrans for SB 1 accountability.

6. Amendments to the Guidelines

Caltrans, working through the FSP Statewide Oversight Subcommittee, shall develop and periodically update these guidelines, consistent with the Operational Roles and Responsibilities in the 2007 Guidelines. Modifications to these guidelines shall be phased in so as not to impact multiyear contract commitments.

Appendix A. Proposed SB1 Funding Plan for Freeway Service Patrol Program

<u>Eligible Recipient</u>	<u>SB1 Allocation (for Inflation and Hour Adjustment to Baseline)</u>	<u>SB 1 Allocation (for the California Highway Patrol)</u>	<u>SB 1 Allocation (for New or Expanded Service)</u>
Placer	\$116,558	\$35,948	\$87,145
El Dorado	\$52,300	\$16,130	\$39,103
Sacramento Transportation Agency	\$557,447	\$171,922	\$416,778
Metropolitan Transportation Commission	\$2,856,284	\$880,905	\$2,135,513
Santa Cruz	\$77,167	\$23,799	\$57,694
Monterey	\$113,539	\$35,016	\$84,888
Santa Barbara	\$124,937	\$38,532	\$93,409
Fresno	\$262,159	\$80,852	\$196,004
Los Angeles	\$3,907,437	\$1,205,091	\$2,921,412
Riverside	\$749,048	\$231,014	\$560,029
San Bernardino	\$703,181	\$216,868	\$525,736
San Joaquin	\$231,844	\$71,503	\$173,339
San Diego	\$1,222,876	\$377,147	\$914,288
Orange	\$1,184,380	\$365,274	\$885,507
Total	\$12,159,155	\$3,750,000	\$9,090,845