

REIMBURSABLE STATE TRANSPORTATION IMPROVEMENT PROGRAM PROJECTS IMPLEMENTED PRIOR TO ALLOCATION



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Report to the Legislature

2017

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REPORT TO THE LEGISLATURE

REIMBURSABLE STATE TRANSPORTATION IMPROVEMENT PROGRAM PROJECTS IMPLEMENTED PRIOR TO ALLOCATION

PURPOSE:

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

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

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

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

EXECUTIVE SUMMARY:

Between April 2016 and March 2017, 30 allocations were made under the provisions of Assembly Bill (AB) 872 for 30 projects. The California Department of Transportation (Caltrans) tracks these projects to ensure agencies execute agreement within 90 days from date of allocation. Caltrans sent 30 agreements within the 90-day period; agreements for 21 projects were executed within 90 days of allocation, eight projects were returned by the local agencies beyond the 90-day period, delaying their execution, and the one remaining project has not been returned.

This year's record of 21 of 30 projects with executed agreements within 90 days, compares to last year's record of 22 of 25 projects with executed agreements within 90 days. Some of the delay this year was due to accounting changes, which Caltrans hopes to fully address before next year's cycle. Caltrans provided training for new staff to ensure knowledge of the requirement to execute agreements within 90 days. For the upcoming year, the program plans to nominate the process for a Lean 6 Sigma project, with the expectation that this effort will result in further acceleration of executed agreements.

BACKGROUND:

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

Assembly Bill (AB) 872 (Chapter 572, Statutes of 1999) amended by SB 184 (Chapter 462, Statutes of 2000) permits a regional or local agency to spend its own funds in order to implement projects programmed in the STIP in advance of the CTC approval of project allocations. The regional or local agency will be reimbursed for the expenditures subsequent to the CTC's approval of the allocation. Regional or local agencies have to comply with all legal requirements for the project, as specified in state and federal law. Per SB 184, Section 14529.17 of the Government Code (GC), the statute is limited to projects advanced for expenditure within the current Fiscal Year (FY) STIP. Per AB 872, Section 14529.19 of the GC, Caltrans is required to execute the program supplement agreement within 90 days from the date on which the CTC approves an allocation for the project.

AB 872 was passed in order to streamline the process by which local agencies may begin projects and was an attempt to "spend down" the large amount of dollars that had accumulated in the State Highway Account in the late 1990s. The Legislature was concerned that the allocation process impeded the delivery of transportation projects programmed in the STIP. Local agencies could expedite a project using their own funds, with the expectation of receiving an allocation vote from the CTC.

Once a project is allocated, Caltrans is required to execute an agreement within 90 days of the allocation date. An agency can then request reimbursement from

Caltrans. This is intended to improve the delivery of local projects within a given FY.

PROJECT DATA:

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

Under AB 872, 30 allocations totaling \$8,536,000.00 were made between April 1, 2016, and March 31, 2017, for 30 projects. Detailed information about the projects is shown on the attachment to this report "Report of Reimbursable STIP Projects Implementation Prior to Allocation—Allocation Period: April 1, 2016, to March 31, 2017". Caltrans sent 30 agreements within the 90-day period; agreements for 21 projects were executed within 90 days of allocation, eight projects were returned by the local agencies beyond the 90-day period, delaying their execution, and the remaining one project has not been returned.

This year's record of 21 of 30 projects with executed agreements within 90 days, compares to last year's record of 22 of 25 projects with executed agreements within 90 days. Some of the delay this year was due to accounting changes, which Caltrans hopes to fully address before next year's cycle. Caltrans provided training for new staff to ensure knowledge of the requirement to execute agreements within 90 days. For the upcoming year, the program plans to nominate the process for a Lean 6 Sigma project, with the expectation that this effort will result in further acceleration of executed agreements.

PROGRAM CHALLENGES:

Beginning in July 2010, Caltrans implemented the FY 2010-11 Federal-aid Project Guidelines (FPFG) and applied the FPFG to the STIP in order to maximize the use of federal funds and help alleviate concerns with State Funds (SHA funds) balance. In recent years, many STIP projects have been allocated with federal funds; however, the majority of AB 872 projects in past years have been for Planning, Programming, and Monitoring (PPM) projects, which cannot receive federal funds and can only be funded by State funds. Agencies invoke SB 184 in order to begin expending their own funds to continue developing projects in a timely manner to meet delivery schedule, environmental windows, and to address State funding shortages. AB 872 allows agencies to expend local funds in advance of allocation. Therefore, no SHA funds are committed to projects until the Governor approves the budget; granting budget authority to allocate State

funds to projects. The CTC made 30 allocations under AB 872 for this report period, which represents a 20 percent increase in the number of allocations reported in last year's report.

Attachment

1. Report of Reimbursable STIP Projects Implemented Prior to Allocation-
Allocation Period: April 1, 2016 to March 31, 2017

Report of Reimbursable STIP Projects Implemented Prior to Allocation
Allocation Period: April 1, 2016 to March 31, 2017

District	Agency Name	County Name	Project Number	Planning and Programming Number	Location/Description	Allocation Date	*Effective Reimb Date	Program Supplement Agreement Effective Date	Environmental and Permits Funds	Plans, Specifications and Estimates Funds	Right of Way Funds	Construction Funds
1	Del Norte Transportation Commission	Del Norte	PPM17-6130(046)	01-1032	Planning, Programming, and Monitoring	8/17/2016		12/23/2016	\$0	\$0	\$0	\$ 44,000.00
1	Lake County/City Area Planning Council Lake	Lake	PPM17-6136(046)	01-3002P	Planning, Programming, and Monitoring	8/17/2016		11/29/2016	\$0	\$0	\$0	\$ 68,000.00
1	Mendocino Council of Governments	Mendocino	PPM17-6140(048)	01-4002P	Planning, Programming, and Monitoring	8/17/2016		11/29/2016	\$0	\$0	\$0	\$ 145,000.00
3	Butte County Association of Governments	Butte	PPM17-6092(074)	03-0L16	Planning, Programming, and Monitoring	8/17/2016	7/1/2016	11/16/2016	\$0	\$0	\$0	\$ 202,000.00
3	Nevada County Transportation Commission	Nevada	PPM17-6144(039)	03-0L83	Planning, Programming, and Monitoring	8/17/2016	7/1/2016	11/23/2016	\$0	\$0	\$0	\$ 107,000.00
3	Sacramento Area Council of Governments	Sacramento	PPM17-6085(067)	03-0L30	Planning, Programming, and Monitoring	8/17/2016	7/1/2016	10/14/2016	\$0	\$0	\$0	\$ 822,000.00
3	Sacramento Area Council of Governments	Sutter	PPM17-6085(067)	03-1L53	Planning, Programming, and Monitoring	8/17/2016	7/1/2016	10/14/2016	\$0	\$0	\$0	\$ 76,000.00
3	Sacramento Area Council of Governments	Yolo	PPM17-6085(067)	03-0L37	Planning, Programming, and Monitoring	8/17/2016	7/1/2016	10/14/2016	\$0	\$0	\$0	\$ 158,000.00

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3	Sacramento Area Council of Governments	Yuba	PPM17-6085(067)	03-0L41	Planning, Programming, and Monitoring	8/17/2016	7/1/2016	10/14/2016	\$0	\$0	\$0	\$ 58,000.00
4	Alameda County Transportation Commission	Alameda	PPM17-6068(012)	04-2179	Planning, Programming, and Monitoring	8/17/2016			\$0	\$0	\$0	\$ 886,000.00
4	Contra Costa Co Transportation Authority	Contra Costa	PPM17-6072(023)	04-20110	Planning, Programming, and Monitoring	8/17/2016		10/7/2016	\$0	\$0	\$0	\$ 609,000.00
4	Transportation Authority of Marin	Marin	PPM17-6406(018)	04-2127C	Planning, Programming, and Monitoring	8/17/2016	7/1/2016	4/14/2017	\$0	\$0	\$0	\$ 206,000.00
4	Napa County Transportation Planning Agency	Napa	PPM17-6429(019)	04-1003E	Planning, Programming, and Monitoring	8/17/2016	7/1/2016	3/2/2017	\$0	\$0	\$0	\$ 110,000.00
4	Santa Clara Valley Transportation Authority	Santa Clara	PPM17-6264(076)	04-2255	Planning, Programming, and Monitoring	8/17/2016		10/17/2016	\$0	\$0	\$0	\$ 1,053,000.00
4	San Francisco County Transportation Authority	San Francisco	PPM17-6272(044)	04-2007	Planning, Programming, and Monitoring	8/17/2016	7/1/2016	9/27/2016	\$0	\$0	\$0	\$ 447,000.00
4	Metropolitan Transportation Commission	Alameda	PPM17-6084(200)	04-2100	Planning, Programming, and Monitoring	8/17/2016	7/1/2016	10/7/2016	\$0	\$0	\$0	\$131,000

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4	Metropolitan Transportation Commission	Contra Costa	PPM17-6084(200)	04-2118	Planning, Programming, and Monitoring	8/17/2016	7/1/2016	10/7/2016	\$0	\$0	\$0	\$ 85,000.00
4	Metropolitan Transportation Commission	Marin	PPM17-6084(200)	04-2127	Planning, Programming, and Monitoring	8/17/2016	7/1/2016	10/7/2016	\$0	\$0	\$0	\$ 24,000.00
4	Metropolitan Transportation Commission	Napa	PPM17-6084(200)	04-2130	Planning, Programming, and Monitoring	8/17/2016	7/1/2016	10/7/2016	\$0	\$0	\$0	\$ 15,000.00
4	Metropolitan Transportation Commission	San Francisco	PPM17-6084(200)	04-2131	Planning, Programming, and Monitoring	8/17/2016	7/1/2016	10/7/2016	\$0	\$0	\$0	\$67,000
4	Metropolitan Transportation Commission	San Mateo	PPM17-6084(200)	04-2410	Planning, Programming, and Monitoring	8/17/2016	7/1/2016	10/7/2016	\$0	\$0	\$0	\$ 69,000.00
4	Metropolitan Transportation Commission	Santa Clara	PPM17-6084(200)	04-2144	Planning, Programming, and Monitoring	8/17/2016	7/1/2016	10/7/2016	\$0	\$0	\$0	\$ 153,000.00
4	Metropolitan Transportation Commission	Solano	PPM17-6084(200)	04-2152	Planning, Programming, and Monitoring	8/17/2016	7/1/2016	10/7/2016	\$0	\$0	\$0	\$ 40,000.00
4	Metropolitan Transportation Commission	Sonoma	PPM17-6084(200)	04-2156	Planning, Programming, and Monitoring	8/17/2016	7/1/2016	10/7/2016	\$0	\$0	\$0	\$ 48,000.00

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4	San Mateo City/County Association of Governments	San Mateo	PPM17-6419(024)	04-2140A	Planning, Programming, and Monitoring	8/17/2016		10/31/2016	\$0	\$0	\$0	\$ 462,000.00
4	Solano Transportation Authority	Solano	PPM17-6249(041)	04-2263	Planning, Programming, and Monitoring	8/17/2016		11/23/2016	\$0	\$0	\$0	\$ 274,000.00
4	Sonoma County Transportation Authority	Sonoma	PPM17-6364(019)	04-0770E	Planning, Programming, and Monitoring	8/17/2016		10/10/2016	\$0	\$0	\$0	\$ 343,000.00
10	Tuolumne County Transportation Council Tuolumne	Tuolumne	PPM17-6154(052)	10-0452	Planning, Programming, and Monitoring	8/17/2016		11/16/2016	\$0	\$0	\$0	\$ 89,000.00
11	SANDAG	San Diego	PPM17-6066(131)	11-7402	Planning, Programming, and Monitoring	8/17/2016		12/9/2016	\$0	\$0	\$0	\$ 1,105,000.00
5	Santa Barbara Co Assoc of Gov'ts	Santa Barbara	PPM17-6090(081)	05-1914	Planning, Programming, and Monitoring	1/19/2017		3/14/2017	\$0	\$0	\$0	\$ 640,000.00
Grand Total									\$0	\$0	\$0	\$ 8,536,000.00