REPORT TO THE LEGISLATURE

REIMBURSABLE STATE TRANSPORTATION IMPROVEMENT PROGRAM PROJECTS IMPLEMENTED PRIOR TO ALLOCATION

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Prepared by the California Department of Transportation, Division of Local Assistance

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

PURPOSE:

This report was prepared in accordance with Chapter 572, Statutes of 1999 (Government Code Section 14529.19(b)), which states:

> "Notwithstanding Section 7550.5, on July 1, 2000, and annually thereafter, the department shall compile information and report to the Legislature on the number of projects for which an agreement to transfer funds under subdivision (a) was executed and on all projects for which an agreement was not executed within the period provided under subdivision (a) and the reasons 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.

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 2007, permits a regional or local agency to spend its own funds in order to implement projects programmed in the STIP in advance of CTC approval of project allocations. The regional or local agency will be reimbursed for the expenditures subsequent to the CTC's approval of the allocation. Regional or local agencies have to comply with all legal requirements for the project, as specified in State and federal law. Per SB 184, Section 14529.17, the statute is limited to projects advanced for expenditure within the current fiscal year STIP. Per AB 872, section 14529.19, the California Department of Transportation (Department) is required to execute the program supplement agreement within 90 days from the date on which the CTC approves an allocation for the project.

This statute was initiated to streamline the process by which local agencies may begin projects and was an attempt to "spend down" the then large amount of dollars accumulated in the State Highway Account (SHA). 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, the Department is required to execute an agreement within 90 days of the allocation and an agency can request reimbursement from the Department. This would increase the delivery of local projects within a given fiscal year.

PROJECT DATA:

Under AB 872, 18 allocations totaling $10,816,000 were made between April 1, 2010, and March 31, 2011, for 17 projects. Detailed information about the projects is shown on the attachment to this report. The agreements for three projects were executed or amended within 90 days of allocation. The Department sent agreements to the local agencies for seven projects within the 90 day period, and sent agreements for three projects shortly after the 90 day period. The agreements were signed by the local agencies after the 90 day period. This delayed execution of the agreements for 10 projects. There are four pending agreement amendments which will be completed upon the authorization of matching federal funds.

PROGRAM CHALLENGES:

Budget difficulties faced by the State of California have led to changes in funding and allocations for transportation projects. At the July 2010 CTC meeting, the CTC allocated projects on a contingency basis due to the uncertainty of available funds. All allocations in July 2010, August 2010, and September 2010, were approved contingent upon passage of the State budget and available allocation capacity. Program Supplement Agreements and Finance Letters could not be processed until the State Budget was passed, resulting in a backlog increasing the processing times for Programs Supplement Agreements and Finance Letters. The State budget was passed on October 8, 2010, and at that time the Department began processing Program Supplement Agreements and Finance Letters for three months of previously approved allocations. Agencies invoked SB 184 in order to begin expending their own funds to continue working on projects despite the budget situation. The CTC made 18 allocations under AB 872 for this report period, which represents a 54 percent decrease in the number of allocations reported in last year's report.

SUMMARY:

Between April 2010 and March 2011, 18 allocations were made under the provisions of AB 872 for 17 projects. The agreements were processed within the 90 day period provided in the legislation for three of the projects on the report. The Department sent agreements to the local agencies for seven projects within the 90 day period, and sent agreements for three projects shortly after the 90 day period. The agreements were signed by the local agencies after the 90 day period. This delayed execution of the agreements for 10 projects. There are four projects with pending Program Supplement Agreement amendments which will be completed upon the authorization of matching federal funds before the Finance Letters can be issued.

Report of Reimbursable STIP Projects Implemented Prior to Allocation Per AB 872
Allocation Period: April 1, 2010 to March 31, 2011

District	Agency Name	County Name	CTC Code	Project Number	PPNO	Location Description	Allocation Date	*Effective Reimb Date	Program Supplement Agreement Effective Date	Program Supplement Agreement **Amended Date	Environmental & Permits Funds	Plans, Specifications & Estimates Funds	Right of Way Funds	Construction Funds
01	Mendocino County	Mendocino County	Mendocino COG	5910(043)	01-4073P	In Potter Valley, on East Side Potter Valley Road	7/1/2010	7/15/2009	8/15/2007	12/7/2010	$0	$0	$3,700,000	$0
02	Tehama County	Tehama County	Tehama LTC	0769(001)	02-2032	On Flores Ave between I-5 and Road 99W	1/20/2011	12/15/2010	11/23/1999	Pending	$40,000	$0	$0	$0
02	Tehama County	Tehama County	Tehama LTC	5908(055)	02-2182	Near Red Bluff, on Reeds Creek Road at Pine Creek (Bridge #8C-68)	1/20/2011	12/15/2010	3/13/2007	Pending	$0	$22,000	$6,000	$0
02	Tehama County	Tehama County	Tehama LTC	5908(029)	02-2331	Near Red Bluff, on McCoy Road north of State Route 36	9/23/2010	7/1/2010	7/25/2007	Pending	$0	$11,000	$11,000	$0
02	Tehama County	Tehama County	Tehama LTC	5908(070)	02-2430	Near Corning, HWY 99W @ Thomes Creek Br. No. (#8C-0110). Replace bridge (HBRR match)	9/23/2010	7/1/2010	10/23/2007	Pending	$40,000	$0	$0	$0
02	Trinity County	Trinity County	Trinity LTC	5905(085)	02-2140C	Near Hayfork, on Hyampom Road	7/1/2010	2/24/2010	1/25/2011		$0	$0	$0	$650,000
02	Trinity County	Trinity County	Trinity LTC	5905(085)	02-2140C	Near Hayfork, on Hyampom Road (Supplemental Allocation)	11/3/2010	2/24/2010	1/25/2011		$0	$0	$0	$200,000
04	Alameda County Congestion Management Agency	Alameda County	MTC	6273(059)	04-2179	Planning, Programming, and Monitoring	7/1/2010	7/1/2010	3/1/2011		$0	$0	$0	$1,948,000
04	Transportation Authority of Marin	Marin County	MTC	6406(009)	04-2127C	Planning, Programming, and Monitoring	7/1/2010	7/1/2010	1/18/2011		$0	$0	$0	$243,000
04	Metropolitan Transportation Commission	Various	MTC	6084(163)	04-Var	Planning, Programming, and Monitoring	7/1/2010	7/1/2010	1/26/2011		$0	$0	$0	$550,000
04	Napa County Planning Agency	Napa	MTC	6429(006)	04-1003E	Planning, Programming, and Monitoring	7/1/2010	7/1/2010	1/24/2011		$0	$0	$0	$24,000
04	Santa Clara Valley Transportation Authority	Santa Clara	MTC	6264(045)	04-2255	Planning, Programming, and Monitoring	7/1/2010	7/1/2010	1/12/2011		$0	$0	$0	$695,000
04	San Francisco County Transportation Authority	San Francisco	MTC	6272(022)	04-2007	Planning, Programming, and Monitoring	7/1/2010	7/1/2010	1/18/2011		$0	$0	$0	$500,000
04	Association of Governments of San Mateo County	San Mateo	MTC	6419(010)	04-2140A	Planning, Programming, and Monitoring	7/1/2010	7/1/2010	3/3/2011		$0	$0	$0	$460,000
04	Solano Transportation Authority	Solano	MTC	6249(024)	04-2263	Planning, Programming, and Monitoring	7/1/2010	7/1/2010	1/27/2011		$0	$0	$0	$589,000
04	Sonoma County Transportation Authority	Sonoma	MTC	6364(009)	04-0770E	Planning, Programming, and Monitoring	7/1/2010	7/1/2010	1/11/2011		$0	$0	$0	$607,000
09	Inyo County	Inyo	Inyo LTC	5948(067)	09-2570	In Bishop, on Riverside Road at Bishop Creek Canal.	7/1/2010	7/1/2010	12/16/2010		$0	$0	$0	$365,000
10	Tuolumne County Transportation Council	Tuolumne	TCAG	6154(038)	10-0452	Planning, Programming, and Monitoring	11/4/2010	7/22/2010	2/9/2011		$0	$0	$0	$155,000
										Total	**$80,000**	**$33,000**	**$3,717,000**	**$6,986,000**

* Date of the local agency's notification to the California Transportation Commission that identifies the local agency's intent to spend local funds in advance of an allocation.

** Executed Program Supplement Agreement amended by a Finance Letter.