CALIFORNIA
RURAL COUNTIES TASK FORCE

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Final

RCTF AGENDA
July 20, 2012 - 12:30 – 3:30
Caltrans HQ
1120 N. Street, Room 2116, Sacramento
Call In Number: (713) 576-2028 / Participant Code: 167338

Agenda items may be taken out of order to accommodate discussion.

A.	Self Introductions/Information Sharing	All
B.	Approve Minutes of May 18, 2012	Neil Peacock
C.	California Transportation Commission Update	Mitchell Weiss
D.	State Budget Update	Athena Gliddon
E.	California State Association of Counties	Kiana Buss
F.	FHWA – Planning & Air Quality Update	Jermaine Hannon
G.	State and Federal Legislative Caltrans Liaison	Dan McKell
H.	Local Assistance Update	Bill Sandoval
I.	Mass Transportation Update	Jila Priebe/Mark Codey
J.	Project Initiation Documents (PID) Update	Marlon Flournoy
K.	California Interregional Blueprint Update	Pam Korte
L.	CTC 10-Year Statewide Transportation Needs Assessment	Tamera Leighton/Susan Bransen
M.	Local Streets & Roads Needs Assessment	Mike Woodman
N.	Aspiring Counties Update/ACA 23	McAdam/Davey-Bates
O.	RCTF Elections and Dues Collections	Lisa Davey-Bates
P.	RCTF Topics of Significance	All
Q.	Miscellaneous	All

Agenda Attachments:
Item B – May 18, 2012 RCTF Minutes
Item E – New Transportation Revenue Proposal
Item H – DBE Program Documents
Item L – CTC Needs Assessment Worksheet
Item O – RCTF Elections and Dues Report

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May 18, 2012

Caltrans HQ
1120 N Street, Room 2116, Sacramento

DRAFT MINUTES

12:30 **A. Self Introductions/ Information Sharing** **All**

Introductions were made by all.

B. New Transportation Concept **M. Watts**

Mr. Watts explained that he represented coalition of contractors, organizations, and advocates campaigning to collect support for a transportation revenue-raising package that could be introduced and approved by the State legislature. He explained that the effort is carrying over from the State-wide transportation needs assessment recently presented to the CTC and their direction to look at various feasible funding options.

He described that the general concept of the proposal is basically equivalent to a State-wide "car tax", or Vehicle License Fee (VLF), with a certain portion of the revenue collected to be dedicated to transportation. Mr. Watts noted that this proposal is a Bill that has sponsor and is ready to go, however, its introduction has been postponed at the Governor's suggestion. It was stated that the specific details of the Bill's obligation plan would be released once it is formally introduced and that the coalition is simply generating stakeholder support for the general concept at this time. They have performed revenue calculations and looked at the Needs Assessment to propose initial priorities and a basic spread of categories through which these proposed funds would be distributed.

As expected, the total revenue generated would not be sufficient to meet all the State's transportation funding needs and other solutions would need to be developed as well. For example, he noted that the survey response demonstrated substantial support for road maintenance, repair, and rehabilitation. In response to a question regarding constitutional protections that would need to be enacted in order to safeguard these proposed funds, Mr. Watts stated that a constitutional amendment is included in the proposal and could be made available for review. He offered to provide a draft of the Bill to the RCTF Chair for distribution and review.

Lastly, in response to a question regarding any efforts their organization may have made toward a developing a vehicle-miles traveled (VMT) tax , Mr. Watt stated that his organization has been recommended to develop some draft legislative language on this topic, but that more polling needs to be performed in order to gauge the public's support or opposition to this concept. At the current time, it is believed that a VLF approach would be more readily by the general public understood than a VMT approach.

C. Federal Budget and Legislative Update F. Abousleman/NARC

A presentation provided by the National Association of Rural Councils (NARC) was distributed to accompany this discussion. Mr. Abousleman provided a brief introduction of his organization and described their work on the Highway Bill Reauthorization process. He provided a status report on Congress's recent actions, or lack thereof, and summarized the various points of contention between the different House and Senate proposals. He noted the potential of sequestration resulting from failure of the "Super Committee" to develop a compromise solution on Federal debt reduction. They are currently projecting exactly how those cuts would trickle-down to the various transportation funding programs.

Mr. Abousleman discussed a recently introduced House Bill, HR 3780, which would facilitate tax deductable eligibility for private contributions toward infrastructure improvements, as well as the recently passed extension of the current Highway Bill. He outlined some of the key points of Map 21and summarized the various issues of importance for rural organizations that have been discussed by the RCTF previously.

Lastly, he quickly touched on their efforts in garnering support for extension of the Secure Rural Schools Act included in HR 4348 and invited any interested parties to participate in their association in order to benefit from their weekly "Transportation Thursdays" teleconference, though which these topics are discussed regularly.

A question was asked if there were any development in regards to previously expressed concerns regarding certain proposals contained within Map 21. Mr. Abousleman stated that the Cardin/Cochran Amendment was the only change thus far and that he didn't foresee high expectations for any more changes due to the Bill's tenuous bi-partisan support. He offered to send a copy of the Amendment to the RCTF Chair for distribution to the group.

D. Approve Minutes of March 16, 2012 N. Peacock

Minutes were approved by consensus.

F. State Budget Update A. Gliddon

Since the last update in this item, April finance letters based on the State budget's May-Revise have been released. Ms. Gliddon noted that the budget included $3.1 billion in Prop 1B bonds and $1 billion in PTMSIEA bonds, as well as a proposal for a "blended" high speed rail system that would obligate the balance of eligible Prop 1A funds. She also noted a proposal asking for an increase in Amtrak fares. She noted that Caltrans' budget for capital outlay support has been reduced due to the results of their zero-base budgeting process. This will result in the Department taking a "flexible resources" approach by preparing for these reductions though attrition, as opposed to layoffs, and simply eliminating 1,300 "empty" positions.

Lastly, she discussed a trailer bill proposal to reenact the weight fee swap that would defer payback to the State Highway Account from the General Fund in order to alleviate the General Fund's cash flow needs. This would result in deferral of payments to a list of specific accounts. She offered to send a chart showing relevant flows of transportation funds.

It was noted that several advocacy organizations will be issuing a "letter of concern" stating that the swap exchange in the May Revise should not be permanent. It was offered for this letter to be sent to the RCTF Chair for circulation to the group.

G. FTIP Update L. Green

The schedule for development and adoption of the 2013 FTIP was provided in the packet of meeting material. Ms. Green noted that there were lots of amendments that needed to be included and she reviewed a list of important dates and reason's why certain amendments would be required. She provided a summary of toll credit usage eligibility and provided references to aid local agencies in their utilization of this opportunity.

E. CTC Update **M. Weiss**

Mr. Weiss discussed the status of allocations from CMIA savings with priority being given to projects within the guidelines of the statute that are ready to go. He stated that the Commission will be programming and allocating simultaneously in the amount of approximately $300 million in these funds at their next meeting. He briefly noted that most of the projects awarded would be currently on-going projects facing cost overruns and that that there wasn't a lot of time to add new projects.

Mr. Weiss noted that there would be a hearing on certain changes to the STIP Guidelines included in AB 3090 in order to provide more flexibility to advance and exchange projects in the STIP, as well as repayment or "replacement" of projects through STIP amendments. This is intended to provide more flexibility in regard to the use of Federal Exchange funds and the process of juggling programming capacity.

He stated that CTC staff is developing a plan and schedule to balance demand for advances and reimbursement to be considered when reviewing future RTIPs and developing the next STIP. The group discussed the "equity issue" involved with reimbursing agencies with limited STIP funds when they can afford to advance and locally fund the projects in the first place. Mr. Weiss stated that he understood the concerns being expressed and this issue would be discussed further as their plan is developed and presented to the CTC for consideration.

H. FHWA – Planning and Air Quality Update **R. Warren**

This item was tabled to the next meeting due to the lack of a presenter.

I. State and Federal Legislative Caltrans Liaison **D. McKell**

Mr. McKell was not present; however, the RCTF Chair updated the group on a sub-committee conference with Mr. McKell that discussed the statue of Map 21 and Caltrans analysis of its potential impacts to California. It was noted that the State was preparing to implement the legislation if it becomes enacted, so that changes could be made as needed at the State level. It was stated that more information will be made available after a meeting scheduled in June with Caltrans staff and all were advised to watch for evolving developments if Congress takes this issues up.

J. Local Assistance Update **B. Sandoval**

Mr. Sandoval noted that recent congressional action has resulted in Local Assistance receiving sufficient RSTP match exchange apportionment to make transfers of regional agencies. He briefly reviewed the State budget authorizations to move forward with funding at last year's amounts encumbered and spent. He asked the group to verify if they had received their letters verifying who gets this RSTP match exchange.

He mentioned upcoming trainings for local agencies, such as the 5-day Federal Aid Training course and others. It was requested that this training be offered as a webinar in order to save local agencies travel costs. Mr. Sandoval mentioned that Sacramento State is currently looking into that option.

In regards to the DBE program, he noted that FHWA has served Caltrans with a Notice that they are withdrawing the State's permission to use its UDBE goals and that new guidance is being provided. He stated that it is critical that local agencies follow this new guidance in order to avoid having funds taken back. A letter will be sent to all local agencies explaining these changes, including updated contract boilerplate templates and a list of required actions.

K. Mass Transit **J. Priebe/M. Cody**

State

Ms. Priebe noted that they have recently wrapped up their Statewide Transit Strategic Plan, which is now posted to their website. This Plan identifies the State's existing services and operators, the issues that need improvement, and identifies priorities for future investment.

She noted that a Department of Finance Audit final report included several findings such as insufficient monitoring of recipients and inadequate verification of project completion. These findings will result in certain changes in accounting and record-keeping guidelines, which will be provided to all relevant local agencies.

Ms. Priebe noted that more than $1 billion in PTMSIEA allocations have been made recently and 700 recipients should be getting their notices shortly. She reminded the group that close-out reports would be required demonstration completion of previously funded projects.

Federal

Mr. Codey introduced himself as the new Division representative for Federal transit programs and said he looked forward to meeting with the group.

He stated that $28.5 million in FTA 5310 grants had recently been approved and that there was an upcoming workshop planned for recipients. He also noted that the Department was dipping into their program reserves to provide full apportionments of 5311 awards and that full funding was expected shortly with pending congressional action. In March, 14 applications were awarded $3.6 million in 5311(F) funds, which left $600 thousand remaining available to be carried over. He stated that announcements would be sent out shortly and that the next round is expected this coming winter.

A question was asked as to when the map of officially recognized inter-city routes would be updated and the response was provided that this was being done currently as a part of the Interregional Blue Print process.

Mr. Codey mentioned that 149 JARC and New Freedom applications for a total of $16 million in available funds had been received. He noted that this increase in applications included 100, mostly rural projects requesting first-time funding. He anticipates awards being made by FTA in September.

He noted that the 3-year RTAP training and assistance program contract had recently been awarded to CalACT. They will be starting their program shortly and information will be posted on their website and distributed to interested parties.

Lastly, he stated that FTA notified him that they would be performing random Drug and Alcohol testing shortly, which "strike teams" being sent to 5311 recipients around the State starting June 18th.

L. Caltrans/RTPA Coop. Maint. Agreements **C. Truong/G. Gutierrez**

This item was tabled to the next meeting due to the lack of a presenter.

M. PID Update **M. Flournoy**

Mr. Flournoy noted that a recent legislative conference between the two Chambers was apparently working out a change to local reimbursement requirements for locally funded projects on the State Highway System. Any such resolution would be reflected in the final budget in terms of Caltrans personnel needs based on the approved PID list.

He stated that the PID working group has established guidelines for developing and submitting workload needs based on this list in order to establish their "zero-base budget'. They are

currently working on streamlining issues right now and intent to evaluate “best practices”. Their recommendations will be available later this year.

N. Blueprint Update – Special Studies vs. Individual Grants T. Frost

This item followed up on a discussion at the RCTF’s March meeting regarding the availability of approximately $4oo thousand in Blueprint “carry-over” funds. Ms. Frost and Ms. Mortenson asked the group for input on making these funds available through a competitive application process or a pooled, collaborative effort of the rural counties, and if so, what ideas might exist.

The group discussed the various considerations of each option and it was determined that the majority of the group wanted to have the funds available for group applications. It was recommended that the application evaluation criteria include priority for State-wide benefit, “transferability” to other regional contexts, and projects that can guarantee their existence in perpetuity.

P. CTC 10-Year Statewide Needs Assessment T. Leighton

Ms. Leighton noted that she attended a meeting the day prior and the minutes from that meeting would be provided. She said that many advocates with a mutual interest securing sufficient transportation funding are doing great work in regards to policy planning. She said that this meeting will be carried over through the next four months, so that several topics could be fully discussed. She stated that the meeting functions as a “Working Group”, but that it is open to other interested participants. Ms. Leighton noted that none of the meetings will occur in a rural location. She also noted that at some point and that they will try to involve tribal governments in the process. Lastly, she noted that the group is working on language related to performance measures and she will be sending information out through the RCTF Chair as the process moves forward seeking input on any comments or concerns.

Q. Local Streets and Roads Needs Assessment M. Woodman

Mr. Woodman provided a brief status report on the Local Streets and Roads Needs Assessment effort by noting that their consultant had recently sent out surveys seeking input on updated projects and costs. He stated that while some responses were being received, RTPAs were being asked to assist with getting responses from their local partners. He referred to the handout provided with the meeting material.

Lastly Mr. Woodman discussed the RTSP formula funding contribution agreed to at a previous meeting. He stated that this “off-the-top” contribution will take affect shortly and encouraged all participants to respond to the survey to take advantage of their contribution.

R. Aspiring Counties Update/ACA 23 Phipps/McAdams/Davey-Bates

Ms. Davey-Bates discussed a currently proposed Bill that would lower the voter threshold for locally approved sales-tax measures. She referred to a sample support letter included with the meeting material and encouraged any interested parties to contact her for more information of the public support campaign currently underway. She closed that the group needs as much support as possible, so all were encouraged to “jump on board”.

S. RCTF Billing/Election Terms L. Davey-Bates

The RCTF Chair discussed some concerns she wanted to bring to the group’s attention in regards to the current practice of biannual billing of RCTF dues and the hardship it poses for her agency to await reimbursement for the cost she incurs in her role as Chair. She also discussed the current election date of the RCTF terms. She asked if the group would be willing to consider switching to an annual billing process to coincide with the beginning of each Fiscal Year. The group also discussed the idea of moving the Officer’s terms to coincide with the Fiscal year as well. The group concluded this discussion by reviewing the roles and responsibilities of the Officers and the intention behind the historical practice of building knowledge and maintaining

continuity in their rotation from the Secretary through Chair positions. Based on the group's input, the Chair will draft a proposal for the group's action at its July meeting.

T. RCTF Topics of Significance All

It was noted that all should have received a correspondence on TE Guidelines that was distributed recently.

A representative of the consulting firm Opportunity Knox introduced herself to the group and briefly described the services her firm could provide. She provided her information and encouraged all those interested to contact her.

It was noted that the CTC's open Board position was given to an individual from San Diego and that many still have a concern that the CTC does not have the "equitable representation" of rural regions referred to in statute.

3:30 Adjourn

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May 31, 2012

To: CSAC Housing, Land Use, and Transportation Policy Committee

From: Mike Penrose, Chair, CEAC Transportation Committee
DeAnn Baker, CSAC Senior Legislative Representative
Kiana Buss, CSAC Senior Legislative Analyst

Re: Recommendations for New Transportation Revenues

Background

During the CSAC Housing, Land Use, and Transportation Policy Committee (HLT Committee) meeting in November 2011, after a presentation on the California Transportation Commissions' Statewide Transportation System Needs Assessment Report (CTC Report), Chair, Supervisor Efren Carrillo (Sonoma County), directed staff to develop a list of revenue options for the HLT Committee to consider to address California's enormous and still growing needs on the transportation network. As reported to the HLT Committee, the CTC Report found that the total cost of system preservation, system management, and system expansion over a ten-year period in California is roughly $536.2 billion. With a total estimated revenue of $242.4 billion over the same period, Californians are facing a $293.8 billion shortfall in order to bring the transportation network into a state of good repair and maintain it in that condition into the future.

CSAC staff has worked with the County Engineers Association of California (CEAC) to develop a list of possible revenue sources for new transportation funding. In addition to developing the list of possible revenue sources, the CEAC Transportation Committee developed a set of principles for evaluating each possible revenue stream to see how well each option fits within existing CSAC policy and the goals of the HLT Committee and Association as a whole. Staff has also listed the major pros and cons related to each possible revenue stream.

After an in-depth discussion on eleven various revenue options, CEAC agreed that four in particular were the most appropriate to fund the transportation needs that are most important to counties (i.e. local streets and roads, state system, and transit). They are listed in alphabetical order and do not reflect any sense of priority.

Principles

I. Unified Statewide Solution. All transportation stakeholders must stand united in the search for new revenues. Any new revenues should address the needs of the entire statewide transportation network.

II. Equity. New revenues should be distributed in an equitable manner, benefiting both the north and south and urban, suburban, and rural areas alike.

III. System Preservation. Given the substantial needs for all modes of transportation, a significant portion of new revenues should be focused on system preservation. Once the system has been brought to a state of good repair (the most cost effective condition to maintain the transportation network), revenues for maintenance of the system would be reduced to a level that enables sufficient recurring maintenance.

IV. All Users Based System. New revenues should be borne by all users of the system from the traditional personal vehicle that relies solely on gasoline, to those with new hybrid or electric technology, to commercial vehicles moving goods in the state, and even transit, bicyclists, and pedestrians who also benefit from the use of an integrated transportation network.

V. Alternative Funding Mechanisms. Given that new technologies continue to improve the efficiency of many types of transportation methods, transportation stakeholders must be open to new alternative funding mechanisms. Further, the goal of reducing greenhouse gases is also expected to affect vehicle miles traveled, thus further reduce gasoline consumption and revenue from the existing gas tax. The existing user based fee, such as the base $0.18-cent gas tax is a declining revenue source. Collectively, we must have the political will to push for sustainable transportation revenues.

Local Streets and Roads Revenue Options

I. Gas Tax Increase and Indexing. Increase the excise tax on gasoline and/or index the new revenues along with the base $0.18-cent gas tax to keep pace with inflation. Another option is to just index the existing $0.18 base portion of the gasoline tax. Per every one-cent gas tax increase, approximately $150 million is generated. The California Statewide Local Streets and Roads Needs Assessment Report identified a $79.9 billion shortfall over the next ten years or an $8 billion annual need just to address the preservation of the local street and road system. Thus, this equates to a 56-cent gas tax increase just to meet local system preservation needs.

Pros	Cons
User-based fee; pay at the pump to use the system	Declining revenue stream – vehicles are more efficient, hybrid and electric technology, less consumption. Further, greenhouse gas reduction goals strive to reduce vehicle miles traveled, less consumption
Indexing makes the tax sustainable by keeping pace with the cost of living and construction costs	

Tax payers pay over time, not in a lump-sum	

II. Sales Tax on Gasoline Options. Reinstate the sales tax on gasoline and/or reduce the voter threshold for the imposition of local sales tax measures for transportation purposes. The two options could be implemented individually or together as a package of changes to the sales tax on gas. The sales tax on gasoline would have generated approximately $2.8 billion in FY 2012-13 if it were still in place. If shared between the State, transit, and cities in the same manner as the previous sales tax, it would generate $560 million for counties in the same fiscal year. Regarding the local sales tax option, the self-help counties coalition estimates another 15-17 counties could pass local measures with a reduction to a 55% voter threshold.

Pros	Cons
Increasing revenue stream; generates more revenues as the price of gas increases	Unlikely to have support from the Legislature and Governor given the transportation tax swap and 2012 November ballot initiatives
Tax payers pay over time, not in a lump-sum	Also effected by reduced consumption
	Political viability since Prop 42 was passed by the voters to direct sales taxes on gasoline to transportation and was then replaced with the new HUTA by the Legislature in the swap

III. Transportation System User Fee. Institute a one-percent annual vehicle registration fee based on the value of a vehicle and dedicate revenues to transportation. Research indicates 27 million vehicles would be subject to the fee. Funds would be distributed in the same manner of the old sales tax, 40% to counties and cities, 40% state highways, and 20% transit. The fee would generate $2.7-$3 billion annually, which would provide counties $540-600 million. The Transportation System User Fee is especially intriguing as Transportation California, representing business, construction, and labor groups, has already drafted a proposal and is undertaking an education and outreach campaign to build support for a near-term ballot measure.

Pros	Cons
New idea; different from conventional sales tax or gas tax proposals	Annual fee so taxpayers feel the burden all at once

Sustainable; captures revenues from all vehicle operators of the road system including operators of electric vehicles and other alternative fuel vehicles	A fee based on value of a vehicle is close to VLF, which can be a hot button issue, voters react to it, i.e. Schwarzenegger reducing the VLF and taking over as Governor

IV. Vehicle Miles Traveled Fee. Institute a fee based on a vehicle miles traveled per registered vehicle, personal and/or commercial. This could require GPS tracking devices to be installed in vehicles or perhaps reporting on a quarterly, semi-annually, or an annual basis to the State on the total number of miles driven per registered vehicle. It is unclear how much such a tax would need to be set at to generate the funds necessary to address California's transportation revenue shortfalls. In 2010, there was 327 million vehicle miles traveled in the state.

Pros	Cons
User based revenue; pay to use the system	Concerns about privacy rights related to a GPS tracking device
Can link fee to peak driving times like congestion pricing on toll roads	It is a potentially declining revenue source as greenhouse gas reduction goals attempt to reduce VMTs
	Implementation would be significant given there isn't the same or similar process already set up

The CEAC Transportation Committee also considered the following revenues possibilities but did not conclude that these options were as viable or sustainable or otherwise did not meet the overarching principles:

- Weight Fee Increase
- Regional Fee
- Local Fee
- Public-Private Partnerships
- Infrastructure Bank
- Toll Roads
- Congestion Pricing

Recommendation.
Again, the four aforementioned revenue options appear to be the most viable and sustainable opportunities for increased revenues to address the significant funding shortfalls for transportation in California. The CEAC Transportation Committee recommends that the HLT Committee take action to recommend that the CSAC Board of Directors support these options to fund our transportation needs. Policy direction should be broad enough to allow CSAC to support any of the options that meet our overall policy goals.

Expires – Upon Issuance of LPP

Race Conscious Measures to include all DBEs

I. BACKGROUND

Under a waiver granted by the United States Department of Transpiration (US DOT) dated August 7, 2008, the California Department of Transportation (Caltrans) Disadvantaged Business Enterprise (DBE) Program set contract goals for only Underutilized DBEs (UDBEs) which included exclusively those firms owned by Black Americans, Native Americans, Asian-Pacific Americans and Women.

Recently, the US DOT rescinded this waiver. With this rescission, contract goals for federally funded projects authorized on and after July 1, 2012, must include ALL DBE groups (i.e. African Americans, Asian Pacific Americans, Native Americans, Women, Hispanic Americans, Subcontinent Asian Americans, and any other groups whose members are certified as socially and economically disadvantaged). This is referred to as the "New RC DBE Program." To assist with the implementation of this new program, Caltrans Division of Local Assistance (DLA) has outlined policies and procedures regarding Federal-aid highway projects administered by local agencies.

II. POLICY

It is the policy of Caltrans Division of Local Assistance (DLA) that all federal-aid highway projects administered by local agencies comply with the latest requirements with regards to the utilization of disadvantaged business enterprises.

To ensure compliance with federal DBE requirements and, at the same time, to facilitate the timely delivery of local agency federal-aid projects, DLA will consider the following three scenarios of project authorizations.

Projects Authorized by FHWA prior to July 1, 2012

1. Local agencies should take all possible actions to use contract goals for all DBEs in contracts advertised after the date of this Office Bulletin when contract goals are used. Local agencies that adopt new race conscious measures must revise the contract goal, edit DBE contract language and proposal/bid documents and turn in a new PS&E Checklist, Exhibit 12-D, for their respective projects.

2. If it is not practical to do this, then these projects should be advertised as soon as possible under the Old RC DBE program applying contract goals only to UDBEs. However, Projects advertised after August 17, 2012 must use contract goals that include all certified DBEs. For projects advertised after August 17, 2012, contract goals cannot be limited to UDBEs.

Projects Authorized by FHWA from July 1, 2012 to September 30, 2012

1. At the request of a local agency, a conditional authorization to proceed may be granted to a project that was prepared using pre-July 2012 race conscious measures and corresponding exhibits from the Local Assistance Procedure Manual (LAPM), under the condition that, PRIOR TO ADVERTISING, bid documents must be revised to comply with the New RC DBE Program such that contract goals include all certified DBEs. Additionally, the local

agency will need to include in its authorization request a signed letter acknowledging receipt and understanding of this Office Bulletin. See attachments for sample letter. Local agencies that received such conditional authorizations must submit a revised Exhibit 12-D "PS&E Checklist" under the New DBE Program to be accepted by the District Local Assistance Engineer prior to advertising the contract.

2. Projects that are prepared using the New DBE Program and corresponding exhibits from the LAPM, as contained in this Office Bulletin, will follow normal authorization procedures.

Projects Authorized by FHWA after September 30, 2012

All projects must be prepared using the post-July 2012 race conscious measures and corresponding exhibits from the LAPM, as contained in this Office Bulletin.

III. PROCEDURE

Along with the release of this Office Bulletin, the following LAPM Exhibits/forms have been modified to reflect the New DBE Program requirements:

- Chapter 3, "Project Authorization," including Exhibits 3-A through 3-D and 3-Q.
- Chapter 10, "Consultant Selection," including Exhibits 10-C, 10-D, 10-I, 10-J, 10-O1 and 10-O2.
- Chapter 12, "Plans, Specifications and Estimate," including Exhibits 12-D and 12-E.
- Chapter 15, "Advertise and Award Project," including Exhibits 15-A, 15-B, 15-G, 15-H, 15-I and 15-L.
- Chapter 17, "Project Completion," including Exhibit 17-F.

These revised LAPM exhibits are available on the Local Assistance Website.

IV. APPLICABILITY/IMPACTS

This will impact all federal-aid projects administered by local agencies. Noncompliance will result in loss of federal funds.

Recommended: Original Signed By 6/2912
Henry Wells, Committee Chair Date

Approved: Original Signed By 6/29/12
Ray Zhang, Chief Date
Office of Policy Development and Quality Assurance

Attachments:

Attachment 1 – Sample Letter Acknowledging Receipt of Office Bulletin 12-04

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Flex your power!
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June 29, 2012

ALL CITIES AND COUNTIES IN CALIFORNIA
METROPOLITAN PLANNING ORGANIZATIONS
REGIONAL TRANSPORTATION PLANNING AGENCIES

Dear Directors:

This letter supersedes my letter dated June 22, 2012, on the same subject. This letter contains further clarifications from the United States Department of Transportation (US DOT).

The US DOT has informed the California Department of Transportation (Caltrans) that the Disadvantaged Business Enterprise (DBE) program waiver granted on August 7, 2008, has been rescinded. That waiver allowed race-conscious (RC) contract goals to be limited to only four groups referred to as "UDBEs" (the "Old RC DBE Program"). With rescission of the waiver, contract goals for federally funded projects authorized on and after July 1, 2012, must include ALL DBE groups (African Americans, Asian Pacific American, Native American, Women, Hispanic American, and Subcontinent Asian American and any other groups whose members are certified as socially and economically disadvantaged). This is referred to as the New RC DBE Program.

As directed in the June 15, 2012, letter from the Federal Highway Administration (FHWA), Caltrans is transitioning to the New RC DBE Program and it will apply to Caltrans and Local Agency transportation projects funded with FHWA federal funds.

Impacts to FHWA Funded Federal-aid Projects

- **Projects authorized prior to July 1, 2012:** If practical, these projects should use contract goals that include all certified DBEs and not just UDBEs. If it is not practical to do this, then these projects should be advertised as soon as possible under the Old RC DBE program applying contract goals only to UDBEs. However, projects **advertised after August 17, 2012,** must use contract goals that include all certified DBEs. For projects advertised after August 17, 2012, contract goals cannot be limited to UDBEs.
- **Projects authorized between July 1, 2012 and September 30, 2012** Projects may be authorized under the Old RC DBE procedures under the *condition* that, PRIOR TO **ADVERTISING**, bid documents must be revised to comply with the New RC DBE Program such that contract goals include all certified DBEs. In addition to submitting the normal Request for Authorization documents, local agencies will be asked to attach a certification letter acknowledging that the local agency has read and understood the new

RC DBE Office Bulletin, and that failure to comply with the New RC DBE Program will make the project ineligible for federal funds.

- **Projects authorized After October 1, 2012:** All FHWA federally funded projects must comply with the new RC DBE requirements PRIOR TO AUTHORIZATION.

Implementation of the New RC DBE Program

Caltrans Division of Local Assistance (DLA) is publishing a DLA Office Bulletin for the implementation of the New RC DBE Program. The Office Bulletin will address the following:

- Procedures for the transition to and implementation of the New RC DBE Program requirements.
- Revised Local Programs Procedures Manual exhibits required for implementation of the New RC DBE requirements.
- Revised consultant and construction contract specifications for use under the New RC DBE Program.

In addition, DLA will conduct trainings for local agencies on the New RC DBE requirements beginning in July 2012.

If you have questions, please contact your District Local Assistance Engineer.

Sincerely,

MALCOLM DOUGHERTY
Director

Enclosures:
(1) US DOT Letter
(2) FHWA Letter

Local Agency Letterhead

Request for Conditional Federal Authorization to Proceed and Commitment to Comply with the New Race Conscious DBE Requirement

To: (DLAE Name)
District Local Assistance Engineer
Caltrans, Office of Local Assistance
District Address

Date: _____
Federal Project No.: _____
Project Description: _____
_____

This is a request for Conditional Federal Authorization to Proceed for a project developed under the Old RC DBE Program requirements, as allowed by DLA Office Bulletin 12-04, "Race Conscious Measures to include all DBEs".

We have read and understand the DLA Office Bulletin 12-04.

We understand that the California Department of Transportation (Caltrans) is implementing a new Disadvantaged Business Enterprise (DBE) program applicable to all federally funded local transportation projects with DBE contract goals.

We understand that even with the Conditional Federal Authorization to Proceed granted, we must revise our contract bid document to include DBE contract goals for all DBEs before the project is advertised, to comply with the New DBE Program requirements.

We accept the responsibility to ensure compliance with the New DBE Requirements and understand that failure to comply with the New RC DBE Program will make the project ineligible for federal funds.

_____
Signature of Local Agency Representative

_____
Printed Name

_____
Title

_____
Local Agency

SAMPLE

Table 1.2 - Worksheet for Proposed Revenue Solutions to Address Projected Ten-Year Transportation Funding Shortfall

Proposed Revenue Sources	Rehabilitation	Maintenance	System Management	System Expansion	Mode (Example: Highways)	Text Writing Team Member(s)	Lead For Economic Analysis	Impacted Parties (Public, Industry)	Description of Policy, Legislative or Other Action Required	Publications Supporting Proposal	Projected Net Revenue (2012-2021)
Gas Tax Indexing tied to inflation											$
Gasoline Sales Tax increase of $XX/Gallon											$
55% Local Sales Tax Voter Threshold											$
New Vehicle Sales Tax - $.025											$
Tire Tax											$
Annual Vehicle Registration Fee											$
VMT Fee											$
Local APCDs Vehicle License Fee Surcharge											$
City of San Diego Property Tax Levy											$
Pay as You Drive System											$
Airport Passenger Service Charge Increase											$
Parking Fees											$
Oil Change Fees											$
Bicycle Sales Fee											$
Heavy Duty Vehicle Fees											$
Heavy Duty Vehicle VMT											$
Cap & Trade Revenues from Fuel Surcharges											$
School Districts											$
State Infrastructure Bonds											$
TIFIA Funding											$
Infrastructure Financing District Flexibility											$
Cordon Pricing											$
New Starts & Small Starts											$
Infrastructure Financing Districts											$
State Tax Credits ~ Federal Tax Credits											$
California Infrastructure Bank Target Infill											$
Toll Roads											$
Public Private Partnerships											$

CALIFORNIA
RURAL COUNTIES TASK FORCE

JERRY BARTON, VICE CHAIR
EL DORADO COUNTY
TRANSPORTATION COMMISSION
530.642.5260 - jbarton@edctc.org

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LAKE COUNTY/CITY
AREA PLANNING COUNCIL
707.263.7799 - daveybatesl@dow-associates.com

NEIL PEACOCK, SECRETARY
AMADOR COUNTY
TRANSPORTATION COMMISSION
209.267.2282 – neil@actc-amador.org

TITLE: RCTF Elections and Voluntary Dues Collections

DATE PREPARED: July 17, 2012
MEETING DATE: July 20, 2012

SUBMITTED BY: Lisa Davey-Bates, RCTF Chair

BACKGROUND:

During the May 18, 2012 Rural Counties Task Force (RCTF) meeting I initiated the conversation of the current cycle of electing officers, the length of terms, and the voluntary dues billing cycle.

Currently, RCTF elections are held every two years in January (of the odd year). During the last meeting, the group discussed the two-year commitment of the officers, and if that should continue, or if the term should be shortened to one year. A third option was discussed which would provide a two-year commitment as Chair, but after the first year the Chair would begin working with the Vice-Chair so that the task was not so daunting when they became the Chair of the RCTF. After much discussion, I agreed to present the group with a proposal at the July 20th meeting.

The second topic that was discussed was the RCTF dues collection process. One of the responsibilities as RCTF Chair is to collect dues to offset travel and other expenses to cover responsibilities during their term. I suggested that it would be much easier for the Chair to simply bill one time during the beginning of the fiscal year versus the current process of two billings. The RTPAs could pay the invoice as funding became available. The RCTF dues range from a mere $250 to $1,000 every six months so the financial burden would be minimal by billing just one time per year. Currently the RCTF Chair bills the RTPAs for the dues in arrears, which can create cash flow issues for the smaller RTPAs. For example, the Lake County RTPA had to loan $18,000 to the RCTF in order to claim my time under our RCTF Work Element in the Overall Work Program until the dues were collected. This was an accounting hassle and hardship that could be avoided by one billing at the beginning of the Fiscal Year.

In order for the billing issue to be rectified, the election cycle must be changed to coincide with the fiscal year. I am suggesting that the RCTF consider holding elections in July so that the upcoming Chair can collect one round of voluntary dues for Fiscal Year 2012/13. Based on input from the May RCTF meeting, I recommend that we continue to have two-year terms, but that the Chair begin to mentor the Vice-Chair during the last six months of his/her term. If the group agrees with my proposal, I will assist the new Chair as he or she transitions into the position.

ACTION REQUIRED: I recommend election of Chair, Vice-Chair and Secretary be held at the July 2012 meeting for a two-year term to coincide with the fiscal year. I also recommend the RCTF take action to authorize the Chair to bill RTPAs for voluntary dues during the beginning of the new fiscal year for the full voluntary dues amount, versus the current billing structure that occurs twice per year.

ALTERNATIVES: Do not conduct election of officers; and continue on a calendar year cycle which is not in line with the current Fiscal Year billing cycle.

RECOMMENDATION: Hold election of officers in July 2012 for a two-year term and authorize the new chair to distribute invoices for voluntary dues only once during the beginning of Fiscal Year 2012/13.