

THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017 - LOCAL STREETS AND ROADS FUNDING

DRAFT ANNUAL REPORTING GUIDELINES

July 18, 2017

California Transportation Commission



NOTE: These Draft Local Streets and Roads Funding Reporting Guidelines are currently under development. This information is provided in draft form, and is subject to further modification and refinement. This draft information does not represent any final determination by the Commission on any of the issues addressed in these draft guidelines.

CALIFORNIA TRANSPORTATION COMMISSION
THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017

ANNUAL REPORTING GUIDELINES FOR LOCAL STREETS AND ROADS FUNDING

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I. Introduction

1. Background and Purpose of Reporting Guidelines

On April 28, 2017 the Governor signed Senate Bill (SB) 1 (Beall, Chapter 5, Statutes of 2017), which is known as the Road Repair and Accountability Act of 2017. To address basic road maintenance, rehabilitation and critical safety needs on both the state highway and local streets and road system, SB 1: increases per gallon fuel excise taxes; increases diesel fuel sales taxes and vehicle registration fees; and provides for inflationary adjustments to tax rates in future years.

Beginning November 1, 2017, the State Controller (Controller) will deposit various portions of this new funding into the newly created Road Maintenance and Rehabilitation Account (RMRA). A percentage of this new RMRA funding will be apportioned by formula to eligible cities and counties pursuant to Streets and Highways Code (SHC) Section 2032(h) for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system. For a detailed breakdown of RMRA funding sources and the disbursement of funding please see Sections 5 and 6 of these guidelines.

SB 1 emphasizes the importance of accountability and transparency in the delivery of California's transportation programs. Therefore, in order to be eligible for RMRA funding, statute requires cities and counties to provide basic annual RMRA project reporting to the California Transportation Commission (Commission).

These guidelines describe the general policies and procedures for carrying out the annual RMRA project reporting requirements for cities and counties and other statutory objectives as outlined in Section 2 below. The guidelines were developed in consultation with state, regional, and local government entities and other transportation stakeholders.

The Commission may amend these guidelines after first giving notice of the proposed amendments. In order to provide clear and timely guidance, it is the Commission's policy that a reasonable effort be made to amend the guidelines prior to a call for project lists or the Commission may extend the deadline for project list submission in order to facilitate compliance with the amended guidelines.

2. Program Objectives and Statutory Requirements

Streets and Highways Code (SHC) Section 2032.5(a) articulates the general intent of the legislature that recipients of RMRA funding be held accountable for the efficient investment of public funds to maintain local streets and roads and are accountable to the people through performance goals that are tracked and reported.

Pursuant to SHC Section 2030(a), the objective of the Local Streets and Roads Program is to address deferred maintenance on the local streets and roads system through the prioritization and delivery of basic road maintenance and rehabilitation projects as well as critical safety projects.

Cities and counties receiving RMRA funds must comply with all relevant federal and state laws, regulations, policies, and procedures. The main requirements for the program are codified in SHC Sections 2034, 2036, 2037, and 2038 and include the following:

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- Prior to receiving an apportionment of RMRA funds from the Controller in a fiscal year, a city or county must submit to the Commission a list of projects proposed to be funded with these funds. All projects proposed to receive funding must be included in a city or county budget that is adopted by the applicable city council or county board of supervisors at a regular public meeting [SHC 2034(a)(1)].
- The list of projects must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement [SHC 2034(a)(1)]. Further guidance regarding the scope, content, and submittal process for project lists prepared by cities and counties is provided in Sections 9-10.
- The project list does not limit the flexibility of an eligible city or county to fund projects in accordance with local needs and priorities so long as the projects are consistent with RMRA priorities as outlined in SHC 2030(b) [SHC 2034(a)(1)].
- The Commission will report to the Controller the cities and counties that have submitted a list of projects as described in SHC 2034(a)(1) and that are therefore eligible to receive an apportionment of RMRA funds for the applicable fiscal year [SHC 2034(a)(2)].
- The Controller, upon receipt of the report from the Commission, shall apportion RMRA funds to eligible cities and counties pursuant to SHC 2032(h) [SHC 2034(a)(2)].
- For each fiscal year in which RMRA funds are received and expended, cities and counties must submit documentation to the Commission that includes a description and location of each completed project, the amount of funds expended on the project, the completion date, and the estimated useful life of the improvement [SHC 2034(b)]. Further guidance regarding the scope, content, and submittal process for program expenditure reports is provided in Sections 12-13.
- A city or county receiving an apportionment of RMRA funds is required to sustain a maintenance of effort (MOE) by spending at least the annual average of its general fund expenditures during the 2009–10, 2010–11, and 2011–12 fiscal years for street, road, and highway purposes from the city's or county's general fund [SHC 2036]. Monitoring and enforcement of the maintenance of effort requirement for RMRA funds will be carried out by the Controller and is addressed in more detail in Section 15.
- A city or county may spend its apportionment of RMRA funds on transportation priorities other than priorities outlined in SHC 2030(b) if the city or county's average Pavement Condition Index (PCI) meets or exceeds 80 [SHC 2037].
- By July 1, 2023, cities and counties receiving RMRA funds must follow guidelines developed by the California Workforce Development Board (Board) that address participation and investment in, or partnership with, new or existing pre-apprenticeship training programs [SHC 2038]. Further information regarding the forthcoming Board Guidelines and future Board-sponsored grant opportunities is available in Section 14.

3. Program Roles and Responsibilities

Below is a general outline of the roles and responsibilities of recipient cities/counties, the Commission, and the Controller in carrying out the program's statutory requirements, as well as activities the Commission will undertake to meet the legislative intent of SB 1:

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Recipient Cities/Counties:

- Develop and submit a list of projects to the Commission each fiscal year.
- Develop and submit a project expenditure report to the Commission each fiscal year.
- Comply with all requirements including reporting requirements for RMRA funding.

Commission (with assistance from Caltrans as needed pursuant to Government Code Section 14512):

- Provide technical assistance to cities and counties in the preparation of project lists and reports.
- Receive project lists from cities and counties each fiscal year.
- Provide a comprehensive list to the Controller each fiscal year of cities and counties eligible to receive RMRA apportionments.
- Receive program expenditure reports from cities and counties each fiscal year and provide aggregated statewide information regarding use of RMRA funds to the Legislature and the public (e.g. the Commission’s Annual Report to the Legislature and a SB 1 Accountability Website).

Controller:

- Receive list of cities and counties eligible for RMRA apportionments each fiscal year from the Commission.
- Apportion RMRA funds to cities and counties.
- Oversee Maintenance of Effort and other requirements for RMRA funds including reporting required pursuant to SHC 2151.

4. Program Schedule

The following schedule lists the major milestones for the development of the 2017 Local Streets and Roads Funding Reporting Guidelines, initial submittal of project lists, and transmittal of eligibility list to the Controller. See Appendix C for a more detailed program schedule.

| | |
|--|--|
| Draft Guidelines Circulated for Public Review | June 19 – July 10, 2017 |
| Commission Adoption of Guidelines | August 16-17, 2017 |
| Call for Project Lists | August 18, 2017 |
| Project Lists due to Commission | October 16 September 15, 2017 |
| Commission Adopts List of Eligible Cities and Counties | December 6-7 October 18-19, 2017 |
| Commission Submits List to Controller | December 6-7 November 4, 2017 |
| <u>Controller FY 17-18 Apportionments Begin</u> | <u>Mid-January 2018</u> |

Commented [PL1]: Project list submittal deadline moved to October 16th to better accommodate the city/county budget development and approval process.

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II. Funding

5. Source

The State of California imposes per-gallon excise taxes on gasoline and diesel fuel, sales taxes on diesel fuel, and registration taxes on motor vehicles and dedicates these revenues to transportation purposes. Portions of these revenues flow to cities and counties through the Highway Users Tax Account (HUTA) and the newly established RMRA created by SB 1.

The Local Streets and Roads Funding Program administered by the Commission in partnership with the Controller is supported by RMRA funding which includes portions of revenues pursuant to SHC 2031 from the following sources¹:

- An additional 12 cent per gallon increase to the gasoline excise tax effective November 1, 2017.
- An additional 20 cent per gallon increase to the diesel fuel excise tax effective November 1, 2017.
- An additional vehicle registration tax called the "Transportation Improvement Fee" with rates based on the value of the motor vehicle effective January 1, 2018.
- An additional \$100 vehicle registration tax on zero emissions (ZEV) vehicles of model year 2020 or later effective July 1, 2020.
- Annual rate increases to these taxes beginning on July 1, 2020 (July 1, 2021 for the ZEV fee) and every July 1st thereafter equal to the change in the California Consumer Price Index (CPI).

SHC 2032(h)(2) specifies that 50 percent of the balance of revenues deposited into the RMRA, after certain funding is set aside for various programs, will be continuously appropriated for apportionment to cities and counties by the Controller pursuant to the formula in SHC Section 2103(a)(3)(C)(i) and (ii).

6. Estimation and Disbursement of Funds

While neither, the Commission nor the State Controller's Office prepare formal estimates of RMRA funds, the Department of Finance (DOF) estimates the total amount of funding that will be deposited into the RMRA annually [enter link]. The California State Association of Counties and the League of California Cities use this information from DOF to develop city and county level estimates of RMRA funds which are available here:

[enter link from CSAC] and [enter link from the League]

Each fiscal year, upon receipt of a list of cities and counties that are eligible to receive an apportionment of RMRA funds pursuant to SHC 2032(h)(2) from the Commission, the Controller is required to apportion RMRA funds to eligible cities and counties consistent with the formula outlined in SHC Section 2103(a)(3)(C)(i) and (ii). It is expected that the Controller will apportion RMRA funds on a monthly basis to eligible cities and counties using a process and system similar to that of HUTA apportionments.

¹ The California Local Government Finance Almanac. Updated May 11, 2017. Page 7. Accessed at: <http://www.californiacityfinance.com/LSR1704.pdf>

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III. Eligibility and Program Priorities

7. Eligible Recipients

Eligible recipients of RMRA funding apportionments include cities and counties that have prepared and submitted a project list to the Commission pursuant to SHC Section 2034(a)(1) and that have been included in a list of eligible entities submitted by the Commission to the Controller pursuant to SHC Section 2034(a)(2).

Recipients of RMRA apportionments must comply with all relevant federal and state laws, regulations, policies, and procedures.

8. Program Priorities and Example Projects

Pursuant to SHC Section 2030(a), RMRA funds made available for the Local Streets and Roads Funding Program shall be prioritized for expenditure on basic road maintenance and rehabilitation projects, and on critical safety projects.

SHC Section 2030(b)(1) provides a number of example projects and uses for RMRA funding that include but are not limited to the following:

- Road Maintenance and Rehabilitation
- Safety Projects
- Railroad Grade Separations
- Complete Streets Components (including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and stormwater capture projects in conjunction with any other allowable project)
- Traffic Control Devices

SHC Section 2030(b)(2) states that funds made available by the program may also be used to satisfy a match requirement in order to obtain state or federal funds for projects authorized by this subdivision.

SHC Section 2030(c)-(f) specifies additional project elements that will be incorporated into RMRA-funded projects by cities and counties to the extent possible and cost effective, and where feasible (as deemed by cities and counties). These elements are:

- Technologies and material recycling techniques that lower greenhouse gas emissions and reduce the cost of maintaining local streets and roads through material choice and construction method.
- Systems and components in transportation infrastructure that recognize and accommodate technologies including but not limited to ZEV fueling or charging and infrastructure-vehicles communications for transitional or fully autonomous vehicles.
- Project features to better adapt the transportation asset to withstand the negative effects of climate change and promote resiliency to impacts such as fires, floods, and sea level rise (where appropriate given a project's scope and risk level for asset damage due to climate change).
- Complete Streets Elements (such as project features that improve the quality of bicycle and pedestrian facilities and that improve safety for all users of transportation

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Commented [PL2]: Staff received comments requesting specific guidance on eligible uses of RMRA funds.

Staff proposes to instead refer directly to statutory language but will communicate jurisdiction comments and questions regarding specific uses to the SCO for consideration in their guidelines and/or FAQ's.

facilities) are expected to be incorporated into RMRA funded projects to the extent (as deemed by cities and counties) beneficial, cost-effective, and practicable in the context of facility type, right-of-way, project scope, and quality of nearby facilities.

Pursuant to SHC Section 2037, a city or county may spend its apportionment of RMRA funds on transportation priorities other than those outlined in SHC Section 2030 if the city or county's average Pavement Condition Index (PCI) meets or exceeds 80.

IV. Project List Submittal

9. Content and Format of Project List

Pursuant to SHC Section 2034(a)(1), prior to receiving an apportionment of RMRA funds from the State Controller in a fiscal year, a city or county must submit to the Commission a list of projects proposed to be funded with these funds pursuant to an adopted city or county budget, which may include pertinent budget amendments.

Listed below are the specific statutory criteria for the content of the project list along with additional guidance provided to help ensure a consistent statewide format and to facilitate accountability and transparency within the Local Streets and Roads Program.

a.) Included in an Adopted Budget

All proposed projects must be included in a city or county budget that is adopted by the applicable city council or county board of supervisors at a regular public meeting.

To ensure transparency and to meet the intent of SHC Section 2034(a)(1) "included in a city or county budget" can mean either of the following:

- a.) A specific list of projects proposed for RMRA funding adopted as part of the city/county's regular operating or capital improvement budget, at a regular public meeting; or
- b.) A specific list of projects proposed for RMRA funding amended into the city/county's regular operating or capital improvement budget, at a regular public meeting.

Documentation of Inclusion in an Adopted Budget

A city or county must provide a public record which illustrates that projects proposed for RMRA funding through the Local Streets and Roads Program have been included in an adopted city or county operating budget. Examples of an acceptable public record include:

- a.) An excerpt from the city/county's regular operating or capital improvement budget including the relevant list of projects and an adopting resolution;
- b.) An excerpt from the city/county's regular operating or capital improvement budget including the relevant list of projects and meeting minutes documenting approval at a regular public meeting.
- c.) An excerpt from the city/county's amended operating or capital improvement budget including the relevant list of projects, or the staff report specifying the projects to be included, as well as an adopting resolution or meeting minutes documenting approval at a regular public meeting.

Commented [PL3]: Staff received comments requesting specific information to include in adopted budgets and/or amendments. Staff proposes to retain general language to afford maximum flexibility for cities and counties to accommodate these new requirements.

The League of California Cities and the California State Association of Counties will also be providing statewide technical assistance (with support from Commission staff as needed) to help jurisdictions address the issue of budget documentation.

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Submittal of electronic copies of the relevant excerpts from an operating budget (or amendment) and support documentation (i.e. resolution or minutes) is encouraged. Support documentation requirements are further discussed in Appendix A.

b.) List of Projects – Content

Pursuant to SHC 2034(a)(1), the project list must include a description and the location of each proposed project, a proposed schedule for each project's completion, and the estimated useful life of the improvement. The project list is intended to cover, at a minimum, the applicable fiscal year. Cities and counties may include project information for future fiscal years but are expected to update the project list as needed every fiscal year prior to submittal to the Commission.

Development and Content

The Commission recognizes the inherent diversity of road maintenance and rehabilitation needs among the approximately 540 jurisdictions across the state that may utilize Local Streets and Roads Program funding.

Given the emphasis SB 1 places on accountability and transparency in delivering California's transportation programs, cities and counties are encouraged to clearly articulate how these funds are being utilized through the development of a robust project list.

To promote statewide consistency in the content and format of project information submitted to the Commission, and to facilitate transparency within the Local Streets and Roads Funding Program, the following guidance is provided regarding the key components of the project list. Please note that project lists included in a city or county budget may only include the elements mandated by statute: description, location, schedule for completion and useful life elements. Cities and counties should include more detailed project information in the project list submitted to the Commission.

For further assistance, Appendix A has been developed to specify project list content and format.

Project Description

The list must include a project description for each proposed project. The city/county is encouraged to provide a brief non-technical description (up to 5 sentences) written so that the main objectives of the project can be clearly and easily understood by the public.

The level of detail provided will vary depending upon the nature of the project; however, it is highly encouraged that the project description contain a minimum level of detail needed for the public to understand what is being done and why it is a critical or high-priority need.

Project Location

The list must include a project location for each proposed project. The city/county is encouraged to provide project location information that, at a minimum, would allow the public to clearly understand where within the community the project is being undertaken. For example, providing specific street names where improvements are being undertaken and specifying project termini when possible are preferable to more general information such as "various" or "south-west side of city/county". If project-specific geolocation data is available, it is highly encouraged to be included in the project list submitted to the Commission.

Commented [PL4]: Staff received comments requesting that the guidelines clarify how multi-year funded projects can be addressed and reflected in the budget and project lists. Language added to provide clarification.

Commented [PL5]: Staff received comments that specific project location information may be difficult to provide in the proposed project list (especially for jurisdiction-wide on-going maintenance activities where specific streets for example may not be identified at the time of budget adoption).

In reviewing project lists, staff intends to provide flexibility in this regard. Cities and counties are requested to provide a good faith effort to be as specific as possible with respect to project location information in the project information that is included in the budget or budget amendment and the proposed project list submitted by October 16th, 2017.

In completing the Project Expenditure Report due October 1, 2018, specific and more detailed project location information will be expected.

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Proposed Schedule for Completion

The list must include a completion schedule for each proposed project. The city/county is encouraged to provide a high-level timeline that provides a clear picture to the public of when a project is reasonably expected to be completed. The proposed schedule for completion should clearly articulate if a project will take multiple years to complete.

Estimated Useful Life

The list must include an estimated useful life for each proposed project. [Add definition of estimated useful life from Proposition 1B] The city/county is encouraged to provide information regarding the estimated useful life of the project that is clear, understandable, and based on industry-standards for the project materials and design, where applicable.

Commented [PL6]: Utilize Proposition 1B definition. Ranges will be permissible. Follow up with CSAC for definition.

Technology, Climate Change, and Complete Streets Considerations

SHC Section 2030(c)-(f) specifies additional project elements that will be incorporated into RMRA-funded projects by cities and counties to the extent possible and cost effective, and where feasible. These elements are:

- Technologies and material recycling techniques that lower greenhouse gas emissions and reduce the cost of maintaining local streets and roads through material choice and construction method.
- Systems and components in transportation infrastructure that recognize and accommodate technologies including but not limited to ZEV fueling or charging and infrastructure-vehicles communications for transitional or fully autonomous vehicles.
- Project features to better adapt the transportation asset to withstand the negative effects of climate change and promote resiliency to impacts such as fires, floods, and sea level rise (where appropriate given a project's scope and risk level for asset damage due to climate change).
- Complete Streets Elements (such as project features that improve the quality of bicycle and pedestrian facilities and that improve safety for all users of transportation facilities) are expected to be incorporated into RMRA funded projects to the extent (as deemed by cities and counties) beneficial, cost-effective, and practicable in the context of facility type, right-of-way, project scope, and quality of nearby facilities.

Cities and counties are encouraged to consider all of the above for implementation, to the extent possible, cost-effective, and feasible, in the design and development of projects for RMRA funding.

To meet the intent of SHC 2032.5(a) as outlined in Section 2 of these Guidelines, in addition to the statutory requirements outlined in Section 10, the standard forms developed by the Commission will allow cities and counties to report on the inclusion of these elements.

Other Statutory Considerations for Project Lists

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Pursuant to SHC Section 2034(a)(1), the project list shall not limit the flexibility of an eligible city or county to fund projects in accordance with local needs and priorities, so long as the projects are consistent with SHC Section 2030(b). After submittal of the project list to the Commission, in the event a city or county elects to make changes to the project list pursuant to the statutory provision noted above, formal notification of the Commission is not required. However, standard reporting forms will provide an opportunity for jurisdictions to annually communicate such changes to the Commission as part of the regular reporting process.

Pursuant to SHC Section 2037, a city or county may spend its apportionment of RMRA funds on transportation priorities other than those outlined in SHC 2030(b) if the city or county's average Pavement Condition Index (PCI) meets or exceeds 80. This provision however, does not eliminate the requirement for cities and counties to prepare and submit a list of projects or the requirement to consider technology, climate change, and complete streets elements to the extent possible, cost-effective and feasible, in the design and development of projects for RMRA funding.

In the event a city or county will spend its apportionment of RMRA funds on transportation priorities other than those outlined in Section 8 of these guidelines and pursuant to SHC 2037, cities and counties are encouraged to work with its respective Regional Transportation Planning Agency or Metropolitan Planning Organization to ensure that projects are included in the applicable Regional Transportation Plan.

c.) List of Projects – Standard Format

Please note that project lists included in a city or county budget may only include the elements mandated by statute: description, location, schedule for completion and useful life elements. Cities and counties should include more detailed project information in the project list submitted to the Commission.

To promote statewide consistency of project information submitted to the Commission, a standard project list format using Microsoft Excel has been developed and is further explained in Appendix A.

For the initial submittal of project lists in 2017, cities and counties are required to use the standard form available here [hyperlink to excel form].

In future fiscal years, the Commission intends to make available an online platform so that cities and counties can quickly and easily enter project list information and upload support documentation online.

10. Process and Schedule for Project List Submittal

A city or county must submit a project list and support documentation by **October 16**~~September 15~~, **2017** to the Commission. All materials should be provided electronically. In the event a jurisdiction wishes to submit a hard copy please contact the program manager at the number below. Project lists, support documentation, and any questions can be remitted to:

Laura Pennebaker, Associate Deputy Director
Program Manager, California Transportation Commission
Laura.Pennebaker@dot.ca.gov
(916) 653-7121

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11. Commission Submittal of Eligible Entities to the State Controller's Office

Pursuant to SHC Section 2034(a), a city or county must submit a project list to the Commission to be eligible for the receipt of RMRA funds, and the Commission must report to the Controller the jurisdictions that are eligible to receive funding. Upon receipt of project lists and support documentation, Commission staff will review submittals to ensure they are complete. Once a project list submittal has been received and deemed complete by staff, the city or county will be added to a list of jurisdictions eligible to receive RMRA funding for that fiscal year as required by SHC Section 2034(a)(2). All project lists and support documentation submitted by cities and counties will be posted to the Commission's website.

The list of eligible cities and counties will be brought forward for Commission consideration at a regularly scheduled meeting where staff will request Commission direction to transmit the list to the Controller. Upon direction of the Commission, staff will transmit the list to the Controller pursuant to SHC Section 2034(a)(2) and the cities and counties included on the list will be deemed eligible to receive RMRA apportionments for that fiscal year pursuant to SHC Section 2034 (a)(1). Upon receipt of the list from the Commission, the Controller is expected to apportion funds to the cities and counties included on the list pursuant to SHC Sections 2034(a)(2) and 2032(h). In the event a city or county does not provide a complete project list and support documentation for Commission consideration and eligibility designation pursuant to deadlines established by these guidelines, cities and counties are expected to work cooperatively with Commission staff to provide any missing information as soon as possible. Once completed information is provided, Commission action to establish eligibility will be taken at the next earliest opportunity.

V. Project Expenditure Reporting and Auditing

12. Scope of Completed Project Expenditure Report

Pursuant to SHC Section 2034(b), for each fiscal year in which an apportionment of RMRA funds is received and upon expenditure of funds, cities and counties must submit documentation to the Commission pertaining to the expenditure of those funds that includes: a description and location of each completed project, the amount of funds expended on the project, the completion date, and the estimated useful life of the improvement.

Listed below are the specific statutory criteria for the content of the completed project expenditure report along with additional guidance provided to help ensure a consistent statewide format and to facilitate accountability and transparency within the Local Streets and Roads Program.

a.) Completed Project Expenditure Report – Content

Development and Content

Given the emphasis SB 1 places on accountability and transparency in delivering California's transportation programs, it is vitally important that cities and counties clearly articulate the public benefit of these funds through the development of a robust Completed Project Report.

To promote statewide consistency in the content and format of completed project expenditure information submitted and to facilitate transparency and robust reporting within the Local Streets and Roads Funding Program, the following guidance is provided regarding the key components of the completed project expenditure report. Additionally,

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Appendix B has been developed to provide an example of completed project expenditure report content and format.

The completed project expenditure report must cover the full fiscal year and include projects that have completed construction and are fully operational. The standard form will also provide an opportunity for cities and counties to report on the progress and expenditures associated with multi-year projects that are not yet complete.

Completed Project Description

The report must include a project description for each completed project. The city/county is encouraged to provide a brief non-technical description (up to 5 sentences) written so that the main objectives of the project can be clearly and easily understood by the public.

The level of detail provided will vary depending upon the nature of the project; however, it is highly encouraged that the project description contain a minimum level of detail needed for the public to understand exactly what work was completed.

Completed Project Location

The report must include a project location for each completed project. The city/county is required to provide completed project location information that, at a minimum, would allow the public to clearly understand where within the community the project was constructed. For example, specific street names where improvements were undertaken and project termini should be specified. If project-specific geolocation data is available, it is highly encouraged to be included.

The Amount of Funds Expended and the Project Completion Date

The report must include the amount of RMRA funds expended on the project and its date of completion. [insert definition of "completion" as being operational, open to traffic, etc.].

Estimated Useful Life

The report must include an estimated useful life for each proposed project. [Add definition of estimated useful life from Proposition 1B]. The city/county is encouraged to provide information regarding the estimated useful life of the project that is clear, understandable, and based on industry-standards for the project materials and design, where applicable.

Commented [PL7]: Utilize Proposition 1B definition. Ranges will be permissible. Follow up with CSAC for definition.

Technology, Climate Change, and Complete Streets Considerations

SHC Section 2030(c)-(f) specifies additional project elements that will be incorporated into RMRA-funded projects by cities and counties to the extent possible and cost effective, and where feasible. These elements are:

- Technologies and material recycling techniques that lower greenhouse gas emissions and reduce the cost of maintaining local streets and roads through material choice and construction method.
- Systems and components in transportation infrastructure that recognize and accommodate technologies including but not limited to ZEV fueling or charging and infrastructure-vehicles communications for transitional or fully autonomous vehicles.
- Project features to better adapt the transportation asset to withstand the negative effects of climate change and promote resiliency to impacts such as fires, floods, and

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sea level rise (where appropriate given a project's scope and risk level for asset damage due to climate change).

- Complete Streets Elements (such as project features that improve the quality of bicycle and pedestrian facilities and that improve safety for all users of transportation facilities) are expected to be incorporated into RMRA funded projects to the extent (as deemed by cities and counties) beneficial, cost-effective, and practicable in the context of facility type, right-of-way, project scope, and quality of nearby facilities.

Cities and counties are encouraged to consider all of the above for implementation, to the extent possible, cost-effective and feasible, in the design and development of projects for RMRA funding. In the event that completed projects contain technology, climate change, and complete streets considerations pursuant to SHC 2030(c)-(f). Standard reporting forms developed by the Commission will allow, cities and counties to report on the inclusion of these elements in RMRA-funded projects.

Standard reporting forms developed by the Commission will also provide space for supplementary information to be provided regarding the benefits of RMRA funded projects. Cities and counties should consider providing additional information in the proposed project list as appropriate in order to clearly communicate how RMRA funding is being effectively put to use.

Other Statutory Considerations for Completed Project Reports

Pursuant to SHC Section 2037, a city or county may spend its apportionment of RMRA funds on transportation priorities other than those outlined in SHC Section 2030(b) if the city or county's average Pavement Condition Index (PCI) meets or exceeds 80. This provision however, does not eliminate the requirement for cities and counties to prepare and submit a completed project expenditure report or the requirement to consider technology, climate change, and complete streets elements to the extent possible, cost-effective and feasible, in the design and development of projects for RMRA funding.

b.) Completed Project Expenditure Report – Standard Format

To promote statewide consistency of project information submitted, a standard completed project expenditure report format using Microsoft Excel has been developed and is further explained in Appendix B.

For the initial submittal of project expenditure reports in 2017, cities and counties are required to use the standard form available here [hyperlink to excel form].

In the future, an online platform will be available so that cities and counties can quickly and easily enter completed project information online.

13. Process and Schedule for Project Report Submittal

Completed Project Reports must be developed and submitted to the Commission according to the statutory requirements of SHC Section 2034(b) as outlined above in Section 12.

A city or county must submit a Completed Project Report by **October 1, 2018** to the Commission. All materials should be provided electronically. In the event a jurisdiction wishes to submit a hard copy please contact the program manager at the number below. Reports and any questions can be remitted to:

Laura Pennebaker, Associate Deputy Director

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July 18, 2017

Program Manager, California Transportation Commission
Laura.Pennebaker@dot.ca.gov
(916) 653-7121

14. Commission Reporting of Project Information Received

In order to meet the requirements of SB 1 which include accountability and transparency in the delivery of California's transportation programs, it is vitally important that the Commission clearly communicate the public benefits achieved by RMRA funds. The Commission intends to articulate these benefits through the development of an SB 1 accountability website and through other reporting mechanisms such as the Commission's Annual Report to the Legislature.

Upon receipt of completed project expenditure reports, Commission staff will review submittals to ensure they are complete. If any critical project information is missing (i.e. SHC 2034(b) requirements such as project description, location, date of completion, expenditures, and useful life of improvement) Commission staff will notify city/county staff to complete for resubmittal within 10 working days.

All completed project expenditure reports submitted by cities and counties will be posted to the Commission's SB 1 Accountability website. The Commission will also analyze the completed project expenditure reports provided by cities and counties and aggregate the project information to provide both statewide and city/county level summary information such as the number, type, and location of RMRA funded projects. This information will also be provided on the Commission's SB 1 Accountability website by December 1st each year, and included in the Commission's Annual Report to the Legislature which is delivered to the Legislature by December 15th each year.

In the event a city or county does not provide a completed project expenditure report by the deadline requested (October 1st each year) to allow for Commission analysis and inclusion on the SB 1 accountability website and in the Annual Report to the Legislature, absence of the report will be noted on the website, in the Annual Report, and may be reported to the State Controller.

15. State Controller Expenditure Reporting and Maintenance of Effort Monitoring

This section provides general information regarding the detailed expenditure reporting and maintenance of effort requirements that cities and counties are responsible for demonstrating to the State Controller's Office. It is important to note that the Commission has no oversight or authority regarding these provisions. Specific guidance should be sought from the State Controller's Office in these areas.

Commented [PL8]: Commission staff is working with staff from the State Controller's Office on the development of Frequently Asked Questions in these areas .

In addition to the RMRA completed project reporting requirements outlined in SHC Section 2034(b), SHC Section 2151 requires each city and county to file an annual report of expenditures for street or road purposes with the State Controller's Office. SHC Section 2153 imposes a mandatory duty on the State Controller's Office to ensure that the annual streets and roads expenditure reports are adequate and accurate. Additional information regarding the preparation of the annual streets and roads expenditure report is available online in the [Guidelines Relating to Gas Tax Expenditures for Cities and Counties](#) prepared and maintained by the State Controller's Office. These Guidelines were last updated in August 2015 and are anticipated to be updated again to address new accountability provisions of SB 1.

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Expenditure authority for RMRA funding is governed by Article XIX of the California Constitution as well as Chapter 2 (commencing with Section 2030) of Division 3 of the California Streets and Highways Code (SHC).

RMRA funds received should be deposited as follows in order to avoid the commingling of those funds with other local funds:

- a.) In the case of a city, into the city account that is designated for the receipt of state funds allocated for local streets and roads.
- b.) In the case of a county, into the county road fund.
- c.) In the case of a city and county, into a local account that is designated for the receipt of state funds allocated for local streets and roads.

RMRA funds are subject to audit by the Controller pursuant to Government Code Section 12410 and SHC Section 2153. Pursuant to SHC 2036, a city or county receiving an apportionment of RMRA funds is required to sustain a maintenance of effort (MOE) by spending at least the annual average of its general fund expenditures during the 2009–10, 2010–11, and 2011–12 fiscal years for street, road, and highway purposes from the city's or county's general fund. Monitoring and enforcement of the MOE requirement for RMRA funds will be carried out by the Controller.

MOE requirements are fully articulated in statute as articulated below:

Streets and Highways Code Section 2036

(a) cities and counties shall maintain their existing commitment of local funds for street, road, and highway purposes in order to remain eligible for RMRA funding apportionment.

(b) In order to receive an allocation or apportionment pursuant to Section 2032, the city or county shall annually expend from its general fund for street, road, and highway purposes an amount not less than the annual average of its expenditures from its general fund during the 2009–10, 2010–11, and 2011–12 fiscal years, as reported to the Controller pursuant to Section 2151. For purposes of this subdivision, in calculating a city's or county's annual general fund expenditures and its average general fund expenditures for the 2009–10, 2010–11, and 2011–12 fiscal years, any unrestricted funds that the city or county may expend at its discretion, including vehicle in-lieu tax revenues and revenues from fines and forfeitures, expended for street, road, and highway purposes shall be considered expenditures from the general fund. One-time allocations that have been expended for street and highway purposes, but which may not be available on an ongoing basis, including revenue provided under the Teeter Plan Bond Law of 1994 (Chapter 6.6 (commencing with Section 54773) of Part 1 of Division 2 of Title 5 of the Government Code), may not be considered when calculating a city's or county's annual general fund expenditures.

(c) For any city incorporated after July 1, 2009, the Controller shall calculate an annual average expenditure for the period between July 1, 2009, and December 31, 2015, inclusive, that the city was incorporated.

(d) For purposes of subdivision (b), the Controller may request fiscal data from cities and counties in addition to data provided pursuant to Section 2151, for the 2009–10, 2010–11, and 2011–12 fiscal years. Each city and county shall furnish the data to the Controller not later than 120 days after receiving the request. The Controller may withhold payment to cities and counties that do not comply with the request for information or that provide incomplete data.

(e) The Controller may perform audits to ensure compliance with subdivision (b) when deemed necessary. Any city or county that has not complied with subdivision (b) shall reimburse the state for the funds it received during that fiscal year. Any funds returned as a result of a failure

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to comply with subdivision (b) shall be reapportioned to the other counties and cities whose expenditures are in compliance.

(f) If a city or county fails to comply with the requirements of subdivision (b) in a particular fiscal year, the city or county may expend during that fiscal year and the following fiscal year a total amount that is not less than the total amount required to be expended for those fiscal years for purposes of complying with subdivision (b).

16. Workforce Development Requirements and Project Signage

Pursuant to SHC Section 2038, by July 1, 2023, cities and counties receiving RMRA funds must follow guidelines developed by the California Workforce Development Board that address participation & investment in, or partnership with, new or existing pre-apprenticeship training programs. [Local public agencies receiving RMRA funds will also be eligible to compete for funding from the Board's pre-apprenticeship development and training grant program that includes a focus on the outreach of women, minority participants, underrepresented subgroups, formerly incarcerated individuals, and local residents to access training and employment opportunities.](#)

Upon California Workforce Development Board adoption of guidelines and grant funding opportunities in this area, the Commission will update the Local Streets and Roads Program Guidelines to incorporate this information by reference.

Commented [PL9]: Input from Ericka Rincon – PolicyLink

To demonstrate to the public that RMRA funds are being put to work, cities and counties should consider including project funding information signage, where feasible and cost-effective, stating that the project was made possible by SB 1 – The Road Repair and Accountability Act of 2017.

Appendix A – Local Streets and Roads Project List Form

To promote statewide consistency in the content and format of project information submitted to the Commission, and to facilitate transparency within the Local Streets and Roads Funding Program, Appendix A provides a standard form for cities and counties to use in submitting the proposed list of projects to the Commission. Please note that project lists included in a city or county budget may only include the elements mandated by statute: description, location, schedule for completion and useful life elements, while the form below includes more detailed project information. This will be an electronic form with drop down menus for certain fields to ensure accuracy of information provided. Eventually we hope to have an online platform and underlying data base through which cities and counties can enter project information online. For discussion purposes, examples of the nature/type of information that would be asked for is compiled below:

General Info:

- City and County Name
- Project Lead and Department Contact InformationPoint of Contact
- Legislative District(s)
- Jurisdiction's Average Network PCI and date/year of measurement
- Fiscal Year
- Supplementary Information² (a place for the city/county to report how RMRA projects were identified as a priority, how they demonstrate an efficient investment of public funds, and any additional benefits of the projects).

Commented [PL10]: Ensure that general and project lead-in information auto-populate and repeat at the top of the form.

Proposed Project A

Description:

- Brief description (up to 5 sentences) written in a non-technical way that is understandable to the public and which includes some quantifiable measurement about the project (e.g. replace 5 culverts, repave/resurface 2 miles of road, restripe 1 mile of bike lanes, etc.)
- Have city/county check boxes specifying the type of project it is based on RMRA priorities or "other" and the inclusion of additional Technology, Climate Change and Complete Streets elements (SHC 2034). [Include space for a narrative description of the additional elements to be provided if applicable.] [Also include a place for the city/county to specify why additional elements were not included i.e. cost-effectiveness, feasibility etc.]
- Local/Regional project number (if applicable)

Commented [PL11]: Input from Dan Allison – Public Citizen at the July 18th workshop: Some examples of project elements that may be of interest to the public (if applicable to a project) include but are not limited to: addition, removal or enhancement of crosswalks; reallocation of roadway width, painted curb extensions, one-way to two-way conversions, bike lane gap closures, speed limit reductions, addition of stop signs, and conversion of stop signs to yield signs.

Staff will work with IT to explore how "examples" of project elements such as the those described above that may be helpful to include in project descriptions can be shared on the form (just for information, example purposes, not as a requirement).

Commented [PL12]: Input from Jeannie Ward-Waller – Sacramento Area Bicycle Coalition.

Location:

- Should be as specific as possible (i.e. street names and project termini) and geolocation information should be provided if available³

^{2,3} Supplementary and location information can be used to demonstrate a variety of benefits of RMRA projects including effective prioritization of funds, equitable distribution, and efficient utilization of funding.

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Proposed Schedule for Completion:

- Anticipated construction year

Estimated Useful Life:

- Should be clear, understandable, and based on industry-standards

Support Documentation

- Electronic Copy of excerpt from City/County's Adopted Budget or Budget Amendment including proposed list of projects, or the staff report specifying the projects to be included in a budget amendment
- Adopting resolution or meeting minutes to document budget/amendment approval
- Additional information regarding support documentation is available in Section 10 of the guidelines

Project Flexibility

Pursuant to SHC Section 2034(a)(1), this project list shall not limit the flexibility of an eligible city or county to fund projects in accordance with local needs and priorities, so long as the projects are consistent with SHC Section 2030(b).

Appendix B - Local Streets and Roads Completed Project Expenditure Report Form

This will be an electronic form with drop down menus for certain fields to ensure accuracy of information provided. Eventually we hope to have an online platform and underlying data base through which cities and counties can enter project information online. For discussion purposes, examples of the nature/type of information that would be asked for is compiled below:

General Info:

- City/County Name
- Point of Contact
- Legislative District(s)
- Jurisdiction's Average Network PCI and year/date of measurement.
- Total Funds Apportioned during the Fiscal Year
- Supplementary Information⁴ (a spot for the city/county to report how RMRA projects were identified as a priority, how they demonstrate an efficient investment of public funds, and any additional benefits of the projects).

Completed or In Progress Project A

Description:

- Brief description (up to 5 sentences) written in a non-technical way that is understandable to the public and which includes some quantifiable measurement about the project (e.g. replace 5 culverts, repave/resurface 2 miles of road, restripe 1 mile of bike lanes, etc.)
- Have city/county check boxes specifying the type of project it is based on RMRA priorities or "other" and the inclusion of additional Technology, Climate Change and Complete Streets elements (SHC 2034). Include space for a narrative description of the additional elements to be provided if applicable. Also include a place for the city/county to specify why additional elements were not included i.e. cost-effectiveness, feasibility etc.
- Local/Regional project number (if applicable)

Location:

- Must be as specific as possible (i.e. street names and project termini) and geolocation information is highly encouraged to be provided if available⁵

Amount of Funds Expended:

- Enter the amount of RMRA funds expended on the project and the total project cost
- Enter the amount and type of other funds expended on the project

Commented [PL13]: Staff is working on combining Appendices A and B into one form that can serve as both the Project List and Expenditure Report Form. It would be populated with the proposed projects and then updated/completed to illustrate the expenditure data for projects that are completed or in progress.

Commented [PL14]: Include a place for cities and counties to identify any project list changes resulting from the flexibility afforded by SHC 2034(a)(1) – including a place for new projects to be added or projects to be deleted/replaced if applicable.

Commented [PL15]: Input from Dan Allison – Public Citizen at the July 18th workshop: Some examples of project elements that may be of interest to the public (if applicable to a project) include but are not limited to: addition, removal or enhancement of crosswalks; reallocation of roadway width, painted curb extensions, one-way to two-way conversions, bike lane gap closures, speed limit reductions, addition of stop signs, and conversion of stop signs to yield signs.

Staff will work with IT to explore how "examples" of project elements such as the those described above that may be helpful to include in project descriptions can be shared on the form (just for information, and example purposes, not as a requirement).

Commented [PL16]: Input from Jeannie Ward-Waller – Sacramento Area Bicycle Coalition.

Commented [PL17]: Input from Lisa Davey-Bates – Lake County: Rural areas with limited resources may not be able to provide geolocation information for mapping.

Staff will work with rural areas to use tabular data in mapping when possible. Rural areas are encouraged to work with their RTPAs and MPOs for technical assistance. Free mapping services such as Google Earth were also cited by workshop attendees as a good resource for rural areas.

^{4.5} Supplementary and location information can be used to demonstrate a variety of benefits of RMRA projects including effective prioritization of funds, equitable distribution, and efficient utilization of funding.

Completion Date:

- Drop down menu to select the month and year that the project is complete/operational etc.
- Place to enter status update on multi-year projects and expected completion date

Estimated Useful Life:

- Should be clear, understandable, and based on industry-standards

Signage:

- Provide a place to report on the inclusion of project funding information signage, if applicable

DRAFT

Appendix C – Local Streets and Roads Program Schedule

| FY 17-18 | |
|--|---|
| Adoption of Final Guidelines Call for Project Lists | August 16-17, 2017 |
| Technical Assistance and Outreach to Cities/Counties | August 18 – September 15, 2017 |
| Project Lists due to Commission | October 16 September 15 , 2017 |
| Commission Adopts List of Eligible Cities and Counties | December 6-7 October 18-19 , 2017 |
| Commission Submits List to Controller | December 6-7 November 1 , 2017 |
| Controller FY 17-18 Apportionments Begin | Mid-January 2018 TBD |
| Completed Project Report Submitted to Commission for 2017 - 2018 Fiscal Year | October 1, 2018 |
| Commission Posts Statewide LSR Program Accountability Information Online | December 1, 2018 |
| FY 18-19 | |
| Guidelines Update as Needed | TBD |
| Call for Project Lists | TBD⁶ March – May 2018 |
| Commission Review, Approval & Adoption of List of Eligible Cities and Counties | TBD⁷ March – May 2018 |
| Commission Submits Final List to Controller | July 1, 2018 |
| Controller FY 18-19 Apportionments Begin | Mid-August 2018 |
| Completed Project Report Submitted to Commission for 2018 - 2019 Fiscal Year | October 1, 2019 |
| Commission Posts Statewide LSR Program Accountability Information Online | December 1, 2019 |

^{6,9} [The Commission is working with city and county representatives to develop a schedule for FY 18-19 that accommodates city and county budgeting processes; statutory clarification may be needed in this area.](#)

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