

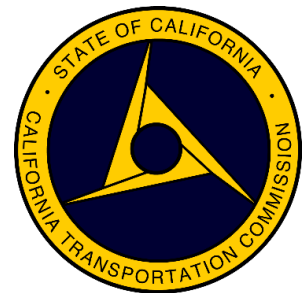
THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017

LOCAL STREETS AND ROADS FUNDING PROGRAM

2019 ~~ANNUAL~~ REPORTING GUIDELINES

August, 2018

California Transportation Commission



**CALIFORNIA TRANSPORTATION COMMISSION
THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017**

LOCAL STREETS AND ROADS FUNDING PROGRAM ~~ANNUAL~~ REPORTING GUIDELINES

TABLE OF CONTENTS

I. Introduction	1
1. Background and Purpose of Reporting Guidelines.....	1
2. Funding Program Objectives and Statutory Requirements	1
3. Funding Program Roles and Responsibilities	3
4. Funding Program Schedule	4
II. Funding.....	5
5. Source	5
6. Estimation and Disbursement of Funds.....	5
III. Eligibility and Funding Program Priorities	6
7. Eligible Recipients	6
8. Funding Program Priorities and Example Projects	6
IV. Project List Submittal.....	7
9. Content and Format of Project List	7
10. Process and Schedule for Project List Submittal.....	11
11. Commission Submittal of Eligible Entities to the State Controller’s Office.....	11
V. Annual Project Expenditure Reporting and Auditing	12
12. Scope of the Annual Project Expenditure Report.....	12
13. Process and Schedule for Project Expenditure Report Submittal	15
14. Commission Reporting of Project Information Received.....	15
15. State Controller Expenditure Reporting and Maintenance of Effort Monitoring....	16
16. Workforce Development Requirements and Project Signage.....	17
Appendix A – Proposed Project List: Standard Format and Online Reporting Tool.....	21
Appendix B – Project Expenditure Reporting: Standard Format.....	25

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.

As of November 1, 2017, the State Controller began depositing various portions of these funds into Road Maintenance and Rehabilitation Account (RMRA); a percentage of these funds are to be. ~~A percentage of RMRA~~ apportioned by formula to eligible cities and counties pursuant to Streets and Highways Code (SHC) Section 2032(h) intended 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 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 the due date for project lists. or the The Commission may extend the deadline for project list submission in order to facilitate compliance with the amended guidelines.

2. Funding Program Objectives and Statutory Requirements

Streets and Highways Code (SHC) Section 2032.5(a) articulates the general intent of the legislation 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 Funding 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 funding program are codified in SHC Sections 2032.5, 2034, 2036, 2037, and 2038 and include the following:

- It is the intent of the Legislature that the Department of Transportation and local governments are held accountable for the efficient investment of public funds to maintain the public highways, streets, and roads, and are accountable to the people through performance goals that are tracked and reported [SHC 2032.5(a)].
- 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. All projects proposed to receive funding must be adopted by resolution by the applicable city council or county board of supervisors at a regular public meeting each fiscal year [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 submit an initial report to the State Controller that indicates 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 State Controller, upon receipt of an initial report from the Commission, shall apportion RMRA funds to eligible cities and counties pursuant to SHC 2032(h) [SHC 2034(a)(3)].
- The State Controller will retain the monthly share of RMRA funds for cities and counties not included in the Commission's initial report that would otherwise be apportioned and distributed to those cities and counties [SHC 2034(a)(4)(A)]. Pursuant to SHC 2034(a)(4)(B), the monthly share of RMRA funds for each of these cities and counties will be retained by the State Controller for 90 days.
- Upon receipt of a list of projects from a city or county after the Commission has submitted its initial report to the State Controller, the Commission will submit a subsequent report to the State Controller that specifies all newly eligible cities and counties [SHC 2034(a)(2)].
- After 90 days, the State Controller will apportion to all newly eligible cities and counties the RMRA funds that were retained but not previously apportioned and distributed pursuant to SHC 2304(a)(4)(B).
- Any RMRA funds held by the State Controller for a city or county that still remains ineligible after 90 days will be reapportioned to all other eligible cities and counties [SHC 2034(a)(4)(C)].
- For each fiscal year in which RMRA funds are received and expended, cities and counties must submit documentation to the Commission that details the expenditure of all RMRA funds, including 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.

- Prior to receiving an apportionment of funds under the program an eligible city or county may expend other funds on eligible projects and may reimburse the source of those other funds when it receives its apportionment from the State Controller over one or more years [SHC 2034(c)].
- ~~Eligible cities and counties may expend other funds on eligible projects prior to receiving an apportionment of RMRA funds from the Controller and may reimburse the original source of funds expended when a RMRA apportionment is received from the Controller [SHC 2034(c)].~~
- 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 State 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 16.

3. **Funding Program Roles and Responsibilities**

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

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:

- Provide technical assistance to cities and counties in the preparation of project lists and reports.
- Receive and review project lists from cities and counties each fiscal year to ensure compliance with the statutorily required elements of a project list submittal is met.

- Provide a comprehensive list to the State 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).

State 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.

California Workforce Development Board:

- Pursuant to SHC 2038, establish a pre-apprenticeship development and training grant program beginning January 1, 2019 that local public agencies receiving RMRA funds are eligible to apply for or partner with other entities to apply for.
- Pursuant to SHC 2038, develop guidelines for public agencies receiving RMRA funds to participate, invest in, or partner with, new or existing pre-apprenticeship training programs. Local public agencies receiving RMRA funds must follow the guidelines by no later than July 1, 2023.

4. Funding Program Schedule

The following schedule lists the major milestones for the Local Streets and Roads Funding Program Annual Reporting.

Project Lists due to Commission	May 1 st each year
Commission Adopts Initial List of Eligible Cities and Counties	June Commission Meeting each year
Commission Submits Initial List to State Controller	No later than June 30 th each year
<u>Subsequent Eligibility Project Lists due to Commission</u>	<u>August 1st each year (if needed)</u>
Commission Adopts Subsequent List of Eligible Cities and Counties	August Commission Meeting each year (if needed)
Commission Submits Subsequent List to State Controller	No later than August 31 st each year (if needed)

Annual Reporting of Fiscal Year Expenditures due to Commission	October 1 st each year
Informational <u>Funding</u> Program Update to Commission	December Commission Meeting each year

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 is supported by RMRA funding which includes portions of revenues pursuant to SHC 2031 from the following sources:

- 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 State 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. 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:

California State Association of Counties

<http://www.counties.org/sb-1-road-repair-and-accountability-act-2017>

League of California Cities

<http://www.californiacityfinance.com/>

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 State 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 State Controller will continuously apportion RMRA funds on a monthly basis to eligible cities and counties using a process and system similar to that of HUTA apportionments. RMRA funding is continuously apportioned and is not provided on a reimbursement basis.

The Commission does not approve the projects listed or provide authorization to proceed with RMRA funded projects. The Commission receives project lists, determines they are complete and meet basic statutory requirements outlined in SHC 2034 and then approves and submits a statewide list to the State Controller of cities and counties that are eligible to begin receiving monthly RMRA funding apportionments.

III. Eligibility and Funding 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 each fiscal year pursuant to SHC Section 2034(a)(1) and that have been included in a list of eligible entities submitted by the Commission to the State 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. Funding 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
- Other (match funds for eligible project advancement)
- Pursuant to Article XIX Section 2(a) of the constitution: "The research, planning, construction, improvement, maintenance, and operation of public streets and highways (and their related public facilities for nonmotorized traffic), including the mitigation of their environmental effects, the payment for property taken or damaged

for such purposes, and the administrative costs necessarily incurred in the foregoing purposes.”

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 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’s 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 (funds collected from July 1 to June 30 and apportioned September 1 to August 31), a city or county must submit to the Commission a list of projects proposed to be funded with these funds pursuant to an adopted resolution by the city council or county board of supervisors at a regular public meeting. Each year, a city or county must submit to the Commission an adopted resolution and updated proposed project list in order to meet the eligibility requirements for the upcoming fiscal year’s apportionment. A submittal with a resolution adopted in a previous fiscal year will not be considered complete and deemed not compliant with statute.

Project lists must, at a minimum, include any new proposed projects for the upcoming fiscal year and any projects from previous fiscal years that will continue to receive funding in the upcoming fiscal year (i.e. multi-year funded projects).

Each city and county is strongly encouraged to provide a copy of their Proposed Project List to their applicable Regional Transportation Planning Agencies and Metropolitan Planning Organizations, once reviewed and accepted by the Commission.

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 Funding Program.

a.) ~~Included in an~~ Adopted Resolution

All proposed projects must be adopted by resolution by the applicable city council or county board of supervisors at a regular public meeting.

Documentation of Inclusion in an Adopted Resolution

A city or county must provide a public record which illustrates that projects proposed for each fiscal year's apportionment of RMRA funding through the Local Streets and Roads Funding Program have been included in a current fiscal year's adopted resolution by the applicable city council or county board of supervisors at a regular public meeting. An acceptable public record shall include a signed, executed copy of the city/county's adopted resolution including the relevant list of projects documenting approval at a regular public meeting.

Submittal of an electronic copy of the relevant support documentation (i.e. resolution) is required. Support documentation requirements are further discussed in Appendix A, the Online Reporting Tool Guidelines.

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. Cities and counties must list projects that will be funded with the apportioned funds for that fiscal year, including projects for which the fiscal year funds are being reserved for future project funding.

Development and Content

The Commission recognizes the inherent diversity of road maintenance and rehabilitation needs among the approximately 539 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 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 adopted resolution should, at a minimum, include the elements mandated by statute: description, location, schedule for completion and useful life. Cities and counties should

include more detailed project information as described below in the project list submitted to the Commission.

For further assistance, [Appendix A the Online Reporting Tool Guidelines](#) have been developed to outline 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 description should clearly inform the public if the project listed is for construction, pre-construction (i.e. environmental, design, right of way, feasibility studies, needs assessments, etc.), or procurement/operational needs as consistent with Article XIX Section 2(a) of the constitution. 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 would allow the public to clearly understand where the project is to take place within the community. ~~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.

If the listed project component is for procurement/operational needs or pre-construction and a location of work has yet to be determined, city or county-wide is an acceptable location description. If the proposed project is for construction and specific project locations have not been finalized, city/county boundaries or identifiable neighborhoods and communities is also an acceptable location description. In such instances, it is encouraged to provide a statement prior to listing the estimated or proposed locations that “All locations listed are an estimate and have yet to be finalized.”

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 general timeline that provides a clear picture to the public of when a project is reasonably expected to start and 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 in its entirety, not by each segment/location to be improved. 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.

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

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 [Annual Expenditure Reporting](#) ~~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.

Should a city or county choose to seek eligibility with the intent of reserving their fiscal year apportionment of RMRA funds for a project to take place in a future fiscal year, an adopted resolution and proposed project list submittal is still required.

c.) List of Projects – Standard Format and Online Submittal Tool

Please note that project lists included in a city or county adopted resolution should, at a minimum, 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 and online submittal tool has been developed and is further explained in Appendix A the Online Reporting Tool Guidelines

. The tool ~~will be~~ is available at <http://www.catc.ca.gov/programs/sb1/l srp/>.

10. Process and Schedule for Project List Submittal

A city or county must submit a project list and support documentation to the Commission by ~~May 1, 2018 and~~ May 1st of each ~~subsequent~~ year. ~~to the Commission.~~ All materials must be provided electronically using the online submittal tool described in Appendix A the Online Reporting Tool Instructions. The online submittal tool that will be available with instructions is available at <http://www.catc.ca.gov/programs/sb1/l srp/>.

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 State 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 proposed project lists ~~and support documentation~~ submitted by those cities and counties deemed eligible 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 State Controller. Upon direction of the Commission, staff will transmit the list to the State Controller pursuant to SHC Sections 2034(a)(2) and 2034(a)(4)(B) 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 State Controller is expected to apportion funds to the cities and counties included on the list pursuant to SHC Sections 2034(a)(3) and 2032(h).

In the event a city or county does not provide a complete project list ~~and with the required~~ support documentation for Commission consideration and eligibility designation pursuant to the 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, prior to the established subsequent submittal deadline. Once the completed information is provided in accordance with the subsequent submittal deadline, Commission action to establish eligibility will be taken at the next earliest opportunity.

V. Annual Project Expenditure Reporting and Auditing

12. Scope of the Annual Completed and In-Progress 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 detailing the expenditure of those funds on completed and in-progress projects. Information is to include: a description and location of each ~~completed~~ project, the amount of funds expended on the project, the completion date or anticipated date of completion, and the estimated useful life of the overall improvement performed. The project expenditure reporting process will allow for cities and counties to capture actual project outcomes for completed projects that will be aggregated statewide. This is also the opportunity for cities and counties to report project updates associated with that reporting year's proposed projects including a project status, project component, and any changes made throughout the year to those listed projects.

Listed below are the specific statutory criteria for the content of the ~~completed annual~~ 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 Funding Program.

a.) ~~Completed and In-Progress Annual~~ 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 project expenditure report submitted annually.

To promote statewide consistency in the content and format of the annual project expenditure information submitted and to facilitate transparency and 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, Appendix B has been developed to~~ The Online Reporting Tool Guidelines provide an example of project expenditure report content and format.

The project expenditure report must cover the full fiscal year and must include updates for all ~~include~~ projects that were proposed in the reporting year. Expenditure information regarding the program funding is to be provided on all projects that have been deemed complete ~~construction and are fully operational~~ in-progress at the end of the fiscal year. Completed construction projects are considered complete once they are fully operational with no remaining construction to be performed.

The standard form will also request cities and counties to report updates on any project that was neither completed nor in-progress by the end of the reporting period (July 1 to June 30). Updates to projects must include: a status, component identification, project specific details previously reported on, and identify the removal from or addition of projects to the list.

Funds Expended

For the purposes of the Annual Expenditure Report, the report must include the amount of RMRA funds expended. This is defined as, the costs accrued as a result of activities performed on each completed and in-progress project during the State Fiscal Year (July 1 – June 30). The RMRA expenditures reported shall be based on services obtained and invoiced, work performed, or goods received within the reporting period.

Commission staff consulted with the State Controller's Office to ensure the reporting period and accounting basis for the Local Streets and Roads Annual Expenditure Report aligns with the Annual Streets and Roads report collected by the State Controller each year. The State Controller identifies the reporting accounting basis as: "Street-related activities recorded in a governmental fund type should be reported on the modified accrual basis of accounting. Street-related activities recorded in a proprietary fund type should be reported on the accrual basis of accounting. Whenever reference is made to the accrual basis in these instructions, it is intended to include both full accrual and modified accrual bases of accounting."

Project Description

The report must include a project description for each completed and in-progress 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 contains a minimum level of detail needed for the public to understand what work was completed or will be completed in the future.

Completed projects will report project deliverables based on a selection of applicable general outcomes with quantifiable metrics that will be aggregated statewide. This method of outcome related data collection should minimize the level of detail needed in the description field streamlining the overall reporting process.

The Commission will aggregate all quantifiable data collected in the Annual Project Expenditure Reports for inclusion in the Annual Report to the California Legislature.

Project Location

The report must include a project location for each completed and in-progress project. The city/county is required to provide project location information that, at a minimum, would allow the public to clearly understand where within the community the project was or will be 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. For completed pre-construction components (i.e. feasibility studies, maintenance program plan and asset management plan development, etc.), or completed procurement/operational needs that would not have the ability to provide specific location detail, "city/county-wide" is acceptable.

Actual and Estimated Project Completion Date

The report must include ~~its~~ the date of completion or expected date of completion for those projects utilizing RMRA funds. For the purposes of the project expenditure report, a construction project is considered complete when it is operational/open to traffic by June 30. Construction contract close-out is not required for the project to be reported as complete.

Estimated Useful Life

The report must include an estimated useful life for each proposed project in its entirety. 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.

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. 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 request cities and counties to report on the inclusion of these elements in RMRA-funded projects.

Other Statutory Considerations for Project Expenditure 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's 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.

To clearly communicate how RMRA funding is effectively used, the project expenditure report format will provide space for supplementary information to be provided regarding the benefits of RMRA funded projects in addition to the project deliverables and outcomes featured. Cities and counties should report any changes to proposed projects within the reporting period (July 1 to June 30), including why a project(s) was not ultimately funded or was replaced with another project(s).

b.) Project Expenditure Report – Standard Format

To promote statewide consistency of project information submitted to the Commission, a standardized ~~–completed and in-progress project annual project~~ expenditure reporting format was developed and made available as of Summer 2018 as further explained in the Online Reporting Tool Guidelines.

For the initial submittal of project expenditure reports due October 1, 2018, and for each subsequent report thereafter, cities and counties will be required to use the standard online format.

13. Process and Schedule for Project Expenditure 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 an ~~an Completed and In-Progress Annual~~ Project Expenditure Report by **October 1, 2018** and October 1st of each subsequent year to the Commission. The report must be provided electronically using the standard format provided through the online tool.

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 by posting reported project information on the Commission’s website (www.catc.ca.gov), providing project information to the California State Transportation Agency for posting on the Rebuilding California – SB 1 website (www.rebuildingca.ca.gov), and through other reporting mechanisms such as the Commission’s Annual Report to the Legislature.

Upon receipt of 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 of receipt.

All ~~completed~~ project expenditure reports submitted by cities and counties will be posted to the Commission’s 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, outcomes, and

location of the RMRA funded projects. This information will also be provided on the Commission's 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 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 Commission's website, in the Annual Report, and may-will 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.

In addition to the RMRA ~~completed~~-project expenditure 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](#) issued in January 2018 and maintained by the State Controller's Office.

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 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 State 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 State Controller.

MOE requirements are fully articulated in statute as follows:

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 an allocation or apportionment of funds pursuant to Section 2032.

(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 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. Cities and Counties 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 outreach to 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 [Funding](#) Program Reporting Guidelines to incorporate this information by reference.

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. Project funding information signage specifications are available online at: <http://www.dot.ca.gov/trafficops/tcd/pfi.html>.

Cities and Counties must follow the Online Reporting Tool Instructions available at <http://catc.ca.gov/programs/sb1/lrsp/>.

DRAFT