

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 25-26, 2026

From: TANISHA TAYLOR, Executive Director

Reference Number: 4.8, Action

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Subject: Technical Updates to the Local Streets and Roads Funding Program Guidelines, Resolution G-26-49, Amending Resolution G-21-29

## **Recommendation:**

Staff recommends the California Transportation Commission (Commission) adopt the proposed clarifying revisions to the Local Streets and Roads Funding Program Guidelines, which are included in Attachment B. Changes made to the existing guidelines are bolded and highlighted in Attachment B.

## **Issue:**

The Local Streets and Roads Funding Program Guidelines (Guidelines) describe the Commission's eligibility and reporting requirements for annual funding from the Road Maintenance and Rehabilitation Account. The Guidelines are intended to communicate the Commission's expectations for the cities and counties that receive this funding.

Based on previously adopted Local Streets and Roads Funding Program Guidelines Resolution G-21-29, adopted by the Commission at its March 24-25, 2021 meeting, Commission staff is authorized to make minor technical changes as needed to the Guidelines.

Commission staff have determined that minor technical and clarifying edits regarding reporting and eligibility submittals are necessary to reflect current statutory and program requirements. Therefore, minor technical and clarifying edits have been made to the following Guidelines Sections:

- I.2 – Funding Program Objectives and Statutory Requirements
- I.3 – Funding Program Roles and Responsibilities
- II.6 – Estimation and Disbursement of Funds
- III.7 – Eligible Recipients
- IV.9 – Content and Format of Project List
- IV.10 – Process and Schedule for Project List Submittal and
- V.12 – Scope of Annual Project Expenditure Report

Minor technical and clarifying edits are depicted in bold and highlighted font in Attachment B.

**Background:**

On April 28, 2017, the Governor signed Senate Bill (SB) 1 (Beall, Chapter 5, Statutes of 2017). A percentage of the new Road Maintenance and Rehabilitation Account funding created by SB 1 is apportioned by formula to eligible cities and counties pursuant to Streets and Highways Code Section 2032(h) for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system.

The Local Streets and Roads Funding Program (Program) provides annual funding through monthly apportionments disbursed by the State Controller's Office to 540 cities and counties that are deemed eligible by the Commission each year.

It is the responsibility of the Commission to collect and review the annual proposed project list resolutions adopted by the jurisdictions' respective governing parties for completeness and compliance with Streets and Highways Code Section 2034(a). The Commission is required to submit a report identifying the cities and counties eligible for Program funding to the State Controller, who upon receipt of the report, shall apportion funds to the eligible cities and counties. It is not the Commission's role to approve or select projects for Program funding.

Cities and Counties that receive Program funds are required to provide an annual expenditure report to the Commission. This report ensures accountability and transparency by providing the public with an update on which projects received program funds and how those funds were used.

**Attachments:**

- Attachment A: Resolution G-26-49
- Attachment B: Local Streets and Roads Program Guidelines

**CALIFORNIA TRANSPORTATION COMMISSION**  
**Technical Updates to the Local Streets and Roads**  
**Funding Program Guidelines**

**Resolution G-26-49, Amending Resolution G-21-29**

- 1.1 **WHEREAS**, on April 28, 2017, Governor Brown signed Senate Bill (SB) 1 (Beall, Chapter 5, Statutes of 2017), 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; and
- 1.2 **WHEREAS**, the California Transportation Commission (Commission) is responsible for ensuring the completeness of the submittals for funding eligibility and transparency in annual expenditure reporting from the cities and counties receiving program funds; and
- 1.3 **WHEREAS**, the Commission adopted the initial Local Streets and Roads Funding Program guidelines at the August 2017 Commission meeting, to outline the expectations for funding eligibility and expenditure reporting by those cities and counties seeking Road Maintenance and Rehabilitation Account annual funding; and
- 1.4 **WHEREAS**, the Commission identified a need for additional schedule related revisions to the Guidelines and adopted those revisions at the March 24-25, 2021, Commission meeting; and
- 1.5 **WHEREAS**, Commission staff determined additional minor revisions are needed to the guidelines to clarify necessary eligibility and reporting requirements.
- 2.1 **NOW, THEREFORE, BE IT RESOLVED**, that the Commission adopts the revised Guidelines as presented by staff at its June 25-26, 2026 Commission meeting; and
- 2.2 **BE IT FURTHER RESOLVED**, that the purpose of these guidelines is to outline the Commission's roles and expectations for eligible cities and counties receiving these Road Maintenance and Rehabilitation Account funds through the Local Streets and Roads Funding Program; and
- 2.3 **BE IT FURTHER RESOLVED**, that the Commission intends to continue providing technical assistance and ensure compliance with all participating cities and counties through their ongoing expenditure reporting; and

- 2.4 **BE IT FURTHER RESOLVED**, that staff is authorized to make minor technical changes as needed to the Guidelines; and
- 2.5 **BE IT FURTHER RESOLVED**, that the Commission directs staff to post these guidelines to the Commission's website.

# THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017

## LOCAL STREETS AND ROADS FUNDING PROGRAM GUIDELINES

**June 2026**

**California Transportation Commission**



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

**LOCAL STREETS AND ROADS FUNDING PROGRAM GUIDELINES**

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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.

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 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, 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. 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. The Commission may extend the deadline for project list submission 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)].
- **Two or more eligible cities, or one or more cities and a county, may propose a project to be jointly funded with these funds. Each city or county that proposes to jointly fund a project shall include its participation in the project in its list of projects submitted to the commission [SHC 2034(a)(1)].**
- **A proposed jointly funded project shall additionally be endorsed by a memorandum of understanding that is approved by the entities proposing to jointly fund the project and that includes the identity of the project's lead agency and a description of the individual contributions of each participating city and county to the project [SHC 2034(a)(1)].**
- The list of projects, **including jointly funded 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.
- Failure to include the details required by SHC 2034(a)(1) in the project list adopted for eligibility could result in a jurisdiction's submittal being deemed non-compliant, thereby jeopardizing the jurisdiction's ability to receive the upcoming fiscal year apportionment.
- 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)].
- **For projects jointly funded pursuant to paragraph (1) of subdivision (a), each participating city and county shall submit to the commission the documentation required pursuant to this subdivision [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)].
- 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 the **Building California** – SB 1 [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, 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	<b>July 1<sup>st</sup> each year</b>
Commission Adopts Initial List of Eligible Cities and Counties	<b>August Commission Meeting each year</b>
Commission Submits Initial List to State Controller	<b>No later than August 31<sup>st</sup> each year</b>
Subsequent Eligibility Project Lists due to Commission	<b>September 30<sup>th</sup> each year (if needed)</b>
Commission Adopts Subsequent List of Eligible Cities and Counties	<b>October Commission Meeting each year (if needed)</b>
Commission Submits Subsequent List to State Controller	<b>No later than October 31<sup>st</sup> each year (if needed)</b>
Annual Reporting of Fiscal Year Expenditures due to Commission	<b>December 1<sup>st</sup> each year</b>
Informational Funding Program Update to Commission	<b>March Commission Meeting each year</b>

## 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 1<sup>st</sup> 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

<https://www.counties.org/>

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).

**Maintenance of Effort (MOE) compliance is determined by the State Controller's Office Division of Audits as outlined in SHC Section 2036 and Section 15 of the program guidelines. Should a jurisdiction fail to meet their MOE requirement, in two consecutive fiscal years and when the State Controller has formally notified the jurisdiction of noncompliance, the jurisdiction will have program funds withheld regardless of submitting an adopted proposed project list via a resolution to the Commission.**

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) and (2) provide 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 street 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.
- 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.

Pursuant to Article XIX Section 2(a) of the constitution, the funds shall be used for: "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 may 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** adopt and submit to the Commission a project list resolution for the upcoming fiscal year's funds to comply with the eligibility requirements for that fiscal year's apportionment.

**Jointly funded projects that are submitted must follow the same process outlined for individual cities and counties. In addition to the submittal of the proposed project list adopted by the applicable board, a jointly signed Memorandum of Understanding by the applicable jurisdictions should be uploaded with the documents submitted.**

Jurisdictions that submit a resolution adopted for a previous fiscal year or that is missing the project list details mandated by SHC Section 2034(a)(1), will be deemed non-compliant

with statute. Project lists **must**, at a minimum, include any new projects proposed for the upcoming fiscal year and any projects proposed in a previous fiscal year that will utilize program funds apportioned in the upcoming fiscal year (i.e. multi-year funded projects).

In the event an agency chooses to reserve program funds across multiple fiscal years to fully fund a project, the agency must adopt and submit annually a list of proposed projects intended to utilize the program funds. The list must be adopted via resolution by the agency's governing body (e.g. city council or county board of supervisors) annually.

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.) 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 or county's adopted resolution or staff report, that includes the relevant list of projects and required project detail documenting its approval at a regular public meeting.

The action taken on the project list resolution should be a standalone action that is specific to the program and **must** be for the fiscal year in which eligibility is being sought. Jurisdictions are strongly encouraged to adopt the project list resolution as standalone action and should not adopt it as a part of your jurisdiction's Capital Improvement Plan or Annual Budget adoption.

Submittal of an electronic copy of the relevant support documentation (i.e. project list resolution) is required. Support documentation requirements are further discussed in the Local Streets and Roads Funding Program, Annual Funding Eligibility Checklist.

#### **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 those projects to be delivered in future fiscal years for which a city or county is reserving the upcoming fiscal year's funds.

### 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 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's adopted project list 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. The project list is to be created and submitted to the Commission using the California Statewide Multi-Modal Application and Reporting Tool (CalSMART).

The Local Streets and Roads Funding Program, Annual Eligibility Checklist outlines project list content and format.

### Project Description

The list **must** include a project description for each proposed project. Each city and county are encouraged to provide a brief non-technical description 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. Cities and counties are encouraged to provide project location information that, at a minimum, would allow the public to clearly understand where the project is being undertaken within the community. For example, identifying specific streets or neighborhoods where improvements are being undertaken would allow the public to clearly understand where the project is to take place within the community. If project-specific geolocation data is available, it is highly encouraged to be included in the project list submitted to the Commission.

The following describes how location description may appear for each project component being proposed:

- Construction and Pre-Construction: Cities and Counties should provide specific project location detail whenever possible. General neighborhoods or project boundaries may be identified when several street segments throughout the jurisdiction will receive the proposed improvements. If project locations are subject to change based on priority need or available funding throughout the year, cities and counties are encouraged to provide the following statement in addition to the location detail, “The following locations identified are subject to be changed”.

- **Examples of non-compliant location description are citywide, countywide, various, and zones. This is not enough detail for the general public to reasonably identify the area of work proposed.**

- Procurement/Operational Needs: Cities and Counties may use city or county-wide for the location description, when the project proposed is not directly tied to a specific location or neighborhood. This could be public works related studies, plans, or the procurement of public works related material or equipment.

#### Proposed Schedule for Completion

The list **must** include a completion schedule for each proposed project. Cities and counties are encouraged to provide a general project timeline, e.g. month and year, to provide a clear picture to the public of when a project is reasonably expected to start and be completed. The proposed schedule for completion should clearly articulate if a project will take place over multiple years. If a project is for Procurement/Operational Needs, at a minimum, the Fiscal Year in which the items are procured, or services are acquired should be provided.

#### Estimated Useful Life

The list **must** include an estimated average useful life for each project proposed, regardless of the component being funded. Do not provide the estimated useful life for each segment or individual improvement to be performed as a part of the total project proposed. Cities and counties are 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 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 CalSMART**

Please note that project lists included in a city or county's adopted project list 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 were developed and are further explained in the Local Streets and Roads Funding Program, Annual Eligibility Checklist. CalSMART can be accessed at <https://catc.ca.gov/programs/sb1/local-streets-roads-program> under the City or County CalSMART Resources tab.

## **10. Process and Schedule for Project List Submittal**

A city or county **must** submit a project list adopted by resolution with supporting documentation to the Commission by July 1<sup>st</sup> each year. **Each jurisdiction receiving RMRA funds that is delivering a jointly funded project must submit their project list individually.** All materials **must** be provided electronically using CalSMART as outlined in the Local Streets and Roads Funding Program, Annual Eligibility Checklist.

## **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 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 with the required support documentation for Commission consideration and eligibility designation pursuant to the deadline 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.

**Should a city or county fail to meet the subsequent eligibility deadline with the required adopted detail, that city or county will forfeit their fiscal year apportionment and the State Controller will redistribute those funds to the other eligible cities or counties for that year, as required by SCH 2034(a)(4)(c).**

## **V. Annual Project Expenditure Reporting and Auditing**

### **12. Scope of the Annual 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. **Jurisdictions that jointly fund a project with RMRA funds must each report on their individual expenditures and work performed within their jurisdiction.** Information is to include: a description and location of each 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 allows for cities and counties to capture actual project outcomes for completed projects that are aggregated statewide. This is 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 annual project expenditure report along with additional guidance provided to help ensure a consistent statewide format to facilitate accountability and transparency within the Local Streets and

## Roads Funding Program.

### a.) 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 project expenditure report. The Local Streets and Roads Funding Program, Expenditure Reporting Quick Guide provides examples of project expenditure report content and format.

The project expenditure report **must** cover the full fiscal year and **must** include updates for all projects that were proposed in the reporting year or in previous years that have yet to be completed. Expenditure information regarding the program funding is to be provided on all projects that have been deemed complete and 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 (schedule, useful life, etc), and identify the removal from or addition of projects to the list.

#### Apportioned Funds and Fund Balances

Cities and Counties are expected to report to the Commission the amount of program funds apportioned to them in the reporting fiscal year. The State Controller’s Office begins disbursing monthly apportionments to eligible cities and counties each September, the final apportionment for the fiscal year is disbursed in August. Any unspent program funds from a prior year will be carried over for reporting purposes and cities and counties are asked to include any interest accrued from the funds apportioned and report on the expenditure of those funds.

#### 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 incurred 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 reported project. Cities and counties are 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 **and component being funded**; 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. Cities and counties are 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 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. Cities and counties are 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 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 annual project expenditure reporting format was developed in CalSMART which is further explained in the Local Streets and Roads Funding Program, Expenditure Reporting Quick Guide.

Cities and counties are required to use the standard online format created in CalSMART for their annual project expenditure reporting.

### **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.

Cities and counties receiving program apportionments **must** submit an Annual Project Expenditure Report to the Commission by December 1<sup>st</sup> of each year. The report **must** be provided electronically using the standard online format provided through CalSMART.

### **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](http://www.catc.ca.gov)), providing project information to the California State Transportation Agency for posting on the Rebuilding California – SB 1 website ([www.build.ca.gov](http://www.build.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 resubmit the complete report within a specified timeframe.

Project detail and related expenditure information reported to the Commission by the cities and counties will be uploaded to the Commission's website as well as the Rebuilding California – SB 1 website within a month of the program update delivered at the January Commission meeting each year. The Commission will also post a statewide summary of the analyzed and aggregated project expenditure report data collected, which will include the number of projects reported, type of projects reported on, completed project outcomes, and the amount of RMRA funds spent. The statewide summary data will be included in the Commission's Annual Report to the California State Legislature.

In the event a city or county does not provide a project expenditure report by the deadline requested (December 1<sup>st</sup> each year), absence of the report will be noted on the Commission's website, in the Annual Report to the Legislature, and 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 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](#), which is 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), shall 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, to 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.*

*(1) For any city or county that has not complied with subdivision (b), the Controller shall withhold from its apportionment pursuant to Section 2032 for a fiscal year following an audit an amount up to the amount of funds that the city or county received during the fiscal year that was audited. The amount withheld shall be reapportioned in one annual payment pursuant to paragraph (3).*

*(2) If the amount to be apportioned pursuant to Section 2032 is less than the amount to be withheld pursuant to paragraph (1), the city or county shall reimburse the state for the difference between the amount withheld and the apportionment that was received during the fiscal year that was audited. If the city or county is ineligible for an apportionment pursuant to Section 2032, the city or county shall reimburse the state in an amount equal to the allocation or apportionment it received in the fiscal year that was audited.*

*(3) Any funds withheld or returned as a result of a failure to comply with subdivision (b) shall be reallocated or reapportioned to the other counties or cities whose expenditures are in compliance during the fiscal year that the funds are withheld or returned. The reallocation or reapportionment shall be pursuant to the formula in clauses (i) and (ii) of subparagraph (C) of paragraph (3) of subdivision (a) of Section 2103.*

*(4) The Controller may adopt any rules, regulations, and procedures necessary to carry out the purposes of this section.*

*(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).*

*(g) For the 2019–20 fiscal year, cities and counties are not required to comply with the annual expenditure requirements set forth in subdivision (b) or (c).*

*(h) For the 2020–21 fiscal year, the Controller shall adjust the annual expenditure requirements in subdivisions (b) and (c) in proportion to any decrease in taxable sales within the applicable city or county from the 2018–19 fiscal year to the 2019–20 fiscal year. The Controller shall not make an adjustment if taxable sales increased.*

*(i) For the 2021–22 fiscal year, the Controller shall adjust the annual expenditure requirements in subdivisions (b) and (c) in proportion to any decrease in taxable sales within the applicable city or county from the 2018–19 fiscal year to the 2020–21 fiscal year. The Controller shall not make an adjustment if taxable sales increased.*

*(j) A city or county may petition the Controller to use transient occupancy tax revenues, in lieu of taxable sales, for purposes of adjusting the calculation in subdivision (i), if transient occupancy tax revenues in the 2018–19 fiscal year exceeded the amount determined in subdivision (b) and the amount of decrease in transient occupancy tax revenues from the 2018–19 fiscal year to the 2020–21 fiscal year exceeds the amount of decrease in sales and use tax revenues from the 2018–19 fiscal year to the 2020–21 fiscal year.*

**16. (Amended by Stats. 2021, Ch. 81, Sec. 20. (AB 149) Effective July 16, 2021.) 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>.