

Memorandum

Tab 47 -

To: CHAIR AND COMMISSIONERS

CTC Meeting: August 16-17, 2017

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Action

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Subject: **APPROVAL OF THE SEMI ANNUAL PROPOSITION 1B STATUS REPORT**

ISSUE:

Should the California Transportation Commission (Commission) approve the attached Proposition 1B Semi-Annual Status Report for submittal to the Department of Finance?

RECOMMENDATION:

Commission staff recommend the Commission approve the attached Proposition 1B Semi-Annual Status Report for submittal to the Department of Finance.

BACKGROUND:

Senate Bill 88 designates the Commission as the administrative agency for the Proposition 1B funded Corridor Mobility Improvement Account, State Route 99 Corridor Account, Trade Corridor Improvement Fund, State & Local Partnership Program, Local Bridge Seismic Retrofit Account, Highway Railroad Crossing Safety Account, and Traffic Light Synchronization Program (collectively Proposition 1B Programs). As the administrative agency, the Commission is required to report on a semi-annual basis to the Department of Finance on the progress of the projects in these Proposition 1B Programs. The purpose of the report is to ensure that the projects are being executed in a timely manner and within the approved scope and budget.

The Proposition 1B Semi-Annual Status Report (Attachment A) and the Commission's Annual Report, issued in December, provide the reports mandated by Senate Bill 88.

Attached is the proposed Proposition 1B Semi-Annual Status Report. Upon Commission approval, the Proposition 1B Semi-Annual Status Report (Attachment A), current Proposition 1B Quarterly Report presented at the June 2017 Commission meeting (Attachment B) and transmittal letter (Attachment C) will be submitted to the Department of Finance.

Attachments:

- Attachment A: Proposition 1B Semi-Annual Report
- Attachment B: Proposition 1B Quarterly Report
- Attachment C: Commission Transmittal Letter of Proposition 1B Semi-Annual Report to Department of Finance (Draft)



CALIFORNIA TRANSPORTATION COMMISSION

**Proposition 1B Highway Safety, Traffic Reduction, Air Quality and
Port Security Bond Act of 2006**

**Semi-Annual Status Report
July 2017**

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CALIFORNIA TRANSPORTATION COMMISSION

Proposition 1B Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006

Semi-Annual Status Report July 2017

BACKGROUND

Proposition 1B, approved by the voters in November 2006, authorized the issuance of \$19.925 billion in state general obligation bonds with \$12.025 billion to be programmed and allocated by the California Transportation Commission (Commission) for specific transportation programs intended to relieve congestion, facilitate goods movement, improve air quality, and enhance the safety of the state's transportation system. These transportation programs include the Corridor Mobility Improvement Account; State Route 99 Corridor Account; Trade Corridors Improvement Fund; State-Local Partnership Program; Local Bridge Seismic Retrofit Account; Highway-Railroad Crossing Safety Account; Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA); Traffic Light Synchronization Program; and the augmentation of the existing State Transportation Improvement Program (STIP) and the State Highway Operation and Protection Program (SHOPP) (collectively Proposition 1B Programs). Consistent with the requirements of Proposition 1B, with the exception of the PTMISEA, the Commission programs and allocates bond funds in each of the above-mentioned programs.

At its August 2015 meeting, the Commission approved a report titled "Promises Made, Promises Kept¹" which highlights the management and outcomes of the Proposition 1B programs. The report provides an overview of the projects delivered through the Proposition 1B programs administered by the Commission and highlighted the efficient management and effective partnerships developed between the regional transportation planning agencies, Caltrans and the Commission to leverage additional dollars and deliver even more projects than originally promised. The Commission believes that the successful management of Proposition 1B programs provides a strong track record of past success that demonstrates a clear path forward for future transportation investment.

CLOSE-OUT PHASE

With almost all Proposition 1B funds allocated and most of the allocated projects either constructed or finishing construction, the Commission continues to monitor progress of the projects through the close-out phase of the program. As projects are completed, the Commission is working with Caltrans and project sponsors to determine the degree to which benefits identified

¹ For more information on the success of the program, see the Commission's report, "Proposition 1B: Promises Made, Promises Kept"; http://www.catc.ca.gov/1baccount/Proposition_1B_Report_9-2-15.pdf.

at the time of programming have been achieved. Although, for many of the projects, the benefits will not be immediately identifiable, the Commission will continue to monitor and require that project sponsors report the benefits achieved over time. In addition, the Commission continues to consult with Caltrans, to ensure that the annual Caltrans audit plan encompasses bond funded projects. Status reports for Proposition 1B programs and projects can be found at <http://www.bondaccountability.dot.ca.gov/bondacc/>.

~~The fourth quarter FY 2016-17 Proposition 1B programmed funds and allocations will be provided in an updated report soon.~~

As of June 30, 2017, the Commission allocated \$11.627 billion of the \$12.025 billion in Proposition funds programmed under its purview.

PROGRAM SPECIFIC UPDATES

Corridor Mobility Improvement Account

Proposition 1B authorized \$4.5 billion in general obligation bond proceeds to be deposited in the Corridor Mobility Improvement Account (CMIA). Funds in the CMIA are available for performance improvements on the state highway system, or major local access routes to the state highway system, that relieve congestion by expanding capacity, enhancing operations, or otherwise improving travel times within high-congestion travel corridors.

When the CMIA program was adopted in February 2007, the Commission programmed the entire \$4.5 billion in available bond funds for 54 projects and leveraged another \$4.6 billion in federal, state and local funds to achieve a \$9.1 billion program. The Commission and its partners were successful in allocating the CMIA program funds within the statutory deadline of December 31, 2012. Capitalizing on cost savings realized at construction contract award, the Commission grew the CMIA program from 54 corridor projects valued at \$9.1 billion to 90 projects valued at ~~\$12.3~~ \$12.4 billion. Due to complexity, timing and construction phasing, some corridor projects were constructed in stages, resulting in 129 individual construction contracts.

Consistent with the Proposition 1B savings policy approved in January 2014, the Commission transferred approximately \$72 million in CMIA project close-out and administrative savings to replace an equal amount of STIP funds on six projects that were eligible to receive CMIA program funds. The State Highway Account capacity gained was then transferred to fund additional SHOPP projects. In FY 2016-17, \$14.260 million was generated in savings and transferred to STIP. As CMIA projects are completed and final close-out reports are received, Caltrans will continue to apply CMIA fund savings to eligible STIP projects and transfer the STIP State Highway Account Capacity savings to the SHOPP.

A table showing the latest CMIA program projects transactions will be included in an updated report and provided soon.

As of June 30, 2017, 114 of the 129 construction contracts totaling \$3.09 billion have been completed and 15 contracts totaling \$1.39 billion are under construction. In FY 2016-17, 11 construction contracts totaling \$526.90 million were completed. The table below provides the summary of the allocated CMIA contracts, contracts under construction, and contracts completed by fiscal year.

CMIA Program Contracts and Dollars by FY of Allocation (millions)										
Fiscal Year	Allocated CMIA Contracts			Contracts Under Construction			Construction Contracts Accepted			
	#	Total Funds	CMIA Funds	#	Total Funds	CMIA Funds	#	Total Funds	CMIA Funds	# FDRs
07-08	11	\$1,049.56	\$663.90							
08-09	17	\$2,615.38	\$1,158.02	1	\$1,137.70	\$730.00				
09-10	18	\$960.88	\$439.29				4	\$205.78	\$60.11	4
10-11	14	\$928.72	\$103.17	2	\$273.40	\$55.54	8	\$373.70	\$182.58	8
11-12	63	\$4,125.31	\$2,021.85	7	\$1,235.89	\$451.09	8	\$437.03	\$273.97	8
12-13	6	\$2,698.10	\$90.56	5	\$2,355.60	\$151.66	19	\$922.66	\$409.64	17
13-14							19	\$974.66	\$386.77	18
14-15							19	\$1,577.29	\$582.90	14
15-16							26	\$1,644.57	\$665.63	7
16-17							11	\$1,239.57	\$526.90	
Total Value	129	\$12,377.96	\$4,476.79	15	\$5,002.59	\$1,388.29	114	\$7,375.26	\$3,088.50	76

A total of 90 Corridor projects in CMIA are reflected in 129 construction contracts. Final delivery reports (FDRs) are to be completed within six months after construction contracts are accepted. This report reflects the available data as of June 30, 2017. Figures may not sum up due to rounding.

State Route 99 Corridor Account

Proposition 1B authorized \$1 billion in general obligation bond proceeds to be deposited in the State Route 99 (SR-99) Account. Funds in the SR-99 Account may be used for safety, operational enhancement, rehabilitation, or capacity improvement projects on the SR-99 corridor. The corridor traverses approximately 400 miles of the state’s central valley. The Commission programmed 23 SR-99 corridor projects. (Some of the corridor projects are constructed in stages, thus resulting in 27 construction contracts.) Including non-bond fund sources, the SR-99 corridor projects are valued at more than \$1.3 billion.

In FY 2015-16, a programmatic review of the San Joaquin Valley projects was completed. As a result of that review, adjustments were made to 12 projects and an additional \$11 million in savings was realized, thus bringing the uncommitted program balance to \$23 million.

A table showing the latest SR 99 program projects transactions will be included in an updated report and provided soon.

As of June 30, 2017, 25 of the 27 allocated contracts totaling \$792 million have been completed and 2 contracts totaling \$165 million are under construction. In FY 2016-17, 3 construction

contracts totaling \$93 million were completed. The table below shows the summary of the allocated SR-99 contracts, contracts under construction, and contracts completed by fiscal year.

SR-99 Program Contracts and Dollars by FY of Allocation (millions)										
Fiscal Year	Allocated Contracts			Contracts Under Construction			Construction Contracts Accepted			
	#	Total Funds	SR-99 Funds	#	Total Funds	SR-99 Funds	#	Total Funds	SR-99 Funds	# FDRs
9-10	5	\$194.9	\$221.2							
10-11	1	\$38.3	\$29.4							
11-12	15	\$813.1	\$716.2				1	\$22.0	\$22.0	1
12-13	4	\$87.0	-\$42.6				2	\$15.0	\$11.0	2
13-14	2	\$211.4	\$32.4				1	\$32.0	\$19.0	1
14-15							8	\$340.0	\$259.0	6
15-16							10	\$547.0	\$388.0	3
16-17				2	\$257.0	\$165.0	3	\$130.0	\$93.0	5
Total Value	27	\$1,344.7	\$956.6	2	\$257.0	\$165.0	25	\$1,086.0	\$792.0	18

Final delivery reports (FDRs) are to be completed within six months after construction contracts are accepted. This report reflects the available data as of June 30, 2017. Figures may not sum up due to rounding.

Trade Corridors Improvement Fund

Proposition 1B authorized \$2 billion in general obligation bond proceeds to be deposited in the Trade Corridors Improvement Fund (TCIF). Funds in the TCIF are available for allocation to California infrastructure improvements along federally designated “Trade Corridors of National Significance” or along other corridors that have a high volume of freight movement. TCIF funds may be used for highway capacity and operational improvements to more efficiently accommodate the movement of freight from seaports, land ports of entry and airports to warehousing and distribution centers; for freight rail improvements to move goods from seaports and land ports of entry to warehousing and distribution centers throughout California; truck corridor improvements, including dedicated truck facilities or truck toll facilities; and border access improvements to enhance goods movement between California and Mexico. Proposition 1B requires that the Commission allocate funds on projects that improve trade corridor mobility while reducing diesel particulate and other pollutant emissions.

Recognizing the critical freight needs in California, the Commission proposed a strategy to increase TCIF funding by moving \$500 million from the State Highway Account (via the SHOPP Program) to fund State-level priorities that are critical to goods movement. This strategy was subsequently codified in AB 268 (Committee on Budget, Chapter 756, and Statutes of 2008).

The Commission has approved all necessary baseline agreements and updated the savings policy to extend the savings utilization deadline by three years. Newly programmed projects must be allocated by June 2019 and awarded by December 2019.

A table showing the latest TCIF transactions will be included in an updated report and provided soon.

As of June 30, 2017, 98 projects have been programmed in the TCIF program totaling \$2.44 billion and \$2.43 billion has been allocated. Due to complexity, timing, and construction phasing, some corridor projects were split into multiple projects resulting in 102 individual construction contracts.

From the 102 allocated construction contracts, 55 contracts totaling \$954.43 million have been completed and 47 contracts totaling \$1.47 billion are under construction. In FY 2016-17, 13 construction contracts totaling \$328.75 million were completed. Currently, the TCIF available capacity is about \$14.42 million. The table below provides the summary of the programmed and allocated TCIF contracts, contracts under construction, and contracts completed by fiscal year.

TCIF Program Projects, Contracts, and Dollars by FY of Allocation (1,000's)												
Fiscal Year	Programmed Projects		Allocated TCIF Contracts			Contracts Under Construction			Contracts Completed			
	#	TCIF Funds	#	Total Funds	TCIF Funds	#	Total Funds	TCIF Funds	#	Total Funds	TCIF Funds	# FDRs
07-08	54	\$1,878,966	1	\$33,003	\$4,953		\$0	\$0		\$0	\$0	
08-09	2	\$42,557	4	\$237,968	\$108,123		\$0	\$0		\$0	\$0	
09-10	1	\$27,847	2	\$88,841	\$29,724	2	\$499,241	\$242,141	2	\$33,003	\$4,953	1
10-11	2	\$33,583	9	\$1,741,094	\$466,855		\$0	\$0		\$0	\$0	
11-12	5	\$112,129	22	\$1,633,619	\$610,709	3	\$662,286	\$246,613	2	\$45,870	\$17,037	2
12-13	3	\$33,018	29	\$2,435,300	\$747,034	5	\$1,351,061	\$306,995	3	\$120,553	\$60,410	2
13-14	11	\$198,014	14	\$863,015	\$326,443	14	\$1,607,336	\$405,768	6	\$256,178	\$121,070	3
14-15	9	\$29,999	9	\$132,415	\$53,732	9	\$526,622	\$169,430	15	\$760,717	\$230,115	4
15-16	6	\$54,225	9	\$337,437	\$54,943	5	\$273,498	\$70,681	14	\$550,436	\$192,093	6
16-17	5	\$31,921	3	\$1,689,176	\$25,320	9	\$1,758,079	\$31,784	13	\$746,988	\$328,747	6
Total Value	98	\$2,442,259	102	\$9,191,868	\$2,427,836	47	\$6,678,123	\$1,473,412	55	\$2,513,745	\$954,425	24

Final delivery reports (FDRs) are to be completed within six months after construction contracts are accepted. This report reflects the available data as of June 30, 2017. Figures may not sum up due to rounding. Due to complexity, some programmed projects were split into multiple projects and contracts.

Traffic Light Synchronisation Program

Proposition 1B authorized \$250 million in general obligation bond proceeds for the Traffic Light Synchronization Program (TLSP). The TLSP is a program for traffic light synchronization or other technology-based improvements to safely operate and effectively manage capacity of local streets and roads.

Government Code Section 8879.64(b), added by SB 88 (Chapter 181, Statutes of 2007), directs that \$150 million from the TLSP be allocated to the City of Los Angeles for upgrading and installing traffic signal synchronization within its jurisdiction. SB 88 also designated the Commission as the administrative agency responsible for adopting guidelines and programming funds for the TLSP program.

The Commission programmed 22 traffic light synchronization projects for the City of Los Angeles and 59 traffic light synchronization projects for agencies other than the City of Los Angeles for a total of 81 TLSP projects with a net programmed value of about \$243.84 million.

A table showing the latest TLSP transactions will be included in an updated report and provided soon.

Due to complexity, timing and construction phasing, some projects were split into multiple projects, resulting in 85 individual construction contracts.

As of June 30, 2017, 77 of the 85 allocated construction contracts totaling \$182.15 million have been completed and 8 contracts totaling \$61.70 million are under construction. The table below shows the summary of the programmed and allocated TLSP contracts, contracts under construction, and contracts completed by fiscal year.

TLSP Program Projects, Contracts, and Dollars by FY of Allocation												
Fiscal Year	Programmed Projects		Allocated TLSP Contracts			Contracts Under Construction			Contracts Completed			
	#	TLSP Funds	#	Total Funds	TLSP Funds	#	Total Funds	TLSP Funds	#	Total Funds	TLSP Funds	# FDRs
08-09			38	\$69,469,506	\$61,337,300				4	\$1,331,196	\$660,756	3
09-10	84	\$245,000,000	17	\$65,114,939	\$42,717,000	1	\$35,349,000	\$17,500,000	14	\$7,255,481	\$4,960,827	11
10-11			7	\$65,817,210	\$61,940,500	1	\$25,618,405	\$18,718,405	16	\$15,063,859	\$11,204,170	14
11-12	-3	(\$1,154,067)	15	\$49,948,000	\$38,628,354				7	\$30,158,838	\$19,390,341	7
12-13			1	\$35,349,000	\$6,799,579				19	\$67,773,976	\$50,977,334	11
13-14			3	\$13,711,100	\$11,819,400	1	\$5,597,300	\$4,877,900	8	\$45,005,800	\$34,934,400	5
14-15			3	\$24,576,820	\$13,540,700	2	\$20,214,920	\$15,779,300	8	\$58,748,100	\$53,502,500	5
15-16			0			1	\$4,361,900	\$4,076,500	1	\$7,507,800	\$6,515,500	1
16-17			1	\$14,100,000	\$7,063,100	2	\$14,100,000	\$748,000				0
Total Value	81	\$243,845,933	85	\$338,086,575	\$243,845,933	8	\$105,241,525	\$61,700,105	77	\$232,845,050	\$182,145,828	57

In 11-12, three projects were removed from the program. Final delivery reports (FDRs) are to be completed within six months after construction contracts are accepted. This report reflects the available data as of June 30, 2017. Figures may not sum up due to rounding. Due to complexity, some programmed projects were split into multiple projects and contracts.

Highway-Railroad Crossing Safety Account

Proposition 1B authorized \$250 million in general obligation bond proceeds for the Highway-Railroad Crossing Safety Account (HRCSA) program to fund the completion of high-priority grade separation and railroad crossing safety improvements.

The HRCSA program is subject to the provisions of Government Code Section 8879.23 (j) where the HRCSA program funding is split into two parts as follows:

- Part 1 - \$150 million for projects on the Public Utilities Commission (PUC) project list pursuant to the process established in Chapter 10 (commencing with Section 2450) of Division 3 of the Streets and Highways Code.
- Part 2 - \$100 million for high-priority railroad crossing improvements that are not part of the PUC priority list process.

Since 2008 the HRCSA program has gone through five two-year programming cycles. As projects are completed and final expenditures are recorded, program savings are recycled. ~~At this time approximately \$2.5 million in accrued savings could be available for a 2018 HRCSA programming cycle.~~

A table showing the latest TCIF transactions will be included in an updated report and provided soon.

As of June 30, 2017, 38 projects have been programmed totaling \$246.5 million. From the total programmed value of \$246.5 million, \$243.7 million has been allocated. From the 38 projects, 32 projects totaling \$201.6 million have been completed and 6 projects totaling \$42.1 million are under construction. Currently, the HRCSA available capacity is about \$2.8 million. The table below provides the summary of the programmed and allocated HRCSA projects, projects under construction, and completed projects by fiscal year.

HRCSA Program Projects and Dollars by FY of Allocation (millions)												
2-Year Program Cycle	Programmed Projects		Allocated Projects			Projects Under Construction			Completed Projects			
	#	HRCSA Funds	#	Total Funds	HRCSA Funds	#	Total Funds	HRCSA Funds	#	Total Funds	HRCSA Funds	# FDRs
06-08	16	\$116.7	16	\$520.5	\$116.7	1	\$60.9	\$5.0	15	\$459.6	\$111.7	15
08-10	8	\$66.0	8	\$294.9	\$66.0	1	\$48.8	\$5.0	7	\$246.1	\$61.0	6
10-12	12	\$42.8	12	\$147.2	\$42.7	2	\$35.0	\$13.8	10	\$112.2	\$28.9	9
12-14	1	\$18.3	1	\$153.2	\$18.3	1	\$153.2	\$18.3	0	\$0.0	\$0.0	0
14-16	1	\$2.7	1	\$78.4	\$0.0	1	\$78.4	\$0.0	0	\$0.0	\$0.0	0
Total	38	\$246.5	38	\$1,194.2	\$243.7	6	\$376.3	\$42.1	32	\$817.9	\$201.6	30

Final delivery reports (FDRs) are to be completed within six months after construction contracts are accepted. This report reflects the available data as of June 30, 2017. Figures may not sum up due to rounding. In FY 2012, one project was split in two phases.

Public Transportation Modernization, Improvement, and Service Enhancement Account

Proposition 1B authorized \$4 billion for the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA). Funds in the PTMISEA account are available for intercity rail projects; commuter or urban rail operators; bus operators; waterborne transit operators; and other transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus and rapid transit improvements, and rolling stock procurement, rehabilitation, and/or replacement.

Of the \$4 billion authorized for the PTMISEA, \$3.6 billion is available for allocation by the State Controller in accordance with the following Public Utilities Code (PUC) distributions:

- 50 percent allocated by formula to local transit operators as specified in PUC Section 99314
- 50 percent allocated by formula to regional entities as specified in PUC Section 99313

The remaining \$400 million is available for programming and allocation by the Commission for intercity rail (IR) capital improvements.

A table showing the latest program transactions will be included in an updated report.

As of June 30, 2017, 22 IR projects have been allocated totaling \$339.50 million. From the 22 projects, 12 projects totaling \$126.13 million in IR funds have been completed and 10 projects totaling \$213.37 million are under construction. The table below shows the summary of the allocated IR projects, projects under construction, and completed projects by fiscal year.

IR Program Projects and Dollars by FY of Allocation (millions)										
Fiscal Year	Allocated IRI Projects			Projects Under Construction			Completed Projects			
	#	Total Funds	IR Funds	#	Total Funds	IR Funds	#	Total Funds	IR Funds	# FDRs
07-08	5	85.59	50.38				5	\$85.59	\$50.38	5
08-09	2	50.49	35.49				2	\$50.49	\$35.49	2
09-10	1	3.10	3.15				1	\$3.10	\$3.15	1
10-11	1	3.75	3.75				1	\$3.75	\$3.75	1
11-12	2	195.71	67.45	2	\$195.71	\$67.45				
12-13	1	25.75	25.75				1	\$25.75	\$25.75	1
13-14	3	87.56	11.81	2	\$5.31	\$5.31	1	\$82.25	\$6.50	1
14-15	3	141.42	108.22	3	\$141.42	\$108.22				
15-16	3	32.80	32.50	2	\$31.70	\$31.40	1	\$1.10	\$1.10	1
16-17	1	22.73	1.00	1	\$22.73	\$1.00				
Total Value	22	648.90	339.50	10	\$396.86	\$213.37	12	\$252.04	\$126.13	12

Final delivery reports (FDRs) are to be completed within six months after construction contracts are accepted. This report reflects the available data as of June 30, 2017. Figures may not sum up due to rounding.

Local Bridge Seismic Retrofit Account

Proposition 1B authorized \$125 million for the Local Bridge Seismic Retrofit Account (LBSRA). The LBSRA provides the 11.5% required match for the Federal Highway Bridge Program funds available to the state for seismic retrofit work on local bridges, ramps and overpasses, as identified by Caltrans.

Subsequent to the 1989 Loma Prieta earthquake, Caltrans identified 1,242 local bridges as needing seismic evaluation. In April 2007, Caltrans indicated that the 479 remaining local bridges on the Local Bridge Seismic Retrofit Program (LBSSRP) list are eligible to receive LBSRA funds as required match to their Federal Highway Bridge funds. The LBSSRP list is updated as projects progress through the delivery process.

Progress of LBSRA projects is tracked by Caltrans on the federal fiscal year (FFY) basis since 88.5% of funds used to retrofit local bridges are Federal Highway Bridge Program funds. Commission allocated funds not sub-allocated by Caltrans by the end of the FFY revert back to the LBSRA.

A table showing the latest LBSRA transactions will be included in an updated report and provided soon.

As of June 30, 2017, 238 projects have been programmed totaling \$98.4 million and 168 projects totaling \$59.9 million have been sub-allocated. From the 168 sub-allocated projects, 155 projects totaling \$39.2 million have been completed and 13 projects totaling \$19.3 million are under construction. The table below provides the summary of the programmed and sub-allocated LBSRA projects, projects under construction, and completed projects by fiscal year.

LBSRP Program Projects and Dollars by FY of Allocation (millions)									
Fiscal Year	Programmed Projects		Sub Allocated Projects		Projects Under Construction		Construction Contracts Accepted		
	#	LBSRP Funds	#	LBSRP Funds	#	LBSRP Funds	#	LBSRP Funds	# FDRs
07-08	48	\$13.3	52	\$13.3	0	\$0.0	51	\$13.3	48
08-09	84	\$21.0	21	\$4.4	0	\$0.0	21	\$4.4	18
09-10	19	\$12.2	14	\$12.2	0	\$0.0	14	\$10.9	14
10-11	13	\$4.4	19	\$0.0	0	\$0.0	19	\$0.0	12
11-12	8	\$5.2	8	\$3.7	0	\$0.0	9	\$3.7	8
12-13	11	\$4.1	34	\$4.0	0	\$0.0	34	\$3.9	16
13-14	22	\$11.2	10	\$7.1	3	\$4.1	7	\$3.0	0
14-15	11	\$7.0	4	\$1.3	4	\$1.3			
15-16	14	\$10.2	4	\$9.0	4	\$9.0			
16-17	8	\$9.8	2	\$4.9	2	\$4.9			
Total Value	238	\$98.4	168	\$59.9	13	\$19.3	155	\$39.2	116

Final delivery reports (FDRs) are to be completed within six months after construction contracts are accepted. This report reflects the available data as of June 30, 2017. Figures may not sum up due to rounding. The Construction Acceptance includes savings.

State-Local Partnership Program Account

Proposition 1B authorized \$1 billion for the State-Local Partnership Program (SLPP) Account for allocation by the Commission over a five-year period to eligible transportation projects nominated by local transportation agencies.

Through the end of the five-year SLPP period that ended June 30, 2013, the Commission allocated \$981 million for 279 SLPP projects, with \$19 million set aside for administration. By law no further allocations can be made from the SLPP Account. The Commission's role is now limited to project delivery and accountability.

A table showing the latest LBSRA transactions will be included in an updated report and provided soon.

As of June 30, 2017, the number of programmed projects has dropped to 257. From the programmed projects, 229 projects have completed construction, 192 submitted Final Delivery Reports, and 28 projects are in construction.

State Transportation Improvement Program (STIP) Augmentation

Proposition 1B authorized \$2 billion in bond proceeds to augment the STIP. Through this augmentation, the Commission convened a special STIP development cycle for the 2006 STIP in advance of the development of the 2008 STIP. The Commission's primary intent for augmenting the 2006 STIP was to advance the programming of funds for STIP projects so that projects were delivered prior to the adoption of the 2008 STIP, freeing up capacity to program additional projects. Thus, the Commission was able to provide an early opportunity for the regions to program new STIP projects with the added capacity created by the bond funds. Projects are tracked as part of the normal STIP process. The Commission allocated approximately \$1.96 billion to 87 STIP projects as part of the 2006 STIP Augmentation.

A table showing the latest STIP Augmentation transactions will be included in an updated report and provided soon.

As of June 30, 2017, \$1.959 billion has been allocated to 89 STIP projects as part of the 2006 STIP Augmentation and 87 projects are complete.

State Highway Operation and Protection Program (SHOPP) Augmentation

Proposition 1B set aside \$500 million to augment the SHOPP. Projects funded with SHOPP funds serve to rehabilitate and improve the operation of state highways. Projects are tracked as part of the normal SHOPP process.

A table showing the latest SHOPP Augmentation transactions will be included in an updated report and provided soon.

As of June 30, 2017, \$401.8 million has been allocated to 39 SHOPP projects. The balance of \$98.2 million (\$500-\$401.8) includes savings from 34 original SHOPP projects and \$10 million set aside for administration. In FY 2016-17, 3 projects totaling \$69.3 million were programmed, resulting in the net available balance of about \$18.9 million (\$98.2M-\$10M-\$69.3M=\$18.9M).

ACCOUNTABILITY

In clarifying legislation to Proposition 1B, on August 24, 2007, the Governor signed into law Senate Bill 88 (SB 88) which designates the Commission as the administrative agency for the CMIA, SR99, TCIF, STIP Augmentation, SLPP, TLSP, LBSRA, HRCSA, and SHOPP Augmentation funded Proposition 1B programs. SB 88 imposes various requirements for the Commission relative to adopting guidelines, making allocations of bond funds, reporting on projects funded by the bond funds, and ensuring that the required bond project audits of expenditures and outcomes are performed.

In addition, Executive Order S-02-07, issued by Governor Arnold Schwarzenegger on January 24, 2007, significantly increases the Commission's delivery monitoring responsibility for the bond funded projects. Specifically, the Commission is required to develop and implement an accountability plan, with primary focus on the delivery of bond funded projects within their approved scope, cost and schedule.

A key element of the Commission's responsibility for accountability as an administrative agency for specific bond programs is submitting reports to the Department of Finance on a semi-annual basis. The purpose of these reports is to ensure that projects are proceeding on schedule and within their estimated cost. As part of its Accountability Implementation Plan, the Commission requires bond fund recipients to report to the Commission on a quarterly basis. These reports are reviewed by the Commission and posted on the Bond Accountability website. In addition, the Commission prepares the Semi-Annual Proposition 1B Status Report and the Annual Report to the Legislature, which includes the status of the Proposition 1B Programs.

Another key element of bond accountability is the audit of bond project expenditures and outcomes. Specifically, the Commission is required to develop and implement an accountability plan which includes provisions for bond audits. Under the Executive Order, expenditures of bond proceeds shall be subject to audit to determine whether the expenditures made from bond proceeds:

- Were made according to the established front-end criteria and processes.
- Were consistent with all legal requirements.
- Achieved the intended outcomes.

The Commission's Accountability Implementation Plan includes provisions for the audit of bond projects. In order to ensure that the Commission is meeting the auditing requirements as the administrative agency, as mandated by SB 88 and the Governor's Executive Order, the Department is performing the required audits on behalf of the Commission. The Department, in consultation with the Commission, develops the Audit Plan for the Proposition 1B Bond Program annually.