VENTURA COUNTY TRANSPORTATION COMMISSION

TRANSPORTATION TECHNICAL ADVISORY COMMITTEE

Camarillo City Hall
Administrative Conference Room
601 Carmen Drive
Camarillo, CA

Thursday, June 21, 2012 at 9:00 AM

Item # 1 Call to Order

Item # 2 Public Comments

Item # 3 Approval of May 17, 2012 Minutes

Item # 4 Status Updates on CMAQ and STP projects

- Update status of projects

Item # 5 Proposed Loan of STP Programming Capacity to the Orange County Transportation Authority

- Authorize staff to approve a loan of up to $12 million of Surface Transportation Program (STP) program capacity to the Orange County Transportation Commission (OCTA), to be repaid by December 31, 2012.
- Authorize staff, if necessary to avoid an apportionment lapse should the OCTA loan not occur, to switch ready-to-go CMAQ projects to STP, and then obligate ready-to-go CMAQ shelf list projects in priority order if necessary to avoid a CMAQ lapse.

Item # 6 Harbor District Presentation

Item # 7 Caltrans Information on Fund Lapsing

- Receive and discuss Caltrans handouts on fund lapsing

Item # 8 Future Agenda Items

Congestion Management Program Update /Approval

Periodic Highway Construction Updates

Regional Transportation Funding & Planning

Union Pacific/Public Utilities Commission Grade Crossing Policy

Route 1 Rerouting to Rice Avenue

VCTC Programming Procedures—Potential Revision

Item # 9 Next Meeting July 19, 2012

Item # 10 Adjournment

MINUTES OF THE VCTC TRANSPORTATION TECHNICAL ADVISORY COMMITTEE

May 17, 2012 Meeting

Item #1 – Call to Order

Chair David Fleisch of the County called the meeting to order at 9:05am. The attached attendance sheet shows those present.

Item #2 – Public Comments

Peter De Haan of VCTC reported that the Mini Call projects that were to be obligated this calendar year were included in the recent TIP amendment. Pavement projects are also able to be obligated this year.

Item #3 – Approval of April 19, 2012 Minutes

Dave Klotzle of Moorpark moved to approve the minutes from the April TTAC meeting. Ben Cacatian of the Ventura County Air Pollution Control District seconded the motion and it was passed unanimously.

Item #4 – Bylaws Revision

The item was reviewed and the following changes were made:

In Section III: Method of Appointment – "Each agency's public works director, city engineer, transportation director or equivalent, as determined by the agency, shall serve as the agency's representative to TTAC."

Exhibit A – Cities names will be corrected. Peter will check with the California Highway Patrol would like to be a member agency of TTAC.

David Fleisch stated that agencies would be able to determine who their TTAC representatives and alternates would be, but that those appointed should have appropriate decisionmaking authority. Brent Siemer of Simi Valley moved to approve the revised bylaws as amended. Ken Matsuoka of Camarillo seconded and the motion passed unanimously. The bylaws will be reviewed by VCTC's legal counsel with any major changes to be reviewed again by TTAC.

Item #5 – Update on Federal Reauthorization

Peter De Haan introduced the item and provided a summary of the proposed House and Senate Transportation Reauthorization Bills.

Item #6 – Harbor District Presentation – Postponed to future TTAC meeting

Item #7 – Future Agenda Items

Item #8 – Next meeting is June 21, 2012

Item #9 – The meeting was adjourned

ATTENDANCE
LIST OF TTAC MEMBERS / ALTERNATES

Meeting Date: May 17, 2012

Badge #	NAME		PHONE	E-MAIL ADDRESS	SIGNATURE
	Ken Matsuoka	City of Camarillo	383-5672	kmatsuoka@ci.camarillo.ca.us	[illegible]
	Bill Golubics	City of Camarillo	388-5356	bgolubics@ci.camarillo.ca.us	
	Bert Rapp	City of Fillmore	524-1500 x231	brapp@ci.fillmore.ca.us	
	Tom Scott	City of Fillmore	524-1500 x 234	tscott@ci.fillmore.ca.us	
	Glenn Hawks	City of Ojai	640-2560	hawks@ci.ojai.ca.us	
	Mike Culver	City of Ojai	640-2560	culver@ci.ojai.ca.us	
	Yugal Lall	City of Moorpark	517-6255	ylall@ci.moorpark.ca.us	
012	Dave Klotzle	City of Moorpark	517-6285	dklotzle@ci.moorpark.ca.us	[illegible]
	Lou Balderrama	City of Oxnard		Lou.Balderrama@ci.oxnard.ca.us	
	Martin Erickson	City of Oxnard	385-7870	Martin.Erickson@ci.oxnard.ca.us	
80	Jason Samonte	City of Oxnard	385-7872	Jason.Samonte@ci.oxnard.ca.us	[illegible]
	Chris Birkelo	Port of Hueneme	(805)488-3677	cbirkelo@portofhueneme.org	
	Kit Nell	City of Port Hueneme	986-6500	knell@ci.port-hueneme.ca.us	
75	Andres Santamaria	City of Port Hueneme	986-6568	asantamaria@ci.port-hueneme.ca.us	A. Santamaria
		City of Santa Paula			
	Chic Dabbs	City of Simi Valley	583-6809	CDABBS@simivalley.org	
	David Medina	City of Simi Valley	583-6810	dmedina@simivalley.gov	
	Kamran Panah	City of Simi Valley	583-6886	kpanah@simivalley.org	
	Jay Spurgin	City of Thousand Oaks	449-2444	jspurgin@toaks.org	
	Tom Pizza	City of Thousand Oaks	449-2430	tpizza@toaks.org	
	Rick Raives	City of Ventura	654-7870	rraives@ci.ventura.ca.us	
	Tom Mericle	City of Ventura	654-7870	tmericle@ci.ventura.ca.us	
28	Ben Emami	County of Ventura	654-2087	ben.emami@ventura.org	[illegible]
33	David Fleisch	County of Ventura	654-2077	david.fleisch@ventura.org	[illegible]
79	Ben Cacatian	VCAPCD	645-1428	ben@vcapcd.org	[illegible]
	Jim Gosnell	SCAG	(213) 236-1800		
	Allan Bowser	SCAG	(213) 236-1800		
	Steve Brown	Gold Coast Transit	483-3959 ext 116	sbrown@goldcoasttransit.org	

ATTENDANCE

LIST OF TTAC MEMBERS / ALTERNATES

Badge #	NAME	AGENCY	PHONE	E-MAIL ADDRESS	SIGNATURE
	Kerry Forsythe	VCTC	642-1591 x 105	kforsythe@goventura.org	
	Samia Maximous	VCTC	642-1591 x108	smaximous@goventura.org	
62	Pete De Haan	VCTC	642-1591 x106	pdehaan@goventura.org	
	Steve De George	VCTC	642-1591	sdegeorge@goventura.org	
	Darren Kettle	VCTC	642-1591 x123	dkettle@goventura.org	
	Carlos Hernandez	COH & Assoc.	966-6452		
58	Morris Zarbi	Caltrans	213-897-2969	mzarbi@dot.ca.gov	
	Fred Bral	Caltrans	213-897-2938	fredbral@dot.ca.gov	
	Monica Rebledo	Caltrans	213-897-0192	Monica_Rebledo@dot.ca.gov	
65	Brent Sievers	Simi Valley			
78	Helene Buchman	Gold Coast	805 483 3959	hbuchman@goldcoasttransit.org	
	Cliff Finley	City of T.O.	805-449-2399	CFinley@Toaks.org	
	Stephmann				
36	Rob Roshanian	City of Oxnard			

Item # 7

June 21, 2012

MEMO TO: **TRANSPORTATION TECHNICAL ADVISORY COMMITTEE**

FROM: **STEPHANIE YOUNG, PROGRAM ANALYST**

SUBJECT: **STATUS UPDATES ON CMAQ AND STP PROJECTS**

RECOMMENDATION:

- Review and update status of projects

BACKGROUND:

The attached documents show CMAQ and STP projects that are supposed to be obligated this fiscal year, as well as the amount that needs to be obligated in order to prevent lapsing of funds. Please review the list of projects and update the committee on their obligation status.

ATTACHMENT A

BREAKDOWN OF UNOBLIGATED VENTURA COUNTY FEDERAL FUNDS
As of 6/1/2012

CMAQ		
FY 2009/10	**$0**	Lapses October 1, 2012
FY 2010/11	$1,807,746	Lapses October 1, 2013
FY 2011/12	$9,687,247	Lapses October 1, 2014
TOTAL	$11,494,993	
STP		
FY 2009/10	**$6,325,122**	Lapses October 1, 2012
FY 2010/11	$10,358,848	Lapses October 1, 2013
FY 2011/12	$10,495,961	Lapses October 1, 2014
TOTAL	$27,179,931	
TE		
FY 2011/12	**$150,000**	Lapses July 1, 2012
TOTAL	$150,000	

g:excel/cmaqstptealapse

Ventura County
Upcoming STP / CMAQ / TE Projects
Federal Fiscal Year 2011/12 (10/1/11 - 9/30/12)

PROJECT TITLE	Lead Agency	Date to be Obligated	Amount to be Obligated
STP			
Unobligated Balance			$27,179,931
California Street / Route 101 Offramp PE	S.B. Ventura	Apr-12	$750,000
Omer Rains Bike Path Storm Damage Repair	S.B. Ventura	May-12	$250,000
E Ventura Blvd Street Improvements	Oxnard	Oct-12	$3,706,410
Victoria Avenue Improvements Con	Oxnard	Oct-12	$914,957
Road Resurfacing	Ojai	Jul-12	$354,120
Street Rehabilitation	Port Hueneme	Sep-12	$370,000
~~Del Norte Blvd Rehabilitation~~	~~Oxnard~~	~~Jul-12~~	~~$1,462,212~~
~~Rose Ave Resurfacing~~	~~Oxnard~~	~~Jun-12~~	~~$2,162,328~~
~~Hueneme Road Widening~~	~~Oxnard~~	~~May-12~~	~~$905,572~~
Total to be Obligated by 10/1/12			$ 6,345,487
Required to be Obligated by 10/1/12			$ 6,325,122
CMAQ			
Unobligated Balance			$11,494,993
T.O Transit Center Landscaping	T.O.	Jun-12	$260,000
Bike Trail in Railroad ROW	Santa Paula	Jun-12	$1,110,000
Erbes Rd Street Improvements	T.O.	Jul-12	$4,200,000
Regional Ridesharing	VCTC	Jun-12	$443,000
Oxnard Boulevard Bike Path	Oxnard	Aug-12	$341,000
Transit Vehicle Purchase	T.O.	Aug-12	$50,000
Bus Purchase	T.O.	Aug-12	$72,000
Municipal Service Center Expansion	T.O.	Aug-12	$560,000
Lynn Road Bike Lanes	T.O.	Aug-12	$655,000
Transit Marketing/Outreach	VCTC	Aug-12	$1,000,000
Victoria Ave Transit Service	Gold Coast	Aug-12	$1,369,559
Bus Purchase	Simi Valley	Aug-12	$1,460,745
Total to be Obligated by 10/1/12			$ 11,521,304
Required to be Obligated by 10/1/12			$ -
TE			
Unallocated Balance			$150,000
Ponderosa Dr Landscaping Enhancements	Camarillo	Jun-12	$1,017,000
Total to be Allocated by 7/1/12			$1,017,000
Total Required to be Allocated by 7/1/12			$150,000
HBP			
Total to be Allocated by 10/1/12			$0
HSIP			
Ventura Rd/Devonshire Intersection Improvements	Oxnard	Aug-12	$138,060
Total to be Allocated by 10/1/12			$138,060
SRTS			
Rose Ave/Collins Dr Pedestrian Improvements	Ventura County	Jul-12	$52,000
School Safety Projects	Oxnard	Jul-12	$572,990
Total to be Allocated by 10/1/12			$624,990

Item #5

June 21, 2012

MEMO TO: **TRANSPORTATION TECHNICAL ADVISORY COMMITTEE**
TRANSIT OPERATORS COMMITTEE

FROM: **PETER DE HAAN, PROGRAMMING DIRECTOR**

SUBJECT: **PROPOSED LOAN OF STP PROGRAMMING CAPACITY TO ORANGE COUNTY TRANSPORTATION AUTHORITY**

RECOMMENDATION:

- Authorize staff to approve a loan of up to $12 million of Surface Transportation Program (STP) program capacity to the Orange County Transportation Commission (OCTA), to be repaid by December 31, 2012.
- Authorize staff, if necessary to avoid an apportionment lapse should the OCTA loan not occur, to switch ready-to-go CMAQ projects to STP, and then obligate ready-to-go CMAQ shelf list projects in priority order if necessary to avoid a CMAQ lapse.

BACKGROUND:

The Federal transportation authorizing legislation, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) which has currently been extended through June 30, 2012, authorizes various Federal transportation programs including the Surface Transportation Program (STP) and the Congestion Mitigation and Air Quality (CMAQ) program. VCTC is responsible for selecting Ventura County projects to be funded under these programs, and it designates the selected projects by submitting them to the Southern California Association of Governments for inclusion in the Federal Transportation Improvement Program (FTIP). SAFETEA-LU stipulates that VCTC can include in the FTIP sufficient projects to use all of the County's apportionment of authorized federal funds, so this apportionment effectively becomes VCTC's program capacity.

Last summer VCTC loaned $5,358,380 of its CMAQ program capacity for two years to the San Diego Association of Governments. Besides helping San Diego expedite one of its projects, this loan allowed VCTC to avoid a rescission of approximately $2.7 million of CMAQ capacity that would have been lost but will now become available for projects when the loan is repaid in FY 2012/13.

DISCUSSION:

VCTC has now been approached by the OCTA which is interested in borrowing up to $12 in STP program capacity to help expedite a project in Orange County. OCTA would be able to repay this loan by December, 31, 2012, so the loan would be of very short duration. Due to project delays, VCTC currently anticipates having a STP apportionment balance of $25.5 million as of September 30th, so the balance is more than ample to provide the assistance that OCTA has requested. VCTC will require a large share of this balance for projects approved in the recent Mini-Call for Projects and scheduled for FY 2012/13, so the OCTA repayment in FY 2012/13 will ensure that the apportionment is available when needed.

The STP apportionment balance still contains $6,325,122 which must be obligated by November 1st to avoid lapsing funds. Due to project delays there is only $1,272,105 likely to be obligated by September 30th (net of an anticipated fund deobligation), and there is a significant possibility that the delayed projects will still not be able to obligate the minimum required amount by November 1st. Furthermore, it does not appear that the projects on the STP shelf list (attached) would be able to obligate funds earlier. Since the proposed loan to OCTA would remove the "old" apportionment from VCTC's balance, replacing it in a few months with "new" apportionment, the loan to OCTA could ensure that there is no STP apportionment lapse, with the full unused apportionment from FY 2011/12 carrying over to FY 2012/13. Even with the proposed loan, sufficient apportionment would remain in the Ventura County balance so that the delayed projects could be implemented whenever they are ready.

As with the previous loan to San Diego County, the repayment of the Orange County loan would be contingent upon continuation of the federal transportation program, with the loan repayment being the first priority assuming federal funding continues. The consummation of the loan would be contingent upon OCTA successfully obligating the funds by September 30th.

Consideration should also be given to a possible alternative plan to obligate the minimum required amount of STP funds should the OCTA loan not go forward and the local projects continue to be delayed past November 1st. One possible option would be to obligate the STP funds using ready-to-go CMAQ projects, since most CMAQ projects are also eligible for STP. However, it is generally preferred to fund CMAQ-eligible projects with CMAQ, since those funds are less flexible. Furthermore, based on the provisions of the upcoming federal authorization extension, another CMAQ rescission could occur September 30th. Fortunately, Ventura County is currently on track to draw down the CMAQ balance to $0 by September 30th, thus avoiding any CMAQ rescission, but if some CMAQ projects are obligated instead of STP, then CMAQ apportionment could be lost in a rescission. The staff recommendation therefore proposes that if necessary to avoid a loss of STP apportionment, staff be given the discretion to switch some CMAQ projects to STP, and then if necessary to avoid a loss of CMAQ apportionment, staff be given discretion to obligate projects from the CMAQ shelf list, in priority order, if they can obligate funds by September 30th.

PROJECT SHELF ATTACHMENT C

ATTACHMENT

STP

	PROJECT NAME/DESCRIPTION	AGENCY	FEDERAL FUNDS REQUESTED
1	Del Norte Resurfacing	Oxnard	$ 2,688,479
2	Fifth St Resurfacing	Oxnard	$ 1,062,360
3	Fleet Maintenance Facility Canopy	Thousand Oaks	$ 300,000

CMAQ

	PROJECT NAME/DESCRIPTION	AGENCY	FEDERAL FUNDS REQUESTED
1	Victoria Ave Corridor Transit Service 3rd Year	Gold Coast	$ 712,667
2	Four Paratransit Vans	Simi Valley	$ 354,120
3	Transportation Center Improvements	Thousand Oaks	$ 600,000
4	CNG Fuel Station at Transportation Center	Thousand Oaks	$ 800,000
5	Shoreside Power System	Oxnard Harbor District	$ 6,060,367

Item # 7

June 21, 2012

MEMO TO: TRANSPORTATION TECHNICAL ADVISORY COMMITTEE

FROM: STEPHANIE YOUNG, PROGRAM ANALYST

SUBJECT: CALTRANS INFORMATION ON FUND LAPSING

RECOMMENDATION:

- Receive and discuss.

BACKGROUND:

The attached documents were provided by Caltrans staff in order to inform TTAC agencies of lapsing fund rules.

State and Federal Processes:

Preventing funds from lapsing

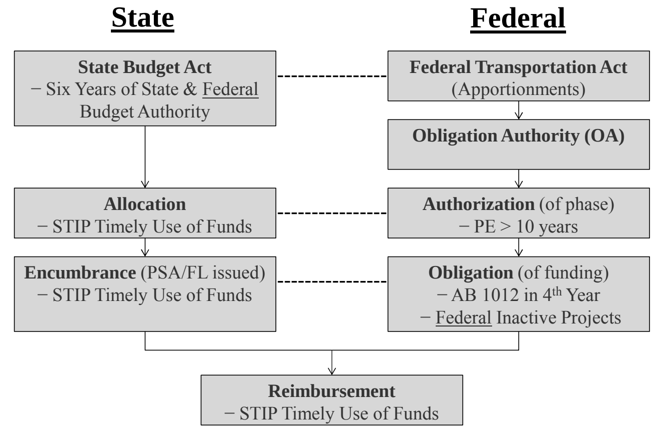
Daniel Burke
(916) 654-5854
daniel_burke@dot.ca.gov

Patrick Louie
(916) 653-7349
patrick_louie@dot.ca.gov

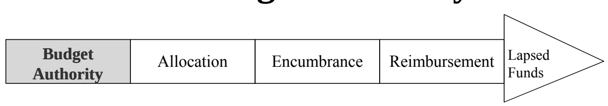
Jaime Espinoza, PE
(916) 653-4160
jaime_espinoza@dot.ca.gov

Chris Jensen
(916) 653-3085
chris_jensen@dot.ca.gov

Funding Process



State Budget Authority



- State Budget Authority issued when State Budget Act is signed
  - Clock starts ticking on July 1, even if Budget Act signed late
  - Advantage to allocate and enter into agreements early in year
  - **Budget Authority funds your projects for 6 years**
- **Note:** Budget Authority applies to **state** and **federal** funds

State Budget Authority by Program

2011-12 State Budget Act

($s in thousands)

Description	Federal	State
Congestion Mitigation and Air Quality	$430,124	$0
Regional Surface Transportation Program (Includes Exchange)	415,642	57,849
Highway Bridge Program/Seismic Retrofit/Bridge Inspection	279,448	735
High Priority Projects/Demonstration/Emergency Relief	208,170	
State Transportation Improvement Program (Includes TE)	122,104	36,288
Highway Safety Improvement Program	50,552	
Safe Routes to School	20,953	24,250
Miscellaneous Programs	13,416	20,000
High Risk Rural Roads	8,226	
Freeway Service Patrol		25,479
Bonds (various accounts combined)		22,311
Environmental Enhancement Mitigation		10,000
Bicycle Transportation Account		7,200
Totals	$1,548,635	$204,112

Lump Sum Allocation

Budget Authority	**Allocation**	Encumbrance	Reimbursement	Lapsed Funds

- HQ requests the CTC to allocate state and federal non-STIP funds
  - State includes Safe Routes to School (SR2S), Freeway Service Patrol (FSP), and Regional Surface Transportation Program (RSTP) exchange
  - Federal includes Congestion Mitigation and Air Quality (CMAQ) and Regional Surface Transportation Program (RSTP), etc.
- CTC Timely Use of Funds (TUF) does not apply to lump sum allocations

HQ Area Engineer

Patrick Louie

(916) 653-7349

patrick_louie@dot.ca.gov

Individual Allocations

Budget Authority	**Allocation**	Encumbrance	Reimbursement	Lapsed Funds

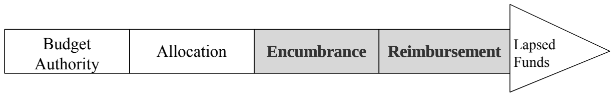
- Local Agencies request STIP, STIP TE, Prop 1B, and EEM funding via Exhibit 23-O of LAPG for allocation
- District reviews & approves request, forwards to HQ Area Engineer for review & sends to STIP Funds Request box
  - CTC Timely Use of Funds (TUF) applies to allocations of funds, project development expenditures, construction award, and contract completion
  - Jaime Espinoza to discuss later on

Encumbrance & Reimbursement

Budget Authority	Allocation	**Encumbrance**	**Reimbursement**	Lapsed Funds

- For state and federal funds, HQ submits a PSA and/or supplemental FL to Local Programs Accounting (LPA)
  - LPA **encumbers** – funding eligible for reimbursement
  - LPA adds **reversion date** at bottom of FL

Encumbrance & Reimbursement Cont'd



ACCOUNTING INFORMATION - NCIIPLN-5109(110)								
Adv.Proj.ID	Approp.Unit	State Prog.	Fed/State	Encumbrance Amount	**Approp Year**	Expenditure Amount	Encumbrance Balance	**Reversion Date**
0600000495	12102F	2030010600	F	$663,975.00	**1112**	$0.00	$663,975.00	**06/30/2017**
0600000495	08102F	2030010600	F	$3,000,000.00	0708	$3,000,000.00	$0.00	06/30/2014
0600000495	10102F	2030010600	F	$663,975.00	0910	$185,369.02	$345,810.98	06/30/2015

- Supplemental FL displays encumbrance for $663,975, 2011-12 appropriation, and **June 30, 2017 reversion date**
- **Six-year state budget authority**: Clock starts ticking from July 1 of the appropriation year as designated by LPA
- Same project could have multiple reversion dates

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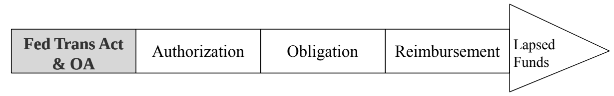
Federal Transportation Act & OA



- Federal Transportation Act sets apportionment level
  - Typically covers several years
  - If no Fed Trans Act, continuing resolutions must be passed
    - Current continuing resolution expires June 30, 2012
- Congress must set Obligation Authority (OA) level each year as well
  - OA currently on continuing resolutions & will expire June 30, 2012
- **Federal funding subject to state funding process!**

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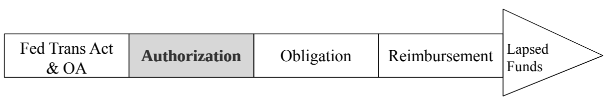
Federal Authorization



- After apportionments and OA are available, locals may submit request for authorization (LAPM Exhibit 3A-3D)
- HQ submits authorization for each phase and seeks FHWA permission to begin a phase
- Once FHWA signs authorization, clock starts ticking for the Preliminary Engineering >10 years rule
  - Chris Jensen to discuss later

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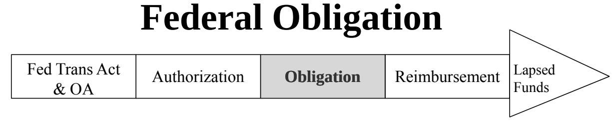
Federal Obligation



- Initial request for authorization (LAPM Exhibit 3A-3D) also requests to obligate funding
  - HQ submits amended E-76s to FHWA to increase/reduce obligations
- Obligation distinct from authorization
  - Obligation – Request to commit funds
  - Authorization – Request to begin a phase
- After FHWA signs E-76 for obligation, clock starts ticking for inactive projects
  - Chris Jensen to discuss later

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STIP Timely Use of Funds (TUF)

STIP Coordinator

Jaime Espinoza, PE

(916) 653-4160

jaime_espinoza@dot.ca.gov

State Transportation Improvement Program (STIP) – Timely Use of Funds (TUF)

Budget Authority	**Allocation**	**Encumbrance**	**Reimbursement**	**Lapsed Funds**

- The CTC has established STIP TUF guidelines for program allocations, project development expenditures, construction award, and contract completion (Section 65):
  http://www.catc.ca.gov/programs/STIP/2012_STIP/2012_STIP_Guidelines_final.pdf
  - STIP projects must be allocated by the end of fiscal year in which they were programmed
  - Expenditures for project development (PA&ED, PS&E, R/W) must occur within 2 fiscal years following the year of allocation
  - Allocations for construction contracts must be awarded within 6 months of allocation
  - After award, construction contract must be completed (accepted) within 36 months

STIP – TUF Cont'd

- The Local Assistance Program Guidelines (LAPG) also includes information regarding the STIP TUF (Chapter 23):
  http://www.dot.ca.gov/hq/LocalPrograms/lam/prog_g/chapter23-12-12-11.pdf
- Proposition 1B allocations subject to same TUF as STIP

TUF Time Extensions

Budget Authority	Allocation	Encumbrance	Reimbursement	**Lapsed Funds**

- The CTC has established guidelines to extend TUFs:
  - All delivery deadlines may be extended **only once, up to 20 months**
  - All time extension requests due to District at least 60 days prior to the specific deadline
    - e.g. Allocation time extensions are due 60 days prior to June 30
    - RTPAs/MPOs must concur on all time extension requests
  - CTC will grant time extensions as long as there is an unforeseen and/or extraordinary circumstance
  - The request **must** identify the special circumstance(s) and provide a timeline of milestones to justify the extension period

Cooperative Work Agreement (CWA)

Budget Authority	Allocation	Encumbrance	Reimbursement	**Lapsed Funds**

- Reminder – State Budget Authority lapses after **Six Years** for federal and state funding
- CWA can extend state budget authority to **Eight Years**
  - E.g. funding appropriated in 2011-12 eligible to receive CWA to liquidate funds by June 30, 2019
  - Since projects have multiple reversion dates, project could have multiple CWAs
- What's the catch?
  - Can only be used **one time** and no appeals process

CWA – How it Works

Budget Authority	Allocation	Encumbrance	Reimbursement	**Lapsed Funds**

- In September, HQ will notify CWA Liaisons in District, and provide eligible list and instructions
  - http://www.dot.ca.gov/hq/LocalPrograms/CWA/cwa.htm
- Liaison's responsibility to contact each Local Agency and obtain notification if they intend to apply for a CWA
  - Finance can deny CWAs and there is no appeal process
- After the Liaisons submit CWA spreadsheets to HQ, the CWAs are sent to Department of Finance for approval
  - Liaisons to communicate approvals to local agencies
  - LP 2000 has new reversion dates and list posted to website

AB 1012, Statutes of 1999

Fed Trans Act & OA	Authorization	**Obligation**	Reimbursement	**Lapsed Funds**

- If any Region's unobligated apportionments (balance) of CMAQ & RSTP exceeds the total of the last three years, it is subject to re-programming by CTC
  - Balance calculated at federal program level; not by project
  - CTC can designate CMAQ & RSTP balance to state projects
- In order to help prevent re-programming, HQ tracks the balance and updates CTC quarterly & DLA website monthly: http://www.dot.ca.gov/hq/LocalPrograms/AB1012/ab1012.htm

Preliminary Engineering Greater than 10-Year Rule and Federal Inactive Projects

Chris Jensen
(916) 653-3085
chris_jensen@dot.ca.gov

Preliminary Engineering Greater than 10-Year (PE>10) Rule

Fed Trans Act & OA	**Authorization**	Obligation	Reimbursement	**Lapsed Funds**

- **<u>All</u>** federal projects must be in right-of-way or construction phase by end of 10th federal fiscal year after PE authorized
  - If not, local agency **<u>may</u>** be required to repay federal funds
  - Projects in R/W must move to construction phase within 20 years of R/W authorization
- Office of Project Delivery and Accountability has a list:
  - http://www.dot.ca.gov/hq/LocalPrograms/pe_over_10yrs.html
  - Lists projects with PE > than 8 years
  - Lists projects with PE > than 10 years with a time extension

PE Almost 10 Years-Old: Cheat Sheet for Prevention

- Submit authorization for R/W or construction
- Close/Withdraw project
  - Still **may** need to repay FHWA federal reimbursements for PE
- Time Extension Request
  - Due by July 1; notification by October 1
  - Must include chronology of delay, future milestones, signed FL, and previous FHWA decision letters on time extension requests
  - Valid justifications include litigation, complex project consultations, some Congressional earmarks, public improvements, unique implementation/funding approaches, and environmental findings/studies

Approved Time Extensions for PE

- FHWA has accepted the time extension
  - Valid for 3 years
  - Proceed to right-of-way and/or construction before extension expires
  - Invoice federal funds
  - Annual update required
- FHWA denied time extension
  - Unexpended funds will be de-obligated
  - FHWA <u>may</u> ask for repayment of any reimbursed federal-aid funds

Federal Inactive Obligations

Fed Trans Act & OA	Authorization	**Obligation**	**Reimbursement**	**Lapsed Funds**

- **<u>All</u>** federal funding obligated subject to **Federal Inactivity**
- Federal funds are subject to de-obligation based on project inactivity per federal regulations:

Tier	**Unexpended Balance**	**Last Invoice**
1	> than $500,000	12 months ago
2	$50,000 to $500,000	24 months ago
3	< than $50,000	36 months ago

- If project has not been invoiced, time is measured from the day of the first E-76 obligation

Office of Project Delivery and Accountability (OPDA) to the Rescue

- Posts Federal Highway Administration (FHWA) list of inactive projects around the 15^{th} day of the quarter
  - Includes inactive projects and projects that will be inactive within 3 and 6 months
  - Updated and posted weekly to the below site:
  www.dot.ca.gov/hq/LocalPrograms/Inactiveprojects.htm
- OPDA will also notify HQ Office Chiefs, DLAEs, and LPA

Federal Project Inactivity: Cheat Sheet for Prevention

- **Submit an invoice**
- Valid justification for extension must be submitted to District by 18^{th} day of 2^{nd} month in quarter
  - Valid justifications include environmental delays, litigation, and right-of-way delays such as utility relocation
  - Include back-up documentation
- FHWA & HQ will de-obligate project if no action or insufficient action taken

Estimated Deadlines for Inactive Projects

Month 1:
15^{th}: OPDA posts list online and sends notification

Month 2:
18^{th}: Last day for Local Agencies to send invoice to District
18^{th}: Last day for Local Agencies to send justification to District

Month 3:
2^{nd}: Last day for District to send justification to OPDA
8^{th}: Last day LPA will accept invoices by District
10^{th}: Justifications are decided by FHWA
15^{th}-25^{th}: FHWA & HQ process de-obligations

Attachment References

- "Timely Use of Funds"
- "What Do We Mean"
- "Invoice Checklist Review"

REFERENCE

Federal Funds	State Budget Authority	State Transportation Improvement Program (STIP)
▪Federal Act ▪Apportionments ▪Obligation Authority ▪E-76 ▪Finance Letter ▪AB 1012 – CMAQ & RSTP ▪Inactive Obligations ▪PE > than 10 years ▪R/W > than 20 years	▪Budget Act ▪Appropriations ▪Allocations ▪Program Supplements ▪Finance Letters ▪Encumbrances ▪Funds Lapse ▪CWAs	▪STIP Guidelines ▪Includes Transportation Enhancement (TE) & federal funds ▪Timely Use of Funds ▪Extensions ▪Affected by State Budget Authority, too

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TIMELY USE OF FUNDS

Commonly Used Name	STIP Timely Use of Funds	AB1012	Cooperative Work Agreement (CWA)	Federal Inactive Projects	10-Year PE & 20-Year R/W Rule
Applicability	All STIP funds (federal and/or state)	RSTP & CMAQ	All Local Assistance Funds	All federal-aid projects	All federal-aid projects
Applicability level	Each project phase	Region Apportionments	Each encumbrance of funds	Project level	Project level
Emphasis	Project Delivery	Obligation of funds	State Budget Authority	Funds expenditure	Project Delivery
Authority	SB45 of 1997	AB 1012 of 1999	Gov. Code 16304	23CFR 630.106	23CFR 630.112
Enforcing Agency	CTC	CTC	DOF	FHWA	FHWA
Rule	Funds must be allocated by CTC in the year programmed. Project development phase expenditures must occur by end of 2nd FY following allocation date. Projects must be awarded within 6 months from construction allocation. Project must be completed within 3 years of the award.	RSTP & CMAQ funds apportioned to Regions must be obligated within 3 years from the year of apportionment. Otherwise, CTC may re-distribute available funds to other project(s).	Federal and state funds must be expended within six years from the appropriation year located in the finance letter or the project supplement.	Local Agencies must invoice FHWA based on their tier of unexpended funds: >500k once/yr 50-500k once/2yrs < 50k once/3yrs	Once fed funds are obligated for PE phase, the project must move to R/W phase or construction phase within 10 years. Once fed funds are obligated for R/W phase, the project must move to construction phase within 20 yrs.
Possible Extension	CTC may approve up to 20 month extension for each of the deadlines	CTC may approve up to a six-month extension.	Department of Finance may extend liquidation up to eight years based upon proper justification.	FHWA may approve extensions upon receiving proper justification.	FHWA may approve extensions upon receiving proper justification.

Invoice Checklist Review

Applies to: Work performed in accordance with State Transportation Improvement Program (STIP) Timely Use of Funds (TUF), and invoice package submitted to Caltrans in time (April 15 of fund expiration year) to comply with fund expiration and Cooperative Work Agreement (CWA) deadlines.

Guidelines: The STIP TUF deadline(s) for California Transportation Commission (CTC) allocated component(s) of work are specified in the STIP/Proposition 1B CTC allocation notification letter sent to the Local Agency by Caltrans. Reimbursable work must be completed prior to the appropriate TUF deadline. Prior to expiration of a TUF deadline, a formal time extension may be requested, through Caltrans, subject to approval by the Commission (see Chapter 23 of the Local Assistance Program Guidelines).

In addition, each annual State Budget Act includes fund appropriation timeframes of **six years** for both federal and state funds. The deadline to liquidate funds is shown at the bottom of the state approved project Finance Letter and/or Program Supplement for each fund source.

<u>Please note that the more restrictive of the above two deadlines (STIP TUF or liquidation period) will take precedence</u>. <u>It is recommended that STIP funds be invoiced prior to other types of federal or state funds.</u>

CWA: It is strongly recommended that the Local Agency requests a CWA (October of the fund expiration year) for federal and/or state funds that may lapse. With proper justification and approval by the Department of Finance, a CWA will extend the fund appropriation period to a total of **eight years** from the beginning of the appropriation year indicated at the bottom of the Finance Letter or Program Supplement. Each appropriation of funds may only receive one CWA deadline extension.

Background: The appropriation period begins on the first day of the State Budget year (July 1). Federal and state funds must be paid by the State Controller's Office prior to June 30 of the fund expiration year or the funds will lapse. To ensure timely processing of invoices with potentially lapsing funds, the Local Agency should submit a complete, accurate and acceptable final invoice package to the District Local Assistance Office no later than April 15th of the fund expiration year.

WHAT DO WE MEAN?

A series of terminology is used throughout the Local Assistance manuals. Even though some of the terms sound similar they may mean different things. Some of the terminology used in the federal process has an equivalent in the state process. This is an attempt to define some of this terminology and to display the similarities between the federal and state process.

FEDERAL PROCESS	STATE PROCESS
Apportionment: • Level is determined by the most recent Federal Highway Act such as Safe Accountable Flexible Efficient Transportation Equity Act-A Legacy for Users (SAFETEA-LU), which expired in September 2009 and continuing resolutions are being issued in place of the next Act. • Sub-apportioned to Regions and other programs based on federal and state law. • Subject to colors of money: Congestion Mitigation and Air Quality (CMAQ), Regional Surface Transportation Program (RSTP), Highway Bridge Program (HBP), etc. • Sets the upper limit. • Cannot be used without Obligation Authority. • Could be carried over for up to 4 years per federal law. RSTP and CMAQ could be carried over only up to 3 years per AB 1012. • Uses Federal Fiscal Year (FFY), which is October 1 – September 30.	**State Budget Authority – Local Assistance:** • Provided in the form of annual appropriations. • Authorized in the State Budget Act and subject to provisional language. • Available for specific periods of time; subject to cash availability. • Subject to lapse based on the reversion dates. • Includes federal and state fund sources. • May be specific to programs (i.e. STIP and non-STIP). • Subvention funds are available for encumbrance and liquidation for 6 years from the year of appropriation. • No expenditures may be incurred without budget authority. • Uses state fiscal year, which is July 1 – June 30. • fallacy
Obligation Authority (OA): • Annual limit on funds available for obligation. • OA cannot be used without apportionment. • Approved by Congress each year. • Usually around 90% of apportionment; but no “color.” • If OA is not approved for whole year, Congress may authorize portions of OA by issuing continuing resolutions. • Cannot roll-over from one FFY to next (except Demo program) unless 100% of OA is obligated per DLA OA Management Policy. • Initially distributed to Regions in the same ration as apportionment (Regions receive roughly 40% of total OA and apportionment). • If Regions don’t use their OA (roughly 40%), the state may use it (per Section 182.6 of the Streets and Highways Code).	(No comparable state process)

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FEDERAL PROCESS	STATE PROCESS
Authorization: • Sets the eligibility date for reimbursement of federal funds for a phase of a project. • Authorizations are project and phase specific. • Authorization occurs when Federal Highway Administration approves the E-76. • Funds are not committed yet. • Once Preliminary Engineering is authorized project should go to Right- of-Way or construction within 10 years. Once authorized for Right-of-Way, project should go to Construction within 20 years. • Authorization is usually followed by Obligation, unless there is no OA, in which case Advance Construction will be used.	**Allocation:** • Sets the eligibility date for reimbursement for a phase of project. • For STIP projects, allocations are project and phase specific. For lump sum allocations (RSTP, CMAQ, Highway Bridge Program, Safe Routes to School, etc.), lump sum allocation is made at the beginning of the fiscal year for federal and state funds as appropriate. • CTC approves the allocations for STIP projects and approves the lump sum allocation for Subvention. Once allocation takes place, Timely Use of Funds applies to STIP only.
Obligation: • Funds committed to a phase of a project (such as Preliminary Engineering, Right of Way, Construction). • Uses Obligation Authority and Apportionment. • Dollars are reserved in Federal Highway Trust Fund. • E-76 is the vehicle to obligate funds. • Obligation is performed by the Federal Highway Administration. • Typically the oldest apportionment within that fund type is used first. • Must invoice based on funding levels or funds will be de-obligated. • Local agencies can invoice state only after obligation approved by Federal Highway Administration.	**Encumbrance:** • Funds committed to a project or a project phase. • Reserves funds in the SHA or the Federal Trust Fund. • Reduces Budget Authority (BA). • May not encumber if there is no BA. • Encumbrances cannot exceed the BA available in any given year. • Managed on a cash flow basis. • Program Supplement Agreements, Finance Letters, or Cooperative Agreements are used to encumber funds. • Funds are encumbered by Caltrans Accounting staff. • Local agencies may invoice state only after encumbrance. • Subject to provisional language in State Budget Act (allocated federal funds and state funds shall be expended within **six years** from year of appropriation). • Cooperative Work Agreement may extend up to **eight years** from the original year of appropriation.

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Deobligation: • Occurs when funds are no longer needed for a project (especially at project close outs). • E-76 is the vehicle for deobligation. • Federal inactive projects. • Releases Obligation Authority and apportionment. • Released Obligation Authority could be reused within that Federal Fiscal Year.	**Dis-encumber:** • Done when funds are no longer needed for a project (especially at project close outs). • Releases Budget Authority. • Released Budget Authority may be reused only if within the first six years from the original appropriation year. Otherwise, it lapses.
Reimbursement process: • Local agencies invoice the state after incurring the expense. • State pays the local agencies. • State invoices the Federal Highway Administration and replenishes the state's funds. • State has no time limit to invoice Federal Highway Administration.	**Reimbursement process:** • Local agencies invoice the state after incurring the expense. • State pays the local agencies. • Section 16304 of the Government Code sets the time limit for reimbursement (see under encumbrance). • Also subject to CTC STIP guidelines. • For STIP projects, Assembly Bill (AB) 872 and AB 3090 are also reimbursement processes.
Advance Construction : • Mechanism used to proceed with project when no Obligation Authority is available. • Could be used for any phase of the project – not just for construction. • Two types of Advance Construction: state and local. • Invoices will be paid with state or local funds until federal Obligation Authority becomes available.	

Federal process applies only to federally-funded local assistance projects. State process applies to all local assistance projects.

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Federal Act – Provides federal transportation funding through a combination of formula, discretionary, and earmarked funds.

Apportionment – The distribution of federal funds as prescribed by a statutory formula provided by law. This is divided between state and local government.

Obligation Authority – Represents the amount of federal funds California can obligate on an annual basis for expenditure on projects/activities. This authority is further divided between state and local government.

E-76 – Electronic "Obligation of Funds Document". Shows the federal authorization and obligation date

Budget Act – Enacted legislation providing legal authority to encumber and expend funds.

Budget Authority – The legal authorization to spend funds.

Appropriation – An authorization from a specific fund to a specific agency or program to make expenditures/incur obligations for a specified purpose and period of time.

Subvention – A grant that is passed-through from one agency (i.e. California) to another agency (i.e. local agency).

Encumbrances – Represents specific funds reserved from an appropriation for a specific project from a specific fiscal year.

Cooperative Work Agreement (CWA) – Vehicle to extend the Budget Authority or liquidation period of previously encumbered funds up to eight years.