SB1: Local Streets and Roads Program

Streets and Freeways Subcommittee
7/20/17

*Multiple slides sourced from the CTC’s Local Streets and Roads Program Workshop presentation dated 7/18/17.
Statutory Intent of SB 1: The Road Repair and Accountability Act of 2017

- Provides new revenues so that cities and counties can address the enormous shortfall of funding needed to adequately maintain the existing network of local streets and roads which is necessary to protect our economy, our environment, and our quality of life.
- Provides a balance of new revenues and reasonable reforms to ensure efficiency, accountability, and performance from each dollar invested in the transportation system.
Program Overview – Local Streets and Roads

- Provides new funding from Road Maintenance and Rehabilitation Account (RMRA) for monthly apportionment to cities and counties by the State Controller to be used for road maintenance, rehabilitation and critical safety projects.

- Requires basic annual project reporting to the Commission.
Commission’s Role

- Compiling and sharing general project information
- Promoting transparency and accountability
- Reporting Guidelines
State Controller’s Role

- Apportion and Audit Funds
- Maintenance of Effort
- Detailed Expenditure Reporting – Local Streets and Road Annual Report
- Guidelines for Gas Tax Expenditures (update TBD)
New SB 1 Local Streets and Roads: Stakeholders/Roles

- California Transportation Commission (CTC)
- California State Association of Counties (CSAC) & League of Cities
- Cities and Counties
- State Controller’s Office (SCO)
Draft Annual Reporting Guidelines
Draft Annual Reporting Guidelines

- Worked closely with cities, counties and their representatives (i.e. League of California Cities and the California State Association of Counties)
- Collaborated with the State Controller’s Office Divisions of Local Programs and Audits
- Draft Guidelines released for public comment June 30th with comments due July 14th.
- Final Guidelines are set for adoption August 16-17, 2017
Basic Annual Project Reporting  [SHC Section 2034(a) and (b)]

Cities and Counties are required to submit the following to the CTC:

- Annually, prior to receiving funds, a **proposed project list** which contains the following:
  - Proposed project description and location
  - Proposed schedule for completion, may include multi-year projects
  - Estimated useful life of the improvement
  - Projects must be in an adopted/amended city/county budget

- Annually, upon completion of the FY, a **project expenditure report** which contains the following:
  - Completed project description and location
  - Completion date
  - Amount of funds expended on the project
  - Estimated useful life of the improvement
  - If applicable, a progress update on multi-year projects
Summary of Comments Received

- Adjust project list due dates to better align with city/county budgeting processes
- Clarify that budget amendments are an allowable way to adopt project lists
- Level of detail in adopted budgets and project lists may vary
- Address multi-year projects in the guidelines and forms
- Clarify certain terms such as estimated useful life and project completion
- Provide an online procedure for project reporting
- Consider a one-form format for the Project List and Expenditure Report that is completed in phases
- Consider community input and needs, promote complete streets, safety for all system users, green infrastructure etc.
- Questions and Clarifications on the MOE calculation process, eligible uses and timing of funds etc.
Areas under State Controller Jurisdiction

- Specific Accounting Requirements and Use of Funds
- Maintenance of Effort Calculation and Oversight
- Annual Streets and Roads Report Requirements
- The above items won’t be addressed in detail today but Commission staff will share feedback received to date with SCO
- Frequently Asked Questions are under development
- SCO Guidelines Update TBD
### Revised Schedule

**FY 17-18**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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<tbody>
<tr>
<td>Adoption of Final Guidelines Call for Project Lists</td>
<td>August 16-17, 2017</td>
</tr>
<tr>
<td>Technical Assistance and Outreach to Cities/Counties</td>
<td>August 18 – October 16, 2017</td>
</tr>
<tr>
<td>Project Lists due to Commission</td>
<td>October 16, 2017</td>
</tr>
<tr>
<td>Commission Adopts List of Eligible Cities and Counties</td>
<td>December 6-7, 2017</td>
</tr>
<tr>
<td>Commission Submits List to Controller</td>
<td>December 6-7, 2017</td>
</tr>
<tr>
<td>Controller FY 17-18 Apportionments Begin</td>
<td>Mid-January 2018</td>
</tr>
<tr>
<td>Completed Project Report Submitted to Commission for 2017 - 2018 Fiscal Year</td>
<td>October 1, 2018</td>
</tr>
<tr>
<td>Commission Posts Statewide LSR Program Accountability Information Online</td>
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</tbody>
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**FY 18-19**

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<tr>
<th>Event</th>
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<tbody>
<tr>
<td>Guidelines Update as Needed</td>
<td>TBD</td>
</tr>
<tr>
<td>Call for Project Lists</td>
<td>TBD*</td>
</tr>
<tr>
<td>Commission Review, Approval &amp; Adoption of List of Eligible Cities and Counties</td>
<td>TBD*</td>
</tr>
<tr>
<td>Commission Submits Final List to Controller</td>
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* Commission staff is working with city and county representatives to develop a schedule for FY 18-19 that accommodates city and county budgeting processes, statutory clarification may needed in this area.
Resources and Support

• CTC’s draft reporting guidelines (linked here).
• The CTC is also working Caltrans to develop a project list/year-end expenditure reporting document, which aims to be:
  • One-form format
  • Online-based
Other Resources and Support

League of Cities and California State Association of Counties (CSAC) are providing:

• Background information on SB 1 (linked here and here)
• New HUTA SB 1 share estimates (linked here and here)
• Advocacy related to the program schedule and guidelines (here)
• A webinar on the Local Streets and Roads Program, date TBD to be posted in the next couple of weeks (to be posted here for CSAC and here for the League)
• Potential legislative solutions to clean-up program requirements (TBD)
Contacts

*Comments regarding the CTC’s reporting guidelines and/or outstanding questions on issues under the Controller’s jurisdiction can be directed to the League and CSAC.

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