

Chris Lee

From: Chris Lee
Sent: Friday, June 02, 2017 4:58 PM
To: Chris Lee (clee@counties.org)
Cc: Kiana Valentine; Merrin Gerety
Subject: CSAC SB 1 Implementation Update - No. 1

To: Public Works Directors
CEAC Transportation Committee

From: Kiana Valentine, CSAC Legislative Representative
Chris Lee, CSAC Legislative Analyst

Re: CSAC SB 1 Implementation Update – No. 1

We're writing to provide you the following updates on SB 1 implementation activities:

Informational Resources. CSAC has posted the new/updated SB 1 background information on the CSAC website:

- **Funding Estimates:** CSAC created a county-by-county chart of new revenues expected under SB 1 based on multi-year estimates from the Department of Finance. The chart includes two spreadsheets—the first includes *only* the Road Maintenance and Rehabilitation Account (RMRA) funding while the second includes *all* new revenue allocated pursuant to SB 1. This distinction is important, as the new eligibility and reporting requirements apply only to RMRA funding.

The charts *do not* include revenue from the existing tax rates that fund county allocations from SHC Sections 2103, 2104, 2105 and 2106, but they do include revenues from the anticipated increases to those rates (i.e. inflationary increases to base gas and diesel excise tax and the “reset” of the price-based excise tax to 17.3-cents and future inflationary increases).

The charts are available online here: http://www.counties.org/sites/main/files/file-attachments/sb_1_ten-yr_estimates_-_total_new_revenues_and_rmra_share_of_total_revenues_051617.pdf

- **Presentation on Key SB 1 Provisions:** CSAC has updated our PowerPoint slides that were used as the outline for the April webinar to include additional charts and information about RMRA reporting and eligibility requirements.

The slides are available online here: http://www.counties.org/sites/main/files/file-attachments/sb_1_transportation_funding_deal_explained_leg_conference_051817.pdf

Development of Reporting Guidelines. The CTC is charged with developing guidelines for several SB 1 programs, including new competitive programs and the reporting guidelines for local streets and roads revenues from the RMRA.

- **SB 1 Project Lists:** recall that SB 1 requires counties to report on their planned expenditures of RMRA funding from SB 1 pursuant to the county budget (see exact language below). CSAC previously advised counties to prepare a list of proposed projects to be included along with approval of recommended budgets for submittal to the CTC by June 15, 2017. **We now know that the deadline for reporting will likely fall in October 2017** following the adoption of formal reporting guidelines.

While counties may have already adopted recommended budgets that appropriate SB 1 RMRA funding, the guidelines for how this reporting will occur will not be finalized until later this summer. **Counties should be aware that they may need to take Board of Supervisors action to amend their 2017-18 budgets or clarify which projects will receive RMRA funding this fiscal year to ensure that reporting can be completed consistent with the forthcoming CTC guidelines.**

CSAC staff have already met with CTC staff on three occasions to discuss the reporting guidelines on a conceptual level. We have also solicited volunteers to help review draft reporting guidelines and expect to have a rough draft to react to in mid-June. Please email clee@counties.org if you are interested in participating in reviewing draft guidelines.

- **“Kick-off” Workshop:** the CTC is holding an initial workshop on Thursday and Friday June 8-9, to discuss guidelines for SB 1 programs. The workshops will be webcast and the agendas are available here:
 - June 8th Senate Bill 1 – Road Repair & Accountability Act of 2017 Implementation Kickoff Forum http://www.catc.ca.gov/programs/SB_1/060817_Kickoff_Agenda_FINAL.pdf
 - June 9th Senate Bill 1 - Road Repair & Accountability Act of 2017 Implementation Workshop http://www.catc.ca.gov/programs/SB_1/0609917_Workshops_Agenda_FINAL.pdf

Reporting Language for Planned RMRA Expenditures:

- **Streets and Highways Code Section 2034.** (a) (1) Prior to receiving an apportionment of funds under the program pursuant to paragraph (2) of subdivision (h) of Section 2032 from the Controller in a fiscal year, an eligible city or county shall submit to the commission a list of projects proposed to be funded with these funds pursuant to an adopted city or county budget. All projects proposed to receive funding shall be included in a city or county budget that is adopted by the applicable city council or county board of supervisors at a regular public meeting. The list of projects proposed to be funded with these funds shall 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. 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 subdivision (b) of Section 2030.

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