REPORT TO SHASTA COUNTY RTPA

SUBJECT		MEETING DATE	ITEM NUMBER
Adopt Policies for Administration and Agency Distribution of Regional Surface Transportation Program (RSTP)		2-25-03	3-3

RECOMMENDATION
It is recommended that the Board approve the attached Policy regarding annual distribution of Regional Surface Transportation Program (RSTP) funds.

SUMMARY
In August 2002, the Department of Transportation (DOT) conducted an audit of the RTPA's process and procedure for the distribution of RSTP exchange funds. An audit finding was that the RTPA did not have a written procedure for the processing and distribution of these funds.

DISCUSSION
The RSTP exchange program is the result of the Transportation Equity Act for the 21st Century (TEA-21). In accordance with Section 182.6 of the Streets and Highways Code, funds may be exchanged for nonfederal State Highway Account Funds. Funding is allocated on an annual basis from the DOT.

The RTPA agrees to allocate all State funds within the RSTP agreement to projects defined under Title 23 - Section 133 of the Federal Aid for Highways, and in the accordance with the State of California Constitution. Eligible projects are strictly limited to projects described under Section 133 (b).

The following financial controls are established by the DOT and RTPA:

- City and County agencies must establish a separate account within their "Special Gas Tax Street Improvement Fund" or "County Road Fund" to deposit and account for State exchange received directly from the RTPA.

- City and county expenditures of exchange and match funds will be subject to financial and compliance audits by State of California auditors.

- Agencies are required to submit an annual document stating that RSTP exchange funds have been used for eligible projects as defined in Section 133(b). Documentation must be received prior to disbursement of current year funding.

- In the event of an adverse audit finding, the agency must return the State cash to the RTPA for allocation to other eligible projects. If an adverse finding is not corrected, a hold will be placed on future exchange and match payments until such time as the findings are corrected to the satisfaction of the State and the RTPA.

OTHER AGENCY INVOLVEMENT
The Technical Advisory Committee, and the Department of Transportation Audits and Investigations Division have reviewed this policy.

FINANCING
Adoption of the Staff recommendation will have no financial impact.

FOR Daniel J. Kovacich, Executive Officer

SLC/jac

Attachment: RSTP Exchange Policy and Procedure
Resolution 5-93
Calculation of Amounts Due Jurisdiction

SHASTA COUNTY RTPA POLICY AND PROCEDURE MANUAL		Number 5-2
SECTION: Rules of the RTPA APPROVAL DATE: Page No. 1 of 2	Regional Surface Transportation Program (RSTP)	

POLICY FOR THE ADMINISTRATION OF REGIONAL SURFACE TRANSPORATION PROGRAM (RSTP) FEDERAL EXCHANGE AND STATE MATCH REQUEST

BACKGROUND

The RSTP exchange program is the successor to the Transportation Equity Act for the 21st Century (TEA-21). In accordance with Section 182.6 of the Streets and Highways Code, funds may be exchanged for nonfederal State Highway Accounts funds. Funding is allocated on an annual basis from the Department of Transportation (DOT). The amount of funding allowable is calculated by the DOT.

The RTPA agrees to allocate all state funds within the RSTP agreement to projects defined under Title 23 – Section 133 of the Federal Aid for Highways, and in accordance with the State of California Constitution. Section 133(b) eligible projects may include:

- **Highway (limited access facilities):** construction, reconstruction, resurfacing, restoration, operational improvements, safety improvements and programs, research and development, and technology transfers
- **Bridges:** construction, reconstruction (including seismic retrofit), resurfacing, and restoration
- **Transit:** anything eligible for Federal Transit Administration (FTA) funding, including fixed guideways, vehicles, maintenance facilities, safety improvements and programs, research and development, and technology transfers
- **Streets and roads (conventional facilities):** All functionally classified highways are eligible except for those classified as local roads or rural minor collectors. Activities include construction, signalization and signal timing, widening, restriping, resurfacing, and bus turnouts
- **Carpool projects**
- **Park and Ride lots**
- **Bicycle and pedestrian projects**
- **Traffic monitoring, management, and control facilities and programs:** includes capital and operating
- **Infrastructure-based intelligent transportation system (ITS) projects**
- **Surface transportation planning programs**
- **Transportation enhancement activities:** (as defined by law)
- **Transportation control measures**

- **Development and establishment of management systems**
- **Wetlands mitigation and wetlands banking**
- **Natural habitat restoration**
- **Landscaping**
- **Application of anti-icing and de-icing compositions to bridges and elevated structures**
- **Modification of sidewalks to comply with the Americans with Disabilities Act (ADA). Publicly or privately owned or operated vehicles and facilities that provide intercity passenger bus service:** (capital improvements only)
- **Any activities eligible under the CMAQ or TEA programs**

Financial Controls: City and county agencies must establish a separate account within their "Special Gas Tax Street Improvement Fund" or "County Road Fund" to deposit and account for State exchange and match payments received directly from the RTPA.

City and county expenditures of exchange and match funds will be subject to financial and compliance audits by State of California auditors.

Agencies are required to submit an annual document stating that RSTP exchange funds have been used for eligible projects as defined in Section 133(b). Agencies must submit documentation prior to distribution of current year exchange funds.

In the event of an adverse audit finding, the agency must return the State cash to the RTPA for allocation to other eligible projects. If an adverse finding is not corrected, a hold will be placed on future exchange and match payments to the RTPA until such time as the adverse findings are corrected to the satisfaction of the State.

PROCEDURES

December	**Notification from DOT for Federal Fiscal Year allocation**
January-February	**RTPA provides to DOT Federal Apportionment Exchange Buyout Program annual report = cash received from DOT and cash disbursed by RTPA**
May	**RTPA completes RSTP agreement**
June	**DOT returns fully executed agreement**
June-July	**RTPA invoices DOT for exchange funds**
July	**Agency verification of expenditure of funding for eligible projects**
July-August	**Upon receipt of funds, RTPA disburses funds to agencies**

POLICY FOR THE DISBURSEMENT OF REGIONAL SURFACE TRANSPORATION PROGRAM (RSTP) FEDERAL EXCHANGE AND STATE MATCH REQUEST TO JURISDICTIONS

BACKGROUND
In March of 1993 (Resolution 5-93) the SCRTPA agreed to accept Exchange program funds as allocated under Section 182.6 of the Streets and Highways Code. Funds may be exchanged for nonfederal State Highway Accounts funds.

Resolution 5-93 states that funds are to be divided among the jurisdictions in the same manner as they are allocated to the RTPA. These funds shall be shared among the jurisdictions based on the ratio of the jurisdiction's latest urban area population estimate to that of the total County's urban area. Funds derived under Section 182.6 (d) (2) shall be allocated to the County as specified by law, and the balance of the funds shall be allocated between the cities and the County on the basis of the ratio of each jurisdiction's population growth from 1980-1990 to the County population growth during that period. The staffs of the two cities and the County have agreed on the allocation formula.

Each of the entities has the capability of selecting and prioritizing projects using those funds allocated to them. The RTPA delegates to each of the eligible entities project selection authority for projects to be funded under this program.

PROCEDURES
The annual exchange funds are allocated to the RTPA on an annual basis from the Department of Transportation (DOT). The amount of funding allowable is calculated by the DOT.

Two factors are used to determine the amount allocated by jurisdiction. Amounts are first allocated based upon the population in the urban area based on 110% of the Federal Aid Urban (FAU) that preceded ISTEA . The remainder of funding, "other", is allocated based upon the growth in each entity from 1980 to 1990. The urban population is updated annually using the Department of Finance's E-1 report. These population figures determine the percentage of funding allocated to each jurisdiction based on the old FAU funding figures.

The amount of funds received from exchange that exceed the Old FAU are presented as "other" and are allocated based upon prior population figures for each jurisdiction as presented on the attached allocation schedule.

The City of Shasta Lake was incorporated on July 2, 1992. Prior to incorporation, Shasta Lake's population was included in the unincorporated area of Shasta County. In order to obtain census data, the United States Census Bureau must incorporate a city for one year before it is recognized as a city. The first documented census data for the City of Shasta Lake occurred in 1994/1995. The City of Shasta Lake became eligible for exchange funds at this time, and was removed from the County's population.

An allocation summary is disbursed to the jurisdictions that combine the Old FAU population allocations, and "other" funding allocations.

FINANCIAL CONTROLS

City and county agencies must establish a separate account within their "Special Gas Tax Street Improvement Fund" or "County Road Fund" to deposit and account for State exchange and match payments received directly from the RTPA.

City and county expenditures of exchange and match funds will be subject to financial and compliance audits by State of California auditors.

Agencies are required to submit an annual document stating that RSTP exchange funds have been used for eligible projects as defined in Section 133(b). Agencies must submit documentation no later than July 31 of each year in order to receive distribution of current year exchange funds.

In the event of an adverse audit finding, the agency must return the State cash to the RTPA for allocation to other eligible projects. If an adverse finding is not corrected, a hold will be placed on future exchange and match payments to the jurisdiction until such time as the adverse findings are corrected to the satisfaction of the RTPA.

RESOLUTION
5-93

APPROVING FUNDING ALLOCATIONS
UNDER THE SB 1435 EXCHANGE PROGRAM,
DELEGATING PROJECT SELECTION AUTHORITY,
AND AUTHORIZING THE EXECUTIVE OFFICER
TO ENTER INTO THE NECESSARY AGREEMENTS

WHEREAS, in March of 1993 the Shasta County Regional Transportation Planning Agency agreed to accept Exchange Program funds as allocated under Section 182.6 of the Streets and Highways Code; and

WHEREAS, it is necessary for the Commission to establish how the funds will be distributed and how projects will be selected; and

WHEREAS, it is appropriate that the funds be divided among the entities in the same manner as they are allocated to the Regional Transportation Planning Agency; and

WHEREAS, the staff of the two cities and the County have agreed upon an allocation formula; and

WHEREAS, each of the entities have the capability of selecting and prioritizing projects using those funds allocated to them;

NOW, THEREFORE, BE IT RESOLVED that the Shasta County Regional Transportation Planning Agency delegates to each of the eligible entities project selection authority for projects to be funded under this program.

FURTHER, BE IT RESOLVED that those funds received under Section 182.6(d)(1) shall be shared among the jurisdictions based on the ratio of the jurisdiction's latest urban area population estimate to that of the total County's urban area; those funds derived under Section 182.6(d)(2) shall be allocated to the County as specified by law; and the balance of the funds shall be allocated between the cities and the County on the basis of the ratio of each jurisdiction's population growth from 1980-1990 to the total County population growth during that period.

FURTHER, BE IT RESOLVED that the Executive Officer is authorized to enter into any contracts necessary with the State of California and the jurisdictions to transfer the funds from the Regional Transportation Planning Agency to the appropriate jurisdiction.

FURTHER, BE IT RESOLVED that the Executive Officer is directed to transfer the Exchange Program funds to those jurisdictions within 30 days of their being received from the State.

PASSED AND ADOPTED this 27th day of April, 1993 by the Shasta County Regional Transportation Planning Agency.

Francie Sullivan

Francie Sullivan, Chairman
Shasta County Regional
Transportation Planning Agency

Shasta County RTPA
Calculation of Amounts Due Jurisdiction
Exchange Dollar Program
Fiscal Year 2001-2002

Exchange Dollars Available	$1,116,926			
Amount Allocated Based Upon Population In Urban Area (110% of Old FAU)	367,914			
Remainder to be Allocated Based Upon Growth in Each Entity from 1980 to 1990 (Other)	$749,012			
Allocation of Old FAU Funds:				
Department of Finance E-1 for 2000 and 2001				
Unincorporated Area computed by using Redding's past year growth rate times the number used for last years allocation				
(growth rate = 83100/82500 = 1.007 see E-1 Report				
Jurisdiction	Population in Urbanized Areas	% of Population In Urbanized Area	Exchange Dollars	
Redding	83,100	71.73%	$ 263,898	
Shasta Lake	9,225	7.96%	$ 29,296	
Anderson	9,200	7.94%	$ 29,216	
Unincorporated Area	14,329	12.37%	$ 45,504	
	115,854	100.00%	$ 367,914	
Allocation of "Other" Funds				
	Population 1-Apr-80	Population 1-Apr-90	Increase	Percent Increase
Redding	41,995	66,462	24,467	78.12%
Shasta Lake included in CO				
Anderson	7,381	8,299	918	2.93%
Unincorporated area	66,339	72,275	5,936	18.95%
	115,715	147,036	31,321	100.00%
Allocate County/Shasta Lake Based Upon 94/95 Population				
Shasta Lake	9,760	2.41%		
County	66,890	16.54%		
	76,650	18.95%		
	% Allocation	Amount		
Redding	78.12%	$ 585,105		
Shasta Lake	2.41%	$ 18,075		
Anderson	2.93%	$ 21,953		
Unincorporated Area	16.54%	$ 123,879		
County Total	100.00%	$ 749,012		
Summary of Allocations	"Old FAU"	"Other"	Total	
Redding	$ 263,898	$ 585,105	$ 849,003	
Shasta Lake	$ 29,296	$ 18,075	$ 47,371	
Anderson	$ 29,216	$ 21,953	$ 51,169	
Unincorporated Area	$ 45,504	$ 123,879	$ 169,383	
County Total	$ 367,914	$ 749,012	$ 1,116,926	