



Expires – Upon Issuance of LPP

Priority Legislative Budget Project Funds - Guidelines

I. BACKGROUND

The California Legislature has authorized funding for Priority Legislative Budget Projects (PLBP). These projects have been authorized by State legislation. Caltrans is the authorizing agency for the proper distribution of the funding provided by this legislation. These funds are not part of an established State program or under the authority of the California Transportation Commission (CTC), unless specified in the legislation.

The purpose of this Office Bulletin (OB) is to provide guidance to Local Public Agencies (LPAs) on how to administer PLBP funds. This guidance outlines:

- Request for Allocation and Finance Letter submission
- Project reporting
- Invoicing for eligible project expenditure

II. POLICY

1. Agreements

- (a) Caltrans Master Agreement. LPAs receiving PLBP funds must have a Master Agreement (MA) on file with Caltrans. If funds have been earmarked in legislation for an LPA that does not already have a MA, the LPA needs to contact the respective DLAE about the process for acquiring a new MA. As the MA and related pre-award audit process can take a considerable amount of time, alternatively an LPA that does not already have a MA may instead choose to partner with another LPA that already has a MA with Caltrans. A Federal Master Agreement must be on file with Caltrans if any federal funds are used for the project. See [LAPM Chapter 4: Agreements](#) for information regarding MAs.
- (b) Caltrans Project Supplemental Agreement (PSA). A PSA to the Master Agreement will be created specifically for the project allocation of the PLBP funds. See [LAPM Chapter 4: Agreements](#) for information regarding PSAs.
- (c) Caltrans Cooperative Agreement. LPAs receiving PLBP funds that have been split between Caltrans Local Assistance and Caltrans District Project Management must enter into a Cooperative Agreement with Caltrans for reimbursement for funds held in Local Assistance. The Cooperative Agreement will take the place of the MA and PSA.

2. PLBP Funds

PLBP funds will be allocated through reimbursement of eligible project expenditures (see Invoicing for eligible expenditures).

PLBP funds are a one-time allocation, unless otherwise specified in the PLBP legislation. The LPA will not be reimbursed for expenses above the amount specified in the legislation or for funds expended prior to the effective allocation date, which constitute the start of reimbursable expenditures. There are no matching fund requirements.

These funds may be used as matching funds for other programmed projects if that program allows state funding as a match. If used for matching funds, the project scope will need to identify which phase of the project the PLBP funding are being applied.

Caltrans will reimburse for eligible project expenditures incurred after the effective allocation date, which is the approval date of the PSA. Funds approved by state budget appropriations bills will expire three fiscal years starting from the fiscal year of the appropriation, unless otherwise specified by the legislation, or an if extension has been given.¹

The LPA must provide a project scope, schedule, and estimated project cost, including cost per phase. All sources of funding approved or anticipated per phase must be identified including PLBP funds and/or any federal funds. Caltrans may delay allocating funds until all funding sources per phase have been identified.

A National Environmental Policy Act (NEPA) clearance and Right of Way (R/W) certification will be required if federal funds are anticipated on any phase of the project. Caltrans will need to be the delegating authority for the NEPA. As such, additional documentation and reporting will be required in accordance with the [Local Assistance Procedures Manual \(LAPM\)](#) for federally funded projects. At a minimum, the project environmental documents will need to be submitted for review and approval by Caltrans.²

3. Reporting

The LPA must submit semi-annual progress reports which include the following:

- Name of the Administrating Agency including contact information,
- Project description and scope of work,
- Current budget, including incurred expenditures for all project components, with PLBP and other committed funds identified,
- Project schedule identifying current phase,
- Project scope of work, schedule, or estimated cost, including an explanation for any changes.
- The final progress report submitted must be identified as the “Final Report”.
- The first semi-annual report must be submitted 6 months after the effective allocation date of the project.

¹ Funds assigned to Caltrans through 2021 State Budget Act appropriations bills SB 170 and SB 129 have been approved for an indefinite exemption by Caltrans Division of Budgets.

² Refer to Caltrans Oversight Information Notice (COIN) #19-01 for a summary of project delivery requirements that apply to projects using federal funds: <https://dot.ca.gov/-/media/dot-media/programs/local-assistance/documents/coin/coin19-01.pdf>

4. Invoicing

Project costs eligible for reimbursement include:

- Project Approval and Environmental Document (PA&ED)
- Plans, Specifications and Estimates (PS&E)
- Right of Way
- Construction Support
- Construction

Invoicing will be completed in accordance with the [LAPM Chapter 5: Invoicing](#). The effective allocation date for the project is the approval date of the PSA and will constitute the start of reimbursable expenditures. Any expenditures incurred prior to the effective date for the PLBP funds are not eligible for reimbursement.

III. PROCEDURE

To receive funds, the LPA must submit a [PLBP Request for Allocation](#) and [PLBP Finance Letter](#) to Caltrans. The following information must be included in the Request for Funding Allocation Package:

- Project location,
- Project description and scope,
- Estimated project cost by phase,
- Project schedule and status of project by phase, and
- Project funding plan which identifies earmarked funds and additional committed funds if applicable.

Scope of work is defined in the legislation approving the PLBP funds. LPAs can further define the scope when submitting the PLBP Request for Allocation, but the scope of work must be in accordance with the legislated description and address the intent as initially described in the legislation authorizing the funds.

The LPA can obtain the PLBP Request for Allocation form and PLBP Finance Letter from the District Local Assistance Engineer.

The LPA will receive an Allocation Letter once the PSA has been approved, indicating that the funds are available.

For more information please refer to the PLBP website: <http://dot.ca.gov/programs/local-assistance/fed-and-state-programs/priority-legislative-budget-projects>.



IV. APPLICABILITY/IMPACTS

This OB is applicable to all agencies who have been authorized to receive PLBP funds through California Legislative process and assigned to Caltrans for allocation. The process and procedures outlined in this OB will allow the funds to be efficiently allocated and ensure the funds are used for the purpose specified in the legislation. This OB may be revised and updated in the future.

Recommended:	<u>Original signature on file</u> _____	<u>May 23, 2022</u> _____
	Manuel Morales, Program Manager	Date
Approved:	<u>Original signature on file</u> _____	<u>May 23, 2022</u> _____
	Cathy McKeon, Chief Office of State Programs	Date

- Attachments:
- Attachment 1 – [PLBP Request for Allocation](#)
 - Attachment 2 – [PLBP Finance Letter](#)
 - Attachment 3 – [PLBP Semi-Annual Report](#)