A Quick Guide to Implementing State Funded HSIP Projects

Senate Bill (SB) 137 allows the exchange of the federal Highway Safety Improvement Program (HSIP) funds for State Highway Account (SHA) funds. This makes it possible to fund HSIP safety projects with state funds.

After an HSIP application has been selected for state funding, the local agency proceeds to implement the safety project by following the applicable provisions of the Local Assistance Procedures Manual (LAPM). The intention of this document is to provide a quick reference to local agencies in implementing state funded HSIP projects.

1   FUNDING ALLOCATION:

The local agency initiates the project by submitting the Request for Funding Allocation to District Local Assistance Engineer (DLAE). This request serves as the basis for allocating the funding, preparing the project agreement(s) and setting up the project in the accounting system.

The funding allocation process for state funded HSIP projects is different from that for projects in other programs such as Active Transportation Program (ATP), State Transportation Improvement Program (STIP) and Senate Bill 1 (SB1). The funding allocation for HSIP projects is processed through Caltrans Division of Local Assistance (DLA), not the California Transportation Commission (CTC).

The funding allocation request is Phase specific, i.e. Preliminary Engineering (PE), Right of Way (ROW) or Construction (CON). The local agency must submit a separate Request for Funding Allocation prior to starting each phase of the project. The requested HSIP funding amount for a phase should be no more than the amount for the phase as listed as in the approved project list unless an amendment has been requested by the local agency and approved by the HSIP managers.

The following documents are required in the funding allocation request package:

- o   Request for Funding Allocation Form;
- o   State-only Finance Letter;
- o   A detailed Engineer's Cost Estimate for construction items (for CON allocation request only); and
- o   Printout of the page from the list of selected projects containing the project for which the allocation is being requested (please mark the project).

The templates for the Request for Funding Allocation Form and State-only Finance Letter as well as the list of selected projects can be downloaded from [the website for state funded HSIP projects](#).

Additional requirements for CON funding allocation request:

When requesting a construction allocation for a state funded HSIP project, the implementing local agency must certify the PS&E completion, Right of Way Clearance and CEQA compliance. In the Allocation Request Form, checkboxes must be marked to verify the local agency has self-certified the PS&E completion, Right of Way Clearance and CEQA compliance.

PS&E Completion:

The implementing agency must certify the project Plans, Specifications and Estimate (PS&E) package is complete and consistent with the scope of work identified in the original project application or approved scope amendment. As part of certifying the PS&E package, it is the responsibility of the implementing agency to make sure the PS&E package is complete, adequate for its purpose, accurate, free of defects and inaccuracies, and unambiguous.

Although Caltrans may not be performing a full review of the PS&E package at time of construction allocation, the implementing agency is reminded all documents relating to the project are subject to review by Caltrans.

Right of Way Clearance:

When requesting construction allocation for a state funded HSIP project, the implementing agency must self-certify the Right of Way clearance.

CEQA compliance:

Local HSIP projects must meet the requirements of the California Environmental Quality Act (CEQA). The implementing agency is the lead agency under CEQA and provides CEQA approvals and clearances. Caltrans is only involved in the review of the local agency's CEQA documents when the project impacts a state route.

After the complete Request for Funding Allocation package has been submitted, the request will be reviewed and processed by the DLAE and Caltrans DLA Headquarters (HQ).

- The DLAE's review and action:

  The DLAE reviews the allocation request package, assigns a project number and its Advantage IDs and forwards the request to the DLA HQ Area Engineer for allocation.

An allocation request will be rejected if the scope or requested amount does not match the application or its approved amendment. Any change to the scope of work needs to be approved by the HSIP managers in advance of the allocation.

- The DLA HQ Area Engineer's review and action:

  o Prepare an allocation letter which serves as the authorizing document for the implementing agency to begin reimbursable work. A copy of the allocation letter and Finance Letter will be distributed to the implementing agency, DLAE, the HSIP managers and Local Programs Accounting (LPA). **Note that any work performed prior to the effective date of the allocation letter for the phase is not eligible for reimbursement**.

  o Prepare a Program Supplement Agreement (PSA) and send it to the local agency for execution. If the local agency does not have a "State-only Funds Master Agreement" on file with Caltrans, one will need to be executed in conjunction with the PSA.

2   PROJECT DELIVERY REQUIREMENTS

The delivery of the HSIP Cycle 10 state funded projects must meet the below milestones:

- The PE phase (if applicable) must be allocated by 12/31/2021; and
- The Construction (CON) phase must be allocated by 3/31/2024.

The delivery of the HSIP Cycle 11 state funded projects must meet the below milestones:

- The PE phase (if applicable) must be allocated by 12/31/2023; and
- The Construction (CON) phase must be allocated by 3/31/2026.

if a consultant is hired for the PE phase of the project, six (6) months can be added to the CON phase allocation and project closure milestone deadlines if needed.

Please contact the DLAEs if time extension is needed.

3   PROJECT COST REIMBURSEMENT

All eligible costs incurred by the local agency will be reimbursed in arrears. The local agency invoices Caltrans (Refer to LAPM Chapter 5 and Exhibit 5-C). For the project to remain active, the local agency must submit invoices to Caltrans at least every six (6) months after funds are allocated.

DLAE reviews invoices for payment. Invoice payment will be rejected if the scope of the project has been changed without prior notification and approval of Caltrans District and the HQ HSIP managers.

If local agency intends to claim reimbursement for Indirect Costs, they must comply with Section 5.3, LAPM, prior to submitting first invoice.

4 INFORMATION AND CONTACT

- Website for state funded HSIP projects:
  https://dot.ca.gov/programs/local-assistance/fed-and-state-programs/highway-safety-improvement-program/state-funded-hsip.

  This website provides instructions for implementing state funded HSIP projects. It also provides the list of state funded HSIP projects and templates for funding allocation request documents.

- For other information such as field review, consultant selection and invoicing, please refer to the applicable chapters in the Local Assistance Procedures Manual (LAPM): https://dot.ca.gov/programs/local-assistance/guidelines-and-procedures/local-assistance-procedures-manual-lapm.

- During the project implementation process, local agencies may contact the respective District Local Assistance Engineer (DLAE) who can assist with the funding allocation process and other project management questions. The DLAE contact information is available at https://dot.ca.gov/programs/local-assistance/other-important-issues/local-assistance-contacts.