
CHAPTER 22 OTHER STATE PROGRAMS**CONTENTS**

Section	Subject	Page Number
22.1	PETROLEUM VIOLATION ESCROW ACCOUNT	22-1
	Introduction	22-1
	Eligibility Criteria	22-1
	Project Selection/Application Process	22-2
22.2	PROPOSITION 116 - BICYCLE PROGRAM	22-2
	Introduction	22-2
	Administrative Process	22-3

CHAPTER 22 OTHER STATE PROGRAMS

22.1 PETROLEUM VIOLATION ESCROW ACCOUNT

INTRODUCTION

In the late 1970's, a series of Federal court decisions against various United States oil companies ordered refunds to the States for price overcharges on crude oil and refined petroleum products during the period of price control regulations (September 1973 through January 1981). Moneys collected and not yet disbursed to the States are held in a Federal Department of Energy's (DOE) escrow account. The disbursement of the funds to the States is generally made by the DOE's Office of Hearings and Appeal (OHA). Once the funds are received by California, they are held in the State's Petroleum Violation Escrow Account (PVEA).

In California, transportation related PVEA projects are administered by Caltrans. PVEA funds do not require a match and can be used as match for additional Federal funds.

To date, PVEA refunds have totaled more than \$4.7 billion, nationwide. California has received more than \$417 million since the beginning of the program with \$129 million allocated for transportation related projects and approximately \$102 million expended for transportation related projects.

ELIGIBILITY CRITERIA

To qualify for PVEA funding, a project must satisfy the following eligibility criteria.

- **PVEA projects must save or reduce energy** - Projects that implement or demonstrate are eligible for PVEA funding, however; studies are not fundable (a study may not result in project implementation and therefore not save energy).

Projects that appear to result in little energy savings or focus primarily on health and environmental concerns rather than energy savings will not be approved.

- **PVEA projects must provide restitution to the public within a reasonable time** - Actual energy savings must be quantifiable so that restitution to the public can be shown. For example, quantify how a project will make more efficient use of the corridor because of reduced traffic congestion, reduce the number of vehicle stops, or reduce the hours of traffic delay, etc.

Projects will not be approved if the benefits occur too far in the future to be considered restitutionary or if the benefits are too indirect or too remote.

- **PVEA funds must supplement, not supplant, those funds already available for the proposed project** - Existing State and local personnel (PYs) cannot be reimbursed with PVEA funds. However, it is permissible to hire or increase someone's timebase to accomplish a PVEA funded activity.

The majority of court decisions do not allow PVEA funds to be used for program administration.

- **All PVEA court decisions include mandatory reporting requirements** - Failure to submit the required reports on even one project will jeopardize the State's receipt of future PVEA funding.

PROJECT SELECTION/APPLICATION PROCESS

In California, PVEA funds are allocated through the Budget Act for Caltrans projects or through special legislation for allocation to state and local agency projects. The California Department of Finance determines which specific court cases fund the projects since the rules and procedures vary according to the specific court settlement. Each project must then be submitted as a proposal to the California Energy Commission and approved by the U.S. Department of Energy (DOE). Once DOE approves the project, PVEA resources can be encumbered.

Local agencies wanting to request PVEA funding for their project should contact their local State Legislator (Senate or Assembly).

Questions regarding the PVEA program may be directed to the District Local Assistance Engineer, or to Caltrans Federal Resources Office - Grants Program, MS #23, Sacramento, California, 94274-0001, telephone (916) 654-2350.

22.2 PROPOSITION 116 BICYCLE PROGRAM

INTRODUCTION

In 1990 California voters approved the Proposition 116 Clean Air and Transportation Act (P116) which provided \$1.9 billion for public transportation projects. P116 set aside \$20 million to local agencies for a competitive grant program for bicycle commuter facilities and \$73 million to non-urban counties for public transportation projects including bicycle facilities.

The CTC programmed the \$20 million for the competitive program in 1992 and 1993. Of the \$73 million in the non-urban counties program, the counties chose to use about \$19 million for bicycle facilities. The CTC programmed the \$19 million in 1993 and 1994.

Combining both programs, the CTC programmed a total of about \$39 million in State bond funds for 131 bicycle facility projects from 1992-1994. P116 funds are no longer available.

The Bicycle Facilities Unit (BFU) in the Office of Local Programs now provides support to the CTC staff and helps local agencies implement the bicycle facility projects funded by P116. The process is described on the next page.

ADMINISTRATIVE PROCESS

The BFU administers this program in agreement with the “Financial Guidelines for Local Agency Reimbursement” as adopted by the CTC.

<u>Responsible Unit</u>	<u>Activity</u>
LOCAL AGENCY	1 - Submits Allocation request to Bicycle Facilities Unit (BFU).
BFU	2 - Logs in allocation request, reviews the request for completeness, prepares and attaches a summary fact sheet, and distributes copies to CTC staff, Programming and Budgets.
BUDGETS	3 - Places allocation request on CTC agenda, prepares book item, reviews bond and tax compliance information, and issues project certification letter.
CTC	4 - Approves allocation.
CTC STAFF	5 - Sends approved resolution to BFU.
BFU	6 - Prepares Fund Transfer Agreement (FTA) and sends it to local agency.
LOCAL AGENCY	7 - Adopts resolution authorizing execution of FTA, completes and executes FTA, and sends it to BFU.
BFU	8 - Sends FTA to Accounting for funding certification.
ACCOUNTING	9 - Certifies funding and sends FTA to BFU
BFU	10 - Executes agreement. Sends two copies to Accounting and one copy to local agency, district, Records Management, Audits.
LOCAL AGENCY	11 - Implements project and submits invoices to BFU.
BFU	12 - Upon submittal of final invoice from local agency, BFU asks district to verify project completion. Upon verification, BFU reviews invoice and sends it to Accounting.
ACCOUNTING	13 - Sends invoice to State Controller with request for payment
CONTROLLER	14 - Pays local agency.

This page intentionally left blank