M2 Eligibility FAQ

OC Go Eligibility Webpage: www.octa.net/ocgoeligibility

1. **Where can I find the latest Local Fair Share (LFS) and Senior Mobility Program (SMP) forecasts? How often are they updated?**

   These can be found on the OC Go Eligibility webpage under "References". These projections are based on estimated Sales Tax figures that are approved annually by the Orange County Transportation Authority (OCTA) Board of Directors (Board) and are updated annually, typically in the January/February timeframe.

2. **Where can I find out how much Measure M2 (M2) funding our local jurisdiction has received?**

   A list of M2 disbursements can be found on the local jurisdiction's M2 Payment Report. These reports are available on the OC Go Eligibility webpage under "Payments to Local Agencies". M2 Payment Reports are generated in PDF format and uploaded to this webpage once a month. If you have any questions regarding this report or need an updated report sooner, please reach out to Stephanie Mooney (smooney@octa.net).

3. **What is the annual M2 Eligibility Workshop?**

   The annual M2 Eligibility Workshop is intended to guide Orange County local jurisdictions through required M2 eligibility reporting elements due each fiscal year by June 30 (i.e. Capital Improvement Program, Congestion Management Plan, Maintenance of Effort (MOE), Pavement Management Plan (PMP), etc.). This workshop is typically held virtually in the spring after the M2 Eligibility Guidelines are approved by the OCTA Board. The PowerPoint slides from the most recent workshop are available on the OC Go Eligibility webpage under "Workshops".

4. **What is the annual Finance Directors' workshop, and who can attend?**

   We encourage individuals in the local jurisdictions that are involved with or want more information on M2 Expenditure Reports, timely use of funds for LFS and SMP, the MOE requirement, annual audits, or sales tax revenue forecasts to attend. This workshop is typically held virtually in late summer/early fall. The PowerPoint slides from the most recent workshop are available on the OC Go Eligibility webpage under "Workshops".

5. **When are the final M2 Eligibility Guidelines and materials available for each cycle?**

   The M2 Eligibility Guidelines (and PMP and LSSP guidelines, when applicable) are typically approved by the OCTA Board every spring. The final guidelines and other materials are then uploaded to the OC Go Eligibility webpage for local jurisdictions to use and reference. If you need these documents sooner, OCTA can provide draft versions of the documents. Please ensure that the jurisdiction's final submittal matches the final Board-approved documents.

6. **What is the difference between the MOE requirement as part of the June 30 submittal versus the December 31 submittal?**

   As part of the June 30 submittal, local jurisdictions are required to provide a completed MOE Certification Form (Appendix I) signed by the jurisdiction's Finance Director (or equivalent) with supporting documentation. This form is a financial reporting document that provides annual certification of planned/budgeted maintenance, construction and indirect/other transportation-related expenditures to meet the MOE benchmark for the upcoming fiscal year.

As part of the December 31 submittal, local jurisdictions are required to provide an M2 Expenditure Report signed by the jurisdiction's Finance Director (or equivalent) and a City Council/Board of Supervisors adopted resolution (Appendix G). This is a detailed financial report that tracks financial activity for M2 and other improvement revenue sources. It is used to validate eligible uses of funds and to report actual MOE expenditures from the fiscal year that ended six months prior.

Jurisdictions are encouraged to submit MOE eligible expenditures higher than their MOE benchmark, so that should certain expenses be ruled ineligible during an MOE audit, the local jurisdiction still has sufficient MOE expenditures to demonstrate continued achievement of the MOE benchmark and not risk losing their eligibility status.

7. **What expenses are eligible for MOE?**

Any California State Constitution Article XIX street and road eligible expenditure may be "counted" in a local jurisdiction's annual calculation of MOE if the activity is supported (funded) by a local jurisdiction's discretionary funds (e.g. General Fund). This is similar to how MOE is defined in the State Controller's Office (SCO) Gas Tax Guidelines (www.sco.ca.gov/Files-AUD/Gas_Tax_Fund_Guidelines.pdf) related to the use of Road Maintenance and Rehabilitation Program funds. These guidelines provide useful information on Article XIX and Streets and Highways Code eligible expenditures. The Gas Tax Guidelines do not replace statutory or legal authority, but explain the general information found in California Constitution Article XIX and the Streets and Highways Code.

Please note that a final determination of eligible expenses will be made at the time of audit, and all expenditures need to be able to withstand audit scrutiny. If something appears questionable in terms of passing audit, it is better not to consider it for MOE purposes. It is also better to have extra MOE cushion in case any expenditures are ultimately identified as ineligible to prevent a local jurisdiction from subsequently falling below their MOE Benchmark and risking their eligibility status.

8. **Can I combine multiple resolutions together (i.e. MPAH, MFP, PMP, LSSP, etc.)?**

Standalone resolutions are preferred for clarity; however, a combined resolution will be acceptable provided that all text from all templates is included. Clauses can inadvertently be left out of hybrid resolutions and may have to go back to City Council for approval. If a local jurisdiction decides to use a combined resolution, it is highly recommended that a draft resolution be sent to OCTA for review ahead of time. Jurisdictions can also do one staff report with multiple exhibits for each of the separate resolutions.

9. **Do I need to provide hard copies of the M2 eligibility submittals?**

No. Unless otherwise stated, documents should be submitted electronically (i.e. email, Dropbox, OneDrive, etc.). We encourage agencies to break up the requirements into separate files rather than one large PDF, if possible, so that it is easier to ensure all components have been submitted and organize the files appropriately.

10. **Where can I find the latest version of M2 eligibility documents?**

The latest M2 eligibility-related documents can be found on the OC Go Eligibility webpage. Please ensure that you download the latest submittals forms, guidelines, and documents from this webpage as there are often changes from year to year.

11. **What is meant by "Phase I" and "Phase II" eligibility?**

M2 Eligibility is divided into two phases. Phase I refers to the M2 eligibility components due on June 30, and Phase II refers to the M2 Expenditure Reports due on December 31. The M2 Eligibility Workshop in the spring prepares local jurisdictions for Phase I, and the M2 Finance Directors' Workshop in late summer/fall helps prepare local jurisdictions for Phase II. The OCTA Board typically approves Phase I eligibility in the winter, and Phase II eligibility in the summer.

12. **Do local jurisdictions need to submit draft eligibility documentation for review prior to final submittal?**

No, local jurisdictions are not required to provide draft documentation for OCTA review. However, it is strongly encouraged so that we can identify any potential problem areas and streamline the final submittal, especially for items that go to City Council/Board of Supervisors for adoption.

13. **I don't see the CIP module when I log in to OCFundtracker (https://ocfundtracker.octa.net).**

Access rights must be manually updated by OCTA for each individual that requires access to the CIP database. Please email Stephanie Mooney (smooney@octa.net) with the name and email address of those who require access. Please first create an OCFundtracker account, if you do not have one already.

14. **Why is my CIP Project Listing report incomplete or blank?**

Projects in the CIP module have three designations: In progress, Pending, or Accepted.

- The default report shows only projects "Accepted". This designation only applies to projects that have been added to the OCFundtracker database, approved by the local jurisdiction's Council/Board, and "accepted" by OCTA.
- "In Progress" refers to projects that the local jurisdiction input into the database but have not yet submitted to OCTA for acceptance.
- "Pending" refers to projects that have been submitted to OCTA for consideration but have not yet been accepted by OCTA.

Since the CIP Project Listing report is printed for City Council/Board of Supervisors approval prior to formal submittal to OCTA, select "In Progress, Pending, Accepted" to ensure all projects are included in the printed report.

15. **Is a Resolution required to demonstrate approval of the M2 CIP?**

No, approval of the M2 CIP is demonstrated by providing a staff report that clearly shows the OCFundtracker CIP Project Listing report attached and evidence of Council/Board approval (i.e. meeting minutes).