



SACOG Board of Directors

Item #06-6-12
Action

June 8, 2006

Position on AB 2538 (Wolk) – Raise the Cap on Regional Programming Funds

Issue: Should SACOG take a position on AB 2538, which would allow SACOG to program a higher amount from the State Transportation Improvement Program (STIP) to itself to support its programming and project delivery activities?

Recommendation: The Legislation & Public Affairs Committee recommends that the SACOG Board of Directors take a SUPPORT position on AB 2538, allowing SACOG to program up to 5%, instead of the current 1%, of its STIP county shares to support its programming and project delivery activities.

Committee Action/Discussion: SB 45 in 1997 gave regional agencies lead responsibility to prepare the program for 75% of the funds in the STIP, recognized that this would require increased effort from regional agencies, and allowed regions to program up to ½% of county shares in urban regions and 1% of county shares in rural regions to support that staff work, since planning funds from other sources were not being increased to handle the new responsibilities. SB 45 specified that these funds could be used for “planning, programming, and monitoring” (PPM). After three years experience, based on actual costs documented by regional agencies doing the work, the Legislature in 2000 increased the PPM cap to 1% in urban regions and 5% in rural regions.

SACOG and most urban regional agencies use these funds for programming and project delivery activities, and support their planning activities with federal metropolitan planning funds. The 1% cap approximates SACOG’s actual costs for these two activities, so SACOG normally wouldn’t use up to a 5% cap even if authorized to do so. Most rural regions, which receive no federal planning funds, use the full 5% of STIP funds for activities including their regional plans. In the Bay Area and Southern California, with more layers of regional agencies, congestion management agencies, and sales tax agencies, in some cases each separate from one another, various agencies want access to PPM funds for project study reports and operational planning, and with the 1% urban cap there are not enough PPM funds to go around. Additionally, during 2002-2003-2004 the STIP went through a period of severely reduced funding, and the 1% PPM funds shrank in amount. This situation affected various regional agency budgets differently, and many regional agencies - including SACOG - discussed ways to stabilize PPM funding since it supports ongoing costs such as employee salaries.

CalCoG (California Association of Councils of Governments) has engaged over the past two years trying to put together legislation to resolve this issue in a way that would work for all regional interests and the California Transportation Commission (as overseer of the STIP); AB 2538 represents the result of those negotiations. It would raise the ceiling to 5% for all regional agencies, and set a floor PPM funding level corresponding to a \$1.25 billion annual STIP even when the STIP otherwise would not fund projects. CalCoG asked regional agencies to support this bill, and many have; it has no opposition. The bill is permissive, and SACOG staff sees no reason not to support broader authority, even if SACOG would use it rarely or never. Staff sees value in the minimum annual funding level: when the STIP was not funded in 2003, SACOG’s PPM funding was cut by 75%, squeezing the agency budget, while the workload of programming and project delivery became more critical as staff scrambled to mix and match scarce funds to delivered projects to keep the program going. AB 2538 passed the Assembly 60-18, and awaits policy committee hearing assignment in Senate Rules Committee.

Approved by:

Mike McKeever
Executive Director

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Attachments

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