



SACOG Board of Directors

Item #13-8-2 Consent

August 8, 2013

Approve Programming Round Funding Targets

Issue: Should the SACOG Board establish final targets for the 2013-14 Flexible Funding Programming Round?

Recommendation: Transportation Committee unanimously recommends that the Board approve final programming target amounts for the Flexible Funding Round, which includes the Air Quality, Bicycle & Pedestrian, Community Design, Transportation Demand Management (TDM), and Regional/Local programs.

Committee Action/Discussion: For the last ten years, SACOG has conducted a biennial programming round in which projects are selected for flexible funds that can go towards road, transit, bicycle, or pedestrian projects within the four-county region (Sacramento, Sutter, Yolo, and Yuba counties). These funds are programmed through the Air Quality, Bicycle & Pedestrian, Community Design, Regional/Local, and Transportation Demand Management (TDM) programs.

The process runs for multiple months; this year, it began with the approval of the policy frameworks and subsequent call for projects in May and will culminate with final programming recommendations in December. At the release of the call for projects in May, there was uncertainty concerning the amount of funds available for programming, due to a pending release of the State Transportation Improvement Program (STIP) fund estimate and additional *Moving Ahead for Progress in the 21st Century* (MAP-21) implementation guidance. Staff committed to return to the Board in the August cycle to finalize the programming targets.

Using the latest information, and in collaboration with federal and state agencies, staff has identified approximately \$190 million in this cycle to fund various projects. Staff must balance the funding program amounts against the eligibility of the funding sources. The \$190 million target is comprised of the following elements in roughly even proportions:

- STIP funds: Funds are available in state fiscal years 2014/15 through 2018/19, with most of this capacity anticipated in the last two years of the STIP (State Fiscal Year 2017/18 and 2018/19). STIP funds are available for a wide variety of capital projects, but the current STIP fund estimate does not include Transportation Enhancement (TE) funds and does not account for Transportation Alternative Program (TAP) funds; statewide policy on the dispersal of these funds is under development and programming will be handled at a later date.
- Federal Regional Surface Transportation Program (RSTP) funds are available in Federal Fiscal Year (FFY) 2014/15 through 2016/17 for a wide variety of capital projects, programs, and road rehabilitation on federal aid eligible corridors.
- Federal Congestion Mitigation Air Quality (CMAQ) funds are available in FFY 2014/15 through 2016/17 for capital projects, programs, and transit operating assistance that can demonstrate air quality improvement benefits.

In addition to the roughly even proportions of federal and state revenues available, the funding target includes an additional \$1.5 million in SACOG Managed Funds for projects to be programmed in FFY 2014/15 through 2016/17. As in past funding rounds, staff is recommending that the SACOG Managed Fund be used to fund small projects which are not eligible for or would face extreme difficulty in using federal funds in the Community Design and Bicycle & Pedestrian programs.

In August, the California Transportation Commission (CTC) will formally adopt the STIP fund estimate, and staff will include the final fund estimate in the Board item. There is strategic value to continuing SACOG's past practice of programming to the full STIP fund share target. By programming to this level, the four-county region SACOG will avoid the likely scenario that the CTC would take unused SACOG programming capacity in the last two years of STIP

(2017/18 and 2018/19) and allow other regions to program in SACOG’s place. The programming preference of the CTC is typically given to currently programmed projects, so maintaining a project queue is to our region’s advantage.

As for federal funds, SACOG staff anticipates a continued stability in the amount of funds available. MAP-21 authorized two years of funding for FFY 2012/13 and 2013/14, and staff is proposing a target for FFYs 2014/15 through 2016/17 based on estimated apportionments received by SACOG in FFY 2012/13. As in past funding rounds, staff is developing targets that extend beyond existing federal transportation legislation in order to maintain good delivery of projects. The identified total of CMAQ and RSTP funding supports an adequate pipeline of projects that can be matched with eligible funds in the year they are needed, but it remains a conservative target at a time when future federal funding levels remain uncertain. If MAP-21 is extended at current funding levels or is followed by a multi-year transportation reauthorization act at a similar level, SACOG may be in a position to be less conservative with federal funds in the next biennial funding round.

The proposed three-year target is different than previous funding rounds that only programmed two years of new federal revenues. Programming a third year of federal revenues this cycle provides a one-time infusion of additional projects which will yield long-term benefits for both local agencies and SACOG. Local agencies will benefit from more funding to support system maintenance needs and project development needs that can create a longer-term pipeline of new projects. SACOG will benefit in that programming policy will better align with the needs of project delivery by creating a larger pool of programmed projects that can spend federal funds each year. Currently, two to three years of programmed projects can be drawn from when developing the SACOG delivery plan. This proposal would enable SACOG to draw from three to four years of programmed projects when developing the SACOG delivery plan, better positioning our region to meet delivery targets and avoid losing federal funds. Through effective coordination with local agencies in the region, SACOG continues to be successful at maximizing the amount of federal and state transportation funding available to member agencies.

Staff recommends the following final target amounts for each of the Regional Funding Programs:

Funding Program	Target	Range
Air Quality Program	\$10,800,000*	NA
TDM	\$3,600,000*	NA
Community Design	\$23,700,000	\$21,300,000-\$26,100,000
Bike & Pedestrian	\$15,800,000	\$14,200,000-\$17,400,000
Regional Local	\$136,100,000	\$122,500,000-\$149,700,000
Total	\$ 190,000,000.00	

* Target is an estimate based on historical funding commitment levels identified in the Ozone State Implementation Plan addressing the 1997 standards. Amounts and programs are subject to change with development of the Plan addressing the 2008 standards.

It should be noted that additional regional transportation funding opportunities are likely before the next biennial funding round in 2015. SACOG staff is actively engaged in the processes for handling the state’s TAP program and a new Cap and Trade program that may include funding for transportation projects. As program guidelines come into sharper focus, SACOG staff will engage with the Board on options for programming projects for new funding sources before 2015.

SACOG staff will be returning during the November Board cycle to release the draft project list recommendation. Final project list recommendation will be presented during the December Board cycle.

Approved by:

Mike McKeever
Chief Executive Officer

MM:RDO:gg

Key Staff: Matt Carpenter, Director of Transportation Services, (916) 340-6276
Reneé DeVere-Oki, Team Manager of Programming and Project Delivery, (916) 340-6219