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**EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE  
JUNE 17, 2005**

**SUBJECT: STATE LEGISLATION**

**ACTION: APPROVE STAFF RECOMMENDATION ON STATE LEGISLATION**

**RECOMMENDATION**

Adopt the following position:

AB 267 (Daucher) – Would expand the process by which local agencies may be reimbursed by the California Transportation Commission for advancement of local funds for state funded projects. —**SUPPORT**

**ATTACHMENT**

A. AB 267 (Daucher)

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**BILL:** AB 267

**AUTHOR:** ASSEMBLY MEMBER LYNN DAUCHER  
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**TITLE:** REIMBURSEMENT OF LOCAL FUNDS FOR PROJECTS IN THE  
STATE TRANSPORTATION IMPROVEMENT PROGRAM

**STATUS:** ASSEMBLY APPROPRIATIONS COMMITTEE

**ACTION:** SUPPORT

### **RECOMMENDATION**

Adopt a support position on AB 267 which would expand the process for local agencies to be reimbursed for advancement of local funds for projects in the State Transportation Improvement Program (STIP).

### **ISSUE**

Under current law, local agencies may advance local funds in place of STIP funds for projects. The California Transportation Commission is only limited to reimbursing agencies within a 12-month period which means that an agency risks the loss of its funds if the CTC is not able to reimburse an agency within that timeframe.

### **PROVISIONS**

AB 267 would:

- Eliminate the limitation that the CTC only has 12 months in which to reimburse local agencies.
- Allow a local agency to apply for reimbursement to the CTC within 12 months of an expenditure.
- Require that the CTC approve the project for future allocation without prejudicing the timeframe by which the reimbursement may occur.

### **IMPACT ANALYSIS**

Under current law, local agencies may use local funds in advance of state funds for projects in the STIP. The CTC is only obligated to reimburse local agencies within a 12-month period. This condition places local funds at risk due to the state's continuing fiscal uncertainty.

This mechanism was implemented to allow flexibility in funding various phases of projects. However, with the state's inability to fund projects in the STIP over the last 2 years, this mechanism has been one of the few ways in which projects could move

forward. The usefulness of this program is limited because the state only has 12 months in which to reimburse agencies; otherwise, local agencies could potentially risk losing the funds they advanced. Allowing the State to schedule later reimbursements will create flexibility and allow more agencies to take advantage of this program.

This bill is sponsored by the Orange County Transportation Authority. Staff recommends that the Metro Board of Directors adopt a support position on AB 267.