



EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE  
May 19, 2004

**SUBJECT: STATE LEGISLATION**

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

**RECOMMENDATION**

Adopt the following positions:

- A. AB 2456 (Spitzer) – Would establish a base amount of funding through the STIP for planning, programming, and monitoring activities and would authorize the allocation of the base amounts even in years when no new STIP funds are made available. **SUPPORT**
- B. SB 138 (Knight) – Would allow Caltrans to enter into agreements with private entities to construct a toll road in the SR 138 corridor running through the Antelope and Apple Valleys. **SUPPORT**
- C. SCA 20 (Torlakson) – Would increase the vote threshold to suspend Proposition 42 and require that suspended funds be repaid under specified conditions. **SUPPORT**

**ATTACHMENTS**

- A. AB 2456 (Spitzer)
- B. SB 138 (Knight)
- C. SCA 20 (Torlakson)

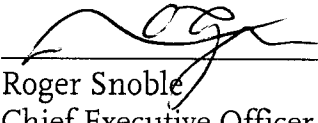
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for Maria A. Guerra  
Chief of Staff



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Roger Snoble  
Chief Executive Officer

**BILL:** AB 2456

**AUTHOR:** ASSEMBLY MEMBER TODD SPITZER  
(R-ORANGE)

**SUBJECT:** PLANNING, PROGRAMMING AND MONITORING FUNDS

**STATUS:** ASSEMBLY TRANSPORTATION COMMITTEE

**ACTION:** SUPPORT

**RECOMMENDATION**

Staff recommends that the MTA Board of Directors adopt a support position on AB 2456.

**PROVISIONS**

Current law allows county transportation commissions (CTC) and regional transportation planning agencies (RTPA) to use a specified percentage of their State Transportation Improvement Program (STIP) funds for planning, programming and monitoring activities based on the cyclical allocation of those funds.

AB 2456 would:

- Establish a base amount of funding through the STIP for planning, programming, and monitoring activities and would authorize the allocation of the base amounts even in years when no new STIP funds are made available.
- Rename the planning, programming and monitoring services to clarify the purpose of these funds

**IMPACT ANALYSIS**

AB 2456 has been introduced by Assembly Member Spitzer to address impacts of the state budget deficit on funds used by transportation agencies to plan, program and monitor transportation projects.

Current law authorizes CTC's and RTPA's to utilize specified percentages of their STIP funds for planning, programming, and monitoring activities. Funding for such purposes is limited to a maximum of one percent of the total funds allocated to that agency or a maximum of five percent if that agency does not receive federal planning funds. This percentage of STIP funds is used to pay for preliminary work, such as major investment and environmental studies, as well as prepare projects for final design and construction.

The fluctuations in the amount of STIP funds being programmed affect the amount that can be used on projects for “shelf ready” stage projects. For instance, the 2004 STIP does not allow for the addition of any new programming money when the remaining three years of projects in the 2002 STIP are being reallocated over the new five-year period. This action ultimately decreases the amount of funds available for planning, programming and monitoring. Without project development, no projects will be ready for initial design and construction when funds do become available again. This will further delay projects and increase costs.

AB 2456 would address this dilemma without increasing the overall amount of monies received by the county transportation agencies. This bill would provide the agencies with a guaranteed minimum amount of the funds that could be used for project development and delivery out of their respective county shares. In addition, AB 2456 would also clarify the meaning of the “planning” terminology. Historically, the definition and understanding of planning, programming and monitoring have been misconstrued. This bill would rename “planning, programming and monitoring” to “development and delivery.” This change would allow funds to be used for the development of regional transportation plans, development of project study reports and major investment studies which include preparation of Regional Transportation Improvement Programs, timely use of funds, and compliance with applicable laws, regulations and guidelines.

The Orange County Transportation Authority sponsors AB 2456. Staff recommends the MTA Board of Directors adopt a support position on AB 2456.

**BILL:** SB 138

**AUTHOR:** SENATOR PETE KNIGHT  
(R-PALMDALE)

**SUBJECT:** STATE HIGHWAY ROUTE 138 – TOLL ROAD

**STATUS:** ASSEMBLY TRANSPORTATION COMMITTEE

**ACTION:** SUPPORT

**RECOMMENDATION**

Staff recommends that the MTA Board of Directors adopt a support position on SB 138.

**PROVISIONS**

SB 138 would:

- Allow Caltrans to enter into agreements with private entities to construct a toll road in the SR 138 corridor running through the Antelope and Apple Valleys.
- Prohibit Caltrans from including a non-competition provision relative to improvements that could otherwise be undertaken by public agencies in this corridor.
- Prohibit Caltrans from closing SR 138 upon completion of the toll road.
- Require approval of a toll road agreement by the Legislature through enactment of a statute.

**IMPACT ANALYSIS**

Existing law authorizes Caltrans to solicit proposals and enter into agreement with private entities or consortia for the construction of two toll roads, and specifies various terms and conditions that are applicable to these funds. Four privately financed projects were authorized, including at least one project in northern California and one in Southern California. The stated intent for these projects was to augment or supplement public sources of revenue because public sources of revenues to provide an efficient transportation system have not kept pace with California's growing transportation needs.

In light of recent reductions in funding for transportation projects, Senator Knight has introduced SB 138 as an alternative funding mechanism for improvements in the Route 138 corridor. According to the author and accident data, there has been a significant increase in the number of collisions and fatalities on SR 138. The main cause for this increase has been attributed to the road's configuration, profile, and available lanes. This measure would

seek to improve roadway safety and alleviate congestion on the highway by using the funds generated from the toll road.

Staff is recommending that the MTA Board of Directors adopt a support position on SB 138.

**BILL:** SCA 20

**AUTHOR:** STATE SENATOR TOM TORLAKSON  
(D-ANTIOCH)

**SUBJECT:** VOTE THRESHOLD TO SUSPEND PROPOSITION 42

**STATUS:** PENDING COMMITTEE ASSIGNMENT

**ACTION:** SUPPORT

**RECOMMENDATION**

Staff recommends that the MTA Board of Directors adopt a support position on SCA 20.

**PROVISIONS**

Current law requires the sales tax on gasoline sales to be transferred from the State General Fund to the Traffic Congestion Relief Program (TCRP). This transfer is protected by Article XIX B of the California Constitution. This same article allows for suspension of the allocations if the Governor issues a proclamation that the allocation will result in a significant negative fiscal impact on the General Fund and the Legislature approves the suspension by a two-thirds vote.

SCA 20 would increase the vote threshold to suspend Proposition 42 and require that suspended funds be repaid under specified conditions. Specifically, SCA 20 would:

- Require that Proposition 42 may only be suspended in times of disaster including flood, fire, earthquake, or terrorist attack.
- Require that the suspension must be approved by 4/5 of the State Legislature.
- Require that any fund suspended as above be repaid with interest within three fiscal years from the time of suspension; and,
- Require that any funds not repaid during the three fiscal-year period be repaid in full on the first day after the three fiscal-year period.

**IMPACT ANALYSIS**

In 2001 the Governor signed AB 2928 enacting the Traffic Congestion Relief Program. Under this program, funds generated from the sales tax applied to gasoline sales are required to be transferred from the State General Fund to the TCRP. The statute further required that those funds be allocated to a specific list of projects first. The balance of funds were allocated according to the following formula; 40% to the State Transportation Improvement Program, 40% to cities and counties for street and road repair, and 20% to the Public Transportation Account.

This program was incorporated into the State Constitution, as Article XIX B, by Proposition 42 in March of 2002. Proposition 42 was approved by 69% of the voters. Proposition 42 also allowed for the suspension process requiring a proclamation by the Governor and a two-thirds vote by the Legislature. Since the enactment of Proposition 42, the allocations have been suspended each year and the Governor has proposed suspension of the allocations for 2004 in order to address the State General Fund deficit. It is anticipated that the state will continue to experience General Fund deficits in future years and these deficits will continue to pressure the Governor and Legislature to seek to use transportation resources to balance the state budget.

In response to these pressures, transportation stakeholders have sought measures to make it more difficult for the Governor and Legislature to utilize transportation funds to balance the General Fund. These proposals include applying loan provisions to Proposition 42 funds similar to those applied to the State Highway Account and increasing the Legislature's vote threshold to suspend Proposition 42.

A number of proposals have been made to strengthen Proposition 42. Earlier this year the MTA Board adopted a neutral position on ACA 21 which would require a 4/5's vote of the Legislature to suspend Proposition 42. Assemblymember Harman has introduced ACA 20 which would repeal the suspension clause entirely. It is generally felt that the total repeal of the suspension clause will be difficult to accomplish as it would provide no opportunity at all for the Legislature to access Proposition 42 funds even in times of disaster. By requiring a suspension only in times of disaster, SCA 20 represents the strongest, acceptable protection for Proposition 42 yet proposed.

Staff recommends that the MTA Board of Directors adopt a support position on SCA 20.