



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 4b

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Memorandum

TO: Legislation Committee

DATE: July 1, 2011

FR: Executive Director

W. I. 1131

RE: AB 1164 (Gordon): Federal Transportation Funds & Proposition 1B

Background

AB 1164 (Gordon), as amended on June 28, 2011, allows the Department of Transportation (Caltrans) to make loans of federal funds deposited in the State Highway Account (SHA) to advance projects funded by Proposition 1B.

Recommendation: Oppose Unless Amended

Discussion

Caltrans is sponsoring this bill to give the state more flexibility to 1) keep Proposition 1B projects on schedule in the event that insufficient bonds are sold; and 2) ensure that federal obligation authority (OA) is fully expended at the end of each fiscal year. While MTC supports the state's desire to fully expend its share of federal OA, AB 1164 is far too broad in its reach as it applies not only to federal funds that are under Caltrans' control, but also to the local share of federal funds — including Surface Transportation Program/Congestion Mitigation & Air Quality (STP/CMAQ). MTC and other local transportation agencies have fully expended the local share of federal funds in the last 10 years so there is no risk for the state of losing these funds. By allowing the state the flexibility to redirect funds from a region's STP/CMAQ program to a Proposition 1B project, AB 1186 seriously undermines the regional transportation planning and prioritization process.

Additionally, by opening up unspent regional OA for the purpose of funding Proposition 1B, AB 1164 could remove the option, which we have exercised on numerous occasions after fully expending our own OA, to advance additional projects by using the unspent OA from other regions.

We recommend an "oppose unless amended" position on AB 1164 such that it either requires the consent of the local/regional agency in order to loan local federal funds to Proposition 1B projects, or that it simply exclude the following federal funds that come to local and regional agencies: STP/CMAQ, Highway Safety Improvement Program, Safe Routes to Schools, High Risk Rural Road, Highway Bridge Program, and Transportation Enhancements.

Known Positions

Support

Caltrans

Oppose

None on file



Ann Flemer