



MEMORANDUM

TO: Board of Directors

DATE: February 9, 2012

FROM: Celia McAdam, Executive Director

SUBJECT: STATE LEGISLATIVE PROGRAM FOR 2012

ACTION REQUESTED

Adopt the State Legislative Program for 2012 as shown in Attachment 1.

BACKGROUND

The State's dire financial situation continues to be the focus of activity in State government. Going into FY 2012/13, California is facing another \$5 billion shortfall, on top of the previous multi-billion dollar shortfalls dating back to FY 2008/09, and every facet of government is feeling the pain.

DISCUSSION

The good news is, the takings from transportation coffers seem to have stopped. As reported to the Board at your January meeting, the Governor's Budget did not propose any further cuts to State transportation dollars.

Yet, there are still issues in transportation that warrant the Board's attention. These include enhancing the flexibility of local agencies to deliver needed projects in a faster, more cost-effective way, finding new funding sources for transportation, and protecting against unfunded mandates.

Enhancing Flexibility in Funding and Project Delivery

With escalating transportation needs juxtaposed with diminished funding sources, we must work with the State to encourage creativity to get projects funded and delivered.

Funding tools which emphasize local control should also be encouraged. One promising tool is the design/build approach, which allows contractors to simultaneously design and build transportation projects as a way to encourage creativity, reduce timelines, and shift cost risk to the private sector. Another tool is public-private partnerships (P3), which include a wide range of contractual arrangements that allow for the private sector to share in the financing of transportation projects.

Streamlining Processes

PCTPA prides itself on getting the job done for transportation – that is, getting those needed improvements on the ground to benefit citizens, businesses, and visitors to Placer County. It is important to work with the State to preserve and enhance that effectiveness by streamlining processes and improving local control.

Various proposals are afoot in the Legislature to divert that effectiveness by reducing the local control over some transportation funds or to impose additional requirements on transportation planning.

AB 441 (Monning) would require the California Transportation Commission (CTC) to develop guidelines to address health considerations, such as childhood obesity and asthma, in Regional Transportation Plans (RTPs). Compliance with these guidelines would be voluntary. Staff would suggest this bill is an unnecessary use of scarce State resources. Specifically, it would place a burden on the CTC to develop these guidelines, while regional agencies are already addressing these issues in other ways such as SB375's encouragement of more walking and biking with compact development, and compliance with stringent State and Federal air quality conformity requirements.

Another rumored legislative proposal would shift the burden for overruns in Caltrans' support costs to local project sponsors. While it is reasonable to pay the costs incurred for a project, there is an inherent inequity between requiring project sponsors to foot the bill for overruns when there is no mechanism for controlling those costs. Moreover, it provides no incentive for Caltrans to keep the costs within budget.

Staff recommends that the State Legislative Program for 2012 include support for expanded use of locally controlled funding approaches, such as design/build activities and public-private partnerships, while opposing proposals that would inequitably increase burdens on local and regional agencies.

CM:ss



PLACER COUNTY
TRANSPORTATION
PLANNING AGENCY

State Legislative Program for 2012

- Support expanded use of creative funding mechanisms, including design/build and public-private partnerships to expedite projects and minimize public costs
- Preserve and enhance effectiveness of project delivery by streamlining processes and improving local control
- As a general principle, support efforts to increase amount, flexibility, and local control for use of transportation funds