

Memorandum

TO: Joint MTC Legislation Committee and
ABAG Legislation Committee

DATE: April 8, 2019

FR: Executive Director

RE: SB 152 (Beall): Active Transportation Program Reform

Background

Our 2019 Joint Advocacy Program indicated support for streamlining the administration of the Active Transportation Program (ATP) so that the projects do not require an allocation by the California Transportation Commission and a larger share of the funds are suballocated to metropolitan planning organizations (MPOs) to expand their competitive regional ATP programs, similar to the federal Surface Transportation Block Grant Program and Congestion Mitigation and Air Quality. In conversations with various members of the Bay Area delegation regarding the issue, Senator Jim Beall, Chairman of the Senate Transportation Committee, indicated an interest in carrying the legislation, with MTC as the sponsor. SB 152 is now in print and had its first hearing on April 9th. This memo provides an overview of the bill, which has additional provisions beyond those included in our advocacy program and recommends both ABAG and MTC formally support the bill. Note that as the bill's proponent (referred to as "sponsor" in Sacramento), staff have already sent a letter on behalf of MTC communicating our support and testifying in the first hearing on the Senate Transportation Committee.

Recommendation:

Support (both ABAG and MTC)

Discussion

ATP Background In 2013, the Legislature established the ATP, merging various state and federal funding sources related to bicycle/pedestrian funding into one consolidated program. The goal was to streamline administration and provide a more cohesive approach to the state's active transportation investments. In 2017, Senate Bill 1 (Beall) infused the program with an additional \$100 million annually in new state funding bringing annual statewide funding to approximately \$220 million. The program is administered primarily by the California Transportation Commission (CTC), with Caltrans playing a supportive role. Currently, ATP funds are distributed as follows:

- Statewide Competitive - 50% to the state for a statewide competitive program
- Small Urban and Rural - 10% to the small urban and rural area competitive program to be managed by the state
- Regional ATP - 40% to the large urbanized area competitive program, with funding distributed by population and managed by MPOs, in our case, MTC.

Overview of Concerns In the last few years, MTC and other MPOs have become concerned that the ATP has become unnecessarily complex and burdensome for project sponsors in terms of level of effort required to apply, overly rigid project eligibility and inflexibility with regard to project delivery deadlines that can unnecessarily cause a project to lose funds. In addition, the requirement for every project to obtain an allocation by the CTC – including projects selected by MTC – adds several months of unnecessary delay to each project's schedule. Significant state transportation resources are consumed by application review and allocations for hundreds of small scale projects that would make more sense to administer at the regional

level. Meanwhile, funding levels for each region are highly unpredictable due to the majority of the funds being administered through a statewide competitive grant program. For example, the Bay Area's share of the competitive program across three cycles has fluctuated from 5 percent in Cycle 4 to 24 percent in Cycle 5. Similarly, the share awarded to the Southern California Association of Governments (SCAG) has swung wildly from 35 percent to 62 percent.

Proposed Changes SB 152 provides an opportunity to simplify the ATP application process, enable project sponsors to deliver bicycle and pedestrian improvements faster, and provide greater flexibility to fund the top priority projects at the regional level. In addition, to provide regions greater predictability, the bill changes the distribution shares as follows:

- Increase the regional program from 40 percent to 75 percent (similar to the share of funds provided to regions in the State Transportation Improvement Program).
- Hold rural and small areas harmless by increasing their share of the program from 10 percent to 15 percent, the same proportion they received of overall ATP funding in the last four cycles.
- Reduce the state's share from 50 percent to 10 percent and focus state share on transformative projects, consistent with a recent recommendation by the Legislative Analyst's Office.

Based on the current two-year ATP funding cycle of \$438 million, SB 152 would have the potential to almost double the Bay Area's share of the regional funding program from \$37 million to \$69 million with similar increases occurring for all MPOs. In exchange for increasing the regional share of funds, the bill would also increase reporting requirements from the regional agencies to CTC to determine the tangible benefits of the program and the impacts of the reforms. To assist with measuring project benefits, the bill would allow bicycle and pedestrian counts to be paid for as part of a project's costs, a cost that currently must be paid for by the project sponsor with other funds, and therefore is often done manually with little credibility to the results. Lastly, the bill would require project savings and/or ATP funds freed up from projects that missed deadlines to be reinvested in further bicycle and pedestrian enhancements, rather than deposited in the State Highway Account where Caltrans can then use them for any purpose.

Because SB 152 would streamline the ATP program, adding greater flexibility and efficiency of project delivery as well as a larger and more predictable amount of guaranteed funding to the Bay Area, staff recommends a support position on the bill.

Bill Positions

Support: Napa County Bicycle Coalition, Orange County Transportation Authority, Riverside County Transportation Commission

Oppose: California Bicycle Coalition, California Walks, Leadership Counsel for Justice & Accountability, Los Angeles County Metropolitan Transportation Authority), Safe Routes to School National Partnership
(joint letter- "oppose unless amended")


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