

**Metropolitan Transportation Commission and Association of Bay Area Governments
Joint MTC Legislation Committee and ABAG Legislation Committee**

September 13, 2019

Agenda Item 3b

SB 277 (Beall): Local Partnership Program

Subject: SB 277 would modify the state Local Partnership Program (LPP) by increasing the portion of funds distributed via formula to 85 percent from the current 50 percent. The bill would reserve the remaining funds for a statewide competitive program limited to counties with a population below 750,000.

Background: The LPP is a \$200 million/year program established by Senate Bill 1 (Beall, 2017) with the purpose of rewarding self-help counties and other agencies with voter-approved funds dedicated to transportation purposes with additional state transportation funding. The program was modeled on a similar program established in Proposition 1B (2006). Under Prop 1B, 95 percent of the funds were distributed via a formula that incorporated both revenue and population factors. Most proponents of including the LPP in SB 1, including MTC, assumed that LPP would be similarly administered. However, in the absence of a formula spelled out in SB 1, the California Transportation Commission (CTC) chose to distribute 50 percent of the funds via a competitive grant program and 50 percent via a formula that is also based partly on revenue (to determine a North/South split) and then by population (to determine distribution within the northern and southern counties), similar to the one used by Proposition 1B. Given the numerous competitive programs established by SB 1, the vast majority of self-help counties and others eligible for LPP support expanding the share of the LPP distributed by *formula* so as to increase the amount of predictable funding they can rely upon as matching funds.

As of September 6, when this memo was finalized, SB 277 had passed the Assembly and was awaiting passage in the Senate.

Discussion: Senator Beall and Assemblymember Frazier, chairmen of the Senate and Assembly Transportation Committees, respectively, and the authors of SB 1, authored SB 277 as a compromise; it would reserve 15 percent for a statewide competitive program for smaller self-help counties (less than 750,000 in population), but increase the formula share to require the CTC to 85 percent. Although the Bay Area did quite well in the inaugural competitive grant cycle, SB 277 would increase the Bay Area's guaranteed formula funding by approximately \$19 million per year, or 80 percent, including \$3 million in additional funds to MTC (through BATA), \$13 million more to the region's self-help counties, and \$3 million in additional funds to BART, AC Transit and SMART.

At the request of Senator Beall, MTC communicated a position of support to the Assembly Appropriations Committee in mid-August, using the Commission's urgency procedures. We are now requesting the MTC Legislation Committee's support for that position, which will be forwarded to the Commission for final approval.

Recommendation: MTC Support


Bill Positions: Support

Contra Costa Transportation Authority
Greater Riverside Chambers of Commerce
Napa Valley Transportation Authority
Orange County Transportation Authority
Riverside County Transportation Commission
San Bernardino Associated Governments
San Bernardino County Transportation Authority
San Francisco County Transportation Authority
Santa Clara Valley Transportation Authority
Self-Help Counties Coalition
Sonoma County Transportation Authority
Transportation Agency for Monterey County
Transportation Authority for Marin

Oppose Unless Amended

San Luis Obispo Council of Governments
Santa Barbara County Association of Governments
Stanislaus Council of Governments

Attachments: None


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