

SAN LUIS OBISPO COUNCIL OF GOVERNMENTS

STAFF REPORT

MEETING DATE: **DECEMBER 17, 2008**

SUBJECT: **Fiscal Year 2008/2009 Transportation Development (TDA) Fund 10% Reduction and Suspension of State Transit Assistance Payments**

SUMMARY

Annually SLOCOG apportions Transportation Development Act (TDA) funds. These funds include Local Transportation Funds (LTF) and State Transit Assistance (STA). The County Auditor submits the LTF estimates, and the State Controller submits the STA estimates to SLOCOG.

The fund estimates for LTF this year are down requiring immediate redistribution. The Governor's proposed FY 08/09 budget amendment recommends no further STA funds be distributed, resulting in an additional shortfall. Concurrently, funding for Proposition 42 Street and Roads funding has gone up substantially (see attached table).

RECOMMENDATIONS

- Staff:**
1. Approve Revised LTF Allocations with a reduction of 10%.
 2. Suspend STA Allocations pending Governor's proposed budget.

SSTAC/TTAC/CTAC:

BACKGROUND

The TDA provides two sources of funding for transportation programs. The first, the **Local Transportation Fund (LTF)**, is derived from 1/4 cent of each 7.25 cents collected in retail sales taxes. The second, **State Transit Assistance (STA)**, is derived from the statewide sales tax on vehicle fuel. Both of these funds are distributed to the region by the State and allocated by SLOCOG to each of the seven cities, the County, SLOCOG, and Ride-On – the Consolidated Transportation Services Agency (CTSA) for the San Luis Obispo region. **LTF** funds provide off-the-top funding for planning/administration. The remaining LTF is apportioned according to population for public transit, street/road improvements, and bikeway/pedestrian facilities. **STA** funds are used for public transit purposes.

DISCUSSION

2008/2009 Revised Estimates for LTF (Reduction of 10%)

The County Auditor LTF estimates for 2008/2009 have not been realized. Because of the lower amounts being received, the recommendation is to reduce the LTF apportionments for 2008/2009 by 10%.

Board Amendment No. 1 to Exhibit A (Approved 12/17/08)					
	Adopted 8/22/08		Amended 12/17/08		
Jurisdiction	Bikeway/Ped.	To be Determined by Claimant	Bikeway/Ped.	To be Determined by Claimant	Total Reduction
Arroyo Grande	\$12,077	\$253,555	\$10,721	\$194,696	-\$60,215
Atascadero	20,851	782,749	18,511	681,686	-\$103,403
Grover Beach	9,613	195,853	8,534	149,917	-\$47,015
Morro Bay	7,633	281,718	6,776	245,079	-\$37,496
Paso Robles	21,077	793,381	18,711	689,703	-\$106,044
Pismo Beach	6,269	127,707	5,566	97,708	-\$30,702
SLO Transit	34,936	1,259,108	31,014	1,085,830	-\$177,200
SLO County	79,069	2,430,026	70,193	2,049,190	-\$389,712
Sub Total	\$191,525	\$6,124,097	\$170,026	\$5,193,809	-\$951,787
SLOCOG	0	610,849		549,764	-61,085
Rideshare	9,954	0	8,949	0	-1,005
Ride-on/CTSA	0	468,761	0	416,139	-52,622
Contingency	0	100,000	0	100,000	0
Total	\$201,479	\$7,303,707	\$178,975	\$6,259,712	-\$1,066,499

2008/2009 State Transit Assistance

The Governor’s proposed budget amendment for 2008/2009, released November 6th, proposes significant cuts to the STA program (SLOCOG would face an approximate \$900K reduction from a \$1.2 million program). Only the first quarter allocation has been thus far made by the state, therefore SLOCOG staff recommends suspending any further STA payments pending adoption of the revised state budget. It is unclear if the current (“lameduck”) Legislature will take action on the proposed budget cuts, or if it will be passed on to the new 2009 class of Legislators. Resolution may not come until mid-January. This immediately curtails several STA funded programs including: Ride-On’s Senior Shuttle, monthly recreational travel for special needs groups, contribution to vanpool services, the Grover Beach train station study, funding to support Ridesharing activities and STA operating revenues.

Regional Transit Authority (RTA) and South County Area Transit (SCAT) Budgets

SLOCOG has no authority and therefore has not reduced the amount of Local Transportation Funds taken “off-the-top” for RTA and SCAT. Only when (and if) these Joint Powers Agency boards take action on any budget adjustments would SLOCOG modify Exhibit A.

Proposition 42 Funding for Streets and Roads

Fortunately the first Proposition 42 increase begins in FY 2008/09. The average increase is shown below as well as the loss in TDA funds.

Prop 42 Increase and Reduction in TDA

Jurisdiction/ Agency	Approximate Increase from Prop 42	10% Reduction in TDA	Difference
Arroyo Grande	\$90,188	-\$60,215	\$29,973
Atascadero	\$152,212	-\$103,403	\$48,809
Grover Beach	\$66,890	-\$47,015	\$19,875
Morro Bay	\$53,767	-\$37,496	\$16,271
Paso Robles	\$171,516	-\$106,044	\$65,472
Pismo Beach	\$43,436	-\$30,702	\$12,734
SLO City	\$230,592	-\$177,200	\$53,392
SLO County	\$2,068,329	-\$389,712	\$1,678,617
TOTAL	\$2,876,930	-\$951,787	\$1,925,143

Notes: 1) Prop 42 funds are not gas tax subventions (S&Hwys Section 2104-7)

2) The Prop 42 increase is based on an actual 5-year average

Funding Volatility

It is difficult to predict the overall revenue stream for transportation funding at this time. The extent of the economic slowdown and both state and federal legislative actions will significantly affect FY 08/09 as well as FY 09/10 revenues.

Staff fully expects the reduction in LTF funding. The amount may vary between 5%-to-10%. Staff recommends a 10% reduction.

It is questionable whether the STA funding will be diverted; this is subject to the state budget. The above Proposition 42 funding increase for Streets and Roads is very stable, offsetting some of the reductions in TDA funds. Last, Congress is considering several economic stimulus bills that address infrastructure and transportation. Two bills include a substantial increase in formula funding for transportation (transit and street and roads).

EXHIBIT A

2008/2009 TRANSPORTATION DEVELOPMENT ACT (TDA) FUND (Board Amendment No. 1 Approved 12/17/08)

Jurisdiction/ Transit Property	Population - 3/8/05	TOTAL LTF (Note 1)	Local Transportation Fund (LTF)											State Transit Assistance					Grand Total LTF, STA, & RTF Distribution				
			Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14	Col. 15	Col. 16		Col. 17	Col. 18	Col. 19	
			Net LTF Available After RTF Exchange and all Off-the-Top (Note 1)	Committed Funds				Discretionary Uses							NET LTF	TOTAL RTF AWARD	TOTAL RTF CARRY- OVER	TOTAL LTF, RTF and RTF CARRY-OVER		Op. Rev. Art. 6.5	Serv. Pop'n Art. 6.5	Discr. Art. 6.5	TOTAL STA
				Bikeway/ Ped. Art. 3	Net RTA (Note 2)	RTA RTF Contribution (Note 3)	Total RTA Contribution	SCAT (Note 4)	To Be Determined By Claimant	TDA Audit	Transit Ops and Planning	Roads Maint	Transit Cap/ Special Services										
Sec. 99233	Sec. 99260	Art. 4	Art. 4	Art. 4	BALANCE AVAILABLE	Sec. 99245	Art. 4	Art. 6	Art. 8	Art. 8	Art. 8	Art. 8	Art. 8	Art. 8	Art. 8	Art. 8	Art. 8	Art. 8	Art. 8				
Arroyo Grande	16,599	539,252	513,686	10,721	108,606	25,566	134,172	199,663	194,696	0	0	0	0	513,686	0	0	513,686	0	0	0	0	0	513,686
Atascadero	28,659	926,018	881,932	18,511	181,735	44,086	225,821	0	681,686	0	0	0	0	881,932	0	0	881,932	2,942	44,724	0	0	47,666	929,598
Grover Beach	13,213	421,034	401,040	8,534	86,808	19,994	106,802	155,781	149,917	0	0	0	0	401,040	0	0	401,040	0	0	0	0	0	401,040
Morro Bay	10,491	335,798	319,901	6,776	68,046	15,897	83,943	0	245,079	0	0	0	0	319,901	69,020	53,256	442,177	2,526	18,219	0	0	18,745	460,922
Paso Robles	28,969	949,688	904,436	18,711	196,022	45,233	241,255	0	889,703	0	0	0	0	904,436	0	0	904,436	6,853	45,868	0	0	52,721	957,157
Pismo Beach	8,617	274,951	261,840	5,566	56,541	13,111	69,652	102,025	97,708	0	0	0	0	261,840	0	0	261,840	0	0	0	0	0	261,840
SLO Transit	48,018	1,586,898	1,497,505	31,014	380,661	89,393	470,054	0	1,085,830	0	0	0	0	1,497,505	0	0	1,497,505	24,104	76,645	4,561	0	105,310	1,602,815
SLO County Los Osos Cambria Nipomo	108,676	3,490,030	3,246,682	70,193	1,036,244	243,348	1,279,592	91,055	2,049,190	0	0	0	0	3,246,682	30,000	72,899	3,349,581	2,876	0	0	0	2,876	3,352,457
SLORTA (Note 5)	n/a			n/a			n/a	n/a	0	0	0	0	0	0	352,600	328,891	681,491	129,834	97,500	475	0	227,809	909,300
SCAT (Note 6)	n/a	0		n/a	n/a		n/a	n/a	0	0	0	0	0	n/a	45,008	15,000	60,008	5,657	82,018	4,014	0	91,689	151,697
SLOCOG Admin. Art. 3 - 99233.1	n/a	219,575		n/a	n/a		n/a	n/a	0	0	0	0	0	219,575			219,575	0	0	0	0	0	219,575
SLOCOG Planning Art. 8 - 99402	n/a	305,189		n/a	n/a		n/a	n/a	0	0	0	0	0	305,189			305,189	0	0	0	0	0	305,189
SLOCOG (Note 7)		25,000												25,000			25,000		142,500	0	0	142,500	167,500
Rideshare (Note 8) Art. 3/99233.3	n/a	8,949		8,949	n/a		n/a	n/a	0	0	0	0	0	8,949			8,949	0	0	305,000	0	305,000	313,949
Ride-On/CIP Art. 6.5 Sec. 99313	n/a	0		n/a	n/a		n/a	n/a	0	0	0	0	0	n/a			n/a	0	30,306	1,515	0	31,821	31,821
Ride-On/CTSA Art. 4.5/99233.7	n/a	416,139		n/a	n/a		n/a	n/a	0	0	0	0	0	416,139			416,139	0	41,749	40,000	0	81,749	497,888
Vanpool Service	n/a	0		na	n/a		n/a	n/a						0			0	0	0	10,000	0	10,000	10,000
Grover Beach Train Station Expansion																				30,000	0	30,000	30,000
Contingency Fund	n/a	100,000		n/a	n/a		n/a	n/a	0	0	0	0	0	100,000			100,000	0	0	80,276	0	80,276	180,276
Unexchanged RTF	n/a	0		n/a	n/a		0	n/a	0	0	0	0	0	0			0	0	0	-	0	0	0
TOTALS	263,242	9,598,501	8,027,022	178,975	2,114,663	496,628	2,611,291	548,524	5,193,809	0	0	0	0	9,101,874	496,628	470,046	10,068,548	174,792	634,556	475,840	1,285,188	11,353,736	