

Memorandum

To: Chairman and Commissioners

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From: Robert I. Remen

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INFORMATION

Ref: **RURAL COUNTIES TASK FORCE ANNUAL REPORT**

For the past thirteen years, the Commission has sponsored the Rural Counties Task Force for the purpose of highlighting rural transportation issues. This item will be a briefing by Charles Field, Chairman of the Task Force, on the activities of the Task Force during the past year (see attached report).

Attachment

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Rural Counties Task Force – Annual Report

The State of California contains 28 rural counties, which generally have populations of less than 250,000 and do not have a single urbanized area greater than 50,000. Rural counties provide food, fiber, timber and mineral products for California industry and residents, as well as recreation for urban residents and tourists. In order to provide a direct opportunity for the small counties to remain informed, have a voice, and become involved with changing statewide transportation policies and programs, a task force was formed in 1988 as a joint effort between the California Transportation Commission and the rural counties. Twenty-eight rural county Regional Transportation Planning Agencies or Local Transportation Commissions are represented on the Rural Counties Task Force (RCTF).

The Task Force is an informal organization with no budget or staff that generally meets every other month. A member of the California Transportation Commission (CTC) usually acts as liaison to the Task Force, and CTC and Caltrans staff typically attend these meetings to explain and discuss changing statewide transportation issues that may be of concern to the rural counties.

With the implementation of SB 45 (1997), demands on transportation systems and the responsibilities of small local planning agencies have expanded significantly. More effort is now being applied in the areas of project specific planning, programming and monitoring. Under SB 45, the value and purpose of the task force is expanding as well.

The following are recent challenges and accomplishments that have involved the Task Force members during 2000, as well as items that will continue to involve the Task Force into the year 2001.

Local Road Rehabilitation and Maintenance Funding

In 1998, the Commission opened the State Transportation Improvement Program (STIP) to local road rehabilitation projects, because of need, even though the projects did not fit well with the intent of the STIP. (The STIP has traditionally been a capital improvement, capacity enhancement program.) Many local rehabilitation projects were added to the STIP, with many of them in rural counties. The California Transportation Commission loosened the local road rehabilitation definition in the STIP Guidelines to make local road rehabilitation an easier fit for the STIP funds. The rural counties have, with their limited resources, tried to quantify and address the need for local road rehabilitation funding. During 1999 and most of 2000, the Task Force, along with a coalition of representatives from Metropolitan Planning Organization's (MPO's) and Councils of Government's (COG's) and cities and counties, submitted input to the Governor and the Legislature encouraging that funds be provided directly, each year, to cities and counties as a reliable annual subvention specifically for local road rehabilitation outside of the STIP. As a result, the Governor's Transportation Initiative) provided a one-time \$400 million for FY2000/01 and an estimated \$120 million in each of the subsequent five years.

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These funds must be shared by all cities and counties statewide. Unfortunately, the rural city and county apportionments from this total will meet less than 5% of rural county needs. Based on the RCTF local road rehabilitation funding needs survey that was conducted in February, 1999, the one-time cost to bring the State's rural county roads back up to "good" (not excellent) condition is approximately \$1 billion. To keep these roads in good condition from that point forward it will cost more than \$50 million per year. The RCTF has consistently reaffirmed that one of its top priorities is to have the State help to address the need for additional local road rehabilitation funding and, if successful, to reduce the amount of local road rehabilitation being funded by the STIP.

Allocation Formulas For Highways, Street and Road Funding

The CTC's 1999 Annual Report to the Legislature states that "some rural counties have suffered a real dollar decline in maintenance funding since 1990 even after the transportation blueprint's gasoline tax increases of early 1990 due to reduced federal timber receipts..." (and other factors). The Commission recommends the Legislature, in dealing with the funding shortfall for road maintenance statewide, "consider the funding situation for rural road programs, giving rural counties a larger share in keeping with their maintained road mileage, higher unit costs, and lack of access to alternative funding." The Rural Counties Task Force did not take the opportunity provided by the Governor's Initiative to stress this need, preferring, instead, to focus attention on the fact that all cities and counties simply need more direct and reliable funding for local road rehabilitation and maintenance.

Additional Funding for Capacity, Operational and Safety improvements

Substantial additional funding for capital improvements such as that which could have been provided through SCA 3 or ACA 24 is still needed in rural areas if rural counties are going to maintain safe and adequate transportation systems according to the long-range needs identified in their Regional Transportation Plans (RTPs). All rural counties in the State are required to develop RTPs. These RTPs must identify "financially realistic" as well as "financially constrained" lists of needed transportation projects. More and more rural counties are finding out that they will not be able to obtain the "realistic" funding needed over the life of their 20-year plans to fund the projects that are needed to maintain safe and adequate countywide transportation systems. More and more rural counties are therefore sharing with their urban counterparts the need for some substantial new source of transportation funding. Most rural counties cannot expect to fund sales tax measures by the currently required 2/3 majority vote.

Rural Planning Funds

The Rural Counties Task Force worked with Caltrans to secure a doubling of Rural Planning funds within the Caltrans Budget. Starting with the Governor's Budget for 2000-01 the \$2 million set aside for Rural Planning funds has been increased to \$4 million retroactive back to July 1, 2000. The primary need and use for these additional funds is to improve the Regional Transportation Plans (RTPs) and transportation planning processes in rural counties. One direct result should be better transportation project prioritization, selection and definition which, in turn, should lead to better project delivery.

Project Planning, Programming and Monitoring Funds

Rural counties have indicated that they support increasing the amount of STIP funds that can be used for Project Planning, Programming and Monitoring (PPM) from 2% to 5%. The Rural counties will seek special legislation during the next legislative session to increase the PPM allowance to at least 5%. The rural counties have disadvantages that aren't seen in the urban areas. They don't have staff or consultants available to deal with many of the federal requirements and Caltrans procedures that must be addressed in the delivery of State or Federally funded projects. For example, the recently enacted Federal Disadvantaged Business Enterprise requirements call for data collection, annual hearings and a monitoring process by each city and county. Rural counties need the ability to program 5% of STIP, or more, in order to improve their ability to deliver more State and Federally-funded transportation projects.

Streamlining Federal Requirements

In addition to the need for more rural planning and PPM funds, numerous problems and potential solutions have been discussed concerning the subjects of streamlining federal requirements and improving Caltrans local assistance in rural areas. One way to directly streamline Federal requirements in rural counties is to remove them by exchanging Federal transportation funds for State-only funds. The CTC is already providing this exchange of funds through its RSTP and TEA Programs. The rural counties appreciate and will continue to use these opportunities as well as the new opportunity recently provided by the CTC to exchange Congestion Mitigation and Air Quality Improvement (CMAG) funds for State-only funds where applicable. Rural counties also appreciate the CTC policy that provides State-only funds through the STIP for local road projects costing less than \$750,000. The Rural Counties Task Force is encouraging expanding opportunities to exchange federal funds for State funds in rural areas to the Highway Bridge Replacement and Rehabilitation (HBRR) program, the Hazard Elimination and Safety (HES) program, and to other programs where possible. The benefit of exchanging federal funds for State funds is that the rural counties no longer have to deal with many of the federal regulations such as Disadvantaged Business Enterprises programs or Federal environmental requirements that severely hinder them. For example rural counties are familiar with managing California's environmental laws (CEQA) but they typically do not have the extra staff resources or experience necessary to deal with the more complex federal environmental laws (NEPA).

Improving Caltrans Local Assistance

For the past two years the State has increased Caltrans budget to expand the staffing available for local assistance. The rural counties have reported experiencing a direct benefit from this action. Caltrans Local Assistance is practicing direct "outreach" with its new personnel which is improving rural counties abilities to implement Caltrans procedures and to meet Federal requirements where applicable. Additional PPM and State-only funding is also needed because Caltrans Local Assistance can only go so far with their outreach efforts. For example, they can help explain the new Federal DBE requirements or how to process a NEPA environmental document, they cannot, however, send staff into a small city or county to actually implement either.

Rural County Representative on the CTC

Rural counties need a representative on the CTC. The RCTF is aware that two positions will become available on the CTC during early 2001. The RCTF has encouraged the Governor to maintain at least one member on the CTC who is from one of the State's smaller rural counties. At least two rural county representatives have applied for the available positions. A rural county representative on the CTC will further help efforts to ensure communication and cooperation between the CTC, the Governor's administration, Caltrans, and the State's 26 rural counties.

Interregional Transportation Improvement Program (ITIP)

SB 45 mandates that 75% of the STIP funds be programmed and expended for regional improvements nominated by the regional planning agencies through their Regional Transportation Improvement Plans (RTIPs), and 25% of STIP funding be programmed and expended for interregional improvements nominated by Caltrans through the Interregional Transportation Improvement Program (ITIP). Projects nominated for funding in the ITIP should be consistent with the statewide Interregional Transportation Strategic Plan (ITSP), just as regional improvements are expected to be consistent with Regional Transportation Plans. Caltrans has sought partnerships with rural counties to form joint IIP and RIP funding partnerships for "focus" and "emphasis" highways identified within the ITSP. Many valuable State-regional highway projects are becoming funded in this way. Several rural counties have identified State highway projects that are regional priorities in their RTPs and RTIPs, but that do not qualify for "focus" or "emphasis" status in the State's ITSP. Caltrans, the CTC, and the BTH Agency have been working with the RCTF to clarify and assure that some level of State share IIP funding will be available to those rural counties willing to program substantial regional (RIP) shares (and in some cases other local funds) to projects on non-focus/emphasis State highways. Small counties needing funding partnerships with the State for expensive highway projects are encouraged by the 2000 ITIP which does extend ITIP funds onto non-focus, non-emphasis routes where local RIP funding is leveraged.

State Level Committees

In addition to those issues and objectives listed above, various RCTF members are also providing a rural counties' perspective to the following efforts. Many of these efforts involve participation on committees established by Caltrans.

- Clarify and Improve Overall Work Program Process
- Interregional Transportation Strategic Plan
- Senate Bill 45 Project Monitoring/Reporting Data Base
- Local Assistance "Enhanced Training and Outreach"
- Caltrans, City, county, Federal Highway Administration Coordinating Group
- Streamlining Caltrans Local Assistance Procedures and Guidelines Manuals
- State Planning Guidelines Development Quality Assurance Team
- Next TEA Federal Reauthorization
- California Transportation Investment Strategy (CTIS)
- Intelligent Transportation Systems (ITS)
- FTA 5310, Welfare to Work Advisory Committee, CalACT, etc.
- Garvee Bonds Guidelines Committee
- Civil Rights Review Title 9