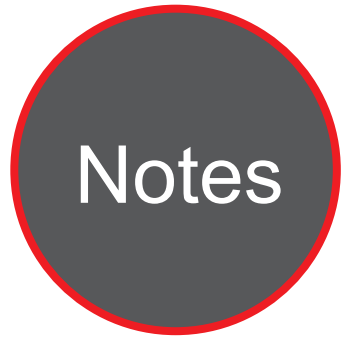




Caltrans Division of Research,
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Project Title:
Promises And Projects: Examining
Accountability And Flexibility In LOST
Expenditure Plans

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Task Manager:
Tyler Monson
Senior Transportation Planner
tyler.monson@dot.ca.gov

Promises And Projects: Examining Accountability And Flexibility In LOST Expenditure Plans

A better understanding of Local Option Sales Tax, a popular California transportation financial tool.

WHAT IS THE NEED?

Local Option Sales Tax (LOST) expenditure plans are commitments on the part of sponsoring transportation agencies, but issues of accountability might compromise these commitments and there are no any prior research into the tension between commitments to projects and commitments to accountability that are both included in LOSTs.

This research will examine how well expenditure plans presented in measures reflect actual project delivery over the life of the sales tax. There are a variety of reasons that project implementation could differ from projects enumerated in the LOST measure lists. Cost overruns and delays attributable to permitting are common in transportation project delivery. If projects cost more than anticipated and they are fully funded, accountability is challenged because other promised projects may not be delivered.

Other financial roadblocks may occur if the measure does not raise the expected amount of revenue or if the sponsoring agency is unable to secure state and federal matching funds on which project delivery is contingent. Additionally, LOST ordinances are often crafted with varying degrees of flexibility, enabling planners to adjust projects to changing conditions — for example, some measures have automatic review periods or procedural mechanisms for amendments. Changes in expenditure plans after a measure is in effect could potentially raise concerns about equity. Particular groups of



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residents could systematically be shortchanged—for example low- income or transit dependent residents. Voters are often swayed by how they will benefit from the measure, and changes during implementation may cause these benefits to fail to accrue to them. To form a complete picture of the equity implications of LOST measures, this research will also examine whether projects that promise to deliver equity across delineated dimensions are actually delivered.

WHAT ARE WE DOING?

This project builds on previous research done at University of California, Los Angeles on LOSTs. The research team will first review all California LOST ballot measures for which expenditure plans are available to identify language and features that indicate flexibility in project and services delivery. Flexibility to deviate from voter-approved project lists allows officials to adapt to changing local conditions, but it also violates a central precept of LOSTs - that voters can expect that what they were promised in the ballot measures.

The researchers will interpret why projects are not delivered as listed in the expenditure plans, including the possibilities described above or for reasons not yet anticipated.

Furthermore, they will conduct in-depth case studies of examine 5 to 10 measures enacted over ten years ago, using publicly available documents and interviews with transportation agency staff to examine how often amendments or other readjustment processes were used and what was changed. They will then compare capital projects delivered since enactment of the measure with promises made in the expenditure plan—including location, features, and timing—using geospatial data for visualization.

Lastly, the research team will examine whether changes to project delivery and service provisions could lead to transportation systems that are less equitable than those presented to voters.

WHAT IS OUR GOAL?

The project seeks to determine the reasons why actual expenditures might deviate from LOST expenditure plans, and the mechanisms used by local governments to redirect funding. Results will also indicate whether the actual projects built using tax funds result in a less equitable distribution of funds compared to the suite of projects and services listed in the expenditure plan.

WHAT IS THE BENEFIT?

This research will deepen understanding of a popular California transportation finance tool that, while often successful in generating revenue, raises concerns pertaining to accountability, equity, and the role of transportation planning agencies vis-à-vis the voters. These questions will only increase in importance as transportation funding is increasingly devolved to the local level.

The accountability of transportation agencies in California is often a large part of the debate surrounding LOST measures, and particular groups are often wary that they will be paying for transportation improvements that do not benefit them. These concerns foster distrust between transportation agencies, elected officials, and voters. Yet there is no research that systematically explores these concerns. Moving forward the research results will help improve communication and build trust among stakeholders that can foster support for local transportation finance.

The findings can help transportation agencies in California to increase accountability mechanisms for LOST funded projects, with particular attention towards safeguards that protect disadvantaged groups and communities. It can also provide a basis for informed discussions between state and local officials and constituents that may reconcile the tension between voter concerns over accountability and planners' need for flexibility to ensure the provision of an equitable transportation system.

WHAT IS THE PROGRESS TO DATE?

- February 2019 - Kick off meeting was held.
- July 2019 – Received list of measures and amendments.
- August 2019 – Literature review is complete and case studies are underway. The researcher has compiled a list of all local option sales tax measures in California, their amendments, and the effect of the amendments.
- December 2019 - The draft document was delivered along with draft measure tracking spreadsheet.
- January 2020 - The final draft was completed. Caltrans is awaiting the final published report.