Housing, Land Use, & Transportation Policy Committee
117th CSAC Annual Meeting

Wednesday, November 30, 2011 ▪ 10:00 a.m. – 12:00 p.m.
Hilton San Francisco Union Square ▪ Imperial Ballroom A ▪ Ballroom Level
333 O'Farrell Street, San Francisco, California 94102

AGENDA

Supervisor Efren Carrillo, Sonoma County, Chair
Supervisor Matt Rexroad, Yolo County, Vice Chair

10:00 a.m. I. **Welcome, Introductions, and Opening Remarks**
Supervisor Efren Carrillo, Sonoma County, Chair
Supervisor Matt Rexroad, Yolo County, Vice Chair
Supervisor Mike McGowan, Yolo County, CSAC 1st Vice President

10:05 a.m. II. **State and Federal Native American Affairs Update**
Bruce Goldstein, County Counsel, Sonoma County
Joe Krahn, Senior Associate, Waterman and Associates
Hasan Sarsour, Associate, Waterman and Associates
Attachment One: Memo to CSAC Board: State Indian Gaming Update
Attachment Two: Memo to CSAC Board: Federal Indian Gaming Update

10:30 a.m. III. **California High-Speed Rail Update**
Lance Simmens, Deputy Director of Communications,
California High-Speed Rail Authority

10:45 a.m. IV. **California's Changing Economy & Demographics:**
Shaping Future Regional Growth
Paul Fassinger, Partner, CTP Planning & Economics

11:15 a.m. V. **Transportation Funding Needs**
DeAnn Baker, CSAC Senior Legislative Representative
Kiana Buss, CSAC Senior Legislative Analyst
Joe Krahn, Senior Associate, Waterman and Associates
Hasan Sarsour, Associate, Waterman and Associates
Attachment Three: Draft Executive Summary: California Statewide Transportation System Needs Assessment
Attachment Four: MAP-21 Summary Memo

11:45 a.m. VI. **State Budget & Legislation: A 2011 Wrap-Up**
DeAnn Baker, CSAC Senior Legislative Representative
Kiana Buss, CSAC Senior Legislative Analyst

12: 00 p.m. VII. **Other Items & Adjournment**

ATTACHMENTS

Attachment One

Memo to CSAC Board: State Indian Gaming Update

CSAC
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August 25, 2011

To: CSAC Board of Directors

From: DeAnn Baker, CSAC Senior Legislative Representative
Kiana Buss, CSAC Senior Legislative Analyst

Re: State Indian Gaming – ACTION ITEM

Recommendation. Staff recommends that the Board of Directors support continued discussions with the Governor's Office and Attorney General's Office regarding amendments to the existing Tribal-State Gaming Compacts (Compacts) to improve implementation outcomes for counties. Enact new policy to support creating a new County Gambling Mitigation Fund to eventually replace the Special Distribution Fund (SDF) contributions as new and renewed compacts are negotiated to better mitigate casino impacts to health and public safety services and other Compact changes to meet CSAC policy goals.

Background. Since 2002, CSAC has been the lead in working with the various Administrations' to ensure our interests are represented in the development of Tribal-State Gaming Compacts between the Governor and tribal governments. Most recently, CSAC has been meeting with key staff with the Brown Administration and the Attorney General's Office to discuss the Compacts, specifically our experiences with implementation of the Compacts, our policy concerns with certain existing Compact provisions, and our ideas for improving future Compacts. Consistent with existing CSAC policy, our overall compact objectives include: 1) promote local government-tribal mitigation agreements; 2) improve the integrity of tribal environmental review analysis; 3) ensure that off-reservation impacts of tribal casinos are fully mitigated; and 4) provide adequate time for both comment on environmental documents and meaningful negotiations.

A collaborative relationship between Tribes and counties is of mutual benefit, and this collaboration needs to occur from the beginning. As such, the County Counsels Association of California, working with CSAC staff, have developed a number of proposed changes to the existing compact template to provide the means to meet the above objectives and to incentivize and foster a cooperative relationship between Tribes and counties. For instance, many counties have experienced problems with inadequate tribal environmental review documents, which lead to inadequate identification of impacts and related mitigation. Under these circumstances it is very difficult (and expensive) to negotiate an appropriate local government agreement. The toll on both counties and Tribes of addressing these types of situations are great and long lasting. Another example includes the SDF program, appropriations from which are not consistently made in the State Budget and legislative guidance has made it difficult at best to use grant funds in a meaningful way. A compact that addresses the above issues can provide an important framework for better addressing the impacts of casinos on local governments.

A majority of the policy changes CSAC is discussing with the Governor and Attorney General's Office are consistent with existing CSAC policy (see attached). However, there are a few items not explicitly mentioned in the policy guidance that staff needs further direction from the Board of Directors. The following is an outline of each significant change CSAC is discussing with the Governor and Attorney General's Office for new and renegotiated Compacts as well as more minor changes.

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Major Proposals Consistent with Existing CSAC Policy

1. Tribal Environmental Impact Reports (TEIR) must be "comprehensive and adequate". Regarding the Draft TEIR, the Tribe must conduct at least one scoping meeting and respond to all substantive comments. There shall be a 60-day comment period. The Tribe shall provide a 60-day notice before filing the final TEIR and must provide copies to the county and any impacted cities. If there are significant project changes or new impacts identified in the final TEIR, there shall be an additional 30-day comment period. The county has 45-days to file a written notice of objections with the Governor after the notice of intent to certify has been filed by the Tribe. The Governor shall either a) reject the county's written objections or b) determine the Tribe is not in compliance with the TEIR requirements and require additional analysis and/or mitigation before finalizing the TEIR; and
2. Intergovernmental agreements are required for growth inducing impacts, roads, affordable housing, open space and park impacts, greenhouse gas emissions, county administrative costs, and any other non-health and public safety services in addition to the current fire protection, emergency medical services. Law enforcement impacts are removed from the intergovernmental agreement provision as it would be covered under the proposed County Gaming Mitigation Fund (discussed in detail below), unless the county can demonstrate the funding isn't enough to mitigate all defined health and public safety impacts.

Proposals Not Specifically within Existing CSAC Policy

1. Create a regulatory fund for State oversight activities and the mitigation of impacts on state services and infrastructure. Tribes would pay into the fund based on their percentage of the net win on each gaming device on a quarterly basis. Additionally, the State could use these funds to help offset the costs to counties for extraordinary expenses related to responding to a TEIR.
2. Create a County Gaming Mitigation Fund for the purposes of mitigating defined public health and safety impacts of gaming operations. Tribes would pay a minimum of $3 million annually or a percentage of net win from electronic gaming devices, into the fund to be continuously appropriated to counties on a quarterly basis. The funds would be allocated to counties based on a 100% return to source formula. The fund sets up a presumption, that unless a county can prove otherwise, the Tribe has sufficiently mitigated all defined health and safety impacts via this program. Counties would be responsible for allocation of funds to other impacted jurisdictions.

Additional Proposals Not Specifically within Existing CSAC Policy

1. Defines an "Impacted City" as any city in which a gaming facility is located or whose boundary is ¼ miles from the boundary of a gaming facility;
2. State Designated Agency amended to include "political subdivision of the State";
3. Requires Tribes to share design and building plans with the county for health and public safety purposes and allows county inspectors to attend inspections upon request of the county, and specifically calls for fire suppression service inspections;
4. Tribes must establish a program to ensure that delinquent child support judgment payments are deducted from per capita benefits;
5. Amends the arbitration provisions to allow the Governor's Special Master to substitute for an arbitrator; and
6. Prohibits the sale of alcohol on the casino floor and provides for liability for the Tribe related to injuries from drunk drivers leaving the facility.

CSAC staff would like to emphasize that, to date, we have only had brainstorming-type discussions with the Governor's staff and the Attorney General's Office related to the issues outlined above. It's also important to note that the Governor's staff first proposed the idea of subventions to counties for health and public safety impacts. Finally, none of these ideas have been accepted by the Governor himself nor formally endorsed by CSAC. However, the Governor is under a 60-day deadline (September 22) to renegotiate the Rincon Compact after a federal court ruled that the State General Fund revenue sharing provisions Governor Schwarzenegger negotiated with the Tribe was done in bad faith and was illegal. Therefore, it is quite possible that CSAC will be asked to take a position on new provisions contained in the renegotiated compact and we should be prepared to meet this request.

Action Requested. Since the Rincon Compact may serve, at least in part, as a future template, CSAC staff is requesting the Board of Directors approve additional policy that supports the proposed changes to the existing compacts outlined above, especially supporting the County Gaming Mitigation fund to offset impacts to health and public safety services and programs experienced by counties.

Staff Contact. Please contact DeAnn Baker (dbaker@counties.org or (916)327-7500 x509) or Kiana Buss (kbuss@counties.org or (916) 327-7500 x566) for additional information.

Attachment Two

Memo to CSAC Board: Federal Indian Gaming Update

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August 25, 2011

To: CSAC Board of Directors

From: DeAnn Baker, CSAC Senior Legislative Representative
Kiana Buss, CSAC Senior Legislative Analyst

Re: Federal Indian Gaming – ACTION ITEM

Recommendation. Staff recommends that the Board of Directors take action to support a CSAC sponsored Fee-To-Trust reform proposal supported by the County Counsels Association of California, Waterman and Associates staff, Perkins Coie staff, and CSAC staff consistent with existing CSAC Indian Gaming Policy (attached).

Background. CSAC formed the Multi-State Fee-to-Trust Reform Coalition (Coalition) in response to the 2009 Supreme Court decision in *Carcieri v. Salazar*, which held that the Secretary of Interior (Secretary) lacks authority to take land into trust for Indian tribes that were not under federal jurisdiction at the time of the passage of the Indian Reorganization Act (IRA) of 1934. The decision created a unique opportunity for Congress to address long-standing, fundamental deficiencies in the federal Fee-To-Trust process. CSAC and its other state association partners from New York, Wisconsin, and Idaho, have been working over the past two years to develop a legislative proposal to achieve our mutual policy goals. These goals, consistent with established CSAC policy on the Fee-To-Trust process, include:

1) Adequate Notice and Transparency;
2) Meaningful Consultation; and
3) Judicially Enforceable Intergovernmental Agreements

The Coalition has developed a number of concepts to meet our mutual policy goals. Each of the concepts and related legislative language is provided for under existing CSAC policy. Given the unique conditions in California with respect to tribal gaming (the sheer number of Tribes and casinos to name just two), CSAC and our County Counsel partners have outlined a reform approach that we believe is politically viable. Therefore, we are asking the Board to consider and approve the following Fee-To-Trust reform proposal.

CSAC Sponsored Fee-To-Trust Reform Proposal

<u>Judicially Enforceable Intergovernmental Agreements</u>

- <u>Judicially Enforceable Jurisdictional Governmental Agreement</u>. The proposal would allow the Secretary to take land into trust for Tribes if they enter into an agreement with affected jurisdictional governments to address the impacts of the proposed trust acquisition. This would not require further input or action by other governmental agencies.

- <u>Residential, Health, or Governmental Purposes.</u> The proposal allows the Secretary to take land into trust for a Tribe, in the absence of a jurisdictional agreement, if he/she determines the land will be used for residential, health, or governmental purposes.

- Economic & Gaming Purposes & Needs Determination. The Secretary may also take lands into trust for economic development or gaming purposes provided that the Tribe has not achieved economic self-sufficiency and lacks trust land for that purpose. Under this section, the Secretary must also determine, based on consultation with the Governor, that all significant jurisdictional conflicts and impacts outside trust lands, including increased costs of services, lost revenue, and environmental impacts, have been fully mitigated.

- Material Change in Use. Any material change in use of existing tribal trust land that significantly impacts off-trust land requires the Secretary's approval and must satisfy the requirements of the National Environmental Policy Act (NEPA). Any material change in use prior to approval would require the Secretary to take steps to stop the new use and any person may file an action to enjoin the Secretary to take such steps.

- Deed Restrictions. The Secretary would be authorized to include deed restrictions on trust lands and shall consider using such restrictions in cases involving significant jurisdictional and land use conflicts

Adequate Notice and Transparency

- Adequate Notice. The proposals would require the Secretary to give notice and copy of any partial or complete trust land application to affected local governments within 20-days of receipt of application by a Tribe.

Meaningful Consultation

- Meaningful Consultation. The proposal includes the requirement that the Secretary provide affected local government units at least 90-days to submit comments from the date of receipt of notice and copy of any complete trust land application.

CSAC and Waterman staff, as well as County Counsel, believes that this approach as outlined above is consistent with existing CSAC policy and meets CSAC objectives for fee land into trust reform.

Action Requested. While CSAC staff would typically take this request to the CSAC Housing, Land Use, and Transportation Policy Committee before bringing it to the Board of Directors for action, the timing for a potential Fee-To-Trust reform play in is constant flux in Congress and Senator Feinstein is asking CSAC for a copy of our final proposal. CSAC staff request that the Board of Directors take action to support the reform proposal and that we transmit a copy to Senator Feinstein.

Staff Contact. Please contact DeAnn Baker (dbaker@counties.org or (916)327-7500 x509) or Kiana Buss (kbuss@counties.org or (916) 327-7500 x566) for additional information.

Attachment Three

Draft Executive Summary: California Statewide Transportation System Needs Assessment

CHAPTER 1
EXECUTIVE SUMMARY

BACKGROUND

California's transportation system is the largest and most complex in the nation. Historical investments in freeways, roads, bridges, rail systems, airports, public transit, and other transportation infrastructure have fueled the state's phenomenal economic growth in recent decades. But times have changed.

Today, California's transportation system is in jeopardy. Investments to preserve transportation systems simply have not kept pace with the demands on them, and this underfunding - decade after decade - has led to the decay of one of the state's greatest assets. Failing to adequately invest in the restoration of California's roads, highways, bridges, airports, seaports, railways, border crossings, and public transit infrastructure will lead to further decay and a deterioration of service from which it may take many years to recover. The future of the state's economy and our quality of life depend on a transportation system that is safe and reliable, and which moves people and goods efficiently.

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These new investments are necessary at a time when the national economy is struggling to recover from the financial shocks of 2008, and when many states today, California included, face huge budget shortfalls for many programs and services. Now, more than ever, it's critical for state governments to set clear budget priorities, and to effectively communicate what's needed most. It is also important to recognize that funding needed transportation system improvements will positively affect California's economy.

The goal of this report is to detail what is needed for California's transportation system and how we can pay for it. The report, therefore, allows transportation agencies and stakeholder groups to provide a consistent message to decision makers on these important subjects.

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The last needs assessment for California's transportation system was published in 1999 for the State Senate Transportation Committee and the State Senate President pro Tempore. In 2010, the California Transportation Commission (CTC) launched an effort to update the assessment. This effort was led by the state's Metropolitan Planning Organizations (MPOs) and Regional Transportation Planning Agencies (RTPAs). This report is the result of that effort.

One of the first steps in preparing this report was the formation of an Executive Group to oversee the work. This group included staff from the CTC; executive staff representatives from the California Department of Transportation (Caltrans) as well as several MPOs and RTPAs; and representatives from a number of other transportation agencies and stakeholder organizations. These members brought together staff resources and consultants to produce this ambitious study in a spirit of collaboration.

SUMMARY OF FINDINGS

Table 1-1 summarizes the overall results of the transportation systems needs analysis for the ten-year period from 2011 to 2020. The total cost of all system preservation, system management, and system expansion projects during the ten-year study period is nearly $536.2 billion. Of this total, the cost of system preservation projects (both rehabilitation projects and maintenance costs) during the study period is $341.1 billion. It should be emphasized that the costs for system preservation contained in the report are based on the goal of meeting accepted standards that would bring transportation facilities into a "state of good repair" within the ten-year study period. These goals would lead to higher levels of investment in system preservation than are typically reflected in existing transportation plans and capital improvement programs.

The total cost of all system preservation, system management, and system expansion projects during the ten-year study period is nearly $536.2 billion.

The cost of system management projects and system expansion projects over the same period is estimated at $195 billion; these cost estimates are taken primarily from adopted Regional Transportation Plans (RTPs), which are "fiscally constrained." This means that the number and types of projects are limited to those for which revenues can be reasonably identified during the planning period.

The total estimated revenue from all sources during the ten-year study period is $242.4 billion. This represents about 45 percent of the overall estimated costs of projects and programs that were identified in the needs analysis, and leads to a shortfall of about $293.8 billion over the ten-year period. If it is assumed that revenues for preservation (rehabilitation and maintenance) are provided at historical levels (43.4%), then the amount of revenue available for system expansion and system management projects during this period is $94.7 billion, or only about 49 percent of the estimated costs of needed projects.

The total estimated revenue from all sources during the ten-year study period is $242.4 billion.

In addition to the transportation systems summarized in Table 1-1, this report also addresses the needs of California's new high-speed rail system.

Table 1-1. Ten-Year Cost-Revenue Summary

	A. Preservation - Rehabilitation	B. Preservation - Maintenance	C. Preservation - Subtotal	D. System Management	E. System Expansion	F. Subtotal (D+E)	Total
Costs:							
Highways*	$ 70,380,000	$ 9,280,000	$ 79,660,000	$ 7,542,224	$ 78,065,899	$ 85,608,123	$ 165,268,123
Local Roads	NA	NA	$ 102,900,000	$ 2,294,798	$ 24,155,968	$ 26,450,766	$ 129,350,766
Public Transit	$ 32,675,000	$ 109,682,000	$ 142,357,000	$ 1,121,836	$ 30,816,912	$ 31,938,748	$ 174,295,748
Intercity Rail	NA	NA	$ 170,000	$ 94,045	$ 6,164,585	$ 6,258,630	$ 6,428,630
Freight Rail	$ 64,420	$ -	$ 64,420	$ 387,332	$ 21,924,017	$ 22,311,349	$ 22,375,769
Seaports	$ 4,600,000	$ -	$ 4,600,000	$ 402,550	$ 7,097,466	$ 7,500,016	$ 12,100,016
Airports	$ 10,420,000	$ -	$ 10,420,000	$ 953,892	$ 4,553,791	$ 5,507,683	$ 15,927,683
Land Ports	NA	NA	$ 935,000	$ -	$ 33,798	$ 33,798	$ 968,798
Intermodal Facilities	NA	NA	$ -	$ -	$ 5,942,905	$ 5,942,905	$ 5,942,905
Bike / Ped	NA	NA	$ -	$ 570,715	$ 2,930,592	$ 3,501,307	$ 3,501,307
Total Costs			$ 341,106,420	$ 13,367,392	$ 181,685,933	$ 195,053,325	$ 536,159,745
Revenues:							
Federal	NA	NA	NA	NA	NA	NA	$30,900,000
State	NA	NA	NA	NA	NA	NA	$53,100,000
Regional / Local	NA	NA	NA	NA	NA	NA	$158,400,000
Total Revenues			$ 147,707,000			$ 94,693,000	$ 242,400,000
Net Revenues			$ (193,399,420)			$ (100,360,325)	$ (293,759,745)
% Funded			43.30%			48.55%	45.21%

NOTE: Amounts reported in $ thousands ($000's)

* Includes $3.81 billion in SHOPP Mobility Program costs under (D) System Management

Over the next ten years, Phase 1 will include the construction of about 520 miles of rail between San Francisco and Anaheim. When completed, Phase 1 will provide 2-hour-and-40-minute nonstop service from San Francisco south to Los Angeles. The estimated cost for this phase, which would be completed by 2020, is $42.6 billion. The estimated available revenue for the project as of June 2011 is $6.3 billion, including $3.5 billion in federal funding and $2.8 billion in state funding.

This report also includes an analysis of the transportation needs of Native American tribes in California. This analysis is limited in scope because Caltrans did not receive adequate survey responses from Native American communities in the short time available. As a result, more research is needed.

PERFORMANCE ANALYSIS

In addition to detailing statewide needs, estimating what they will cost, and discussing what revenues will be available, the Executive Group felt that it also would be important to try to quantify the outcomes that would result if these transportation system improvements were implemented by 2020.

With direction from the Executive Group and input from the MPO/State Agency Planning Working Group on California's Senate Bill 375 (Steinberg, 2008) (SB 375) implementation, a set of 12 performance measures representing a broad range of desired outcomes was identified (see Table 1-2). Each of the 18 MPOs was asked to provide information for an analysis of these performance measures.

Economic Performance Measures

For the first two measures, "Increase in Jobs" and "Value Added to Gross State Product," the results were estimated by Caltrans economists who used transportation model outputs provided by the MPOs. The results for the first ten years indicate that Total Value Added to the Gross State Product (GSP) would range from an additional $110 billion (Low) to an additional $140 billion (High). This represents about 5 to 7 percent of the current GSP (estimated at $1.9 trillion).

The results for the first ten years indicate that Total Value Added to the Gross State Product would range from an additional $110 billion to an additional $140 billion.

Table 1-2. Statewide Transportation Needs Assessment - Selected Performance Measures

SMART MOBILITY 2010 GOALS	CATEGORIES	PERFORMANCE MEASURES
Robust Economy	Employment	Increase in jobs
Robust Economy	Economic Output	Value added to Gross State Product
Reliable Mobility	Multimodal Travel Mobility	Change in average per-trip travel time
Reliable Mobility	Asset Condition	Conformance with accepted standards for maintaining system in state of good repair
Environmental Stewardship	Climate and Energy Conservation	Systemwide Vehicle Miles Traveled (VMT) per capita
Environmental Stewardship	Emissions Reductions	Greenhouse gas (GHG) emissions per capita
Environmental Stewardship	Air Quality/Public Health	Criteria Pollutant emissions per capita
Social Equity	Equitable Distribution of Access and Mobility	Comparison of outcomes for Low Income and Minority (LIM) and non-LIM communities
Health and Safety	Multimodal Safety	Number of injuries and fatalities per capita from all collisions (including bicycle and pedestrian)
Health and Safety	Pedestrian and Bicycle Mode Share	Percent of total trips per capita taken by biking or walking
Location Efficiency	Support for Sustainable Growth	Percent of total dwelling units in Transit Priority Areas
Location Efficiency	Transit Mode Share	Percent of total trips per capita taken by transit

We estimated that over the same period, the projects would add between 77,000 and 108,000 jobs annually, compared with the No-Build alternative. The annual job growth would continue throughout the evaluation period. Another way of looking at this benefit is that the investments would generate between 770,000 and more than 1 million job-years (a "job-year" equals one person working in one job for a full year). For the entire twenty-year period (2011-2030), Total Value Added to GSP would be between $290 billion and $370 billion. This represents 15 to 19 percent of the current GSP. The added jobs for the entire period would be between 102,000 and 143,000 jobs annually.

The projects would add between 77,000 and 108,000 jobs annually, compared with the No-Build alternative.

Chapter 6 also estimates the short-term economic impacts during project construction.

Non-Economic Performance Measures

Of the other ten selected performance measures that are listed in Chapter 6, Table 6-2, comparable quantitative results were obtained for seven of the measures. These results are reported in Chapter 6, Table 6-3.

Change in Average Travel Time

The category of "multimodal travel mobility" was evaluated by looking at the change in average per-trip travel time for all trips, from the base year to 2020. The results vary, both in direction and magnitude from region-to-region. In most cases, there would be a slight increase in travel time (in most cases less than one minute). Three of the regions reported decreases in travel time.

Vehicle Miles Traveled

The category of "climate and energy conservation" was evaluated by looking at changes in per-capita vehicle miles traveled (VMT), from the base year to 2020. Again, the results vary from region-to-region, with most regions reporting increases in per-capita VMT.

Greenhouse Gas Emissions

The category of "emissions reductions" was evaluated by looking at changes in per-capita greenhouse gas (GHG) emissions, from the base year to 2020. Ten regions reported reductions in per-capita GHG emissions. Six regions reported increases.

Criteria Pollutant Emissions

The categories of "air quality" and "public health" were evaluated by looking at changes in criteria pollutants per capita, from the base year to 2020. In this case, 14 of the regions reported reductions in per-capita pollutants. Two regions reported no change.

Multimodal Safety

The category of "multimodal safety" was evaluated by looking at changes in the number of injuries and fatalities, per capita, due to all collisions, from the base year to 2020. Of the six MPOs that reported on this measure, two of them reported reductions in per-capita rates. The other four regions reported no change.

Pedestrian and Bicycle Mode Share

The category of "pedestrian and bicycle mode share" is evaluated by looking at the change in the percentage of total trips (or in some cases just work trips) that are taken by walking or bicycling. Of the 14 MPOs reporting results in this category, 5 reported increases in mode share, 2 reported reductions, and 10 reported no change.

Transit Mode Share

The category of "transit mode share" is evaluated by looking at the change in the percentage of total trips (or in some cases just work trips) taken by public transit. Of the 14 MPOs reporting results in this category, 8 reported increases in mode share, 1 reported a reduction, and 5 reported no change.

Performance Analysis Summary

Overall, the results of this initial performance analysis indicate that the transportation system investments identified in the ten-year needs assessment would have significant positive impacts for the state. The cumulative economic benefits, both in terms of growth in jobs and growth in Gross State Products, would be significant. In addition, these investments would appear to support certain non-economic benefits, such as reductions in criteria air pollutants and increases in transit mode share. In addition, as discussed previously, funding of the system preservation projects and programs described in this report would lead to significant improvements in asset conditions. These would lead to greater long-term efficiency and lower ongoing maintenance costs for transportation systems.

The transportation system investments identified in the ten-year needs assessment would have significant positive impacts for the state.

At the same time, there are several possible categories of performance measures for which results are mixed, or for which data are not currently available. This may be explained in part by the fact that all of the existing RTPs were adopted prior to the enactment of SB 375, which has placed a greater emphasis on the relationship between transportation planning and certain performance outcomes such as GHG emission reductions.

In addition, this report also highlights the need for additional research in the area of performance analysis, as well as improvements in standards for reporting such information through updates to regional transportation plans and other planning and programming documents.

POLICY RECOMMENDATIONS

This report concludes with a set of policy recommendations that is designed to help California make the transportation system improvements that are needed to meet its "smart mobility" goals. This Executive Summary gives a brief overview of the policy recommendations. For a more complete description of each recommendation, as well as steps needed to implement them, see Chapter 7.

The recommendations are:

"Ensure The Long-Term Stability And Sustainability Of Highway and Transit Funding."

The next federal reauthorization will need to stabilize the existing revenue system and prepare the way for the transition to new methods of funding our nation's transportation infrastructure.

The financial integrity of the transportation trust fund is at a crossroads. Current user fees are not keeping pace with needs or even the levels authorized by law. The next federal reauthorization will need to stabilize the existing revenue system and prepare the way for the transition to new methods of funding our nation's transportation infrastructure.

"Strengthen The National Commitment To Transportation State Of Good Repair."

Conditions on California's surface transportation systems are deteriorating while demand is increasing. This is adversely impacting the operational efficiency of our key transportation assets, hindering mobility, commerce, the quality of life, and the environment. The national commitment to maintain our transportation system in a state of good repair should be performance-driven, cost-effective, and multimodal; it should reward states, metropolitan areas, and transit agencies that demonstrate progress in reducing maintenance backlogs; and it should establish a ten-year target to restore the nation's surface transportation infrastructure to a state of good repair.

"Establish Goods Movement As A National Economic Priority."

The efficient movement of goods, across state and international boundaries, increases the nation's ability to generate jobs and remain globally competitive. California has achieved much, collaboratively and cooperatively, to tackle the goods movement challenges that impact our state specifically and the national economy in general. National policies on goods movement must be designed to recognize and reward states, regions, and local entities that are making investments in this area, despite the fact that the challenges go well beyond their boundaries.

"Create A Program Focused On Metro Mobility."

California is home to six of the 25 most congested metropolitan areas in the nation. These areas represent a large majority of the population that is impacted by travel delays and exposed to air pollutants. Congress can ensure that federal funds are sent to areas that generate the majority of the nation's economic activity. Investing in a more efficient and balanced transportation system will yield national, as well as regional, economic benefits.

Congress can ensure that federal funds are sent to areas that generate the majority of the nation's economic activity.

"Improve Mobility between California's Regions and between California and Neighboring States and Countries."

Interregional mobility is essential to California, particularly to its economy. Travel between the state's regions enables access to resources, manufacturing facilities, markets, ports of international trade, and other critical locations. A statutorily designated Interregional Road System provides highways that facilitate interregional travel, and a continued focus on the system is needed to maintain and improve mobility between California's regions.

"Strengthen The Federal Commitment To Safety and Security, Particularly With Respect To Rural Roads and Access."

California recognizes that traffic safety involves saving lives, reducing injuries, and optimizing the flow of traffic on roadways. California has completed a comprehensive Strategic Highway Safety Plan that is being implemented and influencing innovative safety and security efforts by regions, local governments, and transit agencies across the state. We need to ensure that there is adequate funding for important safety projects.

"Strengthen Comprehensive Environmental Stewardship."

Environmental analysis is an important component of nearly every transportation project and program in California. With large projects, which take many years from conception to completion, reforming environmental review and permitting processes can result in faster and more efficient project delivery - without compromising critical environmental mitigation.

"Ensure That Social Equity Goals Are Being Met."

The nation's planning and investment in transportation must be oriented to support national goals of efficient mobility, economic competitiveness, energy security, a healthy populace, environmental protection, and social equity. Sustainable economies and healthy communities are those with

The nation's planning and investment in transportation must be oriented to support national goals of efficient mobility, economic competitiveness, energy security, a healthy populace, environmental protection, and social equity.

access to jobs, education, healthcare, adequate and affordable housing, parks and open space, and more. Providing equitable access to these crucial needs in a resource-constrained environment will require new ways of integrating policy, planning, and infrastructure funding.

"Accelerate Project Delivery."

Extended processing time for environmental clearances, federal permits, and reviews increases project costs and delays the creation of thousands of jobs. These delays need to be addressed, without undermining the intent of the requirements. With resources constrained, now is the time to modernize current processes so that transportation systems can be improved faster. Delivering cost-effective programs should be a policy goal.

Attachment Four

MAP-21 Summary Memo

Waterman & Associates GOVERNMENT RELATIONS

MEMORANDUM

TO: DeAnn Baker, Senior Legislative Representative, CSAC
Kiana Buss, Senior Legislative Analyst, CSAC

FROM: Joe Krahn and Hasan Sarsour
CSAC Washington Representatives

CC: Karen Keene, Deputy Director of Federal Affairs, CSAC

DATE: November 8, 2011

SUBJECT: Summary of Key Provisions of MAP-21

As you know, leaders of the Senate Environment and Public Works (EPW) Committee released this past Friday the text of their SAFETEA-LU reauthorization legislation. The bipartisan bill – entitled *Moving Ahead for Progress in the 21st Century* (MAP-21) – would reauthorize the federal-aid highway program at current funding levels, plus inflation, for two years.

As previously announced by committee leaders, the package – which remains in draft form – would consolidate the number of federal programs from 90 down to less than 30. Under the bill, core highway programs would be reduced from seven to the following five programs.

Core Highway Programs

- **National Highway Performance Program** – consolidates the Interstate Maintenance, National Highway System (NHS), and Highway Bridge programs into a single new program designed to provide increased flexibility while guiding state and local investments to maintain and improve the NHS.

- **Transportation Mobility Program (TMP)** – replaces the Surface Transportation Program (STP) while retaining the same structure and goals of STP to allow states and metropolitan areas to invest in highway and bridge projects. Activities that previously received dedicated funding via SAFETEA-LU, but are being consolidated under MAP-21, would be retained as eligible activities under the TMP (such as border infrastructure projects and safe routes to school projects).

Unlike its predecessor, MAP-21 would not provide dedicated funding for bridges. By virtue of the Highway Bridge Program's (HBP) elimination, the 15 percent off-system bridge set-aside also is eliminated. MAP-21 does include language, however, that specifies that if the total deck area of deficient off-system bridges in a State increases for the two most recent consecutive years, the State is required, during the following fiscal year, to spend an amount that is not less than 110 percent of the amount of funds obligated by the State for fiscal year 2009 under 23 USC 144(f)(2) (which represents the state's funding under the Highway Bridge set-aside).

Under the new core TMP, and unlike the program it would replace (STP), funding for Transportation Enhancement (TE) activities would no longer be set-aside. However, TE activities, while somewhat narrowed, would be one of 26 eligible TMP funding categories.

- **National Freight Network Program** – designed to improve goods movement by consolidating existing programs into a new freight program. Funds would be provided to States by formula for projects to improve regional and national freight movements on highways, including freight intermodal connectors.

  Under the bill, network components would include a primary freight network (comprised of not more than 27,000 centerline miles of existing roadways that are the most critical to freight movement), portions of the Interstate System not designated as part of the primary freight network, and critical rural freight corridors. A road could qualify as a critical rural freight corridor if the road is a rural principal arterial roadway and has a minimum of 25 percent of the annual average daily traffic of the road measured in passenger vehicle equivalent units from trucks or connects the primary freight network Interstate System to facilities that handle more than a specified volume of freight on an annual basis.

- **Congestion Mitigation and Air Quality Improvement Program** – CMAQ would continue to provide funds to states for transportation projects designed to reduce traffic congestion and improve air quality. The bill would require a performance plan in large metropolitan areas to ensure that funds are used to improve air quality and congestion in those regions. The bill includes particulate matter as one of the pollutants addressed by CMAQ.

- **Highway Safety Improvement Program** – MAP-21 would significantly increase the amount of funding for the HSIP program in an effort to build upon strong results in reducing highway fatalities. Comparable to current law, States would need to develop and implement State Strategic Highway Safety Plans that identify highway safety programs. Plans would need to be developed after consultation with a highway safety representative of the Governor, regional transportation planning organizations and metropolitan planning organizations, county transportation officials, and other state and local representatives and stakeholders.

Under the HSIP, construction and operational improvements on high risk rural roads would be one of a number of allowable highway safety improvement project areas. Although the bill would not provide dedicated funding for the High Risk Rural Roads (HRRR) program, the legislation specifies that if the fatality rate on rural roads in a State increases over the most recent two-year period, the State is required to increase spending on rural roads in the next fiscal year. Funds spent on rural roads would need to be equal to at least 200 percent of the amount of funding the State received for fiscal year 2009 for such roads.

Environmental Streamlining

As expected, MAP-21 includes various provisions designed to expedite project delivery. While the bill would not authorize a NEPA-CEQA reciprocity program, it includes language that would continue the current surface transportation project delivery program (CA's current NEPA delegation program). Under provisions of the legislation, the current pilot program could be made permanent for a State that has demonstrated to the Secretary of Transportation that it has adequately carried out the responsibilities assigned to it under the program.

MAP-21 also includes other streamlining provisions, including allowing categorical exclusions (CEs) for projects that are within the right-of-way. In addition, the bill would require the Secretary to issue a rulemaking that would allow certain types of CEs that currently require Administration approval to qualify as traditional CEs.

The legislation also includes a section on programmatic agreements that would require the Secretary to seek opportunities to enter into agreements with States that establish efficient administrative procedures for carrying out environmental and other required project reviews. Similarly, the measure includes provisions aimed at providing for "accelerated decisionmaking in environmental reviews" and language designed to encourage early coordination and agreements among Federal agencies with jurisdiction in the environmental review process.

Designation of Metropolitan Planning Organizations: Tier I, Tier II, or No Designation

Under MAP-21, urbanized areas with a population of more than 200,000 would be guaranteed an MPO designation, but would be "tiered" depending on population and ability to meet minimum requirements. Multiple MPOs would be able to consolidate to achieve the population thresholds for Tier I and II status. Minimum technical requirements for Tier I and Tier II MPOs would be published within one year of MAP-21's enactment.

Small urbanized areas with a population greater than 50,000 but less than 200,000 would be terminated three years after the Secretary of Transportation promulgates new rules, unless the MPO is reaffirmed by the Governor and meets minimum technical requirements set by the Secretary. If minimum requirements are met, these areas could be designated as Tier II MPOs. If minimum standards are not met after three years, the Governor would be able to request probationary continuation on behalf of the MPO, which would delay termination of MPO status by one additional year.

Existing MPO's between 200,000 and 1,000,000 in population that meet the minimum requirements would be designated Tier II MPOs. These MPOs could request re-designation as a Tier I MPO, as long as they have the support of the Governor and could meet the minimum requirements of a Tier I MPO.

MPOs with a population above 1,000,000 that meet the minimum standards for Tier I set forth by the Secretary would be granted such status. If minimum requirements are not met, these areas would be designated as Tier II MPO's.

If an area fails to meet the requirements for Tier I or Tier II status, it would be required to submit a plan to transfer responsibility to the State or dissolve the MPO entirely. That MPO would continue to receive funds until the date of dissolution or four years after the date of enactment of MAP-21, whichever comes sooner.

With regard to transportation planning activities, Tier I and Tier II MPOs would be responsible for developing metropolitan transportation plans and selecting projects from the Transportation Improvement Program. Tier I transportation planning would employ a performance-based approach while the Secretary could provide for performance-based development of Tier II plans, taking into account the complexity of the area and the technical capacity of the Tier II MPO.

TIFIA

MAP-21 includes a title on "America Fast Forward Financing Innovation," which would build upon the current Transportation Infrastructure Finance and Innovation (TIFIA) program. TIFIA, which provides direct loans, loan guarantees, and lines of credit to surface transportation projects at favorable terms to leverage private and other non-federal investment in transportation improvements, would be modified by, among other things, increasing the maximum share of project costs from 33 percent to 49 percent. Additionally, the legislation includes a program set-aside for rural areas (10 percent) at more favorable terms. Overall, TIFIA program funding would be increased to $1 billion per year.

Funding

With regard to MAP-21's overall funding level, and as previously stated, the legislation would reauthorize the federal-aid highway program at current levels, plus inflation, for two years. Notably, the bill does not identify a source for the $12 billion that is needed to fully fund the proposal. Under the bill, States would be provided with at least a 95 percent rate of return on what their motorists pay in transportation taxes.

We hope this information is useful to you. Please do not hesitate to contact us if you have any questions.