



MAY 10, 2007

AGENDA ITEM # 6

NEW MEASURE A: ALLOCATING ON-GOING PROGRAM REVENUES TO LOCAL ENTITIES

Action Requested: Approve

Key Staff: Brian Williams, Executive Director

Recommendation

Approve staff's proposed process for forecasting and allocating on-going program revenues to local entities under the **New Measure A** transportation sales tax program.

Background

The **New Measure A** expenditure plan provides for allocations to local entities for specified capital projects and for on-going program operations. The on-going programs are to receive a specified proportion of the transportation sales tax every year:

<u>Expenditure Category</u>	<u>Entity</u>	
Program administration	STA	0.75%
Transportation-related air quality programs	SMAQMD	1.50%
Transit operations, maintenance, & safety	SRTD	34.50%

In addition, the Consolidated Transportation Service Authority (CTSA) will receive 3.5% of sales tax revenues, rising to 4.5% in years 11-20 and 5.5% in years 21-30. Finally, 38% of sales tax revenues are set aside for the following on-going programs delivered exclusively by the incorporated cities¹ and the unincorporated County:

- Traffic control & safety 3%
- Safety, streetscaping, pedestrian & bike facilities 5%
- Street & road maintenance 30%

Of this latter 38% of annual sales tax revenues, the County and each eligible city is to receive a proportional share based 75% on relative population and 25% on paved and maintained street and road mileage.

Discussion

STA staff will prepare an annual forecast of **New Measure A** revenues for consideration and adoption by your Board no later than the December Board meeting prior to the fiscal year for which the forecast will apply. The forecast will include an estimated allocation of **New Measure A** revenues to each eligible entity for on-going programs consistent with the formula-based distribution set forth in the Ordinance. In calculating the 75/25 formula allocation for on-going program revenues to the County and cities, each jurisdiction's population will be determined by the most recent annual California Department of Finance population estimate for cities and counties. At present, these estimates are published in May of each year, and the data are effective for the previous January 1.

¹ Except Galt and Isleton, which will receive an annual share "off-the-top" of all **New Measure A** sales tax revenues.

To determine the relative street and road mileage, the County and each city will submit the cumulative number of paved and maintained lane miles as recorded by its automated pavement management system. (A one-mile segment of a four-lane street equals 4 lane miles). This information will be submitted by July 31 of each year, and STA staff will circulate all entities' lane mileage data to each entity's transportation director for review and comment. In addition, staff will circulate a draft estimate of each entity's annual allocation of **New Measure A** on-going program funds prior to formal presentation to your Board. The annual schedule of related tasks follows:

- May: Receive County & city population estimates from State DOF.
Solicit cumulative paved/maintained street & road lane mileage from County and cities' pavement management systems.
- July: Receive cumulative paved/maintained street & road lane mileage from County and cities' pavement management systems; circulate data to County and cities' transportation directors for review.
- Sep/Oct: Prepare draft forecast of **New Measure A** on-going program revenues during the next fiscal year and estimated allocation to each eligible entity; circulate to agency directors for review.
- Nov/Dec: Submit forecast of **New Measure A** on-going program revenues during next fiscal year and estimated allocation to each eligible entity to STA Board for adoption.
- Jan-Mar: Entities submit **New Measure A** expenditure requests for next fiscal year.
- Mar-Apr: STA staff reviews expenditure requests for consistency with Ordinance and adopted definitions of **New Measure A** expenditure categories.
- Apr-June: STA Board conducts hearings on entity expenditure plans.
- June: STA Board approves entity expenditure plans for next fiscal year.

New Measure A revenues will commence with the fourth quarter of FY 2008/09. Your Board will adopt the FY 2008/09 revenue estimate this Fall. Discussion on this process for forecasting and allocating on-going program revenues originated at your Board's April meeting.

Attachment