

CALIFORNIA'S REGIONAL TRANSPORTATION PLANNING AGENCIES

DISCUSSION DRAFT

August 22, 2001

Mr. Allen M. Lawrence, Chairman
California Transportation Commission
1120 N Street
Sacramento, CA 95814

RE: Proposals for Reform of Transportation Enhancement Activities (TEA) Program

Dear Chairman Lawrence:

The Regional Transportation Planning Agencies have carefully reviewed the CTC's proposal for reform of the TEA program. Overall, the group strongly supports the reforms and finds that the CTC proposal has many valuable components. However, we have strong concerns that certain provisions of the proposal will affect our ability to deliver TEA projects in a timely manner. We appreciate your consideration of these concerns and ask you to modify the proposal in the manner listed below.

Strong Support for These Proposals:

1. **Removal of Spending Deadlines.** Agencies support all of the proposals in Item 7. In particular, we appreciate the proposal to relax the SB 45 deadlines for this year and the next. We are working hard to deliver our projects, but due to the late start in the program and the ongoing project delivery issues for certain projects we may fall short of this goal. We therefore appreciate the CTC providing some flexibility in meeting the spending deadlines.
2. **Federal Process Streamlining.** Streamlining of the federal process is the single most important way to deliver TEA projects in a timely manner. If other states are able to push FHWA to streamline the delivery of TEA projects, we concur that California should adopt these same streamlining procedures.
3. **Caltrans Training, Esp. at District Level.** The next most important way to improve TEA project delivery is to have better training and support for project sponsors, particularly at the Caltrans District level. For this reason, we strongly support the proposals for increased Caltrans involvement, a single Caltrans point of contact at the District level, creation of a TEA manual, improvement of the website, and new training so that District-level assistance and expertise would be developed and available to both regional agencies and project sponsors.
4. **Retaining the 75%/25% Formula.** We support the proposal to retain the regional/state funding formula as it currently exists. Many of the TEA projects are small but critical local projects that are identified as part of the regional needs assessment process. Smaller counties will often not receive any TEA funds from the statewide share, but they will be assured of a reasonable share of funds under the current 75% regional /25% state share funding formula.

5. No Statewide Application Is Good. We were pleased to see that there was no proposal for a statewide standardized application. The program is used in many ways throughout the state and benefits from retaining this flexibility.

Strong Opposition to These Proposals:

6. Annual Programming of Regional Funds--is costly and inefficient. Project delivery will suffer if regional agencies are required to allocate funding every year for the TEA program. Small agencies in particular will be placed at a great disadvantage due to the cost of an annual competitive grant program. Instead, we propose that agencies be allowed the flexibility to participate in the program in a given year, or wait until every two or three years as is most cost effective. We therefore would like Item 1E eliminated from the proposals. There are several reasons why agencies would like the flexibility to program several years of funding, as is allowed for the STIP. First, many agencies do not receive enough regional TEA money each year to merit an annual program and also do not have the staff to conduct an annual competitive program. Second, if funds are distributed over several years, a "pipeline" of projects can be created through which projects will flow over time; if funds are programmed every one or two years, projects are more likely to run late. Many TEA projects have more than just a two year lead time and therefore require a longer lead time. Finally, small agencies would like to save up their TEA funds for a larger project and therefore require programming several years at a time.
7. Limiting Funding to Construction/ROW--will only delay projects. The bottom line is that removing funding for project development will delay project delivery or eliminate many valuable projects from participating the program. First, agencies unfamiliar with federal requirements may neglect to follow the proper federal environmental procedures and will have to redo this work once they receive TEA construction funds. The result will be more project delays. Giving grant money for project development will avoid this potential pitfall. Second, small agencies or grantees will be at a severe disadvantage if they must front their design and environmental costs before knowing if they will receive a grant. They simply will not be able to participate. Third, since design and environmental costs usually run between 20% and 25%, the result of this policy would be to increase the local match above its current federal requirement of 11.5%. Agencies with limited matching funds would therefore not be able to participate. For all of these reasons, we oppose limiting TEA funds to construction and ROW only.
8. Proposed Eligibility Screening Process—is certain to delay project delivery. With CMAQ projects, regional agencies screen for eligibility and work with Caltrans *at the district level* when questions arise. Major difficulties (only) are resolved at the headquarters level. The CMAQ system would work well for TEA. This last cycle agencies were required to send all of the applications to Caltrans headquarters for review. That centralized review system resulted in substantial project delivery delays and added little to the process. At least 80% of the projects are clearly eligible (bike paths, sidewalks, landscaping). If there are concerns with projects that fall into the grey area, we recommend that Caltrans develop a set of eligibility guidelines for these types of projects.
9. Requiring Projects to be in a Plan—adds another level of bureaucracy with limited benefits. Some projects such as bicycle projects are likely to be in a plan, while pedestrian projects or historical transportation facility remodeling are unlikely to be listed in a plan. Some projects would be in a non-public agency plan, also. Inclusion in a plan doesn't necessarily make the projects any better or more deliverable. We would recommend making the planning requirement optional.
10. Synchronized Timing of Applications – will limit our ability to leverage funds. Many regions combine the TEA program applications with other funding program applications. This is an efficient way to combine the distribution of funds for both the applicant and for the regional agency. It allows agencies to combine different funding sources to fully fund projects and therefore deliver them more

quickly. If funding cycles are set at a statewide level, this leveraging cannot be effectively coordinated.

Thank you for the opportunity to comment on these proposals. As always, we appreciate the CTC working with the regional agencies to craft a mutually agreeable program. We look forward to working with your staff to incorporate these changes.

Sincerely,

Debra A. Whitmore
Vice Moderator

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**SUMMARY OF
REGIONAL TRANSPORTATION PLANNING AGENCIES' CONCERNS WITH
PROPOSED TEA PROGRAM REFORMS**

Strong Support for These Proposals:

1. Removal of Spending Deadlines
2. Federal Process Streamlining
3. Caltrans Training and Assistance, Especially at District Level
4. Retaining the 75% regional share /25% state share Formula
5. No Statewide Application

Strong Opposition to These Proposals:

6. Annual Programming of Regional Funds
-- is costly and inefficient.
7. Limiting Funding to Construction/ROW
--will only delay projects.
8. Proposed Eligibility Screening Process
--is certain to delay project delivery.
9. Requiring Projects to be in a Plan
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