

# Memorandum

**To:** Chair and Commissioners

**Date:** December 5, 2008

**From:** JOHN F. BARNA, JR.  
Executive Director

**File:** Tab 81  
Action

**Ref.:** Proposition 1B State-Local Partnership Program Guideline Issues

This book item includes the staff recommendation for adoption of the State-Local Partnership Program (SLPP) Guidelines. The recommended guidelines address questions and issues raised at the first hearing in October and in other discussions with regional and local agencies. They represent a broad consensus on most of the issues identified. There are, however, four proposals from regional agencies that we have not recommended.

(1) Reimbursement of prior expenditures. Some agencies have proposed that the guidelines permit SLPP allocations to reimburse prior expenditures. We have not proposed this because the Commission does not have authority to approve grants of state funding to local agencies for prior expenditures without specific legislative authorization. AB 286 did not provide that authorization for the SLPP.

(2) Match credit for prior expenditures. Some agencies have proposed that the guidelines permit prior expenditures to be counted toward the required local match, including funds expended on preconstruction work. We have not proposed this because it would be inconsistent with the commission's policy for match in other Proposition 1B programs and inconsistent with our understanding of legislative intent for requiring a match.

(3) Multiyear commitment of SLPP funds. Some agencies have proposed that the guidelines permit the full funding plan for a current year project allocation to include SLPP funds anticipated in future years. We have not proposed this because the statutes do not establish SLPP funds as a local entitlement and because it would imply a commitment of future state funds that the commission is not in a position to make. Instead, the draft guidelines would have the Commission acknowledge a region's intent to request SLPP funds in a later year to supplement an initial SLPP allocation and would permit an agency to request supplemental SLPP funding to replace local funding initially committed to a project.

(4) Formula shares for cities in Nevada and Mendocino Counties. These two counties have citywide transportation sales taxes and no countywide transportation sales tax. The two regional agencies have proposed that the SLPP formula distribution in the guidelines be modified so that a city's share would be based on its percentage of countywide general sales tax collections rather than on the city's population. The Commission asked staff to explore this further and seek guidance on legislative intent. We did that through legislative staff, and their advice was that any proposal to modify the formula should be addressed in legislation. Although they recognized the lack of clarity regarding cities in AB 286, they agreed that our original interpretation was the appropriate one.