



Approve Memoranda of Understanding with El Dorado County Transportation Commission and Placer County Transportation Planning Agency

Consent

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**Attachments:** Yes

**Approved by:** James Corless

**Referring Committee:** Policy & Innovation

**Issue:**

Approving new memoranda of understanding (MOUs) between SACOG and El Dorado County Transportation Commission (EDCTC) and SACOG and the Placer County Transportation Planning Agency (PCTPA) detailing the roles and responsibilities of each agency, particularly in the areas of state and federal transportation planning and funding requirements.

**Recommendation:**

The Policy and Innovation Committee unanimously recommended that the board approve the MOUs between SACOG and EDCTC, and between SACOG and PCTPA; and authorize the executive director to execute these MOUs.

**Background/Analysis:**

While SACOG is designated as the federal Metropolitan Planning Organization (MPO) for the six-county region, the State of California has also designated three state Regional Transportation Planning Agencies (RTPA) for the six-county region: SACOG for Sacramento, Sutter, Yolo and Yuba counties, and El Dorado County Transportation Commission (EDCTC) and the Placer County Transportation Planning Agency (PCTPA) for their respective counties.

Since 1993, SACOG has had memoranda of understanding with EDCTC and PCTPA to coordinate transportation planning and programming under state and federal laws within those two counties. These long-standing memoranda established practices for how we administer Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality (CMAQ) funds within our region and the unique roles of EDCTC and PCTPA to administer funding programs in their counties similar to the four-county funding program administered by SACOG.

In 2021, the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) issued a corrective action to Caltrans as part of the certification of the 2021 Federal Statewide Transportation Improvement Program (FSTIP) regarding suballocation and administration of STBG and CMAQ funds. While this corrective action was issued to Caltrans, it has a direct impact to SACOG, because SACOG is designated as the federal MPO for the six-county region, and SACOG has responsibility for allocating and administering funds.

There were three issues that changed the responsibilities between SACOG and its two RTPA partners:

1. Federal transportation funding cannot be suballocated by mode or by population to cities and counties;
2. MPOs must be involved in the eligibility screening conducted prior to project selection for compliance with Federal program guidance and regulations; and
3. Federally funded transportation projects must be selected and approved by the MPO.

In February 2023, the Board of Directors approved a new target-setting process and project selection process for federal funds to comply with the corrective action. **Attachment A** is the target setting process for federal funds approved by the board. **Attachment B** is the federal project selection process.

#### **Discussion/Analysis:**

Since the adoption of the new target-setting process and project selection process by the board last year, staff has worked closely with its counterparts at EDCTC and PCTPA to renegotiate the memoranda between SACOG and each RTPA. This has been a collaborative process to ensure not only that the attached MOUs reflect the requirements of the corrective action, but that we also have a better understanding of the roles and responsibilities of one another.

The MOUs do not reflect a change in responsibilities between SACOG and EDCTC or PCTPA. Rather, they memorialize state and federal responsibilities of both parties to each MOU, and lay out steps so that future staffs and boards have a clear understanding of how the agencies work together.

Both EDCTC and PCTPA staff agreed that a new MOU rather than an amendment to the existing agreements would be more effective to clarify the roles of each agency in the following areas: federal air quality standards, development of SACOG's MTP/SCS (Blueprint), development of EDCTC's or PCTPA's Regional Transportation Plan, federal and state funding and programming, technical support from SACOG to each RTPA, and establishing a structure for more formal cooperation on shared work by ensuring staff are working closely together at all levels of the organizations.

In addition to these changes, both agreements also modify the compensation to SACOG. Historically, both EDCTC and PCTPA have contributed to SACOG for the work it provides in each county. There have been both changes in the state and federal requirements since the existing MOUs were written which have added to the work of all three agencies, even in areas where SACOG is the responsible agency (e.g., supporting local agencies in pursuing competitive federal grants, development of the sustainable communities strategy). Additionally, the funding being provided to SACOG cumulatively grew at a rate higher than annual inflation. As such, the new MOUs reduce the funding in the first year from current levels, while at the same time indexing increases based on inflation. This provides more certainty to SACOG, EDCTC and PCTPA going forward. Most of the reduction in funding is offset by additional federal funding for administration available to SACOG since EDCTC and PCTPA do not have responsibility over federal funds for their respective counties.

On March 7, the El Dorado County Transportation Commission unanimously approved the new MOU between EDCTC and SACOG (**Attachment C**). For reference, **Attachment D** is the existing MOU between EDCTC and SACOG.

On February 28, the PCTPA Board of Directors unanimously approved the new MOU between PCTPA and SACOG (**Attachment E**). For reference, **Attachment F** is the existing MOU between PCTPA and SACOG.

**Fiscal Impact/Grant Information:**

These memoranda reduce the direct funding SACOG receives from EDCTC and PCTPA. In the current fiscal year, PCTPA pays SACOG \$522,755. In the next fiscal year, PCTPA will pay SACOG \$330,000. In the current fiscal year, EDCTC pays SACOG \$174,359. In the next fiscal year, EDCTC will pay SACOG \$100,000. The draft 2024-2025 budget and OWP include the reduction in funding to SACOG.