

Funding Round Working Group

Meeting Summary – March 16, 2023

On March 16, 2023, the first Board Funding Round Working Group was held after the scheduled SACOG board meeting. SACOG staff (Kristina Svensk, Transportation Director, Erik Johnson, Deputy Executive Director – Operations, and Chris Dougherty, Senior Planner) provided a background information that will inform future decisions, what the goals of the group are, and what the workplan/structure will be moving forward. Director Thomas, El Dorado County Supervisor, was introduced as the Chair for the working group.

A brief overview of the structure was presented, including the role of the group and its relationship to the staff-level working group that was formed to meet in parallel. It was emphasized that there is a strong need for robust conversation about the development of the next funding round from elected officials in the 6-county region, as well as the staff that are submitting applications for funding. SACOG staff explained that there will be a representative from the staff working group that would attend the future board working groups in order to provide synergy and cross-collaboration.

SACOG staff presented the workplan for the group, including a schedule with three meetings in 2023 and three meetings in 2024. The first year of meetings is set to provide guardrails and background (i.e. how does this effort align with the Blueprint and Triple Bottom Line), and the following year will have more detailed conversations and substantive discussions around the framework and guidelines of the next funding round.

Erik Johnson presented an overview of the Corrective Action process, which will form the basis for how our funding round will need to be structured and what policy will guide the process. He informed the group that their role is mostly tied to the process, and how target setting will be incorporated.

- Director Branscum asked for clarification on who issued the Corrective Action, and SACOG confirmed it was FTA and explained that Caltrans received the corrective action, which stated that federal funding cannot be suballocated directly RTPAs (PCTPA and EDCTC) by the MPO, and that a process must be developed that does not use population formula.
- Director Branscum asked why population cannot be used; SACOG explained that there must be a competitive process based on performance measures. The process that the board adopted earlier in the year that included process framework rather than specific criteria, as well as not dividing funding by population, will ensure we don't lose federal funding.
- Director Desmond asked if we have to exclude population entirely, or can we consider population in the framework at all. SACOG clarified that we can have targets at the county level, and projects need to show benefits, and as a result, population isn't explicitly ignored, it just is not a specific defined criteria for funding award.
- Director Branscum asked for more clarification on how population can be ignored when SACOG board votes based on population. SACOG clarified that we can't say we'll ignore population, but it is the targets that we will develop that will constrain us more. Additionally, it was noted that targets are not guarantees for any one county, and are very important for things like equity across the region, but that the project scores ensure benefits of the projects.

SACOG staff discussed the connections between the MTP/SCS (Blueprint) and the MTIP, and how those documents along with the funding round need to be consistent. An overview of the funding available to our funding round was provided, including federal sources (STBG and CMAQ) and state sources (STIP). Projects that are awarded CMAQ funds must quantify some level of emissions benefits, and this accounts for 1/3 of our funding. STBG is our most flexible funding sources, and cannot be used on local streets; this is used a lot for road rehabilitation projects, and is another 1/3 of our funding. Currently STIP is pooled for the 4-county region and the RTPAs receive funding directly; this may be an area to look at with a new 6-county funding process for federal funds. STIP funds can only be used on fully funding phases of projects, like Preliminary Engineering (PE), Right of Way, and construction (CON). These funds must go through CTC for allocation. The overall MTIP process was summarized, including that funding round awards get programmed into the MTIP.

New IJJA funds like Carbon Reduction Program, PROTECT, Safe Streets for All, and others are beginning to come in but are not as large as other programs that we have now. Many of the new programs from IJJA are competitive at the federal level, rather than formula funds.

- Director Branscum asked if these sources are susceptible to political challenges in Washington DC. Staff confirmed that some are longer term, like Carbon Reduction, which are set for a given timeframe, but federal grant programs can change with administrations.
- Director Thomas added that CMAQ, STBG and STIP are only a small portion of transportation funds in the region. Staff confirmed that our MTP/SCS reflects about \$35billion in needs, however the SACOG funding round is only 7 percent of that.

Staff discussed the goals for the group, and the need for board buy-in throughout the process. Discussion was opened for what the outcomes are that we want to see for the funding round, and highlighted parameters related to CAPTI and equity that must be addressed.

- Director Joiner stated that for a county like Placer, equity is a challenge because they don't have defined Disadvantaged Communities, and that most mobility issues are related to senior. Staff discussed the federal Justice40 program and state DAC definitions, but we don't need to strictly stick to those. It was noted that no project is going to score really well on all project criteria, but that doesn't mean a project won't get awarded funding. This process is going to have flexibility built-in, but it does need to incorporate equity; the discussion moving forward should be focused on what equity looks like in our region, and how the local agencies/communities define it.
- Director Desmond noted that Placer and El Dorado Counties are new to the SACOG funding round process, so this group can help broaden the definition of equity, but it should not be the exclusive factor. Staff confirmed that it would be a core tenet of the funding round, but not exclusively reliant upon equity. Other criteria will be developed that help to identify and highlight the core strengths of projects. We should be looking at things that we can easily measure.
- Director Branscum suggested that equity is the least susceptible to objective metrics, while others are objective. We will need to be able to ask and answer "How did you evaluate equity?" Staff discussed that the tools for the funding round can be improved for equity, and that we will be looking overall at both qualitative and quantitative metrics.

- Director Guerrero noted that equity is wide ranging, and that it is things like opportunities for local jobs and the ability to get skills and access to jobs. An equity lens could enhance the environment for those disadvantaged communities for many years. Staff expanded that equity is tied to quality of life – congestion in disadvantaged communities, for example, and how can our projects minimize those impacts.
- Director Harris noted that equity means everyone has equal opportunity to access jobs as well as equal opportunities for safety.
- Woody Deloria (Chair of the staff funding round working group) noted that innovation was an emerging metric, and that innovation in Pollock Pines used to mean a sidewalk. He stated that EDCTC will work with SACOG to identify disadvantaged communities and cohorts, which can be found across the region.
- Director Desmond asked about the formulaic allocations no longer being allowed, and that Placer and El Dorado have always had control of their funds. Is there a possibility that a jurisdiction will not receive anything, and can we look at equity among all participating members over time? Executive Director James Corless stated that can definitely happen, and has happened with other funding programs. As part of this process, we cannot guarantee a percentage, even though everyone has needs. If a jurisdiction is being shut out repeatedly, then we have larger questions to be asking ourselves about why that is happening.

Staff wrapped up the meeting discussing the next meeting will focus on a post-mortem review of the last funding round. The hope is that the group can take a good look at the last few funding round cycles and identify what we can do to help agencies be more competitive, especially with the new 6-county structure.