

**Sacramento
One Voice**



Council of

Fresno

County Governments

TRANSPORTATION FUNDING -- Protect Prop 42

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2010 Regional Issues Summary

TRANSPORTATION FUNDING

Protect Prop 42 from State Budget Shortfall Transfers

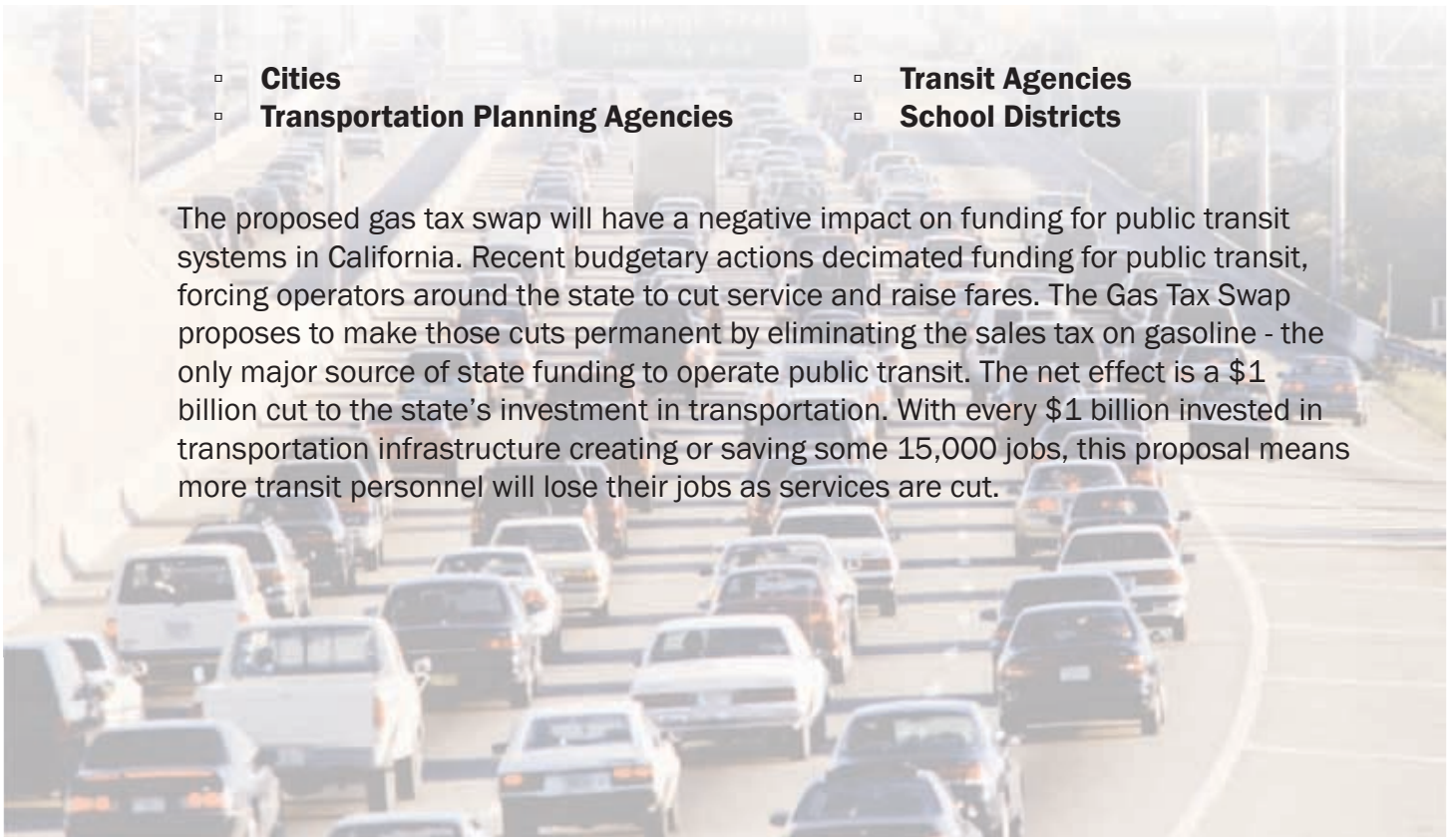


Oppose the Gas Tax Swap

- Support full dedication of gasoline sales taxes to transportation and oppose the practice of directing gasoline “spillover” funds to the state general fund to be used for other purposes.
- Protect Proposition 42 (Transportation Congestion Improvement Act) and other transportation funds from being diverted to other purposes in the state budget as this will have a severe negative impact on:

- **Cities**
- **Transportation Planning Agencies**
- **Transit Agencies**
- **School Districts**

The proposed gas tax swap will have a negative impact on funding for public transit systems in California. Recent budgetary actions decimated funding for public transit, forcing operators around the state to cut service and raise fares. The Gas Tax Swap proposes to make those cuts permanent by eliminating the sales tax on gasoline - the only major source of state funding to operate public transit. The net effect is a \$1 billion cut to the state's investment in transportation. With every \$1 billion invested in transportation infrastructure creating or saving some 15,000 jobs, this proposal means more transit personnel will lose their jobs as services are cut.



HIGH SPEED RAIL

Fresno County Expression of Interest

- Support federal and state funding for the development of the high-speed rail system in California.

- Promote Fresno County's *Expression of Interest* to locate the High Speed Train heavy maintenance facility on the proposed site in Fresno County.



Fresno County's Expression of Interest for the High-Speed Train Heavy Maintenance Facility has been submitted to the High-Speed Rail Authority. This proposal, referred to as "Fresno Works," identifies a site area encompassing nearly 700 acres adjacent to the BNSF alignment. This larger site area gives the Authority maximum flexibility as to how it may wish to develop the roughly 150 acre HMF. "Fresno Works" is a coalition of City, County, Council of Governments, labor, business, education, economic development, etc. working together to bring forward a technically responsive and compelling expression of interest to secure the Heavy Maintenance Facility for Fresno.



WATER

Quality, Supply and Reliability for the San Joaquin Valley

Fresno COG urges the support of the proposed state water bond to be placed on the November 2010 ballot

- Water is currently the most critical issue being faced by the San Joaquin Valley. The San Joaquin Valley needs the support and partnership of State and Federal legislators, and water management and infrastructure agencies as we work through the complex issues surrounding water supply, reliability, and quality.
- The region relies on a combination of ground water pumping and surface water deliveries to supply its water needs, which are crucial to Fresno County's and the San Joaquin Valley's ag-based economies.
- The successes or failures of the agricultural industry reverberate throughout the regional economy.
- The loss of surface water supplies over the last decade, especially the last two years of drought exacerbated by pumping restrictions in the Sacramento-San Joaquin Delta, have put a tremendous strain on the agricultural economy and the communities it supports.
- As drought and Delta pumping restrictions reduce surface water supplies, increased pumping pressures are placed on groundwater supplies, risking the long-term reliability and quality of these crucial water sources.



PROP 84/SB 375

Sustainable Communities Strategy



Support sufficient Prop 84 funding to offset the costs of implementing SB 375 requirements for MPOs and their local agencies.

The target setting process for greenhouse gas reduction mandated by the California Air Resources Board (CARB) will require development of technical and informational tools necessary to meet SB 375 requirements.

Following the target setting process, the regions will be required to develop fiscally constrained, sustainable community strategies (SCS) as part of the Regional Transportation Plan (RTP); or to develop an alternative planning strategy (APS) in case the SCS falls short of feasibility.



SB 375 will direct regions to meet greenhouse gas reduction targets that will be set by the California Air Resources Board (CARB) in September 2010. CARB is working with regional agencies (RTPAs/MPOs) in this target setting process by allowing considerable input from the regions themselves. Following the target setting process, the regions will be required to develop fiscally constrained, sustainable community strategies (SCS) as part of their Regional Transportation Plan (RTP); or to develop an alternative planning strategy (APS) in case the SCS falls short of feasibility.

Proposition 84 (Prop 84) is currently the major funding mechanism for the implementation of SB 375. Overseen by the Strategic Growth Council (SGC), nearly \$65 million of the original \$90 million remains available for related planning efforts. The planning funds will be made available through a competitive grant application process, predominantly to cities, counties, MPOs, RTPAs and transportation commissions.

Regional and local agencies are being strongly encouraged to work together on their applications to ensure consistency with regional Blueprint and sustainable development goals. It is likely that such collaboration will result in more competitive applications and perhaps higher funding levels.

In October 2009, an early release of \$10 million of Prop 84 funds was made available to the State's MPOs to produce Modeling Improvement Plans (MIPs) designed to fill the gap of technical modeling deficiencies. MIPs are to be the technical and informational tools used to model and inform the SCS/SB 375 process.

ECONOMIC DEVELOPMENT

Infrastructure and Employment

Based on the understanding that Jobs For Mainstreet expected to pass at the federal level, we are hopeful that upon implementation of Stimulus II, the State of California will consider the following suggestions.

- Promote the inclusion of transportation and other types of infrastructure funding in any state and federal proposal for an economic stimulus package.
- Support policies that create the skilled, labor-ready workforce that Fresno County desperately needs to combat high rates of unemployment and poverty of Fresno County families.
- Remove policy obstacles to the regional economy as a whole, and direct job-creation provisions, including a direct wage subsidy for small businesses to create jobs and grants to retrofit public buildings.



Support the efficient implementation of the California Employment Development Department's (EDD) California Training Benefit program, by removing the Unemployment Insurance (UI) benefits bottleneck, and extend the funding spend down limit for the New Start Program.

UNEMPLOYMENT BENEFITS

Currently, the system in place penalizes an individual for seeking training resulting in a detriment not only to the individual but to the regional economy as a whole as this perpetuates and contributes to growing an unskilled labor force.

If a UI beneficiary is eligible as a WIA client for training through the California Training Benefit program, the claimant is required to have that training approved by the EDD; until a determination is made, UI benefits are frozen. Approximately 6 weeks after a request is made, a phone interview is scheduled with the client to determine if the training meets the EDD criteria. The idiosyncrasy is that all WIA training is EDD approved, virtually guaranteeing the acceptance of the training program that is in review. Once accepted, the claimant can expect to have their UI benefits reinstated 2 weeks later. Thus, an unemployed citizen seeking job skills training will have to weather up to 8 weeks of no income so a determination can be made that is already known – the training meets EDD standards.

PROPOSED SOLUTION:

The problem of this bottleneck can be mitigated if the EDD reverts to the process that was previously in place that allowed local EDD staff to approve such training.

NEW START PROGRAM

The second round of funding for the New Start program put forth through the EDD and Department of Corrections has a spend down date of September 30, 2010.

Currently, we are working to spend the \$175k by 6/30/10; the second round of stimulus funding totalling nearly \$300k needs more time to ensure the most effective use of funds.

PROPOSED SOLUTION:

We are requesting that the second round of stimulus funding spend down date be extended to June 30, 2011.



PROCESS STREAMLINING

Environmental Permitting for Green Certified Sites

Support efforts of the Governor's Renewable Energy Policy Group (REPG) and Renewable Energy Action team (REAT) that will dedicate resources to coordinate, streamline, and accelerate permitting of renewable energy projects.

- 90 day comment review period for Environmental review agencies
- Application of standard mitigation measures specific to each type of renewable energy project.

Process Streamlining will result in the reduction of entitlement schedules by 30 to 75 percent. Through the initiation of comprehensive environmental reviews and preliminary entitlement procurement, in collaboration with the counties as well as the rural, economically depressed cities, the State of California will be able to maximize existing transportation infrastructure and minimize negative impacts on regional assets and resources such as water and productive agricultural lands.

Background:

Unfortunately, the San Joaquin Valley is one of the poorest regions in the Country. A 2004 study commissioned by the Congressional Research Office illustrated that the region received less federal economic support on a per capita basis than any other area in the United States. The findings of the study were confirmed in 2007 and since then, economic conditions have worsened. The San Joaquin Valley has the highest unemployment, the highest home foreclosure rates, and the worst poverty in the nation. In addition to the economic problems, the San Joaquin Valley is the only region in the Country with air quality so poor that all new development must pay "Indirect Source" fees to the Regional Air Pollution District.

Despite challenging demographics, Fresno County is positioned to take advantage of a tremendous new opportunity. Renewable Energy has become a top priority for the State of California and for the Federal Government. Fresno County's central location in the region and its abundant sunshine provide the necessary foundation to create a new economy based upon renewable energy.

Policy Goals:

To produce shovel ready, project sites that will allow clean energy development including wind, solar, geothermal, hydropower, energy storage, smart grids, biomass, biogas, and biofuels.

Process Streamlining will lead to the creation of advanced green industrial sites, new green jobs, substantial outside investment, and sustainable, regional economic stimulus. It will foster innovative green technology advances at all levels including in architecture, engineering, construction and manufacturing.

In addition to having a positive impact on job creation and the economy, this approach will also have a positive impact on key quality of life issues, including poverty, unemployment, air, land, water, energy and food (agriculture) in seriously distressed areas of Fresno County. This impact will contribute to the fulfillment of long-term environmental and economic goals, reducing the state's reliance on outside sources of energy and water.



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