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July 25, 2024

Rafael Martinez  
Director, Department of Transportation  
2850 Fairlane Court  
Placerville, CA 95667

*Rafael*  
Dear Mr. Martinez,

EDCTC staff prepared this letter to help support and inform the El Dorado County Department of Transportation's (DOT) analysis of projections of future state and federal transportation grant funding assumed to be available to the Transportation Impact Fee (TIF) program.

In preparing the financial element of the Regional Transportation 2025-2045 (RTP), EDCTC staff recognized that recent changes to state and federal transportation policies such as the State's Climate Action Plan for Transportation Infrastructure (CAPTI) and Caltrans System Investment Strategy (CSIS) in California and the Federal Justice 40 initiative may impact our region's ability to successfully compete for competitive transportation funding administered by state and federal agencies. This includes funding available from state programs administered under Senate Bill 1 and the federal Infrastructure Investment and Jobs Act.

As a result of those changes, state and federal agencies that administer transportation funding programs do not currently support investments in large, capacity-increasing projects, interchanges, and other traditional transportation projects. Based on that, EDCTC concluded that the amount of future discretionary state and federal funding that could be secured by the region is likely to be less than the long-term historic average, and that until transportation funding policies revert to more traditional objectives, funding will remain focused on investments that combat climate change and on urban disadvantaged regions.

However, EDCTC anticipates that some large transformative projects will secure competitive state or federal funding over the 20-year life of the RTP, but it is likely that fewer of those projects will be awarded funding than during the previous 20 years.

To account for the potential reduction in future state and federal transportation funds coming to the region over the 20-year life of RTP 2025-2045, EDCTC staff prepared four RTP draft funding scenarios for consideration and discussion at the EDCTC Board meeting on August 1, 2024. Of the four draft scenarios, EDCTC staff recommends Scenario 2, Policy Shift Moderate, outlined below. Please note that the numbered scenarios proposed by EDCTC pertaining to the RTP draft funding scenarios do not correspond to the scenarios included in the County's Board item.

## EDCTC Draft Scenario 2: Policy Shift Moderate

Scenario 2 reduces the amount of funding expected to be received through competitive state and federal funding opportunities by 50% while all other funding levels, including the federal CMAQ and Urban STBG now administered by SACOG, to remain at or close to historical averages. This is partly due to the fact that when EDCTC still administered CMAQ and Urban STBG funds, it programmed the available CMAQ and Urban STBG funds out to Fiscal Year 2026/27, which accounts for three of the five CMAQ and Urban STBG funding years before the next RTP is prepared in 2030, ensuring that historic funding levels of CMAQ and Urban STBG are maintained during those three years. In summary, the EDCTC staff's recommendation of Scenario 2:

- Reflects the shift in transportation policy toward investments which combat climate change and no longer support capacity-increasing transportation projects.
- Acknowledges the focus on investing transportation funds in urban communities with concentrations of underserved and disadvantaged persons.
- Accounts for the shift toward increasing investment in transit and active transportation.

The approach outlined in Draft Scenario 2 looks back over the past 20+ years of transportation funding and recognizes that policies in place today are not reflective of those that shaped funding programs in the late 1990's and early 2000's. While the amount of funding expected to be received through competitive state and federal funding opportunities is expected to be reduced by 50%, EDCTC staff is confident that competitive funding managed at the regional and local level will still be available to support projects submitted by partner agencies in amounts similar to, if not equal to, historic levels. This includes the federal CMAQ and Urban STBG funding now administered by SACOG due to the 2021 FHWA corrective action imposed on Caltrans. EDCTC worked closely with SACOG and jurisdictions within the six-county region to develop a competitive funding round structure intended to provide all jurisdictions with a fair and equitable opportunity to continue to receive funding at their historic levels. While there is potential variability in the amount of funding jurisdictions may receive from one funding cycle to the next, EDCTC staff is confident that the federal CMAQ and Urban STBG funding DOT and the region receives from SACOG will, over time, remain consistent with historic funding levels. However, it is becoming increasingly clear that traditional roadway and highway capacity increasing projects like those in the TIF program will most likely be less competitive in future years if the circumstance around transportation policy remains consistent here in California.

The RTP 2025-2045 draft funding projections described above are intended to be used for development of the RTP and have no direct connection to the County's TIF program. However, the RTP's draft funding projections may assist with and inform the development of the TIF program, especially when evaluating the amount of future grant funding assumed to be available. Please let me know if you have any questions or need additional information.

Sincerely,



Jerry Barton

Senior Transportation Planner