



SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS
900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017
T: (213) 236-1800
www.scag.ca.gov

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Cheryl Viegas-Walker, El Centro

REGULAR MEETING (V) #0 0-) 0-00@V

EXECUTIVE/ ADMINISTRATION COMMITTEE

PLEASE NOTE MEETING ROOM LOCATION*

*Thursday, March 5, 2020
9:00 a.m. – 10:00 a.m.*

**SCAG MAIN OFFICE
900 Wilshire Blvd., Ste. 1700
RC Board Room*
Los Angeles, CA 90017
(213) 236-1800**

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Tess Rey-Chaput at (213) 236-1908 or via email at REY@scag.ca.gov. Agendas & Minutes are also available at: www.scag.ca.gov/committees

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. SCAG is also committed to helping people with limited proficiency in the English language access the agency's essential public information and services. You can request such assistance by calling (213) 236-1908. We request at least 72 hours (three days) notice to provide reasonable accommodations and will make every effort to arrange for assistance as soon as possible.

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EAC - Executive/Administration Committee
Members – March 2020

- 1. Hon. Bill Jahn**
Chair, Big Bear Lake, RC District 11
- 2. Hon. Rex Richardson**
1st Vice Chair, Long Beach, RC District 29
- 3. Hon. Clint Lorimore**
2nd Vice Chair, Eastvale, RC District 4
- 4. Hon. Alan Wapner**
Imm. Past Chair, SBCTA Representative
- 5. Hon. Stacy Berry**
CEHD Vice Chair, Cypress, RC District 18
- 6. Sup. Linda Parks**
EEC Chair, Ventura County Rep.
- 7. Hon. David Pollock**
EEC Vice Chair, Moorpark, District 45
- 8. Hon. Cheryl Viegas-Walker**
TC Chair, El Centro, RC District 1
- 9. Hon. Jess Talamantes**
TC Vice Chair, Burbank, RC District 42
- 10. Hon. Jan Harnik**
LCMC Chair, RCTC Representative
- 11. Hon. Margaret Clark**
LCMC Vice Chair, Rosemead, RC District 32
- 12. Hon. Frank Navarro**
Pres. Appt., Colton, RC District 6
- 13. Hon. LDennis Michael**
Pres. Appt., Rancho Cucamonga, RC District 9
- 14. Hon. Margaret Finlay**
Pres. Appt., Duarte, RC District 35
- 15. Sup. Luis Plancarte**
Pres. Appt., Imperial County

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- 16. Hon. Andrew Masiel**
Tribal Govt Regl Planning Board Representative

- 17. Randall Lewis**
Business Representative, Non-Voting Member

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EXECUTIVE/ADMINISTRATION COMMITTEE OPEN SESSION AGENDA

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700 – RC Board Room
Los Angeles, California 90017

Thursday, March 5, 2020

9:00 AM

The Executive/Administration Committee may consider and act upon any of the items on the agenda regardless of whether they are listed as Information or Action items.

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

(The Honorable Bill Jahn, Chair)

PUBLIC COMMENT PERIOD

Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Committee, must fill out and present a Public Comment Card to the Assistant prior to speaking. Comments will be limited to three (3) minutes per speaker. The Chair has the discretion to reduce the time limit based upon the number of speakers and may limit the total time for all public comments to twenty (20) minutes.

REVIEW AND PRIORITIZE AGENDA ITEMS

ACTION/DISCUSSION ITEMS

1. Regional Early Action Planning (REAP) Grant Subregional Partnership Program and Funding Allocation Page 7
(Kome Ajise, Executive Director, SCAG)

RECOMMENDED ACTION FOR EAC:

Recommend Regional Council authorize staff to develop a process and formula to make up to 50 percent, or \$23,736,000 of REAP funds available to SCAG to: 1) incentivize and support local partnerships implementing eligible activities, leveraging SB 2 Planning Grants and Local Early Action Planning (LEAP) grant funds where appropriate; and 2) make funds available relative to each subregion’s total share of regional housing need, as determined by the adopted Regional Housing Needs Assessment (RHNA) allocation.

RECOMMENDED ACTION FOR CEHD:

Receive and File

RECOMMENDED ACTION FOR REGIONAL COUNCIL:

Authorize staff to develop a process and formula to make up to 50 percent, or \$23,736,000 of REAP funds available to SCAG to: 1) incentivize and support local partnerships implementing eligible activities, leveraging SB 2 Planning Grants and local LEAP funds where appropriate; and 2) make funds available relative to each subregion’s total share of regional housing need, as determined by the adopted Regional Housing Needs Assessment (RHNA) allocation.

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2. Resolution No. 20-619-1 : Preserving Naturally Occurring Affordable Housing Project Regulatory Agreement Page 12
(Kome Ajise, Executive Director, SCAG)

RECOMMENDED ACTION FOR EAC:

Recommend that the Regional Council adopt Resolution No. 20-619-1 to grant the SCAG Executive Director or his designee the authority to negotiate and execute up to eight (8) regulatory agreements with the National CORE/Watt Investment partners-related property owners for a pilot project that aims to preserve naturally occurring affordable housing.

RECOMMENDED ACTION FOR CEHD:

Receive and file

RECOMMENDED ACTION FOR REGIONAL COUNCIL:

Adopt Resolution No. 20-619-1 to grant the SCAG Executive Director or his designee the authority to negotiate and execute up to eight (8) regulatory agreements with the National CORE/Watt Investment partners-related property owners for a pilot project that aims to preserve naturally occurring affordable housing.

CONSENT CALENDAR

Approval Items

3. Minutes of the Meeting - February 6, 2020 Page 30
4. Contract Amendment, Contract 20-002-C01, Board Counsel Services Page 37
5. Contract Amendment Greater than 30% of the Contract’s Original Value, Purchase Order No. 007008, Electronic Signatures, Amendment 2 Page 44
6. Approval of the Fiscal Year 2020-21 Draft Comprehensive Budget Page 52

Receive and File

7. Road User Charges (RUCs) – Lessons Learned Page 125
8. CFO Monthly Report Page 157

CFO MONTHLY REPORT

(Basil Panas, Chief Financial Officer)

PRESIDENT’S REPORT

(The Honorable Bill Jahn, Chair)

EXECUTIVE DIRECTOR’S REPORT

(Kome Ajise, Executive Director)

ANNOUNCEMENT/S

ADJOURNMENT

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EXECUTIVE/ADMINISTRATION COMMITTEE CLOSED SESSION AGENDA

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

CLOSED SESSION

CALL TO ORDER

PUBLIC COMMENT PERIOD

RECESS TO CLOSED SESSION

CLOSED SESSION ITEMS

1. Conference with Legal Counsel - Existing Litigation

Pursuant to Government Code Section 54956.9 (d)(1): Liu vs CalPers and SCAG (Case No. 19STCP0456)

2. Conference with Legal Counsel - Anticipated Litigation

Pursuant to Government Code Section 54956.9 (d)(2) - One Case

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Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

To: Executive/Administration Committee (EAC)
Community
Economic & Human Development Committee (CEHD)
Regional Council (RC)
From: Kome Ajise, Executive Director, Executive Management, 213-236-1835, Ajise@scag.ca.gov
Subject: Regional Early Action Planning (REAP) Grant Subregional Partnership Program & Funding Allocation

EXECUTIVE DIRECTOR'S APPROVAL

Kome Ajise (handwritten signature)

RECOMMENDED ACTION FOR EAC:

Recommend Regional Council authorize staff to develop a process and formula to make up to 50 percent, or \$23,736,000 of REAP funds available to SCAG to: 1) incentivize and support local partnerships implementing eligible activities, leveraging SB 2 Planning Grants and Local Early Action Planning (LEAP) grant funds where appropriate; and 2) make funds available relative to each subregion's total share of regional housing need, as determined by the adopted Regional Housing Needs Assessment (RHNA) allocation.

RECOMMENDED ACTION FOR CEHD:

Receive and File

RECOMMENDED ACTION FOR REGIONAL COUNCIL:

Authorize staff to develop a process and formula to make up to 50 percent, or \$23,736,000 of REAP funds available to SCAG to: 1) incentivize and support local partnerships implementing eligible activities, leveraging SB 2 Planning Grants and local LEAP funds where appropriate; and 2) make funds available relative to each subregion's total share of regional housing need, as determined by the adopted Regional Housing Needs Assessment (RHNA) allocation.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

EXECUTIVE SUMMARY:

The California 2019-20 Budget Act, also known as Assembly Bill (AB) 101, appropriated one-time programs to provide regions with grants for planning activities to enable jurisdictions to increase housing planning and accelerate housing production in order to meet housing needs as determined by the Sixth Cycle Regional Housing Needs Assessment (RHNA). Local governments

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are separately eligible for formula-based planning grants under the Local Early Action Program (LEAP) and regional governments are eligible for grants supporting the RHNA process and support of LEAP activities under the Regional Early Action Planning Program (REAP.) Up to \$47.5 million is available for SCAG under the REAP for eligible activities.

Consistent with the Draft Regional Housing Program Framework of February 6, 2020, SCAG staff recommends authorizing staff to develop a process and formula to make up to 50 percent, or \$23,735,500 of REAP funds available to SCAG to: 1) incentivize and support local partnerships implementing eligible activities, leveraging SB 2 Planning Grants and local LEAP funds where appropriate; and 2) make funds available relative to each subregion's total share of regional housing need, as determined by the adopted Regional Housing Needs Assessment (RHNA) allocation.

BACKGROUND:

The California 2019-20 Budget Act, also known as Assembly Bill (AB) 101, appropriated one-time programs to provide regions with grants for planning activities to enable jurisdictions to increase housing planning and accelerate housing production in order to meet housing needs as determined by the sixth Cycle Regional Housing Needs Assessment (RHNA). Up to \$47,471,023 is available for SCAG under the Regional Early Action Planning (REAP) grants for eligible activities.

On February 6, 2020 the Executive/Administration Committee and Regional Council reviewed **information about the REAP and LEAP funds, including a Draft Regional Housing Framework and early survey indications of needs of SCAG jurisdictions**, and authorized SCAG staff to apply for up to twenty-five (25) percent of the \$47.5 million for early program funding. Information related to the early application was also shared at the February 6, 2020 CEHD Committee meeting. At the time of this report, SCAG staff is putting together an application to submit to the California Department of Housing & Community Development (HCD) based on this authorization.

As part of its regional commitment in assisting jurisdictions plan for and accelerate housing production while coordinating regional planning efforts, SCAG staff recommends setting aside up to fifty (50) percent of its total eligible REAP funding, or \$23,736,000 (rounded), for availability based on the aggregate share of regional housing need of jurisdictions within each subregion, or its final RHNA allocation.

Applications for LEAP funds by local governments are due to HCD by July 1, 2020. Due to the comparatively short time for expenditure of both the LEAP and REAP funds (2023) and the comparatively small amount of LEAP funds many of our jurisdictions are eligible for, partnerships addressing common activities within subregions are desirable. It will be desirable to minimize the amount of separate individual contracts, with associated contract management and reporting requirements. REAP funds can support local governments in accessing the eligible LEAP funds and

leverage those as well as related SB 2 Planning grant activities. Beyond the twenty-five percent advance funds, the REAP funds are available on a reimbursement, rather than an advance basis. Because the final RHNA allocation is planned for adoption on October 1, 2020, funds based on this formula will not be available until after this date. The intention of this funding will be to assist jurisdictions in speeding up the production of housing and a variety of activities eligible for funding, such as updating housing elements and streamlining permitting processes.

To maximize resources, SCAG also recommends that allocations to assist jurisdictions be made available on a subregional basis. Below is a table of each SCAG subregion's share of funding set aside for assisting jurisdictions based on the February 13, 2020 estimate of the draft RHNA allocation based on the staff recommended final RHNA methodology. Because the County of Los Angeles and County of Riverside span multiple subregions, they will be listed as individual subregional partners for this program's purposes. Likewise, the City of Los Angeles will be also listed as a subregional partner.

Subregion	Subregional share of funding based on estimated draft RHNA allocation ¹	Subregional funding based on estimated draft RHNA allocation (rounded) ¹
Arroyo Verdugo	1.7%	\$392,000.00
CVAG	2.4%	\$558,000.00
Gateway	5.5%	\$1,316,000.00
Imperial	1.2%	\$282,000.00
Las Virgenes-Malibu	0.1%	\$16,000.00
City of Los Angeles	34.0%	\$8,058,000.00
County of Los Angeles (Unincorporated Portion)	6.7%	\$1,589,000.00
North LA County	2.0%	\$485,000.00
OCCOG	13.7%	\$3,245,000.00
County of Riverside (Unincorporated Portion)	3.0%	\$721,000.00
SBCTA/SBCOG	10.3%	\$2,437,000.00
SGVCOG	6.7%	\$1,582,000.00
South Bay Cities	2.5%	\$603,000.00
Ventura	1.8%	\$432,000.00
Westside Cities	1.4%	\$340,000.00
WRCOG	7.1%	\$1,678,000.00
Total	100.0%	\$23,736,000.00

SCAG will be using some of the Advance REAP funding to further develop the Regional Housing Program framework on the remaining 50 percent of its eligible REAP funding, including a RHNA-based formula benefiting intended recipients. SCAG will be collaborating with technical assistance to be available by HCD for LEAP and REAP to coordinate availability with direct jurisdictional funding from programs such as SB 2 and LEAP grants in order to maximize all funding sources available to jurisdictions. SCAG will continue to update the EAC, CEHD Committee, and Regional Council on program progress, as needed.

FISCAL IMPACT:

¹ This allocation is based on the February 13, 2020 draft RHNA allocation estimate tool, which is based on the staff recommended final RHNA methodology. The final RHNA allocation plan is anticipated for adoption by the SCAG Regional Council on October 1, 2020.



Current work on the Regional Housing Needs Assessment is included in the current FY 19-20 General Fund Budget (800.0160.03: RHNA). There is no immediate fiscal impact for the tasks proposed under these funds. When awarded, the AB 101 REAP funds will be programmed in the Overall Work Program (OWP).

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Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

To: Executive/Administration Committee (EAC)
Community
Economic & Human Development Committee (CEHD)
Regional Council (RC)
From: Kome Ajise, Executive Director, Executive Management, 213-236-1835, Ajise@scag.ca.gov
Subject: Resolution No. 20-619-1 : Preserving Naturally Occurring Affordable Housing Project Regulatory Agreement

EXECUTIVE DIRECTOR'S APPROVAL

Kome Ajise (handwritten signature)

RECOMMENDED ACTION FOR EAC:

Recommend that the Regional Council adopt Resolution No. 20-619-1 to grant the SCAG Executive Director or his designee the authority to negotiate and execute up to eight (8) regulatory agreements with the National CORE/Watt Investment partners-related property owners for a pilot project that aims to preserve naturally occurring affordable housing.

RECOMMENDED ACTION FOR CEHD:

Receive and file

RECOMMENDED ACTION FOR REGIONAL COUNCIL:

Adopt Resolution No. 20-619-1 to grant the SCAG Executive Director or his designee the authority to negotiate and execute up to eight (8) regulatory agreements with the National CORE/Watt Investment partners-related property owners for a pilot project that aims to preserve naturally occurring affordable housing.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians.

EXECUTIVE SUMMARY:

The preservation of naturally occurring affordable housing (NOAH) is one of many important tools available to local jurisdictions in increasing the supply of affordable housing and alleviating the housing crisis. National Community Renaissance of California (National CORE) and Watt Investment Partners requested SCAG's participation in an affordable housing model pilot project, also known as the NOAH Venture Project. National CORE and Watt Investment Partners are proposing to implement their NOAH Venture Project with properties they have already acquired, and have requested that SCAG assist with obtaining funding (\$500.00 per unit/620 units) to conduct outreach and education activities related to property management, to retain low-income

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tenants and preserve unit affordability. A draft regulatory agreement, attached, has been proposed that would involve SCAG providing funding for education and outreach related to operation of properties, to retain low-income tenants and preserve unit affordability. Staff recommends Regional Council approval of Resolution No. 20-619-1 to grant the SCAG Executive Director or his designee authority to negotiate and execute eight (8) regulatory agreements with the National CORE/Watt Investment partners-related property owners, subject to funding availability.

BACKGROUND:

The preservation of naturally occurring affordable housing (NOAH) is one of many important tools available to local jurisdictions in increasing the supply of affordable housing and alleviating the housing crisis. At the February 5, 2020 Community, Economic & Human Development (CEHD) Committee meeting, representatives from National CORE and Watt Investment Partners presented the NOAH Venture Project. The NOAH Venture Project focuses on preserving housing units at-risk for losing their affordability status through providing education and resources to tenants that remove barriers for retention. This model cannot be implemented unilaterally and requires the participation of current residents. Activities to engage residents may include assistance with income verification, resources for new management transition, and workshops to educate tenants and the general community on affordable housing.

In return for retaining unit affordability, the new property owner can obtain a property tax exemption proportionate to the overall percentage of affordable units within the property. The proposed regulatory agreement would require that National CORE and Watt Investment Partners maintain an affordable ratio of not less than 51% of the total number of property units.

Additionally, to receive this tax exemption, the project must meet several criteria, including receiving financing from a public source related to the operation of property, and having the financing tied to a regulatory agreement with a public agency, with all or a portion of the units at or below 80% of the area median income. A jurisdiction may use preservation of affordable housing units, provided that they meet certain criteria, as a way to meet up to twenty-five (25) percent of their housing need as measured by their Regional Housing Needs Assessment (RHNA) allocation.

National CORE and Watt Investment Partners are proposing to implement their NOAH Venture Project to properties they have already acquired, and have requested that SCAG provide funding (\$500.00 per unit/620 units) to conduct outreach and education activities related to the operation of the properties to retain low-income tenants and preserve unit affordability.

At its February 5, 2020 meeting, the Regional Council authorized SCAG staff to apply for advance funding of up to twenty-five (25) percent of its eligible available funding under the statewide Regional Early Action Planning (REAP) grants program. Created under the California 2019-20 Budget

Act, also known as Assembly Bill (AB) 101, REAP grants provide funding to councils of governments such as SCAG to accelerate and promote housing production based on eligible activities, including education, engagement, and outreach. At the time of this report, SCAG is developing its advance funding application and will be including activities related to education and outreach on housing production and preservation. To maintain the momentum of this funding, SCAG is also seeking to develop partnerships that can help match funding and identify gaps in housing crisis strategies between the public, private, and non-profit sectors. SCAG is eligible for a total of \$47.5 million, which must be fully expended by December 31, 2023.

Because this pilot project has the potential for replication of preservation efforts throughout the region, SCAG staff recommends approving a resolution for granting the SCAG Executive Director or his designee authority to negotiate and execute regulatory agreements with the National CORE/Watt Investment partners-related property owners, subject to available funding sources. SCAG staff will continue to update the EAC, CEHD Committee, and Regional Council on this project and REAP funding activities, as needed.

FISCAL IMPACT:

Work associated with this item is included in the current FY 19-20 General Fund Budget (800.0160.04).

ATTACHMENT(S):

1. Resolution 20-619-1 NOAH Venture Project
2. NOAH-SCAG Venture Regulatory Agreement (2020-02-27)draft



RESOLUTION NO. 20-619-1

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS 900 Wilshire Blvd., Ste. 1700 Los Angeles, CA 90017 T: (213) 236-1800 www.scag.ca.gov

A RESOLUTION OF THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) GRANTING THE SCAG EXECUTIVE DIRECTOR THE AUTHORITY TO NEGOTIATE AND SIGN REGULATORY AGREEMENTS FOR A PILOT PROJECT ON THE PRESERVATION OF NATURALLY OCCURRING AFFORDABLE HOUSING

A NECESSARY QUORUM AND MAJORITY OF THE REGIONAL COUNCIL OF SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS ("APPLICANT") HEREBY CONSENTS TO, ADOPTS AND RATIFIES THE FOLLOWING RESOLUTION:

REGIONAL COUNCIL OFFICERS

- President Bill Jahn, Big Bear Lake
First Vice President Rex Richardson, Long Beach
Second Vice President Clint Lorimore, Eastvale
Immediate Past President Alan D. Wapner, San Bernardino County Transportation Authority

WHEREAS, the Southern California Association of Governments (SCAG) is the Metropolitan Planning Organization, for the six county region consisting of Los Angeles, Orange, San Bernardino, Riverside, Ventura, and Imperial counties;

WHEREAS, the preservation of naturally occurring affordable housing (NOAH) units at-risk of losing their affordability status can be an important tool in helping to increase the supply of affordable housing region wide;

WHEREAS, National Community Renaissance of California (National CORE) and Watt Investment Partners have developed an affordable housing model pilot project ("NOAH Venture Project") centered around the concept of NOAH to preserve at-risk affordable units and help residents remain in their affordable units through education and outreach efforts;

WHEREAS, funding for region wide housing education and outreach efforts is a priority for SCAG as part of its program to expend funds received pursuant to Health and Safety Code section 50515.02, also known as the Regional Early Action Planning (REAP) grant program;

WHEREAS, the NOAH Venture Project developed by National CORE and Watt Investment Partners requires financing from a public source related to the operation of property, financing tied to a regulatory agreement with a public agency, and regulatory agreement recorded against the property deed to qualify for a tax exemption under California Revenue and Taxation Code Section 214(g);

WHEREAS, National CORE and Watt Investment Partners have proposed to implement their NOAH Venture Project with properties they have already acquired, and have requested that SCAG assist with obtaining funding (\$500.00 per unit/620 units) to conduct outreach and education activities related to property management, to retain low-income tenants and preserve unit affordability and to enter into regulatory agreements with the National CORE/Watt Investment partners-related property owners; and

WHEREAS, the proposed regulatory agreement between SCAG and National CORE/Watt Investment Partners will require that National CORE and Watt Investment Partners maintain an affordable ratio of not less than 51% of the total number of property units.

COMMITTEE CHAIRS

- Executive/Administration Bill Jahn, Big Bear Lake
Community, Economic & Human Development Peggy Huang, Transportation Corridor Agencies
Energy & Environment Linda Parks, Ventura County
Transportation Cheryl Viegas-Walker, El Centro

Attachment: Resolution 20-619-1 NOAH Venture Project (Resolution No. 20-619-1: Preserving Naturally Occurring Affordable Housing t)

NOW, THEREFORE, BE IT RESOLVED, THAT the SCAG Executive Director or his designee is hereby authorized to negotiate and execute up to eight (8) regulatory agreements with the National CORE/Watt Investment partners-related property owners, as part of the NOAH Venture Project, subject to available funding.

BE IT FURTHER RESOLVED THAT:

1. The SCAG Executive Director or his designee is hereby authorized to review, consider and apply for available sources of funding that are eligible to expend funds related to the NOAH Venture Project; and

2. In the event available funding is secured, the SCAG Executive Director may negotiate and execute up to eight (8) regulatory agreements with the National CORE/Watt Investment partners-related property owners, in accordance with all applicable state and federal statutes, rules, regulations, and the regulatory agreements executed by and between the Southern California Association of Governments and such property owners.

PASSED, APPROVED AND ADOPTED by the Regional Council of the Southern California Association of Governments at its regular meeting this 5th day of March, 2020.

William "Bill" Jahn
President, SCAG

Attested by:

Kome Ajise
Executive Director

Approved as to Form:

Justine Block
Acting Chief Counsel

**FREE RECORDING IN
ACCORDANCE WITH
CALIFORNIA GOVERNMENT
CODE SECTION 27383**

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Southern California Association
of Governments
900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017

REGULATORY AGREEMENT

This Regulatory Agreement (the “*Agreement*”) dated as of [____], 20[___] (the “*Effective Date*”), is made and entered into by and between [____], a California limited partnership, or its successors and assigns (the “*Grantee*”), and the Southern California Association of Governments (“*SCAG*”), a Joint Powers Authority pursuant to California Government Code Section 6500 *et seq.*, collectively referred to herein as the “*Parties.*”

RECITALS

- A. On January 29, 2020 Grantee acquired and now operates, and manages one or more naturally occurring affordable housing buildings comprising _____ dwelling units (the “*Development*”) located in the City of Los Angeles as more particularly described in Exhibit A (the “*Property*”).
- B. In order to support the long-term preservation of the Development, Grantee has requested that SCAG apply for a grant on behalf of Grantee, in the approximate amount of Five Hundred Dollars and 00/100 (\$500.00) per unit (the “*Grant*”). Contingent upon approval and receipt of such Grant (“*Grant Funds*”) from the awarding state agency and execution of related funding agreements, including an agreement between SCAG and Grantee (“*Grant Agreement*”), as described herein, SCAG agrees to provide the Grant for the operation of the Development with a focus on (i) furthering efforts to preserve the affordable nature of the Development and (ii) providing support to educational efforts aimed at informing current and future residents regarding the transition of the Development to an affordable housing community operated within the requirements of this Agreement (“*Project*”).
- C. Grantee intends to restrict all or a portion of the Development for rental to households with incomes at or below 80% of the area median income, as defined in Section 50079.5 of the California Health and Safety Code, or such higher income level as may be treated as qualifying for the California property tax welfare exemption pursuant to Section 214(g) of the California Revenue and Taxation Code as it may be amended (“*Lower Income Households*”).

D. Grantee intends to apply for the California property tax welfare exemption in an amount that corresponds to the percentage of eligible units at the Development.

E. Grantee's managing general partner is a limited liability company that is wholly owned by National Community Renaissance of California, a California nonprofit public benefit corporation ("**CORE**"). CORE is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

F. SCAG's jurisdiction encompasses six counties, including the county in which the Property is situated. SCAG's role is to address regional issues, and, given the high demand for affordable housing in the southern California region, the preservation of affordable housing is critical for the region.

NOW, THEREFORE, Grantee and SCAG hereby establish and agree as follows:

1. Recitals. The foregoing recitals are a part of this Agreement.
2. Property. Grantee is the fee owner of the Property and all improvements now and hereafter located thereon.
3. Development. Grantee will operate and maintain the Development exclusively as rental housing and related facilities.
4. Qualifying Units. At least fifty-one percent (51%) of the dwelling units in the Development will be continuously available to or occupied by 1) Lower Income Households paying Qualifying Rents (the "**Qualifying Units**"), or 2) households residing at the Property and paying rents in effect as of the Effective Date plus increases implemented over time with the objective of achieving Qualifying Rents, but only as permitted by applicable state or local rent control laws or ordinances, and not to exceed Qualifying Rents ("**Phase-In Rents**"). The households described in clauses (1) and (2) above are referred to as "**Qualified Households**."
5. Rents.
 - a. Rents charged to households occupying Qualifying Units will substantially equal 30% of 80% of the area median income (except as may be restricted by applicable state or local rent control laws or ordinances) ("**Qualifying Rents**"). Qualifying Rents shall be net of, and shall not include, (i) any allowance for utility costs, or (ii) any fees, surcharges and the like imposed by government authorities and permitted to be passed through to tenants, including without limitation permissible amounts relating to the Los Angeles Rent Stabilization Ordinance or Systemic Code Enforcement Program. Qualifying Rents shall be established and updated by Grantee on a regular basis, based on area median income as most recently determined in accordance with Health and Safety Code Section 50079.5, not less than thirty (30) days prior to such establishment or updating. A rental amount shall not be deemed not to constitute a

Qualifying Rent if and to the extent that it is discounted as a result of policies that may be adopted by Grantee to avoid unreasonable hardship to tenants of the Development, which may include, in Grantee's sole discretion, (a) temporary reductions in the event of income loss or other household hardship, or (b) other management practices customary for non-profit operators of affordable housing.

- b. Rents charged to households residing at the Property as of the Effective Date will substantially equal Phase-In Rents.
 - c. The rents prescribed by this Section 5 (Qualifying Rents and Phase-In Rents) are explicitly intended to supersede the rent levels described in Section 50053 of the California Health and Safety Code, as contemplated by California Revenue & Taxation Code Section 214(g)(2)(A)(iii)(I).
6. Grant of Public Funds. SCAG warrants that it is an instrumentality of government and that a Grant awarded to Grantee under this agreement would be made out of public funds.
7. Term of Agreement.
- a. This Agreement will commence on the date hereof, remain in full force and effect, and apply to the Development through and including the tenth (10th) anniversary of the date of recordation of this Agreement ("**Initial Term**"), regardless of any sale, assignment, transfer, or conveyance of the Development or the Property, unless terminated earlier as set forth in paragraph b or c, below, or by the mutual consent of SCAG and Grantee.
 - b. This Agreement shall automatically terminate without any further obligation of each Party, in the event that SCAG is unable to secure Grant Funds as described below in Section 8.
 - c. Notwithstanding the foregoing, Grantee may terminate this Agreement at any time during the Initial Term upon thirty (30) days' prior written notice to SCAG; provided, that if Grantee terminates the Agreement within the Initial Term, then Grantee shall repay to SCAG ninety-nine percent (99%) of the amount of the Grant, if awarded, within ninety (90) days of the date of such termination.
 - d. This Agreement shall automatically renew at the end of the Initial Term and each Renewal Term for an additional one (1) year term ("**Renewal Term**"; together with the Initial Term, the "**Term**"), unless either SCAG or Grantee has provided the other with a notice of its intent not to renew not later than thirty (30) days prior to the end of the then existing term.
8. Grant Application.
Grantee understands and agrees that receipt of Grant Funds under this agreement is contingent upon the following: 1) eligibility of the Grantee's project for receipt of state funds under the Regional Early Action Planning Grant Program ("**Grant Program**")

administered by the California Department of Housing and Community Development (“**Awarding Agency**”); 2) application by SCAG for funds under such Grant Program (“**Application**”); 3) approval by the Awarding Agency of such Application, and execution by SCAG and the Awarding Agency of a funding agreement and related documentation; and 4) execution of a Grant Agreement between the Parties. In the event that SCAG is unable to secure Grant Funds, the Parties agree that no further action will be required by SCAG, and this Agreement shall Terminate as set forth above in Section 7.b.

9. Non-Discrimination. Grantee shall not discriminate against any tenant or prospective tenant on the basis of any class or status prohibited by Government Code Section 12920 including: race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, genetic information, or any other arbitrary factor in violation of any state, federal, or local law governing discrimination in rental housing. Grantee further agrees to comply with all applicable provisions related to non-discrimination set forth in the Grant Agreement.
10. Management. Grantee shall be responsible for the operation and maintenance of the Development and the Property in a manner consistent with this Agreement.
11. Indemnification.
 - a. Grantee assumes all risk of injury to its employees, agents, contractors and tenants of the Property, including loss or damage to property.
 - b. Grantee shall indemnify, protect, defend and hold harmless SCAG, its members, officers, Regional Council Board members, employees and agents from and against any and all losses, liabilities, damages, costs and expenses, including attorney’s fees and costs to the extent caused in whole or in part by any intentional, negligent or wrongful act, error or omission, or non-compliance with Grant Agreement requirements, of the Grantee, its agents, employees, or contractors arising out of the performance of the Project under this Agreement.
12. Event of Default.
 - a. Notice and Time to Cure. In the event of a material breach, violation, or default by the Grantee in the performance of any covenant, agreement, or obligation of the Grantee set forth in this Agreement, SCAG shall provide the Grantee with at least sixty (60) days’ written notice of such breach, violation, or default, specifying the nature of the breach, violation, or default, the action needed to cure (to be determined in SCAG’s reasonable discretion), and a reasonable time period for Grantee to cure the breach, violation, or default (“**Cure Notice**”). If Grantee does not cure the breach, violation, or default in accordance with the Cure Notice, SCAG may declare an event of default

hereunder (“*Event of Default*”) by providing written notice of such Event of Default to Grantee (“*Default Notice*”). The parties acknowledge that the legal rights of tenants or other good cause may impede Grantee’s ability to speedily cure any violation hereof; accordingly, it shall not be an Event of Default and SCAG shall not issue a Default Notice so long as Grantee has commenced a cure (insofar as possible) within the time period stated in the Cure Notice and continues diligently to pursue such cure.

- b. Repayment. Following an Event of Default, Grantee may, as its sole and exclusive remedy, seek full or partial repayment of the Grant from the Grantee in accordance with the following schedule (“*Default Repayment Schedule*”):
- i. If the Event of Default occurs on or before the tenth (10th) anniversary of the date of recordation of this Agreement, Grantee shall repay to SCAG ninety-nine percent (99%) of the amount of the Grant within ninety (90) days after receipt by Grantee of the Default Notice.
 - ii. If the Event of Default occurs between the tenth (10th) and twenty-fifth (25th) anniversary of the date of recordation of this Agreement, Grantee shall repay to SCAG seventy-five percent (75%) of the amount of the Grant within ninety (90) days after receipt by Grantee of the Default Notice.
 - iii. If the Event of Default occurs between the twenty-fifth (25th) and fortieth (40th) anniversary of the date of recordation of this Agreement, Grantee shall repay to SCAG fifty percent (50%) of the amount of the Grant within ninety (90) days after receipt by Grantee of the Default Notice.
 - iv. If the Event of Default occurs between the fortieth (40th) and fifty-fifth (55th) anniversary of the date of recordation of this Agreement, Grantee shall repay to SCAG twenty-five percent (25%) of the amount of the Grant within ninety (90) days after receipt by Grantee of the Default Notice.

Even if an Event of Default occurs and Grantee repays the Grant in accordance with the Default Repayment Schedule, this Agreement shall remain in effect for the Term unless modified or terminated pursuant to the terms of Section 7 above.

13. Compliance with Agreement. Grantee agrees at all times to comply with the terms of this Agreement, and acknowledges that it has access to professional advice to the extent necessary to enable the Grantee to comply with the same.
14. Amendment. This Agreement shall not be altered or amended except in writing, as executed between SCAG and Grantee.

15. Partial Invalidity. If any provision of this Agreement shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.
16. Binding on Successors. This Agreement shall bind, and the benefits hereof shall inure to, the respective parties hereto, their legal representatives, executors, administrators, transferees, successors in interest and assigns. The term “Grantee” as used herein shall include and apply to any person or entity succeeding to the legal, equitable, proprietary, or possessory interest of Grantee in the Property and/or the Development. Grantee retains the right to assign this Agreement to another entity organized under the laws of the State of California, provided that the assignee agrees to comply with the terms of this Agreement and Grantee provides at least 30 days’ written notice of such assignment to SCAG.
17. Recording Agreement. This Agreement, or, where approved by SCAG in writing, a memorandum thereof, shall be recorded against the Property in the official records of the county in which the Property is situated. SCAG and Grantee agree to execute such instruments as may be required to subordinate this Agreement when required by other lenders pursuant to the terms of their financing.
18. Captions. The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope or the intent of this Agreement.
19. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California. All code references herein refer to the California Codes, unless specifically indicated otherwise.
20. Notice. Except for any notice required under applicable law to be given in another manner, any notices, demands, or communications between the parties hereto shall be sufficiently given if, and shall not be deemed given unless, dispatched by certified mail, postage prepaid, return receipt requested or delivered by express delivery service with delivery receipt, to the address of the respective party as set forth below, or to such other address as the respective party may have designated by written notice given to the other party in the manner provided herein. Such written notices, demands, and communications shall be effective on the date shown on the delivery receipt as the date delivered, the date on which delivery was refused, or the date on which delivery was attempted.

If to Grantee: [Owner Entity Name]
c/o National Community Renaissance of California
9421 Haven Avenue
Rancho Cucamonga, CA 91730
Attn: Chief Financial Officer
Email Address: mfinn@nationalcore.org

With a copy to: National Community Renaissance of California
9421 Haven Avenue
Rancho Cucamonga, CA 91730
Attn: General Counsel
Email Address: rdiaz@nationalcore.org

If to SCAG: Southern California Association of Governments
900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017
Attn: []

21. Attorneys' Fees. The prevailing party in any action to enforce this Agreement shall be entitled to reasonable attorneys' fees as determined by the trier of fact in that forum.
22. Construction. Each party hereto acknowledges and agrees that it has had independent counsel review and participate in the drafting of this Agreement, and it hereby fully waives the application of any law, statute, or rule of construction or interpretation, including without limitation California Civil Code Section 1654, to the effect that any ambiguities are to be construed against the drafting party.
23. Dispute Resolution.
 - a. Good Faith Negotiations. The Parties shall attempt in good faith to resolve any potential dispute between themselves under this Agreement (a "Dispute") informally and promptly. If a Dispute is not resolved informally either Party may submit to the other Party a written notice of Dispute (the "Notice of Dispute"). The Notice of Dispute shall: (i) state the specific matters on which the Notice of Dispute is based; (ii) include supporting documentation; (iii) if the Notice of Dispute involves a cost adjustment, state the exact amount of the cost adjustment accompanied by all records supporting the demand; and (iv) include a written statement signed by an authorized person indicating that the Notice of Dispute is made in good faith, that the supporting documentation is accurate and complete. The Party submitting the Notice of Dispute shall comply with reasonable requests for additional information; provided, a Party may elect to refrain from submitting information based on the advice of counsel. The Parties shall attempt to resolve the Dispute promptly.
 - b. Failure of Negotiations. If, after good faith negotiations pursuant to Subsection (a) above, the Parties have not resolved the Dispute, the Parties shall settle and resolve the Dispute by arbitration pursuant to the requirements set forth in Exhibit A attached hereto.

24. Insurance. For the duration of the term of this Agreement, Grantee shall procure and maintain insurance with insurance carrier(s) admitted to write insurance in the State of California and rated A, VIII or better by the current A.M. Best Rating Guide or equivalent, for general liability, automobile liability, and Workers' Compensation as required by the California Labor Code. If insurance is provided by a non-admitted insurance carrier, such insurance must be included in the most recent California List of Eligible Surplus Lines Insurer (LESLI List) and otherwise satisfy insurance requirements. SCAG shall be included as additional insureds pursuant to a separate endorsement on all insurance policies, except for Workers Compensation. Promptly following the execution and delivery of this Agreement, Grantee shall provide certificates of insurance, and all required endorsements, evidencing the required coverages.

Grantee shall provide not less than ten (10) days' prior written notice to SCAG before the non-renewal or cancelation of any the required insurance coverages.

[Signatures follow]

IN WITNESS WHEREOF, the parties hereby execute and enter into this Agreement as of the date first set forth above and agree to be bound hereby.

SCAG:

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS,
a public agency of the State of California

By: _____

Name: _____

Title: _____

GRANTEE:

[_____] ,
a California limited partnership

By: _____

Name: _____

Title: _____

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

DRAFT

EXHIBIT B
ARBITRATION OF DISPUTES.

Any claim, controversy, dispute or disagreement arising out of or related to this Agreement or the breach, enforcement, interpretation or performance thereof (“Dispute”) shall be submitted to final and binding arbitration, at the request of any party hereto, on the terms and conditions set forth in this Exhibit A (the “Arbitration”).

1. Venue. The Arbitration shall be held at the offices of Judicial Arbitration and Mediation Service (“Jams”), at its office located in Los Angeles, California.
2. Arbitration Rules. The Arbitration shall be conducted pursuant to JAMS’s Rules of Practice and Procedure in effect at the time a request for arbitration is filed (the “Arbitration Rules”).
3. Selection of Arbitrator. The Arbitration shall be conducted by a single arbitrator (“Arbitrator”) appointed pursuant to the procedures set forth in the Arbitration Rules. Notwithstanding the foregoing, if the amount of the Dispute exceeds \$1,000,000, then the Arbitration shall be conducted by a panel of three arbitrators appointed pursuant to the procedures set forth in the Arbitration Rules (the “Panel”), and references herein to the Arbitrator shall be deemed to refer to the Panel.
4. Commencement of Arbitration. The Arbitration shall commence at the earliest possible opportunity unless otherwise agreed in writing by the parties hereto.
5. Cooperation of Parties. All of the parties hereto shall promptly and diligently cooperate with one another and the Arbitrator, and shall perform such acts as may be reasonably necessary to obtain a prompt and expeditious resolution of the Dispute in accordance with the terms hereof.
6. Application of California Law. Notwithstanding anything to the contrary set forth herein with respect to substantive (as opposed to procedural) matters, the Arbitrator shall be required to apply the laws of the State of California when deciding the issues of the Arbitration and rendering his or her decision.
7. Powers of Arbitrator. The parties hereto agree that the Arbitrator shall have the power to decide all issues of fact and law and report his or her decision thereon and issue all legal and equitable relief appropriate under the circumstances of the Dispute. The Arbitrator shall try all issues, whether of fact or law, and record a finding and judgment thereon and shall hear and determine all pretrial issues and motions and post-trial motions related to the judgment filed or to be filed and to act on all matters related thereto which may be within the jurisdiction of the Superior Court of the State of California. Except as otherwise provided by the Arbitration Rules, all rules of evidence as set forth in the California Evidence Code, other statutory and decisional law of California and all local court rules and California Rules of Court shall be applicable to any proceeding before the Arbitrator. Depositions may be taken and other discovery obtained during the Arbitration to the same extent as authorized in a civil judicial proceeding in California. The Arbitrator shall have the power to grant all legal and equitable remedies and award compensatory economic damages provided by California law.

8. Issuance of Arbitrator’s Decision. The Arbitrator shall render his or her final decision in writing, stating the reasons for each component of that decision.
9. Binding Effect of Arbitrator’s Decision; Duties of Parties. The parties agree to be bound by the final decision of the Arbitrator and to promptly provide the Arbitrator and the other party with any and all documents, instructions or other information necessary to allow the Arbitrator to arrive at its decision and to give effect to that decision.
10. Entry of Judgment. Judgment on the Arbitrator’s award may be entered in any court having jurisdiction thereof.
11. Cost of Arbitration. If arbitration is commenced between the Parties, the prevailing party in that arbitration shall be entitled to recover from the non-prevailing party all reasonable attorneys’ fees and costs, witness fees, arbitrators’ fees, and arbitration costs. “Prevailing party” shall include, without limitation, the following: (a) a party who dismisses arbitration in exchange for sums allegedly due; (b) the party who receives performance from the other party for an alleged breach of contract or a desired remedy where the performance is substantially equal to the relief sought in an action; or (c) the party who receives any award for relief through arbitration.
12. Confidentiality. Each Party agrees that without the prior written consent of the other Party, neither party shall make any private disclosure, public announcement or other communication with respect to the subject of the Arbitration, the matters discussed therein, or the Arbitrator’s final decision, and that all such matters will be kept in strictest confidence and not revealed to any other person or entity. Notwithstanding the foregoing; each party may make such disclosures (a) to the extent necessary to enforce the provisions of this Exhibit A and the Arbitration Rules (b) to the extent necessary to enforce the Arbitrator’s final decision or otherwise put that final decision into effect, (c) to its attorneys, accountants and business advisors in the course of prosecuting or defending its claims in the Dispute and otherwise competently participate in the Arbitration, or (d) to the extent necessary to as required by applicable law or subpoena, court order or other legal process in connection with litigation involving the Arbitration or this Agreement.
13. NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE ‘ARBITRATION OF DISPUTES’ PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE ‘ARBITRATION OF DISPUTES’ PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE ‘ARBITRATION OF DISPUTES’ PROVISION TO NEUTRAL ARBITRATION.

SCAG’s Initials: _____ GRANTEE’s Initials: _____

DRAFT



Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

MINUTES OF THE REGULAR MEETING
EXECUTIVE/ADMINISTRATION COMMITTEE (EAC)
THURSDAY, FEBRUARY 6, 2020

THE FOLLOWING MINUTES IS A SUMMARY OF ACTIONS TAKEN BY THE EXECUTIVE/ADMINISTRATION COMMITTEE (EAC). AN AUDIO RECORDING OF THE ACTUAL MEETING IS AVAILABLE AT: <http://scag.iqm2.com/Citizens/>

The Executive/Administration Committee (EAC) of the Southern California Association of Governments (SCAG) held its regular meeting at the SCAG main office, 900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017. A quorum was present.

Members Present

Hon. Bill Jahn, President	<i>Big Bear Lake</i>	District 11
Hon. Clint Lorimore, 2nd Vice President	<i>Eastvale</i>	District 4
Hon. Alan Wapner, Imm. Past President		SBCTA
Hon. Peggy Huang, Chair, CEHD		TCA
Hon. Stacy Berry, Vice Chair, CEHD	<i>Cypress</i>	District 18
Sup. Linda Parks, Chair, EEC		Ventura County
Hon. David Pollock, Vice Chair, EEC	<i>Moorpark</i>	District 45
Hon. Cheryl Viegas-Walker, Chair, TC	<i>El Centro</i>	District 1
Hon. Jess Talamantes, Vice Chair, TC	<i>Burbank</i>	District 42
Hon. Jan Harnik, Chair, LCMC		RCTC
Hon. Margaret Clark, Vice Chair, LCMC	<i>Rosemead</i>	District 32
Hon. Frank Navarro, President’s Appt.	<i>Colton</i>	District 6
Hon. L. Dennis Michael, President’s Appt.	<i>Rancho Cucamonga</i>	District 9
Hon. Margaret Finlay, President’s Appt.	<i>Duarte</i>	District 35

Members Not Present

Hon. Rex Richardson, 1st Vice President	<i>Long Beach</i>	District 29
Sup. Luis Plancarte, President’s Appt.		Imperial County
Mr. Randall Lewis, Ex-officio	<i>Lewis Group of Companies</i>	Business Representative

Staff Present

Kome Ajise, Executive Director
Darin Chidsey, Chief Operating Officer
Debbie Dillon, Chief Strategy Officer

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California’s Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous



Ruben Duran, Board Counsel
Justine Block, Acting Chief Counsel/Acting Director of Legal Services
Sarah Jepson, Director of Planning
Art Yoon, Director of Policy and Public Affairs
Basil Panas, Chief Financial Officer
Julie Shroyer, Chief Information Officer
Tess Rey-Chaput, Office of Regional Council Support

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

The Honorable Bill Jahn called the meeting to order at 9:00 a.m. and asked Councilmember Peggy Huang, TCA, to lead the Pledge of Allegiance.

PUBLIC COMMENT PERIOD

There was no public comment speaker.

REVIEW AND PRIORITIZE AGENDA ITEMS

There was no prioritization of agenda items.

ACTION/DISCUSSION ITEM

1. Resolution No. 20-618-1 Regarding Regional Funding for Housing

President Jahn introduced the item and asked Executive Director Kome Ajise to provide a report. As background information, Mr. Ajise referenced the California Budget Act of 2019-20, also known as AB 101, which appropriated funding for two (2) new one-time programs to provide regions and jurisdictions with grants for planning activities to enable jurisdictions to increase housing planning and accelerate housing production in order to meet the housing needs as determined by the Sixth Cycle RHNA. To further provide information regarding this opportunity, Mr. Ajise asked Director of Planning Sarah Jepson to explain the program's resources available to SCAG. Ms. Jepson stated that SCAG is eligible to apply for \$47.5 million for housing across the region, a portion of which SCAG can apply for in advance. These early resources will help SCAG to begin the planning work and further complete the framework with our partner agencies and initiate educating the communities.

A MOTION was made (Navarro) to adopt Resolution No. 20-618-1 authorizing SCAG to apply for advance funding of twenty-five (25) percent, or \$11,867,77 of its maximum eligible funding allowed under the Regional Early Action Program (REAP). Motion was SECONDED (Walker) and passed by the following votes:



AYE/S: Clark, Finlay, Harnik, Huang, Jahn, Michael, Navarro, Pollock, Talamantes, Walker, and Wapner (11)

NOE/S: None (0)

ABSTAIN: None (0)

CONSENT CALENDAR

Approval Items

2. Minutes of the Special Meeting – December 5, 2019
3. SCAG Memberships and Sponsorships
4. 2020 State and Federal Legislative Platform
5. ACA 1 (Aguiar-Curry) Voter Approval Threshold
6. SB 45 (Allen) Climate Change Resiliency Bond Act of 2020
7. SB 795 (Beall, McGuire, Portantino)
8. Contract Amendment: Contract 20-002-C01, Board Counsel Services
9. Contracts \$200,000 or Greater: 20-043-C01, to Laptops, Associated Hardware, as well as four (4) years of Hardware Support
10. Contracts \$200,000 or Greater: 20-016-C01, City of Ojai Maricopa Highway Demonstration Project
11. Contracts \$200,000 or Greater: 19-062-C01, North Paramount Gateway Plan
12. Contract Amendment Greater than \$75,000: 19-002-C01, Disadvantaged Communities Planning Initiative

Receive and File

13. State HCD Review Findings of SCAG's Draft RHNA Methodology
 14. February State and Federal Legislative Update
-

15. Purchase Orders \$5,000 - \$199,999; Contracts \$25,000 - \$199,999 and Amendments \$5,000 - \$74,999

16. CFO Monthly Report

President Jahn announced that staff asked to pull Agenda Item 8 related to *“Contract Amendment: Contract 20-002-C01, Board Counsel Services”* and will be agendized at a future meeting.

A MOTION was made (Walker) to approve the Consent Calendar, except for Agenda Item 8; Receive and File Item Nos. 13 through 16. Motion was SECONDED (Berry) and passed by the following votes:

AYE/S: Clark, Finlay, Harnik, Huang*, Jahn, Lorimore, Michael, Navarro, Parks**, Pollock, Talamantes, Walker, and Wapner (13)

NOE/S: Huang (1) for Agenda Item No. 7 only*

ABSTAIN: None (0)

While the voting results were being reviewed, Councilmember Peggy Huang, TCA, noted a “No” vote for Agenda Item No. 7 only; while Supervisor Linda Parks, Ventura County, stated she inadvertently voted an “Abstention” and indicated that she intended to vote “Yes” on the Consent Calendar. President Bill Jahn and Board Counsel Ruben Duran directed staff to correct the votes for Councilmember Peggy Huang* and Supervisor Linda Parks** and is annotated above.

Councilmember Margaret Clark, Rosemead, District 32, expressed concerns that the state may impose a penalty on drivers who cannot afford to live near where they work. Executive Director Kome Ajise responded that equity and privacy are two of the important elements included in the study while attaining a sustainable source of funding for transportation, but not to the detriment of any one population. Mr. Ajise emphasized that this is one of the features in Connect SoCal and this policy does not come into play until 2030.

Councilmember Jan Harnik, RCTC, commented on the importance of SCAG’s membership for the Mileage-Based User Fee Alliance (MBUFA), which provides mileage-based user fees as an alternative source of transportation funding. Executive Director Kome Ajise echoed Councilmember Harnik’s comments and noted that the state of Oregon is already implementing MBUFA; Oregon also pioneered the gas tax.

Supervisor Linda Parks, Ventura County, asked whether MBUFA is supposed to replace the gas tax and expressed concerns whether this is in addition to the gas tax. Executive Director Kome Ajise responded this is stipulated as a replacement and not in addition to the gas tax.

CFO MONTHLY REPORT

Basil Panas, Chief Financial Officer, reported the external auditors of SCAG, Eide Bailly, LLP, found no audit findings. He also reported there are two (2) cities in the SCAG region currently being recruited for membership.

PRESIDENT'S REPORT

President Jahn reported that he, along with the leadership, travelled and collaborated with the Ministry of Transport of New Zealand and Australia as part of the beginning phases of exploratory work to conduct a regional/local study and further assess the various policy questions regarding user fees, travel behavior, privacy and equity issues regarding Road Usage Charges (RUC). At the March 5 meeting of the Transportation Committee and the Regional Council, President Jahn stated that a full report will be presented. He asked the leadership to share some information and practical lessons-learned from the travel. Immediate Past President Alan Wapner commented on the absence of excise taxes on diesel fuel in New Zealand and reported on the trans-urban technology. Councilmember Margaret Finlay, Duarte, District 35, commented regarding toll roads and toll road funding. Councilmember Dennis Michael, Rancho Cucamonga, District 9, commented regarding CMP in Australia and trans-urban toll roads in New Zealand. He remarked on the efficiency of private sectors responsible for building roads, bridges, tunnels, etc. with a unique way of transferring the responsibility to the government. Mayor Michael also echoed the comments of Executive Director Kome Ajise relative to equity and privacy which are two of the important elements included in the study while attaining a sustainable source of funding for transportation. Councilmember Cheryl Walker, El Centro, District 1, remarked regarding the RUC in Australia and New Zealand and compared its successful implementation to Southern California's vehicle miles travelled (VMT)—as reflected on the Regional Transportation Plan—and encouraged advocating the program in the region while understanding its social equity and privacy.

President Jahn thanked the delegation for their comments and also thanked Kome Ajise, Sarah Jepson and Annie Nam who arranged the meetings with the Ministry of Transport in New Zealand and Australia.

Finally, President Jahn announced that at the beginning of the Regional Council meeting, California High-Speed Rail Authority Chief Executive Officer Brian Kelly will be providing an update on the High-Speed Train Project.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Kome Ajise expressed appreciation for the delegations' thoughtful discussions and questions regarding the Road User Charges exploratory work in New Zealand and Australia. He

noted that SCAG is on the forefront and cutting-edge of technology and we need the sustainability of a funding process, such as MBUFA. He cited an example of RUC in New Zealand, implemented since 1978, and how the discussions continue to advance to the Regional Council. For further analysis, Mr. Ajise referenced SB 1077, which required the creation of a Road Charge Technical Advisory Committee (TAC) to guide the development and evaluation of the pilot program to assess the potential for mileage-based revenue collection for California's roads and highways as an alternative to the gas tax. At the March 5 Regional Council meeting, a complete report will be provided regarding the study tour.

Mr. Ajise reported on Connect SoCal with the Public Comment period ended on January 24 with an excess of 2,000 comments and report of outcomes will be provided in March for recommendation of adoption in April.

Finally, Mr. Ajise announced that Fixing America's Surface Transportation Act (FAST Act), authorized federal spending on highways and public transportation, with its funding expiring on September 30, 2020.

FUTURE AGENDA ITEM/S

None

ANNOUNCEMENT/S

None

ADJOURNMENT

There being no further business, President Jahn adjourned the meeting at 9:33AM.

[MINUTES ARE UNOFFICIAL UNTIL APPROVED BY THE EAC]

//

Executive / Administration Committee Attendance Report

2019-20															Total M Attend To Da
MEMBERS	CITY	Representing	MAY	JUN	JULY	AUG	SEPT	OCT	NOV	DEC [Sp. Mtg]	JAN	FEB	MAR	APR	
Hon. Bill Jahn, Chair	Big Bear Lake	District 11		1		1	1	1	1	1		1			7
Hon. Rex Richardson, 1st Vice Chair	Long Beach	District 29		1		1	1	0	1	1		0			5
Hon. Clint Lorimore, 2nd Vice Chair	Eastvale	District 4		1		1	1	1	1	0		1			6
Hon. Alan Wapner, Imm. Past. Chair		SBCTA		1		1	1	1	1	0		1			6
Hon. Peggy Huang, Chair, CEHD		TCA		0		1	0	1	1	1		1			5
Hon. Stacy Berry, Vice Chair, CEHD	Cypress	District 18		1		1	1	0	1	0		1			5
Supervisor Linda Parks, Chair, EEC		Ventura County		1		0	1	1	0	1		1			5
Hon. David Pollock, Vice Chair, EEC	Moorpark	District 45		1		1	1	1	1	0		1			6
Hon. Cheryl Viegas-Walker, Chair, TC	El Centro	District 1		1		1	1	1	1	0		1			6
Hon. Jess Talamantes, Vice Chair, TC	Burbank	District 42		1		1	1	1	0	0		1			5
Hon. Jan Harnik, Chair, LCMC		RCTC						1	1	1		1			4
Hon. Margaret Clark, Vice Chair, LCMC	Rosemead	District 32		1		1	1	1	1	1		1			7
Hon. L. Michael Dennis, President's Appt.	Rancho Cucamonga	District 9		1		1	0	1	1	0		1			5
Hon. Margaret Finlay, President's Appt.	Duarte	District 35		1		1	1	1	1	0		1			6
Hon. Frank Navarro, President's Appt.	Colton	District 6		1		0	1	1	1	0		1			5
Supervisor Luis Plancarte, President's Appt.		Imperial County		0		1	1	1	1	1		0			5
Hon. Brian McDonald	Chemehuevi Indian Tribe	Tribal Government Regional Planning Board		0		1	1	1	0	0					3
Mr. Randall Lewis, Ex-Officio Member	Lewis Group of Companies	Business Representative		1		1	1	1	1	1		0			6

Attachment: EAC Attendance Record 2019-20 (Minutes of the Meeting - February 6, 2020)

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Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

To: Executive/Administration Committee (EAC)
Regional Council (RC)
From: Basil Panas, Chief Financial Officer, Finance, 213-236-1817,
panas@scag.ca.gov
Subject: Contract Amendment, Contract 20-002-C01, Board Counsel
Services

EXECUTIVE DIRECTOR'S
APPROVAL

Kome Ajise

RECOMMENDED ACTION:

Approve Amendment No. 2 to Contract No. 20-002-C01, with Best Best & Krieger, LLP to incorporate the final negotiated hourly rate of \$150 per hour for the paralegal labor classification into the contract.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians. 4: Provide innovative information and value-added services to enhance member agencies' planning and operations and promote regional collaboration.

EXECUTIVE SUMMARY:

On October 23, 2019 SCAG awarded Contract No. 20-002-C01 to Best Best & Krieger to provide monthly legal support services to the Regional Council, as specified in Task 1 of the contract, as well as to provide as-needed litigation support services to the agency, as specified in Task 2 of the contract. With respect to Task 2, the Regional Council requested that staff negotiate a lower rate for the paralegal labor classification which was \$165 per hour. This amendment, if approved, will: 1) incorporate the final negotiated hourly rate of \$150 per hour for the paralegal labor classification in the contract, a 10% reduction from the original proposed rate; 2) revise the title of Task 2 from, "As Needed Litigation Support Services," to "As Needed Litigation and Other Legal Support Services"; and 3) eliminate the legal assistant labor classification from Task 2 as this classification is not required.

BACKGROUND:

Staff recommends executing the following contract \$200,000 or greater:

Table with 3 columns: Consultant/Contract #, Amendment Purpose, Contract Amount. Row 1: Best Best &, This amendment, if approved, will 1), \$495,480

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Krieger
(20-002-C01)

incorporate the final negotiated hourly rate of \$150 per hour for the paralegal labor classification, 2) clarify the title of Task 2 to reflect litigation and other legal support services, 3) eliminate the legal assistant labor classification from the contract as this classification is not required.

FISCAL IMPACT:

Funding of \$168,490 is available in the FY 2019-20 budget, and the remaining \$375,480 is expected to be available and spread out over four (4) fiscal years in project number 800-0160.01, subject to budget availability.

ATTACHMENT(S):

1. Contract Summary 20-002-C01 Amendment 2
2. Contract Summary 20-002-C01 Amendment 2 COI

CONTRACT 20-002-C01 AMENDMENT 02

Consultant: Best Best & Krieger, LLP

Background & Scope of Work: On October 23, 2019 SCAG awarded Contract No. 20-002-C01 to Best Best & Krieger to provide legal support to the Regional Council, as specified in Task 1 of the contract, as well as to provide as-needed litigation and other legal support to the agency, as specified in Task 2 of the contract. With respect to Task 2, the Regional Council requested that staff negotiate a lower rate for the paralegal labor classification which was \$165 per hour. This amendment, if approved, will: *1) incorporate the final negotiated hourly rate of \$150 per hour for the paralegal labor classification in the contract, a 10% reduction from the original proposed rate; 2) revise the title of Task 2 from, "As Needed Litigation Support Services," to "As Needed Litigation and Other Legal Support Services"; and 3) eliminate the legal assistant labor classification from Task 2 as this classification is not required.*

Project’s Benefits & Key Deliverables: The project’s benefits and key deliverables include, but are not limited to:

- Legal Counsel Services to the Regional Council on a monthly flat fee basis; and
- As Needed Litigation and other Legal Services.

Strategic Plan: This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians. 4: Provide innovative information and value-added services to enhance member agencies’ planning and operations and promote regional collaboration.

Amendment	Amendment 2	No increase in contract value
Amount:	Amendment 1	\$48,490
	Original contract value	\$495,480
	Total contract value is not to exceed	\$543,970

Contract Period: October 23, 2019 through June 30, 2022

Project Number: 800-0160.01 \$48,490
 800-0160.01 \$120,00
 Funding source: General Fund

Funding of \$168,490 is available in the FY 2019-20 budget, and the remaining \$375,480 is expected to be available and spread out over four (4) fiscal years in project number 800-0160.01, subject to budget availability.

Basis for the Amendment: As previously stated, the Regional Council requested that staff negotiate a lower rate for the paralegal labor classification. Best Best and Krieger’s original proposed rate for the paralegal labor classification was \$165 per hour. The final negotiated rate of \$150 per hour reflects a 10% reduction from the original proposed rate and is competitive as compared to market rates for these services. Task 2 hourly rates allocated for a paralegal and legal assistant have been revised and are being presented to the Regional Council for approval. The revised rates are as follows:

Labor Category	Original Proposed Rate	Revised Proposed Rate
Paralegal	\$165	\$150
Legal Assistant	\$165	N/A

Conflict Of Interest (COI) Form - Attachment
For March 5, 2020 Regional Council Approval

Approve Amendment No. 2 to Contract No. 20-002-C01, with Best Best & Krieger, LLP to incorporate the final negotiated hourly rate of \$150 per hour for the paralegal labor classification into the contract.

The consultant team for this contract includes:

Consultant Name	Did the consultant disclose a conflict in the Conflict of Interest Form they submitted with its original proposal (Yes or No)?
Best Best & Krieger, LLP	Yes

SCAG CONFLICT OF INTEREST FORM

RFP No. 20-002

SECTION I: INSTRUCTIONS

All persons or firms seeking contracts must complete and submit a SCAG Conflict of Interest Form along with the proposal. This requirement also applies to any proposed subconsultant(s). Failure to comply with this requirement may cause your proposal to be declared non-responsive.

In order to answer the questions contained in this form, please review SCAG's Conflict of Interest Policy, the list of SCAG employees, and the list of SCAG's Regional Council members. All three documents can be viewed online at www.scag.ca.gov. The SCAG Conflict of Interest Policy is located under "OPPORTUNITIES", then "Doing Business with SCAG" and scroll down under the "CONTRACTS" tab; whereas the SCAG staff may be found under "ABOUT" then "Employee Directory"; and Regional Council members can be found under "ABOUT", then scroll down to "ELECTED OFFICIALS" on the left side of the page and click on "See the list of SCAG representative and their Districts."

Any questions regarding the information required to be disclosed in this form should be directed to SCAG's Deputy Legal Counsel, especially if you answer "yes" to any question in this form, as doing so MAY also disqualify your firm from submitting an offer on this proposal

Name of Firm: Best Best & Krieger LLP

Name of Preparer: Ruben Duran, Partner

Project Title: Board Counsel

RFP Number: 20-002 Date Submitted: 08/19/19

SECTION II: QUESTIONS

1. During the last twelve (12) months, has your firm provided a source of income to employees of SCAG or members of the SCAG Regional Council, or have any employees or Regional Council members held any investment (including real property) in your firm?

YES NO

If "yes," please list the names of those SCAG employees and/or SCAG Regional Council members and the nature of the financial interest:

Name	Nature of Financial Interest
<u>Donald Wagner</u>	<u>employed by BB&K from Feb 2017 - Dec 2018</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

2. Have you or any members of your firm been an employee of SCAG or served as a member of the SCAG Regional Council within the last twelve (12) months?

YES NO

If "yes," please list name, position, and dates of service:

Name	Position	Dates of Service
Donald Wagner	Of Counsel Attorney	Feb 2017 – Dec 2018
_____	_____	_____
_____	_____	_____
_____	_____	_____

3. Are you or any managers, partners, or officers of your firm related by blood or marriage/domestic partnership to an employee of SCAG or member of the SCAG Regional Council that is considering your proposal?

YES NO

If "yes," please list name and the nature of the relationship:

Name	Relationship
_____	_____
_____	_____
_____	_____
_____	_____

4. Does an employee of SCAG or a member of the SCAG Regional Council hold a position at your firm as a director, officer, partner, trustee, employee, or any position of management?

YES NO

If "yes," please list name and the nature of the relationship:

Name	Relationship
_____	_____
_____	_____
_____	_____
_____	_____

5. Have you or any managers, partners, or officers of your firm ever given (directly or indirectly), or offered to give on behalf of another or through another person, campaign contributions or gifts to any current employee of SCAG or member of the SCAG Regional Council (including contributions to a political committee created by or on behalf of a member/candidate)?

YES NO

If "yes," please list name, date gift or contribution was given/offered, and dollar value:

Name	Date	Dollar Value
Sean Ashton, Regional Council	September 2017	LCC Fall Reception - \$179.98
Jonathan Curtis, Regional Council	October 2016	LCC Fall Reception - \$111.38
James Gazeley, Regional Council	May 2019	CCA Dinner - \$111.04
Bill Jahn, Regional Council	October 2016 and September 2017	LCC Fall Receptions - \$111.38 and \$89.99

SECTION III: VALIDATION STATEMENT

This Validation Statement must be completed and signed by at least one General Partner, Owner, Principal, or Officer authorized to legally commit the proposer.

DECLARATION

I, (printed full name) Scott Campbell, hereby declare that I am the (position or title) Partner of (firm name) Best Best & Krieger LLP, and that I am duly authorized to execute this Validation Statement on behalf of this entity. I hereby state that this SCAG Conflict of Interest Form dated 08/15/19 is correct and current as submitted. I acknowledge that any false, deceptive, or fraudulent statements on this Validation Statement will result in rejection of my contract proposal.


Signature of Person Certifying for Proposer
(original signature required)

08/15/19 Date

NOTICE

A material false statement, omission, or fraudulent inducement made in connection with this SCAG Conflict of Interest Form is sufficient cause for rejection of the contract proposal or revocation of a prior contract award.

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Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

To: Executive/Administration Committee (EAC)
Regional Council (RC)
From: Basil Panas, Chief Financial Officer, Finance, 213-236-1817,
panas@scag.ca.gov
Subject: Contract Amendment Greater than 30% of the Contract's
Original Value, Purchase Order No. 007008, Electronic
Signatures, Amendment 2

EXECUTIVE DIRECTOR'S
APPROVAL

Kome Ajise

RECOMMENDED ACTION:

Approve Amendment No. 2 to Purchase Order No. 007008 in the amount of \$2,852, with DocuSign, Inc. to procure nine (9) additional licenses for electronic signatures, advanced workflows, single sign-on and premiere support.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 5: Recruit, support, and develop a world-class workforce and be the workplace of choice.

EXECUTIVE SUMMARY:

To improve the streamlining of SCAG's workflow processes associated with routing and executing the agency's contracts and amendments, staff obtained six (6) licenses for the Contracts Department to electronically sign contracts and amendments as a pilot program. Due to the success of the pilot program in significantly reducing the time it takes to route contracts and amendments for signature, staff desires to purchase nine (9) additional licenses to extend the use of electronic signatures to other agency departments to route and execute documents such, Memorandums of Understanding, California Public Employees' Retirement System (CalPers) documents and other agency documents. This amendment when combined with a previous amendment exceeds the 30% of the contract's original value. Therefore, in accordance with the SCAG Procurement Manual Section 9.3, dated 11/25/19, it requires the Regional Council's approval.

BACKGROUND:

Staff recommends executing the following contract amendment:

Table with 3 columns: Consultant/PO #, Contract Purpose, Contract Amount. Row 1: DocuSign, Inc., The consultant shall provide nine (9) additional, \$2,852

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(PO-007008)

licenses to extend the use of electronic signatures to other agency departments.

FISCAL IMPACT:

Funding of \$2,852 is available in the FY 2019-20 Overall Work Program (OWP) in Project Number 810-0120.07.

ATTACHMENT(S):

1. Contract Summary PO-007008 Amendment 2
2. Contract Summary PO-007008 C01

PURCHASE ORDER NO. 007008 Amendment 2

Recommended Consultant:	DocuSign, Inc.								
Background & Scope of Work:	To improve the streamlining of SCAG’s workflow processes associated with routing and executing the agency’s contracts and amendments, staff obtained six (6) licenses for the Contracts Department to electronically sign contracts and amendments as a pilot program. Due to the success of the pilot program in significantly reducing the time it takes to route contracts and amendments for signature, staff desires to purchase nine (9) additional licenses to extend the use of electronic signatures to other agency departments to route and execute documents such, Memorandums of Understanding, California Public Employees’ Retirement System (CalPers) documents and other agency documents. This amendment will also increase the contract value from \$5,351 to \$8,203.								
Project’s Benefits & Key Deliverables:	The project’s benefits and key deliverables include, but are not limited to: <ul style="list-style-type: none">• Increased staff productivity through the acquisition of Electronic Signatures;• The ability to streamline work processes while using existing documentation; and• Enables SCAG to be on the cutting edge of document management.								
Strategic Plan:	This item supports SCAG’s Strategic Plan Goal 5: Optimize Organizational Efficiency and Cultivate an Engaged Workforce; Objective: d) Integrate advanced information and communication technologies.								
Amendment Amount:	<table><tr><td>Amendment 2</td><td>\$2,852</td></tr><tr><td>Amendment 1</td><td>\$631</td></tr><tr><td>Original contract value</td><td><u>\$4,720</u></td></tr><tr><td>Total contract value is not to exceed</td><td>\$8,203</td></tr></table>	Amendment 2	\$2,852	Amendment 1	\$631	Original contract value	<u>\$4,720</u>	Total contract value is not to exceed	\$8,203
Amendment 2	\$2,852								
Amendment 1	\$631								
Original contract value	<u>\$4,720</u>								
Total contract value is not to exceed	\$8,203								
	This amendment when combined with a previous amendment exceeds the 30% of the contract’s original value. Therefore, in accordance with the SCAG Procurement Manual Section 9.3, dated 11/25/19, it requires the Regional Council’s approval.								
Contract Period:	June 1, 2019 through May 31, 2020								
Project Number(s):	810-0120.07 \$2,852 Funding source(s): General Fund								
Basis for Selection:	In accordance with SCAG’s Contract Manual Section 7.4, dated 11/25/19, to foster greater economy and efficiency, SCAG’s federal procurement guidance (2 CFR 200.318 [e]) authorizes SCAG to procure goods and services by entering into State and local intergovernmental agreements (Master Service Agreements – MSA’s. also known as Leveraged Purchase Agreements). The goods and services procured under an MSA were previously competitively procured by another governmental entity (SCAG is essentially “piggy-backing” on the agreement.) Staff obtained the original six (6) licenses using an MSA with National Associations of State Procurement Officials (NASPO) ValuePoint Contract #AR2472 that was competitively procured. This MSA is specifically designed for use by local agencies to - leverage combined purchasing power for discounted pricing for Electronic								

Signature Software. Staff will procure the nine (9) additional licenses using this same MSA.

The additional licenses will enable the continuation of increased staff productivity by streamlining work processes through the acquisition of electronic signatures that supports SCAG's mission of being at the cutting edge of document management.

**Conflict Of Interest (COI) Form - Attachment
For March 5, 2020 Regional Council Approval**

Approve Amendment No. 2 to Purchase Order No. 007008 in the amount of \$2,852, with DocuSign, Inc. to procure nine (9) additional licenses for electronic signatures, advanced workflows, single sign-on and premiere support.

The consultant team for this contract includes:

Consultant Name	Did the consultant disclose a conflict in the Conflict of Interest Form they submitted with its original proposal (Yes or No)?
DocuSign Inc.	No

Attachment: Contract Summary PO-007008 Amendment 2 (Contract Amendment Greater than 30% of the Contract's Original Value, Purchase

SCAG CONFLICT OF INTEREST FORM

Purchase Order No. 00-7008

SECTION I: INSTRUCTIONS

All persons or firms seeking contracts must complete and submit a SCAG Conflict of Interest Form along with the proposal. This requirement also applies to any proposed subconsultant(s). Failure to comply with this requirement may cause your proposal to be declared non-responsive.

In order to answer the questions contained in this form, please review SCAG’s Conflict of Interest Policy, the list of SCAG employees, and the list of SCAG’s Regional Council members. All three documents can be viewed online at www.scag.ca.gov. The SCAG Conflict of Interest Policy is located under “OPPORTUNITIES”, then “Doing Business with SCAG” and scroll down under the “CONTRACTS” tab; whereas the SCAG staff may be found under “ABOUT” then “Employee Directory”; and Regional Council members can be found under “ABOUT”, then scroll down to “ELECTED OFFICIALS” on the left side of the page and click on “See the list of SCAG representative and their Districts.”

Any questions regarding the information required to be disclosed in this form should be directed to SCAG’s Deputy Legal Counsel, especially if you answer “yes” to any question in this form, as doing so MAY also disqualify your firm from submitting an offer on this proposal

Name of Firm: DocuSign

Name of Preparer: Beatriz Benjamin

Project Title: E Signature

Date Submitted: January 30, 2020

SECTION II: QUESTIONS

- During the last twelve (12) months, has your firm provided a source of income to employees of SCAG or members of the SCAG Regional Council, or have any employees or Regional Council members held any investment (including real property) in your firm?

YES NO

If “yes,” please list the names of those SCAG employees and/or SCAG Regional Council members and the nature of the financial interest:

Name	Nature of Financial Interest
_____	_____
_____	_____
_____	_____
_____	_____

Attachment: Contract Summary PO-007008 C01 (Contract Amendment Greater than 30% of the Contract’s Original Value, Purchase Order No.

2. Have you or any members of your firm been an employee of SCAG or served as a member of the SCAG Regional Council within the last twelve (12) months?

YES NO

If "yes," please list name, position, and dates of service:

Name	Position	Dates of Service
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

3. Are you or any managers, partners, or officers of your firm related by blood or marriage/domestic partnership to an employee of SCAG or member of the SCAG Regional Council that is considering your proposal?

YES NO

If "yes," please list name and the nature of the relationship:

Name	Relationship
_____	_____
_____	_____
_____	_____
_____	_____

4. Does an employee of SCAG or a member of the SCAG Regional Council hold a position at your firm as a director, officer, partner, trustee, employee, or any position of management?

YES NO

If "yes," please list name and the nature of the relationship:

Name	Relationship
_____	_____
_____	_____
_____	_____
_____	_____

5. Have you or any managers, partners, or officers of your firm ever given (directly or indirectly), or offered to give on behalf of another or through another person, campaign contributions or gifts to any current employee of SCAG or member of the SCAG Regional Council (including contributions to a political committee created by or on behalf of a member/candidate)?

YES NO

If "yes," please list name, date gift or contribution was given/offered, and dollar value:

Name	Date	Dollar Value
_____	_____	_____
_____	_____	_____
_____	_____	_____

SECTION III: VALIDATION STATEMENT

This Validation Statement must be completed and signed by at least one General Partner, Owner, Principal, or Officer authorized to legally commit the proposer.

DECLARATION

I, (printed full name) Beatriz Benjamin, hereby declare that I am the (position or title) Revenue Operations Manager of (firm name) DocuSign, and that I am duly authorized to execute this Validation Statement on behalf of this entity. I hereby state that this SCAG Conflict of Interest Form dated January 30, 2020 is correct and current as submitted. I acknowledge that any false, deceptive, or fraudulent statements on this Validation Statement will result in rejection of my contract proposal.

DocuSigned by:
Beatriz Benjamin January 30, 2020

 Signature of Person Certifying for Proposer Date
 (original signature required)

DS
HMS

NOTICE

A material false statement, omission, or fraudulent inducement made in connection with this SCAG Conflict of Interest Form is sufficient cause for rejection of the contract proposal or revocation of a prior contract award.

Attachment: Contract Summary PO-007008 C01 (Contract Amendment Greater than 30% of the Contract's Original Value, Purchase Order No.



**AGENDA ITEM 6
REPORT**

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

To: Executive/Administration Committee (EAC)
Regional Council (RC)
From: Basil Panas, Chief Financial Officer, Finance, 213-236-1817,
panas@scag.ca.gov
Subject: Approval of the Fiscal Year 2020-21 Draft Comprehensive
Budget

**EXECUTIVE DIRECTOR'S
APPROVAL**

RECOMMENDED ACTION:

It is recommended that the Regional Council: 1) Approve the Fiscal Year 2020-21 (FY 2020-21) Draft Comprehensive Budget, which includes the Draft Overall Work Program (OWP), the FTA Discretionary and Formula Grant Budget, the TDA Capital and Debt Service Budget, the General Fund Budget and Membership Assessment, the Indirect Cost Budget, and the Fringe Benefits Budget. 2) Authorize the release of the Draft OWP to initiate the 30-day public comment period, and transmit the General Fund Budget and Membership Assessment to the General Assembly on May 7, 2020.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 7: Secure funding to support agency priorities to effectively and efficiently deliver work products.

EXECUTIVE SUMMARY:

SCAG is required by federal and state law to develop the OWP Budget and the Indirect Cost Budget each year. Additionally, SCAG's Bylaws require the adoption of an annual budget. Staff has developed the FY 2020-21 Draft Comprehensive Budget that includes: the Draft Overall Work Program; FTA Discretionary and Formula Grant Budget; TDA Capital and Debt Service Budget; the General Fund Budget and Membership Assessment; the Indirect Cost Budget; and the Fringe Benefits Budget. The General Fund Budget and the Membership Assessment will be forwarded to the General Assembly for approval on May 7, 2020. After the 30-day public comment period, the OWP will also be submitted to the Regional Council for final approval on May 7, 2020. The proposed FY 2020-21 Comprehensive Budget is \$93.8 million, which is \$2.4 million or 2.6% more than the adopted FY 2019-20 Comprehensive Budget of \$91.4 million.

DISCUSSION:

The proposed FY 2020-21 Comprehensive Budget is \$93.8 million, which includes: the Draft OWP; the General Fund budget and Membership Assessment; the Indirect Cost budget; and the Fringe Benefits budget. Table 1 provides a summary of revenue sources and Table 2 provides a summary

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of expenditures in the Comprehensive Budget.

Table 1. FY 2020-21 Revenues

REVENUES	DRAFT
FHWA PL - Metropolitan Planning	\$ 23,289,431
FTA 5303 - Metropolitan Planning	\$ 15,899,860
FHWA SPR - Strategic Partnerships Grants	\$ 729,747
FTA 5304 - Sustainable Communities Grants	\$ 518,123
FEDERAL OTHER	\$ 3,710,630
SB 1 - Sustainable Communities Formula Grants	\$ 13,796,616
SB 1 - Sustainable Communities Competitive Grants	\$ 54,003
SHA - Sustainable Communities Grants	\$ 893,635
AB 101 - Regional Early Action Planning Grants	\$ 10,543,568
STATE OTHER	\$ 6,581,885
TDA	\$ 7,797,295
IN-KIND COMMITMENTS	\$ 4,228,110
CASH/LOCAL OTHER	\$ 2,495,802
GENERAL FUND	\$ 2,683,973
INDIRECT COST CARRYFORWARD	\$ 555,465
TOTAL	\$ 93,778,143

Table 2. FY 2020-21 Expenditures

EXPENDITURES	DRAFT
SALARIES & BENEFITS	\$ 29,541,869
CONSULTANTS	\$ 41,144,037
NON-PROFITS/IHL	\$ 460,000
PASS-THROUGH PAYMENTS	\$ 2,935,520
IN-KIND COMMITMENTS	\$ 4,228,110
CASH/LOCAL OTHER	\$ 1,991,431
OTHER COSTS	\$ 12,960,360
CAPITAL & DEBT SERVICE	\$ 516,816
Total	\$ 93,778,143

Draft OWP

As a Metropolitan Planning Organization (MPO), SCAG is required by the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), and the California Department of Transportation (Caltrans) to develop an annual work program, or OWP. The OWP identifies the work that will be accomplished during the fiscal year of July 1, 2020 through June 30, 2021 (FY 2020-21). It discusses the planning priorities, the needs of the region, and the specific programs to meet those needs.

On January 22, 2020, SCAG held its annual OWP development and coordination meeting with Caltrans, FHWA and FTA representatives. SCAG staff presented the proposed work program for FY 2020-21 and reported accomplishments and progress on major projects in the current fiscal year.

The proposed OWP budget is \$86.1 million, and includes: \$39.2 million of FHWA and FTA Metropolitan Planning formula funds; \$13.9 million of Senate Bill (SB) 1 Sustainable Communities Grants; \$10.5 million of AB 101 Regional Early Action Planning Grants (described below); \$7.8 million of Transportation Development Act (TDA) funds; and \$14.7 million of other state and federal grants and third party contributions for transportation planning projects. The OWP expenditures are described beginning on page 19 of the Comprehensive Budget.

The Draft OWP will be released for a 30-day public comment period, beginning March 5, 2020 to April 6, 2020. Staff will receive and address comments in the Final OWP before it is submitted to the Regional Council for final approval on May 7, 2020.

Regional Early Action Planning Program (REAP)

The California 2019-20 Budget Act, also known as Assembly Bill (AB) 101, appropriated two new one-time programs to provide regions and jurisdictions with grants for planning activities to enable jurisdictions to increase housing planning and accelerate housing production in order to meet housing needs as determined by the sixth Regional Housing Needs Assessment (RHNA). Up to \$47.5 million is available for SCAG under the REAP for eligible activities. On February 6, 2020, the Regional Council adopted a resolution to authorize SCAG to apply for advance funding for up to twenty-five (25) percent, or \$11.9 million, the maximum allowed for initial early application. Approximately \$10.5 million is included in the Draft OWP and the remaining amount will be programmed in the Final OWP. The early advancement of funding is intended to cover the costs of the 6th cycle RHNA Methodology and Allocation process, as well as, to fund the program development costs and some initial work associated with refining and delivering the REAP draft program and framework.

FTA Discretionary and Formula Grant Budget

SCAG is the Designated Recipient of FTA Urbanized Area Formula Grants under 49 U.S.C. Section 5307 for the large urbanized areas (UZAs) with populations of 200,000 or more in the SCAG region. As the Designated Recipient, SCAG is responsible to apply for and pass-through Section 5339 and Section 5312 grant funds for specialized transportation programs and projects, which provide capital funding to replace, rehabilitate and purchase buses, vans, fixed guide-way, as well as to construct related facilities and purchase related equipment. The FTA Discretionary and Formula Grant Budget is \$3.9 million and provides support for projects with Riverside Transit Agency, Sunline Transit Agency, MTA and Foothill Transit (page 39 of the Comprehensive Budget).

TDA Capital and Debt Service Budget



The State Public Utilities Code Section 99233.2 authorizes the Transportation Commissions in Los Angeles, Orange, Riverside and San Bernardino counties to allocate up to $\frac{3}{4}$ of 1 percent of their local transportation funds to SCAG as the multi-county planning agency for the region. SCAG uses TDA to fund local initiatives and to provide cash match as needed for projects funded with state or federal funds. In FY 2020-21, the TDA budget includes \$7.3 million for SCAG consultants and staff related costs, and \$0.5 million for capital purchases and debt service payments for furniture/fixtures and audio visual equipment for SCAG offices (page 40 of the Comprehensive Budget).

General Fund and Membership Assessment

The proposed General Fund budget is \$2.7 million. It provides support to the Regional Council and its Subcommittees for the costs of stipends and travel; fund costs not eligible for grant reimbursement; provide a source of working capital; and finance program expenditures, which must be paid prior to sending requisitions to certain federal and state grantors. The revenue consists of membership dues for all members of SCAG in the amount of \$2.2 million and General Assembly sponsorships and registrations of \$0.5 million. The General Fund budget will be submitted to the General Assembly for approval on May 7, 2020. The General Fund expenditures are described beginning on page 42 and the membership assessment schedule is included on page 55 of the Comprehensive Budget.

Indirect Cost Budget

The Indirect Cost budget provides funding for staff salaries, fringe benefits and other non-labor costs that are not attributable to an individual direct program. The proposed Indirect Cost budget is \$22.9 million, which is \$6.5 million more than FY 2019-20 due to increases in staff costs, consultants, and other non-labor costs in support of agency priorities.

Staff develops the Indirect Cost Allocation Plan (ICAP) based on Caltrans guidelines. The proposed indirect cost rate for FY21 is 130.98% and the indirect costs are allocated to direct projects (with salaries and fringe costs) in the OWP and General Fund, pending approval of the indirect cost rate from Caltrans. The Indirect Cost expenditures are described beginning on page 48 of the Comprehensive Budget.

Fringe Benefits Budget

The Fringe Benefits budget provides funding for employee-associated costs such as vacation, holidays, sick leave, other leaves, health plan, retirement plan, workers' compensation insurance, unemployment insurance, transportation reimbursement, tuition reimbursement, deferred compensation, and other employee benefits.

The proposed Fringe Benefits budget is \$12.9 million, which is \$1.5 million more than FY 2019-20, primarily due to increases in the cost of health and retirement plans, and a new vacation cash-out

program for employees (described below). The proposed fringe benefits rate for FY 2020-21 is 79.80% and it is applied to all salaries in the OWP, General Fund and Indirect Cost budget. The employee-associated costs are described beginning on page 46 of the Comprehensive Budget.

Salary and Benefits Adjustments

One of the overarching goals of SCAG's Work Plan is to recruit, support, and develop a world-class workforce and be the workplace of choice. In 2001, the Regional Council adopted a compensation benchmark of the 75th percentile of SCAG's peer agencies. In October 2019, staff conducted a total compensation study to ensure SCAG's compensation practices are competitive and consistent with SCAG's compensation philosophy. The results indicated that on average SCAG is behind 25% in total compensation when compared to benchmark agencies in the region (City of LA, LA County, MTA and MWD). The last update to salary ranges was effective July 2017. It is important to note that SCAG employees receive only performance based merit increases. They do not receive step increases or cost of living adjustments. SCAG does not provide automatic changes to the salary ranges based on the Consumer Price Index or other factors which is typical in many of SCAG's comparison agencies.

Included in the proposed budget is an updated salary schedule reflecting market based increases to the salary ranges (page 61 of the Comprehensive Budget). The updated salary schedule affects 15 staff who will move to the new bottom of the salary range in July 2020 for a total fiscal impact of approximately \$80,000. Funds are included in the proposed staff salaries budget for adjusting the employees who would fall below the adjusted minimum salary range next fiscal year. All other employees will move in the range when they receive their next performance based merit increase.

Also included in the proposed budget are adjustments to the following employee benefits: parental leave, bereavement leave, and vacation accrual. Additionally, SCAG is implementing a vacation cash-out program at maximum cost of \$267,000 next fiscal year.

Staffing

The current number of budgeted positions in FY 2019-20 is 158. The proposed budget includes 16 new positions for a total of 174 positions in FY 2020-21. The new positions support implementation of agency work plan priorities: agile IT, staff development, stakeholder engagement, project management, and the housing program.

FISCAL IMPACT:

There is no immediate fiscal impact as a result of the recommended actions. Staff will return to the Regional Council on May 7, 2020 to recommend adoption of the FY 2020-21 Final Comprehensive Budget.

ATTACHMENT(S):



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1. FY 2020-21 Draft Comprehensive Budget
 2. Link to FY 2020-21 Draft OWP and Public Comment Form
<http://scag.ca.gov/about/Pages/DraftFY2020-21OWP.aspx>



DRAFT
**Comprehensive
Budget**

Fiscal Year 2020–2021

March 2020

Attachment: FY 2020-21 Draft Comprehensive Budget (Approval of the Fiscal Year 2020-21 Draft Comprehensive Budget)

Southern California Association of Governments

Comprehensive Budget

Fiscal Year 2020-21

Table of Contents

Section I – Overview	Page
Introduction.....	3
SCAG Organization	4
Organizational Chart	5
SCAG Strategic Plan	6
Comprehensive Budget Overview.....	10
Comprehensive Line Item Budget.....	12
Section II – Budget Components	
Overall Work Program (OWP).....	14
• OWP Revenue Sources	14
• OWP Line Item Budget	19
• OWP Programs	21
FTA Discretionary and Formula Grant Budget.....	39
TDA Capital & Debt Service Budget.....	40
General Fund Budget (GF).....	41
• Program Overview	41
• Membership Dues Assessments.....	41
• GF Line Item Budget	42
Fringe Benefits Budget (FB).....	45
• Program Overview	45
• FB Line Item Budget.....	46
Indirect Cost Budget (IC)	47
• Program Overview	47
• IC Line Item Budget.....	48
• IC Work Areas	49
Section III – Appendices	
Description of Budget Line Items	50
Membership Assessment	55
SCAG Salary Schedule	61



DRAFT Comprehensive Budget

Fiscal Year 2020–2021

SECTION I Overview

Organization

Introduction

This document contains the Southern California Association of Governments (SCAG) or Association Comprehensive Budget for Fiscal Year (FY) 2020-21.

The annual budget for consists of:

- The Overall Work Program (OWP)
A federal, state and locally funded budget consisting of projects related to regional planning in the areas of transportation, housing and the environment.
- Federal Transit Administration (FTA) Discretionary & Formula Grant Budget
A budget for federal grant funds of which SCAG is the designated recipient and must pass through to eligible public agencies for specialized transportation programs and projects.
- Transportation Development Act (TDA) Capital & Debt Service Budget
A budget for the local transportation funds that the Transportation Commissions in Los Angeles, Orange, Riverside and San Bernardino counties allocate to SCAG as the multi-county planning agency for the region.
- The General Fund Budget (GF)
A budget that utilizes Association members' dues for activities not eligible for federal and state funding.
- The Indirect Cost Budget (IC)
The budget for the administrative and operations support of the Association.
- The Fringe Benefits Budget (FB)
The budget for the fringe benefits and leave time of Association employees.

Organization

SCAG Organization

SCAG, founded in 1965, is a Joint Powers Authority under California state law, established as an association of local governments and agencies that voluntarily convene as a forum to address regional issues. Under federal law, SCAG is designated as a Metropolitan Planning Organization (MPO) and under state law as the Multicounty Designated Transportation Planning Agency for the six (6) county Southern California region. Through SCAG, city and county governments throughout Southern California come together to develop solutions to common problems in transportation, housing, air quality, and other issues.

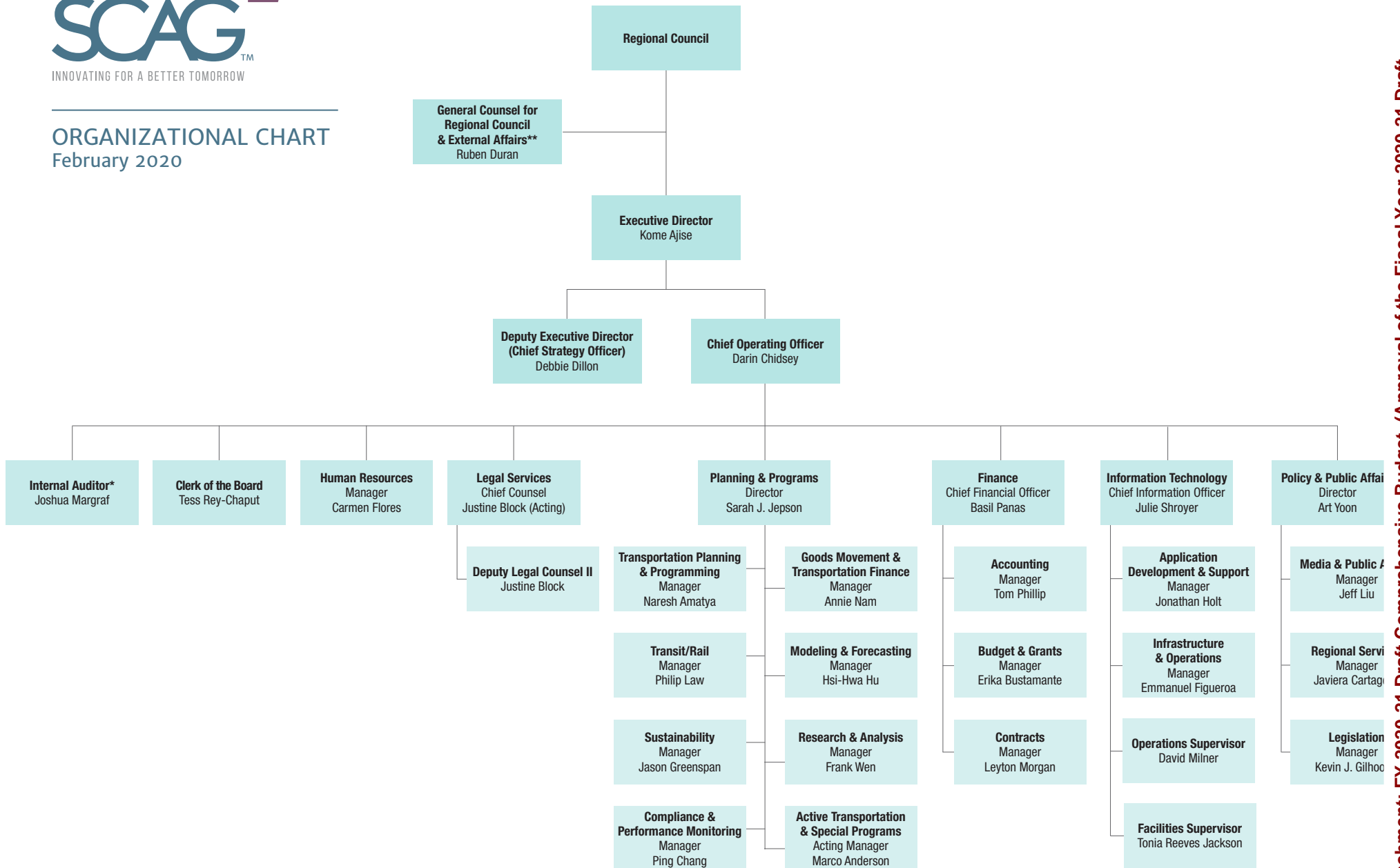
To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

SCAG's primary responsibilities include: the development of the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS); the Federal Transportation Improvement Program (FTIP); the annual OWP; and the transportation-related portions of local air quality management plans. Under the federal Clean Air Act, SCAG is responsible for determining if regional transportation plans and programs are in conformity with of applicable state air quality plans. SCAG's additional functions include the intergovernmental review of regionally significant development projects, and the periodic preparation of a Regional Housing Needs Assessment (RHNA).

In addition to the six (6) counties and 191 cities that make up SCAG's region, there are six (6) County Transportation Commissions (CTCs) that hold the primary responsibility for programming and implementing transportation projects, programs and services in their respective counties. The agency also operates via a number of critical partnerships at the local, state and federal levels. In addition to its federal and state funding partners (Federal Highway Administration (FHWA), FTA, Federal Aviation Administration, California Transportation Commission, California Department of Transportation (Caltrans), etc.), SCAG's planning efforts are closely coordinated with regional transit operators, Tribal Governments and fifteen sub-regional Councils of Governments (COGs) or joint power agencies that represent SCAG's cities and counties.

The framework for developing the FY 2020-21 Comprehensive Budget is SCAG's multi-year Strategic Plan that focuses on SCAG's vision and priorities and improves the organization and its operations. The FY 2020-21 Comprehensive Budget supports Strategic Plan Goal #7 – Secure funding to support agency priorities to effectively and efficiently deliver work products. All the work programs funded in the budget support at least one of the seven Strategic Plan Goals.

ORGANIZATIONAL CHART
February 2020



* Takes direction from the Audit Committee

** Takes direction from the Regional Council

Strategic Plan

Strategic Plan Components

Vision Statement

Southern California's Catalyst for a Brighter Future.

Mission Statement

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

Core Values

Be Open

Be accessible, candid, collaborative and transparent in the work we do.

Lead by Example

Commit to integrity and equity in working to meet the diverse needs of all people and communities in our region.

Make an Impact

In all endeavors, effect positive and sustained outcomes that make our region thrive.

Be Courageous

Have confidence that taking deliberate, bold and purposeful risks can yield new and valuable benefits.

Strategic Plan

Strategic Plan Goals

GOAL #1

Produce innovative solutions that improve the quality of life for Southern Californians.

Objectives

- A. Create plans that enhance the region's strength, economy, resilience and adaptability by reducing greenhouse gas (GHG) emissions and air pollution.
- B. Be the leading resource for best practices that lead to local implementation of sustainable and innovative projects.
- C. Ensure quality, effectiveness, and implementation of plans through collaboration, pilot testing, and objective, data-driven analysis.
- D. Identify partnership opportunities with the private sector yield public benefits.
- E. Facilitate inclusive and meaningful engagement with diverse stakeholders to produce plans that are effective and responsive to community needs.
- F. Partner with the broader research community to ensure plans are informed by the most recent research and technology.

GOAL #2

Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

Objectives

- A. Cultivate dynamic knowledge of the major challenges and opportunities relevant to sustainability and quality of life in the region.
- B. Develop and implement effective legislative strategies at both the state and federal level.
- C. Advocate for the allocation, distribution and expenditure of resources to meet the region's needs.
- D. Promote and engage partners in a cooperative regional approach to problem-solving.
- E. Act as the preeminent regional convener to shape regional, state and national policies.

GOAL #3

Be the foremost data information hub for the region.

Objectives

- A. Develop and maintain models, tools, and data sets that support innovative plan development, policy analysis and project implementation.
- B. Become the information hub of Southern California by improving access to current, historical, local, and regional data sets that reduce the costs of planning and increase the efficiency of public services.

Strategic Plan

- C. Allocate resources to accelerate public sector innovation related to big data, open data and smart communities with a focus on social equity in the deployment of new technologies across the region.
- D. Develop partnerships and provide guidance by sharing best practices and promoting collaborative research opportunities with universities, local communities and the private sector regionally, nationally, and internationally.
- E. Facilitate regional conversations to ensure data governance structures are in place at the local and regional level to standardize data sets, ensure timely updates of data, and protect the region's data systems and people.
- F. Model best practices by prioritizing continuous improvement and technical innovations through the adoption of interactive, automated, and state-of-the-art information tools and technologies.

GOAL #4

Provide innovative information and value-added services to enhance member agencies' planning and operations and promote regional collaboration.

Objectives

- A. Promote information-sharing and local cost savings with enhanced services to member agencies through networking events, educational and training opportunities, technical assistance, and funding opportunities.
- B. Provide resources and expertise to support local leaders and agencies in implementing regional plans.
- C. Expand SCAG's ability to address local and regional planning and information needs by prioritizing regular engagement with members to develop innovative, insight-driven, and interactive tools.
- D. Promote data-driven decision making, government transparency, and information as public engagement tools to increase opportunities for the public to inform local and regional policy.
- E. Identify, support, and partner with local champions to foster regional collaboration.

GOAL #5

Recruit, support, and develop a world-class workforce and be the workplace of choice.

Objectives

- A. Integrate the Strategic Plan into SCAG's day-to-day operations by defining roles and responsibilities across the agency.
- B. Prioritize a diverse and cooperative environment that supports innovation, allows for risk-taking, and provides opportunities for employees to succeed.
- C. Encourage interdepartmental collaboration through the use of formal and informal communication methods.

Strategic Plan

- D. Adopt and support enterprise-wide data tools to promote information sharing across the agency.
- E. Anticipate future organizational needs of the agency by developing a systematic approach to succession planning that ensures leadership continuity and cultivates talent.
- F. Invest in employee development by providing resources for training programs, internal mentorship opportunities, and partnerships with universities.
- G. Foster a culture of inclusion, trust, and respect that inspires relationship-building and employee engagement.

GOAL #6

Deploy strategic communications to further agency priorities and foster public understanding of long- range regional planning.

Objectives

- A. Leverage cutting-edge communication tools and strategies to maximize connectivity and sustain regional partnerships.
- B. Produce clear and consistent communications, media, and promotional campaigns that exemplify agency values and standards.
- C. Enhance the SCAG brand as a respected and influential voice for the region increasing awareness of agency's work and purpose.
- D. Practice robust public engagement, conducting proactive outreach to traditionally underrepresented communities as well as long-term stakeholders.

GOAL #7

Secure funding to support agency priorities to effectively and efficiently deliver work products.

Objectives

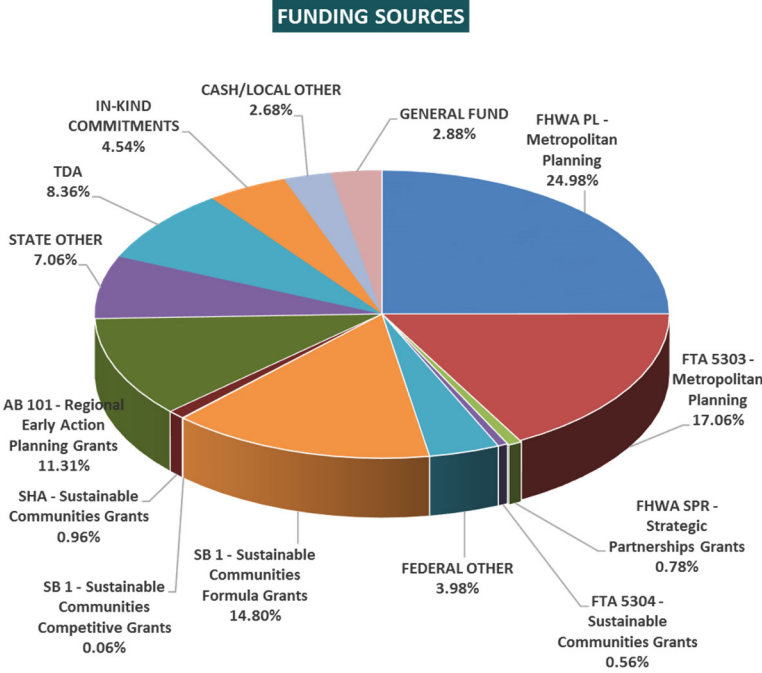
- A. Pursue innovative funding opportunities for planning and infrastructure investments.
- B. Maximize efficiency and effectiveness in resource allocation to maintain adequate working capital, appropriate reserves, and investments, and utilize resources in a timely and responsible fashion.
- C. Pioneer best practices and streamline administrative processes to better support agency activities.
- D. Focus resources to maintain and expand programs that are aligned with agency values.

Comprehensive Budget

FY 2020-21 Comprehensive Budget

Budget Funding Sources

SCAG receives most of its funding from the Federal Consolidated Planning Grant (CPG) which consists of Metropolitan Planning Funds from FHWA (FHWA PL) and FTA (FTA Section 5303). More information on CPG is detailed on page 14. The following chart illustrates the source and relative value of SCAG’s funding sources.



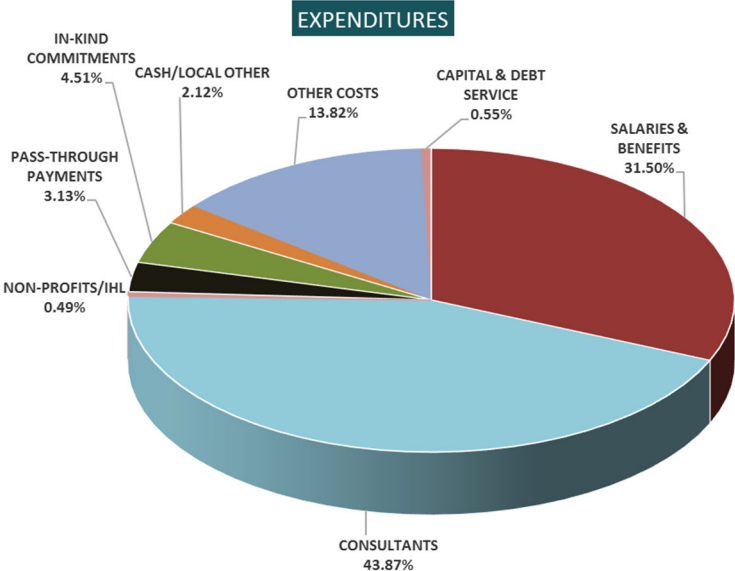
*May not total 100.00% due to rounding

Funding Sources	Amount
FHWA PL - Metropolitan Planning	23,289,431
FTA 5303 - Metropolitan Planning	15,899,860
FHWA SPR - Strategic Partnerships Grants	729,747
FTA 5304 - Sustainable Communities Grants	518,123
FEDERAL OTHER	3,710,630
SB 1 - Sustainable Communities Formula Grants	13,796,616
SB 1 - Sustainable Communities Competitive Grants	54,003
SHA - Sustainable Communities Grants	893,635
AB 101 - Regional Early Action Planning Grants	10,543,568
STATE OTHER	6,581,885
TDA	7,797,295
IN-KIND COMMITMENTS	4,228,110
CASH/LOCAL OTHER	2,495,802
GENERAL FUND	2,683,973
SUBTOTAL	93,222,678
INDIRECT COST CARRYFORWARD	555,465
TOTAL REVENUES	93,778,143

Comprehensive Budget

Budget Expenditures

SCAG allocates its budget into four major expenditure categories. The following chart illustrates the relative values of each category.



Expenditures	Amount
SALARIES & BENEFITS	\$ 29,541,869
CONSULTANTS	41,144,037
NON-PROFITS/IHL	460,000
PASS-THROUGH PAYMENTS	2,935,520
IN-KIND COMMITMENTS	4,228,110
CASH/LOCAL OTHER	1,991,431
OTHER COSTS	12,960,360
CAPITAL & DEBT SERVICE	516,816
TOTAL EXPENDITURES	\$ 93,778,143

*Other includes direct and indirect non-labor costs (see pages 12-13)

**Consultants includes the cost categories: Consultant, Consultant TC, and Cloud Services (see page 12)

Comprehensive Budget

Comprehensive Line Item Budget: FY18 through FY21

GL Account	Line Item	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Proposed	% Incr. (Decr)
500XX	Staff	\$ 14,275,871	\$ 14,964,261	\$ 17,144,874	\$ 19,255,337	12%
54300	Consultant	8,997,306	10,578,095	30,700,604	32,102,219	5%
54302	Non-Profits/IHL	-	82,664	485,000	460,000	-5%
54303	Consultant TC	-	-	6,265,889	6,919,788	10%
54305	Cloud Services	-	217,816	489,330	2,122,030	334%
54340	Legal	220,154	155,301	360,000	150,000	-58%
54360	Pass-Through Payments	8,424,962	2,124,650	4,480,619	2,935,520	-34%
55210	Software Support	519,697	549,754	769,400	1,606,300	109%
55220	Hardware Support	123,077	296,843	415,000	2,715,000	554%
55230	Computer Mainenance	-	-	250,000	-	-100%
55240	Repair-Maintenance	21,903	30,698	26,500	26,500	0%
5528X	3rd Party Contributions	2,918,831	3,326,903	5,739,013	5,521,745	-4%
55284	Toll Credits	-	-	718,703	-	-100%
55310	Furniture & Fixture Principal	97,023	228,569	239,928	251,852	5%
55315	Furniture & Fixture Interest	19,464	50,598	39,239	27,315	-30%
55320	Audio-Visual Equipment Principal	33,766	126,639	133,703	141,160	6%
55325	Audio-Visual Equipment Interest	6,193	33,198	26,135	18,678	-29%
55400	Office Rent / Operating Expense	877,112	816,099	1,538,000	2,192,805	43%
55410	Office Rent Satellite	152,668	171,470	260,000	260,000	0%
55415	Off-Site Storage	2,947	3,866	5,000	5,000	0%
55420	Equipment Leases	114,674	61,180	100,000	100,000	0%
55425	Lease Obligation Payment	1,555,787	-	-	-	-
55430	Equipment Repair-Maintenance	40,551	38,090	1,000	1,000	0%
55435	Security Services	64,218	58,139	100,000	100,000	0%
55440	Insurance	150,011	226,247	238,385	285,931	20%
55441	Payroll / Bank Fees	25,593	27,536	27,500	30,000	9%
55445	Taxes	5,659	2,523	5,000	5,000	0%
55460	Materials & Equipment < \$5,000	1,440,975	37,173	64,000	64,000	0%
55510	Office Supplies	84,206	59,810	73,800	78,800	7%
55520	Graphic Supplies	5,119	13,333	7,500	9,000	20%
55530	Telephone	177,299	136,091	195,000	195,000	0%
55540	Postage	305	9,998	12,000	10,000	-17%
55550	Delivery Services	3,587	4,088	5,000	5,000	0%
55580	Outreach/Advertisement	74,156	93,808	50,000	50,000	0%
55600	SCAG Memberships	151,396	206,919	192,200	208,200	8%
55610	Professional Memberships	11,514	9,130	15,500	13,000	-16%
55611	Professional Dues	-	600	1,350	1,350	0%
55620	Resource Materials/Subscriptions	451,350	320,250	1,007,255	672,300	-33%
55700	Depreciation - Furniture & Fixture	80,790	170,183	185,000	185,000	0%
55715	Amortization - Software	161,873	91,018	1,684	-	-100%
55720	Amortization - Lease	35,007	70,623	62,500	75,000	20%
55725	Fixed Asset Write-Down	15,548	-	-	-	-
55730	Capital Outlay	1,656,202	141,433	300,000	100,000	-67%
55800	Recruitment - Advertising	12,937	7,645	25,000	25,000	0%
55801	Recruitment - Other	20,676	17,930	45,000	45,000	0%
55810	Public Notices	5,894	59,136	59,500	97,500	64%
55820	Staff Training	70	1,973	30,000	30,000	0%
55830	Networking Meetings/Special Events	18,942	12,603	27,000	24,000	-11%
55840	Training Registration	-	53,890	65,000	65,000	0%
55860	Scholarships	36,000	32,000	32,000	36,000	13%
55910	RC/Committee Meetings	22,032	9,469	25,000	15,000	-40%
55912	RC Retreat	9,734	-	10,000	13,000	30%
55914	RC General Assembly	557,488	640,155	672,000	611,500	-9%

Attachment: FY 2020-21 Draft Comprehensive Budget (Approval of the Fiscal Year 2020-21 Draft Comprehensive Budget)

Comprehensive Budget

Comprehensive Line Item Budget: FY18 thru FY21 (continued)

GL Account	Line Item	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Proposed	% Incr. (Decr)
55915	Demographic Workshop	26,785	27,423	28,000	28,000	0%
55916	Economic Summit	108,378	84,937	100,000	85,000	-15%
55918	Housing Summit	-	-	20,000	20,000	0%
55920	Other Meeting Expense	127,825	108,558	131,500	111,000	-16%
55925	RHNA Subregional Delegation	-	-	500,000	-	-100%
55930	Miscellaneous Other	192,421	185,868	405,694	1,569,915	287%
55936	Engagement Committee	-	-	-	20,000	
55937	Employee Recognition	-	-	-	15,000	
55938	Department Allowances	-	-	-	15,000	
55940	Stipend-RC Meetings	191,350	194,130	210,485	195,000	-7%
55950	Temporary Help	177,077	40,718	105,000	106,000	1%
55980	Contingency - General Fund	907,338	(5,428,815)	-	270	
55995	Disallowed Grant Costs	-	4,832,192	-	-	0%
56100	Printing	29,713	54,410	68,000	50,000	-26%
58100	Travel	232,040	197,669	427,590	399,800	-6%
58101	Travel - Local	72,254	69,800	73,500	75,000	2%
58110	Mileage	88,011	69,983	76,000	79,000	4%
58150	Staff Lodging Expense	13,294	12,880	13,500	13,000	-4%
58200	Travel-Registration Fees	53,445	-	-	-	
58800	RC Sponsorships	184,596	251,433	200,000	150,000	-25%
59090	Expense - Local Other	1,592,130	465,138	6,268,529	697,796	-89%
60041	Vacation Cash Out	-	-	-	266,967	
60110	Retirement-PERS	3,737,123	4,203,649	5,389,857	6,018,361	12%
60120	Retirement-PARS	73,867	75,344	75,094	76,595	2%
60200	Health Insurance - Active Employees	1,212,326	1,247,798	1,478,400	1,670,400	13%
60201	Health Insurance - Retirees PAYGO	537,875	560,022	636,009	698,772	10%
60202	Health Insurance - Retirees GASB 45	317,727	320,067	242,805	-	-100%
60210	Dental Insurance	180,804	181,403	235,826	277,049	17%
60220	Vision Insurance	50,173	50,027	65,501	74,275	13%
60225	Life Insurance	86,181	86,869	78,190	92,345	18%
60240	Medicare Tax Employers Share	204,226	197,770	240,279	270,866	13%
60245	Social Security Tax Employers	19,210	-	-	-	
60250	Medicare Tax ER - Interns	-	3,438	6,917	6,931	0%
60255	Social Security ER - Interns	-	14,699	36,491	36,567	0%
60300	Tuition Reimbursement	39,836	24,986	43,776	43,776	0%
60310	Transit Passes	140,382	123,557	137,749	212,795	54%
60315	Bus Passes NT - Interns	-	15,395	38,093	38,174	0%
60320	Carpool Reimbursement	420	420	420	420	0%
60400	Workers Compensation Insurance	132,586	205,585	170,048	205,585	21%
60405	Unemployment Compensation Insurance	34,585	40,469	35,000	35,000	0%
60410	Miscellaneous Employee Benefits	80,273	74,427	66,954	91,254	36%
60415	SCAG 457 Match	81,129	102,915	96,500	109,000	13%
60450	Benefits Administrative Fees	3,204	3,474	3,508	43,400	1137%
60500	Automobile Allowance	18,420	26,412	14,400	18,000	25%
	Total	54,627,570	45,095,447	91,441,726	93,778,143	3%

*Totals may not add due to rounding



DRAFT Comprehensive Budget

Fiscal Year 2020–2021

SECTION II Budget Components

Overall Work Program

Overall Work Program (OWP)

The Flow of Funds

Traditionally, the majority of OWP funding has come to SCAG via the Federal appropriations process. Some funding has been directly allocated to SCAG, and some has “passed through” via Caltrans.

Summary of Revenue Sources

Consolidated Planning Grant (CPG)

In 1997, FHWA/FTA instituted a transportation planning funds process called CPG. In California, the four CPG fund sources are described below.

1. FHWA Metropolitan Planning (FHWA PL)

Metropolitan Planning funds, otherwise known as PL funds, are available for MPOs to carry out the metropolitan transportation planning process required by 23 U.S.C. 134, including development of metropolitan area transportation plans and transportation improvement programs.

The state must make all federally authorized PL funds available to the MPOs in accordance with a formula developed by the state, in consultation with the MPOs and approved by the FHWA.

2. FTA Metropolitan Planning, Section 5303 (FTA §5303)

All MPOs with an urbanized area receive FTA §5303 funds each year to develop transportation plans and programs. The percentage of the California apportionment of FTA §5303 each MPO receives is determined by a formula agreed to by the MPOs, Caltrans and FTA.

The FTA §5303 formula has two components, a base allocation and a population component which distributes funds according to the MPOs percentage of statewide urbanized area population as of the most recent decennial census.

3. FHWA State Planning and Research Part I – Strategic Partnership Grants (SP&R)

Funds transportation planning studies in partnership with Caltrans that address the regional, interregional and statewide need of the State highway system, and assist in achieving other State goals. Caltrans awards these grants through an annual, competitive selection process.

Overall Work Program

4. FTA State Planning and Research, Section 5304 Strategic Partnerships – Transit (FTA §5304)

Funds local and regional multimodal transportation and land use planning projects that further the region’s RTP/SCS, contribute to the State’s GHG reduction targets, and assist in achieving other State goals. Caltrans awards these grants through an annual, competitive selection process.

Sustainable Communities Competitive Grants

Beginning in FY 2017-18, the Sustainable Communities Competitive Grants reside under the Sustainable Transportation Planning Grant Program and include the traditional State Highway Account (SHA) funds and Senate Bill (SB) 1 funds that are deposited into the Road Maintenance and Rehabilitation Account (RMRA). Caltrans awards these grants through an annual, competitive selection process.

SHA, Sustainable Communities Grants

Funds local and regional multimodal transportation and land use planning projects that further the region’s RTP/SCS, contribute to the State’s GHG reduction targets, and assist in achieving other State goals.

Sustainable Communities Formula Grants

Beginning in FY 2017-18, approximately \$12.5 million in Sustainable Communities Formula Grants from SB 1 reside under the Sustainable Transportation Planning Grant Program and are allocated via formula (consistent with the FHWA PL formula) to the 18 MPOs. These funds are for local and regional multimodal transportation and land use planning projects that further the region’s RTP/SCS, contribute to the State’s GHG reduction targets, and assist in achieving other State goals.

Local Funds

Each of the funding sources described above requires that local cash or in-kind services be provided as match. The Association uses a combination of the following sources for match:

TDA

State of California Public Utilities Code Section 99233.2 authorizes the Transportation Commissions in Los Angeles, Orange, Riverside, and San Bernardino counties to allocate up to $\frac{3}{4}$ of 1 percent of their local transportation funds to SCAG as the multi-county planning agency for the region. As the largest source of non-federal funding received by SCAG, TDA is used to fund local initiatives and to provide cash match as needed for projects funded with state or federal funds.

Overall Work Program

Cash Match/Local Funds

Funding from local agencies is provided to SCAG to serve as matching funds to the CPG and other grants that require local match for consultant expenditures as a condition of receiving grant funds. For example, the CPG requires a match of 11.47%. In addition, local agencies such as Transportation Commissions periodically provide funding for specific projects such as localized modeling work.

In-Kind Match

The CPG and other grants accept in-kind match, as well as cash match, to fulfill the local match requirement for staff costs that is a condition of receiving grant funds. In-kind match reflect services, such as staff time, provided by a local agency in support of the work funded by a grant.

FTA Pass-Through Funds

As the Designated Recipient of Section 5339 and Section 5312 FTA funds, SCAG is required to pass them through to eligible public agencies. SCAG administers these grant programs which provide capital funding to replace, rehabilitate and purchase buses, vans, and fixed guide-way, as well as to construct related facilities and to purchase related equipment.

Special Grant Funds

SCAG receives various discretionary grant funds to carry out a wide array of planning programs such as Go Human Campaign, Pedestrian and Bicycle Safety Program, Clean Cities Coalition, Future Communities Pilot Program, and Caltrans Local Assistance Active Transportation Program.

AB2766/Mobile Source Air Pollution Reduction Review Committee (MSRC) Funds

State Health & Safety Code Section 44225 (AB2766) established MSRC to develop a work program to fund projects which help reduce air pollution from motor vehicles within the South Coast Air District. MSRC provides to SCAG the financial assistance which primarily supports Go Human Campaign and Future Communities Pilot Program.

Office of Traffic Safety (OTS) Pedestrian and Bicycle Safety Funds

California OTS competitively award to various agencies for projects that increase awareness of traffic rules, rights, and responsibilities among different age groups.

Overall Work Program

Department of Energy/National Energy Tech Lab Funds

The Department of Energy/National Energy Tech Lab provides financial assistance to fund projects which provide technical aid and targeted outreach, within the coalition's territory, to raise awareness and foster a greater understanding of alternative fuels and advanced vehicle technologies in order to increase the market and decrease petroleum dependence.

Active Transportation Program (ATP) Funds

ATP was created by Senate Bill 99 (Chapter 359, Statutes of 2013) and Assembly Bill 101 (Chapter 354, Statutes of 2013) to encourage increased use of active modes of transportation, such as biking and walking. The ATP program is funded from various federal and state funds appropriated in the annual Budget Act. Caltrans provides the administrative oversight for the Programs and ensures that the terms and conditions of the California Transportation Commission's guidelines.

Regional Early Action Planning Program (REAP)

The California 2019-20 Budget Act, also known as Assembly Bill (AB) 101, appropriated two new one-time programs to provide regions and jurisdictions with grants for planning activities to enable jurisdictions to increase housing planning and accelerate housing production in order to meet housing needs as determined by the sixth Regional Housing Needs Assessment (RHNA). Up to \$47.5 million is available for SCAG under the REAP for eligible activities.

Overall Work Program

OWP Budget Document

The core regional transportation planning document is the OWP and its core product is completion of the Regional Transportation Plan (RTP). The OWP is developed by SCAG on an annual basis, and:

- Introduces the agency
- Provides users with an overview of the region
- Focuses on the SCAG regional planning goals and objectives

The OWP serves as the planning structure that SCAG must adhere to for the state fiscal year, which is July 1 through June 30 of the following calendar year. The OWP includes three component pieces:

1. Regional Prospectus

The prospectus section provides the context for understanding the work activities proposed and gives information about the region. It includes, but is not limited to:

- The region's regional planning approach
- The agency's organizational structure and interagency arrangements
- An overview of governmental and public involvement
- The progress made towards implementing the RTP/SCS

2. Work Elements

The Work Element identifies specific planning work to be completed during the term of the OWP, as well as a narrative of previous, on-going and future year's work to be completed. It also includes the sources and uses of funds.

3. Budget Revenue & Expenditure Reports

These summary reports are a listing of all the work elements in the OWP by funding sources and expenditure category.

The OWP, in conjunction with the Overall Work Program Agreement (OWPA) and the regional planning Master Fund Transfer Agreement (MFTA), constitutes the annual funding agreement between the State and SCAG. Although the OWP includes all planning projects to be undertaken by SCAG during the fiscal year, the OWPA and MFTA do not include special federal and state grants.

Overall Work Program

OWP Line Item Budget

The OWP Budget can be viewed two ways: The first is a line item budget displaying how the OWP budget is allocated. The second is a chart showing the same budget by project and major budget category.

Following the budget tables are brief descriptions of each project in the OWP.

Cost Category	FY20 Adopted	FY21 Proposed	Incr (Decr)
500XX Staff	\$ 8,651,727	9,434,098	\$ 782,371
54300 Consultant	29,075,454	29,688,919	613,465
54302 Non-Profits/IHL	485,000	460,000	(25,000)
54303 Consultant TC	6,265,889	6,919,788	653,899
55305 Cloud Services	489,330	2,122,030	1,632,700
54340 Legal	200,000	10,000	(190,000)
55210 Software support	250,000	250,000	-
5528X Third party contribution	5,739,013	5,521,745	(217,268)
55284 Toll Credits	718,703	-	(718,703)
55510 Office Supplies	-	5,000	5,000
55520 Graphic supplies	5,000	5,000	-
55540 Postage	2,000	-	(2,000)
55580 Outreach/Advertisement	50,000	50,000	-
55610 Professional membership	2,500	-	(2,500)
55620 Resource materials/subscriptions	934,455	610,000	(324,455)
55810 Public notices	57,000	95,000	38,000
55830 Networking Meetings/Special Events	3,500	4,000	500
55920 Other meeting expense	54,000	22,000	(32,000)
55930 Miscellaneous other	184,828	1,416,751	1,231,923
56100 Printing	15,000	17,000	2,000
58100 Travel	252,250	239,000	(13,250)
58101 Travel-local	17,500	7,500	(10,000)
58110 Mileage	24,000	24,000	-
Sub-total	\$ 53,477,149	56,901,831	\$ 3,424,682
51000 Fringe benefits	\$ 6,641,021	7,290,962	\$ 649,941
51001 Indirect costs	\$ 19,069,577	21,907,079	\$ 2,837,502
Total	\$ 79,187,747	86,099,872	\$ 6,912,125

*Totals may not add due to rounding

Overall Work Program

This table shows the same budget by program and major budget category.

Program		FY21 Proposed Budget			
		Total *	Other Costs	Consultant	Consultant TC
010	System Planning	2,300,817	1,425,817	-	875,000
015	Transportation Finance	586,074	486,074	-	100,000
020	Environmental Planning	1,183,435	983,435	-	200,000
025	Air Quality and Conformity	728,395	678,395	-	50,000
030	Federal Transportation Improvement Program (FTIP)	2,547,127	2,547,127	-	-
045	Geographic Information Systems (GIS)	4,774,195	3,557,407	-	1,216,788
050	Active Transportation Planning	2,635,043	2,360,043	150,000	125,000
055	Regional Forecasting, Socioeconomic Technical & Policy Analysis	2,955,057	2,135,557	144,500	675,000
060	Corridor Planning	92,909	92,909	-	-
065	Sustainability Program	2,238,034	1,653,034	475,000	110,000
070	Modeling	8,700,396	7,253,866	586,530	860,000
080	Performance Assessment & Monitoring	716,609	716,609	-	-
090	Public Information and Communications	3,502,365	3,094,365	-	408,000
095	Regional Outreach and Public Participation	4,496,009	4,171,009	-	325,000
100	Intelligent Transportation Systems (ITS)	390,972	140,972	-	250,000
120	OWP Development and Administration	1,209,718	1,209,718	-	-
130	Goods Movement	2,974,981	1,849,981	-	1,125,000
140	Transit and Rail Planning	1,602,604	1,102,604	-	500,000
145	Sustainable Communities, Strategic Partnerships and Adaption Planning Grant Program	1,823,484	272,038	1,551,446	-
155	Sustainable Communities Planning Grant Program - State Highway Account	1,031,136	115,030	916,106	-
225	Special Grant Projects	5,978,809	864,388	5,114,421	-
230	Regional Aviation and Airport Ground Access Planning	396,952	396,952	-	-
265	Express Travel Choices Phase III	217,592	117,592	-	100,000
267	Clean Cities Program	107,307	107,307	-	-
275	Sustainable Communities Program	5,857,716	962,715	4,895,001	-
280	Future Communities Initiative	10,847,064	2,729,119	8,117,945	-
290	Research, Planning and Engagement for Sustainable Communities	5,661,504	3,851,504	1,810,000	-
300	Regional Early Action Planning Grants Program (AB 101)	10,543,568	2,493,568	8,050,000	-
Total Costs		86,099,872	47,369,135	31,810,949	6,919,788

*Totals may not add due to rounding

*Includes indirect costs, fringe benefits, non-labor and in-kind match.

Attachment: FY 2020-21 Draft Comprehensive Budget (Approval of the Fiscal Year 2020-21 Draft Comprehensive Budget)

Overall Work Program

OWP Programs

The following section provides a summary of the OWP Programs and the Strategic Plan goal(s) each program supports.

010 System Planning

Manager: Naresh Amatya

Program Objective:

Transportation System Planning involves long-term planning for system preservation, system maintenance, optimization of system utilization, system safety, and strategic system expansion of all modes of transportation for people and goods in the six-county region, including Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura. The RTP/SCS is the primary vehicle SCAG uses to achieve our transportation system planning goals and objectives. As the MPO for this region, one of SCAG's major responsibilities is to develop, administer, and update the RTP/SCS. The primary objective of this work element is to ensure SCAG is fulfilling its roles and responsibilities in this area as the designated MPO and RTPA for this region. The focus of FY 2020-21 will be to develop a framework and work with our partners towards implementation of the adopted 2020 RTP/SCS (Connect SoCal). SCAG will ensure that Connect SoCal is consistent with state and federal requirements while addressing the region's transportation needs.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians.

Supports Goal #2 – Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

015 Transportation Finance

Manager: Annie Nam

Program Objective:

This work program is critical to addressing some of SCAG's core activities—specifically, satisfying federal planning requirements on financial constraint; ensuring a reasonably available revenue forecast through the RTP/SCS planning horizon, and addressing system level operation and

Overall Work Program

maintenance cost analyses along with capital cost evaluation of transportation investments. In FY 2020-21, this work program will continue development of the Connect SoCal financial plan.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians.

Supports Goal #7 – Secure funding to support agency priorities to effectively and efficiently deliver work products.

020 Environmental Planning

Manager: Ping Chang

Program Objective:

Prepare environmental documentation to ensure regulatory compliance with applicable federal and state laws. Review environmental plans, programs and projects of regional significance. Monitor changes in environmental compliance requirements such as OPR's update to the State California Environmental Quality Act (CEQA) Guidelines and recent case laws regarding CEQA litigation. The focus of FY 2020-21 will be developing Addendums to the Connect SoCal Programmatic Environmental Impact Report (PEIR), as needed, pursuant to CEQA. SCAG will initiate a CEQA Program that provides services to SCAG and local jurisdictions. Work efforts would include assisting with CEQA streamlining, AB 52 consultation, strategies for regional mitigation, implementing SCAG mitigation measures, serve in an advisory capacity for updates to the State CEQA Guidelines, coordination with sister agencies (CARB, SCAQMD, Etc.) to develop a cohesive and regionally consistent way to evaluate environmental impacts. Under this program, SCAG will also develop and disseminate strategies related to Planning and Environment Linkages (PEL), utilizing resources from the U.S. Department of Transportation (DOT) and Federal Highway Administration (FHWA). On environmental justice, SCAG staff will also monitor potential changes to EJ requirements and related policies (i.e. SB1000, AB617), provide support services to member agencies, as needed, to ensure regulatory compliance, and provide on-going outreach opportunities with local jurisdictions and EJ stakeholders to discuss and collect input on environmental justice issues relevant to the region by means of the Environmental Justice Working Group. And SCAG staff will use these outreach opportunities to monitor implementation of EJ policies and assist local jurisdictions that may benefit from SCAG's wide range of EJ analysis and data.

Overall Work Program

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians.

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

025 Air Quality and Conformity

Manager: Ping Chang

Program Objective:

Oversee and/or perform regional transportation conformity and GHG emission analyses. Ensure that the RTP/SCS, FTIP and their amendments meet federal transportation Conformity requirements and state SB 375 regional GHG emission reduction targets. Oversee and/or provide support for SCAG air quality planning, analysis, documentation and policy implementation. This includes collaboration with the California Air Resources Board (ARB) and local air districts in the SCAG region in developing air quality management plans/state implementation plans (AQMPs/SIPs), including new transportation conformity emission budgets to meet federal transportation conformity requirements. Facilitate federally required interagency consultation via SCAG’s Transportation Conformity Working Group (TCWG), including the processing and acting as clearinghouse for the particulate matter (PM) hot spot analysis for transportation projects within the region. Continue the process to ensure the timely implementation of transportation control measures (TCMs). Continue to track and participate in relevant air quality rulemaking. Collaborate with six County Transportation Commissions in the SCAG region to compile, review, and upload federally required information for projects funded by the Congestion Mitigation and Air Quality Improvement Program (CMAQ).

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians.

Supports Goal #2 - Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

Overall Work Program

030 Federal Transportation Improvement Program (FTIP)

Manager: Naresh Amatya

Program Objective:

The Federal Transportation Improvement Program (FTIP) is a multimodal list of capital improvement projects programmed over a six-year period. The FTIP is the program that implements the RTP. The currently approved FTIP is the 2019 FTIP and was federally approved and found to conform on December 17, 2019. The program contains approximately \$34.6 billion worth of projects beginning FY 2018-19 to FY 2023-24. The FTIP must include all federally funded transportation projects in the region, as well as all regionally significant transportation projects and projects for which approval from a federal agency is required regardless of funding source. The FTIP is developed to incrementally implement the programs and projects in the RTP/SCS in accordance with federal and state requirements. The FTIP is amended on an on-going basis, as necessary, thereby allowing projects consistent with the RTP/SCS to move forward toward implementation. While the 2019 FTIP continues to be amended, SCAG has begun the development of the 2021 FTIP which will be approved by our federal partners in December 2020. SCAG will also continue work to enhance the functionality of programming and performance monitoring databases that support the program.

Strategic Plan:

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

045 Geographic Information Systems (GIS)

Manager: Frank Wen & Jonathan Holt

Program Objective:

To support SCAG’s ongoing role as a Regional Information Center and manager for all data and information related to Southern California and to provide data support and mapping capabilities to better serve the needs of the agency and our partner agencies. This program will also provide data and information to stakeholders to promote economic development and enhance the effectiveness of decision-makers. Additional goals include discovering and developing cutting edge web-GIS applications and tools for data sharing and innovative planning; providing advanced spatial analytics and visualization for insights of data and information; providing an interconnected platform for integrated planning and regional collaboration.

Overall Work Program

A top priority will be to develop a Regional Data Platform (RDP) in support of Goals 3, 4 and 6 of SCAG Strategic Plan; continue on the implementation and development of an Enterprise GIS system (including GIS hardware/software, GIS database, GIS analysis, and GIS applications) that will serve as the guide for meeting Objective #4 of the SCAG Strategic Plan; keep to provide GIS training, data cleanup/updating/sharing/standardizing and other value-added GIS services and products to our local jurisdictions. The program will play essential and critical roles to Connect SoCal development and other SCAG plans and programs.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of live for Southern Californians.

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

Supports Goal #3 – Be the foremost data information hub for the region.

Supports Goal #4 – Provide innovative information and value-added services to enhance member agencies’ planning and operations and promote regional collaboration.

Supports Goal #6 - Deploy strategic communications to further agency priorities and foster public understanding of long-range regional planning.

050 Active Transportation Planning

Acting Manager: Marco Anderson

Program Objective:

Staff will continue to research and explore opportunities and partnerships to implement the core regional active transportation strategies. In addition, staff will develop partnerships and strategies that are coordinated with the rapid deployment of micro-mobility services to advance complete streets goals and reduce the use of SOVs for short trips. Staff will also work with Caltrans, counties and individual cities to fund local active transportation plans and multi-jurisdictional active transportation projects that are part of Connect SoCal, the 2020 RTP/SCS. Staff will begin engaging with Community Based Organizations in laying a strong foundation for development of the 2024 RTP/SCS.

Overall Work Program

Staff will also continue to manage the Regional Active Transportation Program, including providing technical assistance to project sponsors, managing planning and program grants, tracking project delivery, and preparing program amendments, as necessary. Staff will provide leadership and input at the state and regional level to ensure future funding cycles align with regional planning goals. Through continued collaboration with the California Transportation Commission, Caltrans and the Southern California Regional Transportation Planning Agencies, SCAG will also work to improve the application and allocation procedures.

Efforts will also be continued to expand regional capability to measure the impact of active transportation investments, including through better data collection, modeling and co-benefit analysis (focusing on greenhouse gas emissions, public health and the economy).

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians.

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

Supports Goal #4 – Provide innovative information and value-added services to enhance member agencies’ planning and operations and promote regional collaboration.

055 Regional Forecasting, Socioeconomic Technical & Policy Analysis

Manager: Frank Wen

Program Objective:

The key focus of this work element is to collect, compile, assess, analyze, and research socioeconomic, technology advancement, and demographic data and their trends, develop value-added information products, including but not limited to regional and county-level population, household and employment estimates and projections to inform regional planning and policy development.

Overall Work Program

This program also addresses the following: promote and advance in-house research and capacity with trainings and teaching research methodology, data, analytical tools—GIS, statistics, programming across the agency. Collaboration with universities, research institutes and international planning partners and peer agencies jointly conduct research and data sharing on important and emerging regional challenges and issues. Serve as the regional data and information hub, promote data and information driven decision making process and outcome. Additional program objectives include actively promote and advocate SCAG’s innovative planning practices and experiences across the nation and internationally by organizing and conducting summits, workshops, symposiums, participation, presentation at key conferences, and publications in the peer-reviewed journals.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of live for Southern Californians.

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

Supports Goal #3 – Be the foremost data information hub for the region.

Supports Goal #4 – Provide innovative information and value-added services to enhance member agencies’ planning and operations and promote regional collaboration.

Supports Goal #6 - Deploy strategic communications to further agency priorities and foster public understanding of long-range regional planning.

060 Corridor Planning

Manager: Naresh Amatya

Program Objective:

Provide input to the RTP/SCS on the design concept and scope of major transportation corridor investments, as identified upon the completion of corridor planning studies conducted under this work element and in partnership with other agencies. Initiate and/or support our partners in developing comprehensive, multi-modal and sustainable corridor plans that will meet the needs of the region, including mobility choices, well maintained, sustainable and safer transportation system. Ensure that corridor planning studies are completed in accordance with federal transportation planning requirements as identified in 23 CFR 450.

Overall Work Program

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians.

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

065 Sustainability Program

Manager: Jason Greenspan

Program Objective:

SCAG’s Sustainability Program is a core effort for implementing the Connect SoCal, the 2020 RTP/SCS. The program demonstrates that the region can achieve both mobility, air quality, and public health goals through local land use and policy changes along with targeted transportation investments. The program also focuses on developing regional resiliency strategies; explores pressing issues and possible challenges Southern California’s residents may face in the coming decades, including climate change impacts to public health; furthers the region’s ability to model the impacts of transportation and land use changes on public health; and considers ways to address potential disruptions to anticipated regional development patterns and transportation investments.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians.

070 Modeling

Manager: Hsi-Hwa Hu & Emmanuel Figueroa

Program Objective:

Provide data and modeling services for the development and implementation of the RTP/SCS, FTIP, and other major land use and transportation planning initiatives. Analyze socioeconomic data and build analytical foundations for planning activities. Develop demographic and employment growth forecast through collaborating with local jurisdictions and peer planning agencies and building consensus. Continue to provide small area socioeconomic data for scenario planning and transportation modeling. Provide member agencies tools to analyze the impacts of their land use

Overall Work Program

and planning decisions. Develop, maintain and improve SCAG's modeling tools to more effectively forecast travel demand and estimate resulting air quality. Maintain a leadership role in the Southern California modeling community by coordinating the Region's modeling activities and by providing technical assistance and data services to member agencies and other public institutions. Promote model consistency through an active subregional modeling program. Continue ongoing modeling collaboration with SCAG's partners to advance the region's modeling practices.

Strategic Plan:

Supports Goal #3 – Be the Foremost Data Information Hub for the Region.

080 Performance Assessment & Monitoring

Manager: Ping Chang

Program Objective:

Provide performance assessment and monitoring of the SCAG region that is consistent with federal performance-based planning, monitoring, and reporting guidance. Ensure the region is on track toward achieving the goals of the 2020 RTP/SCS (Connect SoCal) and in the implementation of Connect SoCal. Performance Assessment & Monitoring tasks include the collection and analysis of data needed to identify and evaluate regional growth and development trends, transportation system performance, environmental quality, regional sustainability and climate resilience, public health, and the socioeconomic well-being of the SCAG population, including household income and housing affordability. The results of the monitoring and assessment program provide the basis for informed policy-making and support plan implementation, particularly in relation to regional transportation planning and required federal performance monitoring and reporting. The provision of assistance to our local jurisdictions in the implementation of the new CEQA transportation impact assessment requirements per SB 743 is also included in this task item. This program also works with the California Department of Transportation in the coordination and data collection mandated under the Highway Performance Monitoring System (HPMS).

Strategic Plan:

Supports Goal #4 – Provide innovative information and value-added services to enhance member agencies' planning and operations and promote regional collaboration.

Overall Work Program

090 Public Information & Communications

Manager: Jeff Liu

Program Objective:

Develop and execute a comprehensive external communications program that informs the region's diverse audiences about SCAG programs, plans, initiatives and services. SCAG's communications strategies facilitates the agency's transportation planning activities by helping to inform the general public, media, agency stakeholders and partners about the existence, purpose and potential impact of these activities, and to convey this information in ways that are engaging and easy to understand for general audiences. SCAG communicates through various email and social media channels, engagement with local media, video production, websites, print collateral and workshops/events.

Strategic Plan:

Supports Goal #2 – Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

Supports Goal #6 – Deploy strategic communications to further agency priorities and foster public understanding of long-range regional planning.

095 Regional Outreach & Public Participation

Manager: Javiera Cartagena

Program Objective:

Provide support for federal and state mandated public outreach for SCAG's planning activities. Engage regional stakeholders in the SCAG planning and programming process through the support, assessment and enhancement of outreach efforts to local governments, Tribal Governments, and members of the various stakeholder entities, including community, environmental, business, and academic groups, as well as other interested parties. The SCAG Regional Offices are critical components in these efforts, with SCAG staff assigned to an office in each county in the SCAG region.

Strategic Plan:

Supports Goal #2 – Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

Overall Work Program

Supports Goal #4 – Provide innovative information and value-added services to enhance member agencies’ planning and operations and promote regional collaboration.

100 Intelligent Transportation Systems (ITS)

Manager: Philip Law

Program Objective:

Continue engaging with regional stakeholders on ITS and ITS related matters, including use and maintenance of the updated Regional ITS Architecture. Maintain the web-accessible Architecture and provide documentation to maximize usability of the Architecture and ensure on-going maintenance. Seek to provide training and educational opportunities to stakeholders on ITS related topics in partnership with FHWA/Caltrans as opportunities become available.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians.

120 OWP Development & Administration

Manager: Erika Bustamante

Program Objective:

Develop, administer, and monitor the Overall Work Program (OWP). The OWP is a required function of SCAG as the Metropolitan Planning Organization (MPO) for this region and provides a detailed description of the planning activities that will be completed by the MPO and its partners in the fiscal year.

Strategic Plan:

Supports Goal #7 – Secure funding to support agency priorities to effectively and efficiently deliver work products.

Overall Work Program

130 Goods Movement

Manager: Annie Nam

Program Objective:

This work program focuses on integrating freight related transportation initiatives into the regional transportation planning process, including efforts to refine and support the implementation of the Comprehensive Regional Goods Movement Plan and Implementation Strategy. This strategy includes proposals set forth in Connect SoCal, the 2020 RTP/SCS.

Strategic Plan:

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

Supports Goal #7 – Secure funding to support agency priorities to effectively and efficiently deliver work products.

140 Transit and Rail Planning

Manager: Philip Law

Program Objective:

Support and engage transit and rail operations in corridor and regional planning efforts and in further refining the transit and rail strategies for inclusion in future updates to Connect SoCal. Monitor FTA rulemaking and guidance related to new provisions for performance based planning and coordinate with transit operators to address specific requirements related to transit safety and transit asset management (TAM), as they relate to metropolitan transportation planning. Assess and monitor regional transit system performance. Work with transit operators through the Regional Transit Technical Advisory Committee to ensure stakeholder input and participation in the metropolitan transportation planning process, consistent with the SCAG MOUs with the transit operators.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians.

Overall Work Program

145 Sustainable Communities, Strategic Partnerships and Adaptation Planning Grant Program

Manager: Erika Bustamante

Program Objective:

To encourage local and regional planning that furthers state goals; to identify and address statewide, interregional, or regional transportation deficiencies on the State highway system; and to support planning actions at the local and regional levels that advance climate change efforts on the transportation system.

Strategic Plan:

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

Supports Goal #4 – Provide innovative information and value-added services to enhance member agencies’ planning and operations and promote regional collaboration.

155 Sustainable Communities Planning Grant Program – State Highway Account

Manager: Erika Bustamante

Program Objective:

To encourage local and regional planning that furthers state goals; to identify and address statewide, interregional, or regional transportation deficiencies on the State highway system; and to support planning actions at the local and regional levels that advance climate change efforts on the transportation system.

Strategic Plan:

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

Supports Goal #4 – Provide innovative information and value-added services to enhance member agencies’ planning and operations and promote regional collaboration.

Overall Work Program

225 Special Grant Projects

Acting Manager: Marco Anderson

Program Objective:

To fund and participate in environmental and transportation specialized projects with funding from discretionary grants and/or local funds contributed by local jurisdictions. Grants assist the region and local agencies to better integrate land use, technology and transportation planning to develop alternatives for addressing growth, sustainability and to assess efficient infrastructure investments that meet community needs. In addition, staff has secured multiple grants to support Go Human, a Regional Active Transportation Safety and Encouragement Campaign. The Campaign will be implemented in partnership with the six county health departments and six county transportation commissions and aims to increase levels of active transportation while reducing collisions. The multi-faceted campaign will include partnering with local agencies on demonstration projects, coordinating safety trainings and workshops, and increasing public awareness of the rules of the road through outreach and advertising partnerships,

SCAG will also administer an ATP grant to develop a regional template for active transportation plans in disadvantaged communities. The template will be used to partner with at least six cities to prepare active transportation plans.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of live for Southern Californians;

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy;

Supports Goal #4 – Provide innovative information and value-added services to enhance member agencies’ planning and operations and promote regional collaboration.

Overall Work Program

230 Regional Aviation & Airport Ground Access Planning

Manager: Naresh Amatya

Program Objective:

Monitor progress of the 2020 RTP/SCS Aviation Program, continue ongoing regional airport and airport ground access planning work and explore new areas of research on aviation systems planning, and begin long-term planning and data collection for updating the Aviation Element in the 2024 RTP/SCS.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians.

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

265 Express Travel Choices Phase III

Manager: Annie Nam

Program Objective:

Develop an implementation strategy for mobility innovations and incentives.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians.

Supports Goal #7 – Secure funding to support agency priorities to effectively and efficiently deliver.

267 Clean Cities Program

Manager: Jason Greenspan

Program Objective:

Administer the U.S. Department of Energy (DOE) Clean Cities Program for the SCAG Clean Cities Coalition, including performing outreach and marketing in support of expanding alternative fuels in the SCAG region through on going funds from DOE and funds from the California Energy

Overall Work Program

Commission (CEC). Partner with public and private entities to displace petroleum gasoline use by encouraging purchase of alternative vehicles, increasing efficiency of existing fleet vehicles, and reduction of vehicle miles traveled (VMT).

Strategic Plan:

Supports Goal #4 – Provide innovative information and value-added services to enhance member agencies’ planning and operations and promote regional collaboration.

275 Sustainable Communities Program

Manager: Jason Greenspan

Program Objective:

The Sustainable Communities Program (SCP) is a proven, recognized and effective framework for deploying essential planning resources throughout the SCAG region. This collaborative initiative provides assistance to member local jurisdictions to coordinate sustainable transportation, land use and regional policies and issues in local planning. The SCP seeks to provide needed planning resources to local jurisdictions for sustainability planning efforts; develop local plans that support the implementation of the Connect SoCal, the 2020 RTP/SCS; and increase the region’s competitiveness for federal and state funds. The program seeks planning solutions to local growth challenges and results in strategies that promote local and regional sustainability through the integration of transportation and land use, with particular focus on developing and practical strategies to reduce greenhouse gases. It will continue to be a critical tool in achieving SB 375 targets and other State goals aimed at reducing GHG emissions.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of live for Southern Californians.

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

Supports Goal #4 – Provide innovative information and value-added services to enhance member agencies’ planning and operations and promote regional collaboration.

Overall Work Program

280 Future Communities Initiative

Manager: Frank Wen & Philip Law

Program Objective:

The Future Communities Initiative, guided by the Emerging Technologies Committee, includes early action items aimed at harnessing the power of new technologies, big data, open data as well as enhanced analytics to promote innovation in regional and local planning and reduce transportation demand. Tools and resources provided through the initiative will enable more informed regional and local policy making, increase the efficiency of public service delivery, and ensure the financial sustainability of future cities. The Future Communities Initiative will play a key role in reducing VMT and GHG emissions by modernizing regional land-use and transportation planning tools, fostering data-driven collaboration with SCAG's partner agencies, and providing local agencies with planning resources to pilot new technologies and initiatives to reduce travel demand.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians.

Supports Goal #3 – Be the foremost data information hub for the region.

Supports Goal #4 – Provide innovative information and value-added services to enhance member agencies' planning and operations and promote regional collaboration.

290 Research, Planning and Engagement for Sustainable Communities

Manager: Jason Greenspan & Annie Nam

Program Objective:

SCAG staff initiated implementation of the 2016 RTP/SCS immediately after its adoption, and has since launched research, planning and studies in preparation for the 2020 SCS. Much of SCAG's research and planning is focused on reducing single occupancy vehicle trips and transportation related GHG through: advancing mode shift; transportation demand management; operational efficiency; system accessibility; and integration of future transportation, employment and land use.

Overall Work Program

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of live for Southern Californians.

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

300 Regional Early Action Planning (REAP) Grants Program – AB 101

Manager: Ping Chang

Program Objective:

To accelerate housing production region-wide, SCAG staff will develop a variety of programs to assist local jurisdictions, subregional partners, and stakeholders. The REAP grants program is intended to promote housing through planning, strategies, and best practices and SCAG staff will encourage the coordination of REAP funding directed toward jurisdictions with other Statewide funding sources directly provided to jurisdictions. The REAP grants program will provide education and technical assistance throughout the region to meet housing need.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of live for Southern Californians.

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

FTA Discretionary and Formula

FTA Discretionary and Formula Grant Budget

Program Overview

SCAG is the Designated Recipient of FTA Urbanized Area Formula Grants under 49 U.S.C. Section 5307 for the large urbanized areas (UZAs) with populations of 200,000 or more (according to the latest U.S. Census) in the SCAG region. Pursuant to the two-year transportation reauthorization bill that was signed into Law on July 6, 2012, the Moving Ahead for Progress in the 21st Century Act (MAP-21; P.L. 112-131), funding is authorized for 49 U.S.C. Section 5339 Bus and Bus Facilities Formula Grants Program and U.S.C. Section 5312 National Research & Technology Program to SCAG due to being the Section 5307 Designated Recipient.

As the Designated Recipient, SCAG is responsible to apply for and pass through Section 5339 and Section 5312 grant funds for specialized transportation programs and projects, which provide capital funding to replace, rehabilitate and purchase buses, vans, fixed guide-way, as well as to construct related facilities and purchase related equipment.

Line Item Budget

The following table shows the FTA Discretionary and Formula Grant line item budget.

Cost Category	FY20 Adopted	FY21 Proposed	Incr (Decr)
500XX Staff	\$ 50,282	\$ 43,832	\$ (6,450)
54360 Pass Through Payments			
Riverside Transit Agency	640,755	1,492,532	851,777
SunLine Transit Agency	1,309,864	1,132,988	(176,876)
Metro-Foothill	2,530,000	310,000	(2,220,000)
54360 Total	\$ 4,480,619	\$ 2,935,520	\$ (1,545,099)
55930 Miscellaneous Other	\$ 78,051	\$ 106,664	\$ 28,613
59090 Exp Local Other			
Riverside Transit Agency	160,289	372,901	212,612
SunLine Transit Agency	245,240	208,941	(36,299)
Metro-Foothill	5,863,000	115,954	(5,747,046)
59090 Total	\$ 6,268,529	\$ 697,796	\$ (5,570,733)
Sub-total	\$ 10,877,481	\$ 3,783,812	\$ (7,093,669)
51000 Fringe Benefits	\$ 39,976	\$ 34,979	\$ (4,997)
51001 Indirect Costs	\$ 112,546	\$ 103,226	\$ (9,320)
Total	\$ 11,030,003	\$ 3,922,017	\$ (7,107,986)

TDA Budget

TDA Budget

Program Overview

State of California Public Utilities Code Section 99233.2 authorizes the Transportation Commissions in Los Angeles, Orange, Riverside and San Bernardino counties to allocate up to ¾ of 1 percent of their local transportation funds to SCAG as the multi-county planning agency for the region. SCAG uses TDA to fund local initiatives and to provide cash match as needed for projects funded with state or federal funds.

Line Item Budget

In FY 2020-21, the TDA budget includes \$7,280,479 for SCAG consultants and staff related costs, and \$516,816 for capital purchases and debt service payments for furniture/fixtures and audio visual equipment for the new SCAG offices.

The following table shows the TDA line item budget.

	FY20 Adopted	FY21 Proposed	Incr (Decr)
REVENUES:			
TDA Revenue	\$ 6,106,496	\$ 6,312,424	\$ 205,928
Transfer from Fund Balance	4,177,615	1,484,871	(2,692,744)
Total Revenues	10,284,111	7,797,295	(2,486,816)
EXPENDITURES:			
500XX Staff	\$ 1,510,825	\$ 1,048,979	\$ (461,846)
54300 SCAG consultant	3,800,114	2,492,359	(1,307,755)
54302 Non-Profits/IHL	55,629	52,762	(2,867)
55250 Cloud Services	56,127	331,927	275,800
55510 Office Supplies	-	574	574
55920 Other meeting expense	1,376	-	(1,376)
55930 Miscellaneous other	22,252	192,405	170,153
58100 Travel	34,598	26,147	(8,451)
Sub-total	5,480,921	4,145,153	(1,335,768)
51000 Fringe benefits - Reg Staff	881,605	724,835	(156,770)
51003 Fringe benefits - Intern	82,086	28,724	(53,362)
51001 Indirect Cost	3,100,494	2,381,767	(718,727)
Non-Capital	\$ 9,545,106	\$ 7,280,479	\$ (2,264,627)
55310 F&F Principal	239,928	251,852	11,924
55315 F&F Interest	27,635	19,237	(8,398)
55320 AV Principal	133,703	141,160	7,457
55325 AV Interest	6,390	4,567	(1,823)
55730 Capital Outlay	300,000	100,000	(200,000)
55930 Miscellaneous Other	31,349	-	(31,349)
Capital & Debt Service	\$ 739,005	\$ 516,816	\$ (222,189)
Total Expenditures	\$ 10,284,111	\$ 7,797,295	\$ (2,486,816)

General Fund Budget

General Fund Budget (GF)

Program Overview

The General Fund (GF) has been established to: provide support to the Regional Council (RC) and its Subcommittees for the costs of stipends and travel; fund costs not eligible for grant reimbursement; provide a source of working capital; finance program expenditures, which must be paid prior to sending requisitions to certain federal and state grantors; and authorize establishment of, and borrowing from, a line of credit. The General Fund is not an available resource to fund project costs otherwise chargeable to grants.

The RC is responsible for conducting the affairs of SCAG pursuant to Article V (A) 4 of the By-Laws. Among other duties, the RC reviews and may revise, amend, increase or decrease the proposed annual GF budget as prepared by the Chief Financial Officer. The RC submits the approved GF budget to members of the General Assembly (GA) at least thirty (30) days before the annual meeting for review. After adoption of the budget and the annual assessment schedule by the GA, the RC controls all GF expenditures in accordance with the budget.

Membership Dues Assessments

The By-Laws require the Executive Director to annually submit the GF budget to the RC. Upon its adoption, the GA fixes membership assessment for all members of SCAG in amounts sufficient to provide the funds required by the GF budget. Member dues are calculated in accordance with the guidelines of the By-Laws.

General Fund Budget

General Fund Line Item Budget

The following table shows General Fund revenues and expenditures by task.

		FY19 Actual	FY20 Adopted Budget	FY21 Proposed Budget	FY20 Adopted To FY21 Proposed Incr (Decr)
REVENUE:	Membership Dues:				
	Counties	307,523	315,132	320,872	5,740
	Cities	1,637,939	1,690,277	1,742,801	52,524
	Commissions	88,500	88,500	88,500	-
	Transportation Corridor Agency	10,000	10,000	10,000	-
	Air Districts	10,000	10,000	10,000	-
	Sub-total	2,053,962	\$ 2,113,909	\$ 2,172,173	\$ 58,264
	Interest	132,565	95,000	130,000	35,000
	Other	138,493	41,800	41,800	-
	General Assembly Sponsorships & Registrations	380,145	340,000	340,000	-
Transfer from Fund Balance	-	1,354,625	-	(1,354,625)	
Sub-total	651,203	\$ 1,831,425	\$ 511,800	\$ (1,319,625)	
Total Revenues		2,705,165	\$ 3,945,334	\$ 2,683,973	\$ (1,261,361)
EXPENDITURES:	Regional Council:				
	Staff Time	351	10,102	10,285	183
	Legal Services	139,127	120,000	100,000	(20,000)
	Miscellaneous Other	15,859	-	-	-
	Networking Mtgs/Special Events	-	1,000	-	(1,000)
	Other Meeting Expense	15,497	10,000	20,000	10,000
	RC/Committee Meeting	9,469	25,000	15,000	(10,000)
	RC Retreat	-	10,000	13,000	3,000
	Stipends	194,130	210,485	195,000	(15,485)
	Travel - Outside	48,458	60,000	50,000	(10,000)
Travel - Local	46,224	35,000	46,000	11,000	
Mileage - Local	26,999	25,000	25,000	-	
Task sub-total	496,114	\$ 506,587	\$ 474,285	\$ (32,302)	
Task .02 Legislative	External Legislative:				
	Staff Time	23,465	5,718	26,715	20,997
	Federal Lobbyist	-	115,000	120,000	5,000
	Other Meeting Expense	13,343	40,000	15,000	(25,000)
	Resource Materials / Subscriptions	1,876	2,000	2,000	-
	State Lobbyist	105,519	100,000	120,000	20,000
	Travel - Outside	7,028	-	10,000	10,000
	Travel - Local	17	-	-	-
Mileage	83	-	500	500	
Task sub-total	151,331	\$ 262,718	\$ 294,215	\$ 31,497	
Task .03 RHNA	RHNA:				
	Staff Time	163,222	211,886	-	(211,886)
	Other Meeting Expense	3,000	-	-	-
	RHNA Subregional Delegation	-	500,000	-	(500,000)
	SCAG Consultant	306	-	-	-
Travel - Outside	432	-	-	-	
Task sub-total	166,960	\$ 711,886	\$ -	\$ (711,886)	

Attachment: FY 2020-21 Draft Comprehensive Budget (Approval of the Fiscal Year 2020-21 Draft Comprehensive Budget)

General Fund Budget

General Fund Line Item Budget (continued)

		FY19 Actual	FY20 Adopted Budget	FY21 Proposed Budget	FY20 Adopted To FY21 Proposed Incr (Decr)
Task .04 Other Non-Labor	Other Non-Labor:				
	Bank Fees	15,183	12,500	15,000	2,500
	Contingency	(5,428,815)	-	270	270
	Demographic Workshop	27,423	28,000	28,000	-
	Economic Summit	84,937	100,000	85,000	(15,000)
	Housing Summit	-	20,000	20,000	-
	Legal Services	863	-	-	-
	Miscellaneous Other	12,104	101,966	15,000	(86,966)
	Office Supplies	397	-	-	-
	Other Meeting Expense	61,304	25,000	50,000	25,000
	Professional Memberships	7,256	11,500	11,500	-
	SCAG Consultant	90,722	76,400	-	(76,400)
	SCAG Memberships	83,678	116,000	116,000	-
	Scholarships	32,000	32,000	36,000	4,000
	Software Support	36,647	-	76,400	76,400
	Sponsorships	247,938	200,000	150,000	(50,000)
	Travel	1,089	2,500	2,500	-
Travel - Local	1,263	1,500	1,500	-	
Staff Lodging Expense	12,880	13,500	13,000	(500)	
Mileage - Local	679	500	500	-	
	Task sub-total	(4,712,453)	\$ 741,366	\$ 620,670	\$ (120,696)
Task .06 General Assembly	General Assembly:				
	Staff Time	32,180	28,423	49,562	21,139
	General Assembly	640,155	672,000	611,500	(60,500)
	Miscellaneous Other	530	-	-	-
	Printing	8,056	25,000	10,000	(15,000)
	SCAG Consultant	26,602	-	87,000	87,000
	Travel - Local	490	-	-	-
Mileage	6,333	3,000	5,000	2,000	
	Task sub-total	714,345	\$ 728,423	\$ 763,062	\$ 34,639
Task .07 Leasehold Improvements	Leasehold Improvements:				
	Capital Outlay	5,956	-	-	-
	Task sub-total	5,956	\$ -	\$ -	\$ -
Task .11 Public Records Administration	Public Records Administration:				
	Staff Time	702	21,154	21,611	457
	Task sub-total	702	\$ 21,154	\$ 21,611	\$ 457
Task .13 Sustainability Project	Sustainability Project:				
	SCAG Consultant	50,000	-	-	-
	Task sub-total	50,000	\$ -	\$ -	\$ -
Task .14 International Collaboration	International Collaboration:				
	Staff Time	9,279	9,959	9,996	37
	Miscellaneous Other	673	-	2,000	2,000
	Other Meeting Expense	1,494	-	1,500	1,500
	Printing	-	5,000	-	(5,000)
	Travel	10,186	30,000	15,000	(15,000)
	Mileage	19	-	500	500
	Task sub-total	21,651	\$ 44,959	\$ 28,996	\$ (15,963)

Attachment: FY 2020-21 Draft Comprehensive Budget (Approval of the Fiscal Year 2020-21 Draft Comprehensive Budget)

General Fund Budget

General Fund Line Item Budget (continued)

		FY19 Actual	FY20 Adopted Budget	FY21 Proposed Budget	FY20 Adopted To FY21 Proposed Incr (Decr)
Task .20 Go Human Events	Go Human Events:				
	Go Human	67,262	-	-	-
	Outreach/Advertisement	5,554	-	-	-
	RC Sponsorships	3,495	-	-	-
	SCAG Consultant	70	-	-	-
	Task sub-total	76,381	\$ -	\$ -	\$ -
Task .23 Other Labor	Other Labor:				
	Staff Time	80,028	14,072	14,061	(11)
	Task sub-total	80,028	\$ 14,072	\$ 14,061	\$ (11)
Task .24 Randall Lewis Wellness Program	Randall Lewis Wellness Program:				
	Other Meeting Expense	84	-	-	-
	Resource Materials / Subscriptions	37	-	-	-
	Travel - Local	281	-	-	-
	Wellness	120	-	-	-
	Task sub-total	522	\$ -	\$ -	\$ -
Task .25 Caltrans Audit	Caltrans Audit:				
	Disallowed Grant Costs	4,832,192	-	-	-
	Task sub-total	4,832,192	\$ -	\$ -	\$ -
Task .26 Employee Engagement Program	Randall Lewis Wellness Program:				
	Engagement Committee	-	-	20,000	20,000
	Employee Recognition	-	-	15,000	15,000
	Department Allowance	-	-	15,000	15,000
	Task sub-total	-	\$ -	\$ 50,000	\$ 50,000
	Total for all tasks	1,883,729	\$ 3,031,165	\$ 2,266,900	\$ (814,265)
	Allocated Fringe Benefits	234,130	239,606	105,524	(134,082)
	Allocated Indirect Costs	508,311	674,563	311,549	(363,014)
	Total	2,626,170	\$ 3,945,334	\$ 2,683,973	\$ (1,261,361)

*Totals may not add due to rounding

Attachment: FY 2020-21 Draft Comprehensive Budget (Approval of the Fiscal Year 2020-21 Draft Comprehensive Budget)

Fringe Benefits Budget

Fringe Benefits Budget (FB)

Program Overview

Fringe benefits (FB) are employee-associated costs such as leave expenses (vacation, holidays, personal floating holidays, sick leave, etc.), health plan expenses, retirement plan expenses, workers' compensation insurance, unemployment insurance, bus/rail/carpool expenses, tuition reimbursement expenses, and deferred compensation expenses. These costs are expressed as a rate for full-time regular staff. The rate is the pooled costs of the fringe benefits divided by the total salaries for full-time regular staff.

To participate in SCAG's fringe benefits program, staff must hold benefits-eligible positions as regular, at-will or limited-term positions. Some of these programs provide staff and their families with financial protection if they become ill or disabled. Others are designed to aid them in preparing for retirement or in meeting educational costs they incur for themselves. Others are designed to allow staff and their family's time to recreate and spend time together.

The employee-associated costs are related to SCAG's full-time staff to generate a fringe benefits burden rate. The fringe benefits burden is applied to all staff charges in OWP, General Fund and Indirect projects.

A rate is applied to all OWP, GF and IC salaries, e.g., for every \$1,000 of salaries, the FB budget is \$798.01 (79.8008%).

Part-time staff, interns, and temporary employees may be eligible for SCAG's limited fringe benefits. Part-time staff, interns, and temporary employee benefits are calculated separately and are not part of the fringe benefits burden rate.

Fringe Benefits Budget

Line Item Budget

The following table shows the Fringe Benefits line item budget.

GL Account	Line Item	FY20 Adopted	FY21 Proposed	Incr (Decr)
60002	Sick leave	327,982	305,888	(22,094)
60004	PFH	294,351	355,494	61,143
60003	Holiday	655,580	754,169	98,589
60001	Vacation	1,042,023	1,199,707	157,684
60032	Sick - Interns	15,900	15,933	33
60041	Vacation Cash Out	-	266,967	266,967
60110	PERS	5,389,857	6,018,361	628,504
60120	PARS	75,094	76,595	1,501
60200	Health insurance - actives	1,478,400	1,670,400	192,000
60201	Health insurance - retirees PAYGO	636,009	698,772	62,763
60202	Health insurance - retirees GASB 45	242,805	-	(242,805)
60210	Dental insurance	235,826	277,049	41,223
60220	Vision insurance	65,501	74,275	8,774
60225	Life insurance	78,190	92,345	14,155
60240	Medicare tax employers - regular staff	240,279	270,866	30,587
60250	Medicare tax employers - interns	6,917	6,931	14
60255	Social security tax employers - interns	36,491	36,567	76
60300	Tuition reimbursement	43,776	43,776	-
60310	Bus passes - regular staff	137,749	212,795	75,046
60315	Bus passes - interns	38,093	38,174	81
60320	Carpool reimbursement	420	420	-
60400	Workers compensation	170,048	205,585	35,537
60405	Unemployment compensation Insurance	35,000	35,000	-
60410	Miscellaneous employee benefits	66,954	91,254	24,300
60415	SCAG 457 match	96,500	109,000	12,500
60450	Benefits administrative fees	3,508	43,400	39,892
60500	Automobile allowance	14,400	18,000	3,600
		11,427,653	12,917,723	1,490,070

*Totals may not add due to rounding

Indirect Cost Budget

Indirect Cost Budget (IC)

Program Overview

The Indirect Cost Budget is established to provide funding for staff salaries, fringe benefits and other non-labor costs that are not attributable to an individual direct program project, except on a pro-rata basis. The Indirect Cost Allocation Plan (ICAP) is based on Caltrans guidelines and requires their approval.

An IC rate, approved by Caltrans, is applied to all productive staff salaries and fringe costs. For example, for every \$1,000 of direct salaries and fringe, the IC budget is \$1,309.84 (130.9842%). A review of the comprehensive line item budget chart beginning on page 12 shows the impact of this concept. Notice that the OWP (pg. 19) and General Fund (pg. 41) budgets have each allocated funds for indirect costs which represents each budget component's share of funding the Indirect Cost program.

Indirect Cost Budget

Line Item Budget

The following table shows the Indirect Cost line item budget.

GL Account	Cost Category	FY20 Adopted	FY21 Proposed	Incr (Decr)
	Staff	\$ 5,805,706	\$ 7,013,986	\$ 1,208,280
54300	SCAG consultant	1,333,750	2,086,300	752,550
54340	Legal	40,000	40,000	-
55210	Software support	519,400	1,279,900	760,500
55220	Hardware support	415,000	2,715,000	2,300,000
55230	Computer maintenance	250,000	-	(250,000)
55240	Repair- maintenance	26,500	26,500	-
55315	Furniture & Fixture Interest	11,604	8,078	(3,526)
55325	Audio-visual Equipment Interest	19,745	14,111	(5,634)
55400	Office rent / Operating expense	1,538,000	2,192,805	654,805
55410	Office rent satellite	260,000	260,000	-
55415	Off-site Storage	5,000	5,000	-
55420	Equipment leases	100,000	100,000	-
55430	Equip repairs and maintenance	1,000	1,000	-
55435	Security Services	100,000	100,000	-
55440	Insurance	238,385	285,931	47,546
55441	Payroll / bank fees	15,000	15,000	-
55445	Taxes	5,000	5,000	-
55460	Materials & equipment < \$5K	64,000	64,000	-
55510	Office supplies	73,800	73,800	-
55520	Graphic Supplies	2,500	4,000	1,500
55530	Telephone	195,000	195,000	-
55540	Postage	10,000	10,000	-
55550	Delivery services	5,000	5,000	-
55600	SCAG memberships	76,200	92,200	16,000
55610	Professional memberships	1,500	1,500	-
55611	Professional dues	1,350	1,350	-
55620	Resource materials	70,800	60,300	(10,500)
55700	Depreciation - furniture & fixture	185,000	185,000	-
55715	Amortization - software	1,684	-	(1,684)
55720	Amortization - lease	62,500	75,000	12,500
55800	Recruitment adverting	25,000	25,000	-
55801	Recruitment - other	45,000	45,000	-
55810	Public notices	2,500	2,500	-
55820	In House Training	30,000	30,000	-
55830	Networking Meetings/Special Events	22,500	20,000	(2,500)
55840	Training Registration	65,000	65,000	-
55920	Other meeting expense	2,500	2,500	-
55930	Miscellaneous other	9,500	29,500	20,000
55950	Temporary help	105,000	106,000	1,000
56100	Printing	23,000	23,000	-
58100	Travel	82,800	83,300	500
58101	Travel - local	19,500	20,000	500
58110	Mileage	23,500	23,500	-
	Sub-total	\$ 11,889,224	\$ 17,391,061	\$ 5,501,837
51000	Fringe benefits - regular staff	4,491,785	5,470,331	978,546
51003	Fringe benefits - interns	15,315	15,927	613
	Total	\$ 16,396,323	\$ 22,877,319	\$ 6,480,996

*Totals may not add due to rounding

Attachment: FY 2020-21 Draft Comprehensive Budget (Approval of the Fiscal Year 2020-21 Draft Comprehensive Budget)

Indirect Cost Budget

Indirect Cost Work Areas

The Indirect Cost budget is spread across several functional work areas within the agency. The following chart describes each work area.

Group	Work Area	Activities
Administration	Finance	Finance is responsible for all financial activities of the agency, including accounting, budget & grants, investment policy, contracts, procurement, internal audits, and directing outside audits.
	Human Resources	Human Resources (HR) is responsible for staff recruitment, employee relations, training, employee benefits, maintaining personnel records, and administration of personnel rules and systems.
	Information Technology	Information Technology (IT) supports IT operations, computers for office staff, modeling and GIS capabilities, phone systems, video conferencing and networks as well as Facilities/property management for all of SCAG offices.
Agency-wide Management		The Agency-wide Management section is responsible for the management of staff, the budget, and day-to-day operations of the departments. The Executive Director is the official representative of the agency and its policies.
Legal Services		Legal Services is responsible for all internal and external legal affairs of the Association.
Policy & Public Affairs	Legislation	This unit is responsible for interfacing with the legislative processes at the federal and state level.
	Regional Services & Public Affairs	The primary responsibility of this unit is to maintain and expand governmental, community and private sector participation in the regional planning work of SCAG. This is done by working with cities and counties, local government officials, community and business interest groups.



DRAFT Comprehensive Budget

Fiscal Year 2020–2021

SECTION III Appendices

Budget Line Items

Description of Budget Line Item

The following chart provides a description of each budget account/line item.

Account/Line Item	Description
500XX Staff	Staff wages including non-worktime.
54300 Consultant	Outside experts retained to provide special expertise.
54302 Non-Profits/IHL	Partnerships with non-profit organizations and institutes of higher learning (IHL).
54303 Consultant TC	Same as 54300 above. Toll credits are used in lieu of local matching funds, which allows for work to be 100% funded with federal funds.
55305 Cloud Services	Monthly recurring costs for cloud compute and storage capacity.
54340 Legal	Outside legal experts retained to provide special expertise.
54360 Pass-Through Payments	Payments received by SCAG but passed through to other agencies.
55210 Software Support	Fees paid for telephone support and updates of SCAG's high end desktop and network software.
55220 Hardware Support	Fees paid for maintenance and repair contracts on SCAG's computer servers.
55230 Computer Maintenance	Fees paid for maintenance on SCAG computers.
55240 Repair - Maintenance	Processes that do not enhance function or extend the useful life of an asset are expensed as repairs.
5528X 3rd Party Contribution	Like-kind contribution from other agencies that are match for SCAG's grants.
55284 Toll Credits	Toll credits are earned when the state funds a capital transportation investment with toll revenues earned on existing toll facilities. Toll credits that can be used as a substitution for local matching funds, which allows for work to be 100% funded with federal funds.
55310 Furniture & Fixtures Principal	Principal portion of furniture and fixtures debt service payments.
55315 Furniture & Fixtures Interest	Interest portion of furniture and fixtures debt service payments.
55320 Audio-visual Equipment Principal	Principal portion of audio-visual equipment debt service payments.
55325 Audio-visual Equipment Interest	Interest portion of audio-visual equipment debt service payments.
55400 Office Rent / Operating Expense	Rent and operating expense paid for SCAG's main office.

Budget Line Items

Account/Line Item	Description
55410 Office Rent Satellite	Rent paid for SCAG's satellite offices.
55415 Off-site Storage	Fees paid for off-site storage.
55420 Equipment Leases	Fees paid for copier, telephone, postage, equipment, etc.
55425 Lease Obligation Payment	Lease obligation payable to the landlord of the Los Angeles office in FY18.
55430 Equipment Repairs - Maintenance	Fees paid to outside vendors to repair SCAG owned equipment.
55435 Security Services	The cost of physical security services at SCAG's locations.
55440 Insurance	SCAG's liability insurance premiums.
55441 Payroll / Bank Fees	Fees paid for payroll processing & bank services.
55445 Taxes	Personal property taxes levied on SCAG's assets.
55460 Materials & Equipment <\$5,000	Used to buy capital equipment with unit costs under \$5,000 (it's not necessary to capitalize and depreciate).
55510 Office Supplies	Routine office supplies and paper for copy machines.
55520 Graphic Supplies	Materials used in the production of documents for agency communications, presentations, etc.
55530 Telephone	SCAG's monthly telephone fees paid for both voice and data lines.
55540 Postage	Postage and delivery fees.
55550 Delivery Services	Cost of outside courier delivery and other non-USPS services.
55580 Outreach/Advertisement	Cost of advertising and public outreach for SCAG programs and services.
55600 SCAG Memberships	Pays for SCAG to belong to various organizations.
55610 Professional Memberships	Fees paid on behalf of SCAG employees to belong to certain professional organizations.
55611 Professional Dues	Dues paid on behalf of SCAG employees for professional licenses (Certified Public Accountant, Certified Internal Auditor or State Bar).
55620 Resource Materials / Subscriptions	Fees for book purchases, subscriptions and data acquisition.

Budget Line Items

Account/Line Item	Description
55700 Depreciation - Furniture & Fixtures	The general fund buys assets that have a cost greater than \$5,000 using account 55730, Capital Outlay. The cost is recovered when depreciation is charged to a grant using this account.
55715 Amortization - Software	To account for amortization of software.
55720 Amortization - Lease	To account for amortization of leasehold improvements.
55725 Fixed Asset Write-Down	Adjustments to the carrying cost of capitalized assets.
55730 Capital Outlay	Fixed asset purchases greater than \$5,000. The cost is recovered when depreciation is charged to a grant.
55800 Recruitment - Advertising	Advertising in certain journals and publications regarding job opportunities at SCAG.
55801 Recruitment - Other	Moving expenses and cost of sponsoring foreign employees (visas).
55810 Public Notices	Legal advertising that SCAG must undertake to support certain programs or grants.
55820 Staff Training	Used to provide access to outside training opportunities or to bring experts for in-house training.
55830 Networking Meetings / Special Events	Cost of informational events attended by SCAG staff and elected officials.
55840 Training Registration	Training registration cost for staff.
55860 Scholarships	Contributions by SCAG to offset the educational expense of selected students.
55910 RC/Committee Meetings	Pays for the food and other expenses associated with hosting RC and committee meetings.
55912 RC Retreat	The RC holds an annual off-site retreat. This budget pays for the actual meeting expenses such as meals and conference facilities.
55914 RC General Assembly	The by-laws require an annual meeting of the membership. This budget pays for the actual meeting expenses such as meals and conference facilities.
55915 Demographic Workshop	Pays for the meeting expenses of the annual workshop that addresses demographic issues.
55916 Economic Summit	Pays for the meeting expenses of the annual summit that addresses economic issues.
55918 Housing Summit	Pays for the expenses of the annual summit that addresses housing issues.
55920 Other Meeting Expense	Pays for other, non-food expenses related to meeting support.

Budget Line Items

Account/Line Item	Description
55925 RHNA Subregional Delegation	Financial assistance for subregional entities who accept delegation of the RHNA process.
55930 Miscellaneous Other	Pays for other, minor expenses not categorized elsewhere.
55936 Engagement Committee	Pays for employee engagement committee activities and projects.
55937 Employee Recognition	Pays for employee recognition activities.
55938 Department Allowances	Pays for employee recognition activities by department managers.
55940 Stipend-RC Meeting	Stipends paid to RC Members for attending meetings.
55950 Temporary Help	SCAG occasionally uses employment agencies to provide short term staffing.
55980 Contingency – General Fund	Funds available for unforeseen spending.
55995 Disallowed Grant Costs	Costs previously charged to a grant that have been disallowed by the grantor.
56100 Printing	Pays for outside printing costs of SCAG publications and brochures.
58100 Travel	Pays for staff and RC travel on behalf of SCAG projects.
58101 Travel – Local	Travel inside the SCAG region.
58110 Mileage	Cost of automobile travel at the IRS rate per mile.
58150 Staff Lodging Expense	General funds used to pay for staff lodging expenses, under certain conditions, greater than state or federal guidelines.
58200 Travel-Registration Fees	Pays for conference and seminar registration fees.
58800 RC Sponsorships	General funds allocated to events supported by RC actions.
59090 Expense-Local Other	Cash contributions from local agencies for projects funded with federal pass-through funds from SCAG.
60041 Vacation Cash Out	Vacation cash-out program for staff and management.
60110 Retirement-PERS	Pays for employee share of contributions to PERS.
60120 Retirement-PARS	SCAG contribution to the supplemental defined benefit retirement plan.
60200 Health Insurance – Active Employees	SCAG contribution for employee health insurance

Budget Line Items

Account/Line Item	Description
60201 Health Insurance – Retirees PAYGO	Retiree health insurance premiums paid to CalPERS.
60202 Health Insurance – Retirees GASB 45	Retiree health insurance premiums paid to the California Employers’ Retiree Benefit Trust, as computed by an actuary.
60210 Dental Insurance	SCAG contribution for employee dental insurance
60220 Vision Insurance	SCAG contribution for employee vision insurance
60225 Life Insurance	SCAG cost of life insurance for each benefit-eligible employee.
60240 Medicare Tax Employer Share	SCAG pays a percentage of 1.45% (of payroll) contribution to Medicare for all employees hired after 1986.
60245 Social Security Tax Employers	Employer’s share of social security on wages paid.
60250 Medicare Tax ER – Interns	SCAG pays a percentage of 1.45% (of payroll) contribution to Medicare for all employees hired after 1986.
60255 Social Security ER – Interns	Employer’s share of social security on wages paid.
60300 Tuition Reimbursement	All employees can participate in a tuition reimbursement program for work related classes.
60310 Transit Passes	All employees who utilize public transportation to commute are eligible to be reimbursed up to a specified maximum.
60315 Bus Passes NT – Interns	Interns who utilize public transportation to commute are eligible to be reimbursed up to a specified maximum.
60320 Carpool Reimbursement	Eligible employees who are members of a carpool receive a specified monthly allowance.
60400 Workers Compensation Insurance	This is mandated insurance for employees that provides a benefit for work-related injuries.
60405 Unemployment Comp Insurance	Payments for unemployment insurance claims filed by former employees.
60410 Miscellaneous Employee Benefits	The cost of SCAG’s Employee Assistance Program.
60415 SCAG 457 Match	SCAG managers and directors receive matching funds for 457 Plan deferred compensation contributions.
60450 Benefits Administrative Fees	These fees pay for third parties who administer SCAG’s cafeteria plan.
60500 Automobile Allowance	Allowances payable to executives in accordance with employment contracts.

Membership Assessment Schedule

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

Proposed Membership Assessment

Schedule Fiscal Year 2020-21

As of February 18, 2020

	UNINC POP COUNTIES/TOTAL POP CITIES	ASSESSMENTS 2020-21
<u>COUNTIES (6)</u>		
IMPERIAL	38,033	7,221
LOS ANGELES	1,046,858	137,427
ORANGE	129,128	37,634
RIVERSIDE	394,200	63,569
SAN BERNARDINO	312,654	55,591
VENTURA	96,377	19,430
SUB-TOTAL	2,017,250	320,872
<u>CITIES (189)</u>		
ADELANTO	35,136	3,938
AGOURA HILLS	20,842	2,289
ALHAMBRA	86,931	9,006
ALISO VIEJO	51,372	5,526
ANAHEIM	359,339	35,909
APPLE VALLEY	73,464	7,688
ARCADIA	58,891	6,262
ARTESIA	16,919	1,905
AVALON	3,845	476
AZUSA	51,313	5,521
BALDWIN PARK	77,286	8,062
BANNING	31,044	3,537
BARSTOW	24,150	2,613
BEAUMONT	48,401	5,236
BELL	36,556	4,077
BELLFLOWER	78,308	8,162
BELL GARDENS	42,972	4,704
BEVERLY HILLS	34,627	3,888
BIG BEAR LAKE	5,461	634
BLYTHE	19,428	2,151
BRADBURY	1,077	205
BRAWLEY	27,337	3,175
BREA	45,606	4,962
BUENA PARK	83,384	8,658
BURBANK	105,952	11,117
CALABASAS	24,239	2,622

Membership Assessment Schedule

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As of February 18, 2020

	UNINC POP COUNTIES/TOTAL POP CITIES	ASSESSMENTS 2020-21
CALEXICO	42,198	4,629
CALIMESA	9,159	996
CALIPATRIA	7,281	812
CAMARILLO	69,880	7,337
CANYON LAKE	11,285	1,354
CARSON	93,604	9,658
CATHEDRAL CITY	54,907	5,872
CERRITOS	50,711	5,462
CHINO	89,829	9,289
CHINO HILLS	84,364	8,754
CLAREMONT	36,511	4,072
COACHELLA	46,351	5,035
COLTON	54,391	5,822
COMMERCE	13,021	1,524
COMPTON	98,711	10,158
CORONA	168,101	17,197
COSTA MESA	115,830	12,083
COVINA	48,876	5,282
CUDAHY	24,264	2,624
CULVER CITY	40,173	4,431
CYPRESS	49,833	5,376
DANA POINT	34,249	3,851
DESERT HOT SPRINGS	29,251	3,362
DIAMOND BAR	57,495	6,125
DOWNEY	114,212	11,925
DUARTE	21,952	2,398
EASTVALE	66,078	6,965
EL CENTRO	46,248	5,025
EL MONTE	117,204	12,218
EL SEGUNDO	17,066	1,920
FILLMORE	15,925	1,808
FONTANA	212,078	21,500
FOUNTAIN VALLEY	56,652	6,043
FULLERTON	142,824	14,724
GARDEN GROVE	175,155	17,888
GARDENA	61,042	6,472
GLENDALE	206,283	20,933
GLENDORA	52,122	5,600
GRAND TERRACE	12,654	1,488
HAWAIIAN GARDENS	14,690	1,687

Membership Assessment Schedule

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

Proposed Membership Assessment

Schedule Fiscal Year 2020-21

As of February 18, 2020

	UNINC POP COUNTIES/TOTAL POP CITIES	ASSESSMENTS 2020-21
HAWTHORNE	87,854	9,096
HEMET	84,754	8,793
HERMOSA BEACH	19,847	2,192
HESPERIA	96,362	9,928
HIDDEN HILLS	1,885	284
HIGHLAND	55,778	5,957
HOLTVILLE	6,779	763
HUNTINGTON BEACH	203,761	20,686
HUNTINGTON PARK	59,350	6,307
IMPERIAL	19,929	2,200
INDIAN WELLS	5,445	633
INDIO	89,406	9,248
INDUSTRY	432	142
INGLEWOOD	112,549	11,762
IRVINE	280,202	28,166
IRWINDALE	1,506	247
JURUPA VALLEY	106,318	11,152
LA CANADA FLINTRIDGE	20,602	2,266
LA HABRA	63,542	6,717
LA HABRA HEIGHTS	5,485	637
LA MIRADA	49,558	5,349
LA PALMA	15,820	1,798
LA PUENTE	40,795	4,491
LA QUINTA	42,098	4,619
LA VERNE	33,201	3,748
LAGUNA BEACH	23,358	2,535
LAGUNA HILLS	31,572	3,589
LAGUNA NIGUEL	66,748	7,031
LAGUNA WOODS	16,518	1,866
LAKE ELSINORE	62,949	6,659
LAKE FOREST	86,346	8,948
LAKESWOOD	81,352	8,460
LANCASTER	161,604	16,562
LAWNDALE	33,436	3,771
LOMA LINDA	24,335	2,631
LOMITA	20,763	2,281
LONG BEACH	475,013	47,226
LOS ALAMITOS	11,721	1,397
LOS ANGELES	4,040,079	396,540
LYNWOOD	71,343	7,480
MALIBU	12,046	1,429

Membership Assessment Schedule

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

Proposed Membership Assessment

Schedule Fiscal Year 2020-21

As of February 18, 2020

	UNINC POP COUNTIES/TOTAL POP CITIES	ASSESSMENTS 2020-21
MAYWOOD	27,971	3,237
MENIFEE	93,452	9,644
MISSION VIEJO	96,434	9,935
MONROVIA	38,529	4,270
MONTCLAIR	39,563	4,371
MONTEBELLO	64,247	6,786
MONTEREY PARK	61,828	6,549
MOORPARK	37,020	4,122
MORENO VALLEY	208,297	21,130
MURRIETA	118,125	12,308
NEEDLES	5,085	598
NEWPORT BEACH	87,180	9,030
NORCO	26,386	3,082
NORWALK	106,744	11,194
OJAI	7,769	860
ONTARIO	178,268	18,192
OXNARD	209,879	21,285
PALM DESERT	53,625	5,747
PALM SPRINGS	48,733	5,268
PALMDALE	157,854	16,195
PALOS VERDES ESTATES	13,544	1,575
PARAMOUNT	55,497	5,930
PASADENA	146,312	15,065
PERRIS	76,971	8,031
PICO RIVERA	64,033	6,765
PLACENTIA	52,333	5,620
POMONA	154,310	15,848
PORT HUENEME	23,526	2,552
RANCHO CUCAMONGA	179,412	18,304
RANCHO MIRAGE	18,489	2,059
RANCHO PALOS VERDES	42,560	4,664
REDLANDS	71,839	7,529
REDONDO BEACH	68,473	7,200
RIALTO	107,271	11,246
RIVERSIDE	328,101	32,852

Attachment: FY 2020-21 Draft Comprehensive Budget (Approval of the Fiscal Year 2020-21 Draft Comprehensive Budget)

Membership Assessment Schedule

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

Proposed Membership Assessment

Schedule Fiscal Year 2020-21

As of February 18, 2020

	UNINC POP COUNTIES/TOTAL POP CITIES	ASSESSMENTS 2020-21
ROLLING HILLS	1,892	285
ROLLING HILLS ESTATES	8,247	907
ROSEMEAD	55,097	5,891
SAN BERNARDINO	219,233	22,200
SAN BUENAVENTURA	108,170	11,334
SAN CLEMENTE	65,405	6,899
SAN DIMAS	34,584	3,884
SAN FERNANDO	24,918	2,688
SAN GABRIEL	41,178	4,529
SAN JACINTO	48,878	5,282
SAN JUAN CAPISTRANO	36,821	4,103
SAN MANUEL BAND OF MISSION INDIANS	200	120
SAN MARINO	13,352	1,556
SANTA ANA	337,716	33,793
SANTA CLARITA	218,103	22,090
SANTA FE SPRINGS	18,261	2,037
SANTA MONICA	93,593	9,657
SANTA PAULA	30,779	3,511
SEAL BEACH	25,073	2,953
SIERRA MADRE	11,135	1,339
SIGNAL HILL	11,795	1,404
SIMI VALLEY	127,716	13,246
SOUTH EL MONTE	21,293	2,333
SOUTH GATE	96,777	9,969
SOUTH PASADENA	26,245	3,068
STANTON	39,307	4,346
TEMECULA	113,826	11,887
TEMPLE CITY	36,583	4,079
THOUSAND OAKS	129,557	13,426
TORRANCE	148,054	15,236
TUSTIN	81,369	8,461
TWENTYNINE PALMS	28,958	3,333
UPLAND	78,481	8,179
VICTORVILLE	126,543	13,131
VILLA PARK	5,933	680
WALNUT	30,551	3,489
WEST COVINA	108,116	11,328

Attachment: FY 2020-21 Draft Comprehensive Budget (Approval of the Fiscal Year 2020-21 Draft Comprehensive Budget)

Membership Assessment Schedule

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

Proposed Membership Assessment

Schedule Fiscal Year 2020-21

As of February 18, 2020

	UNINC POP COUNTIES/TOTAL POP CITIES	ASSESSMENTS 2020-21
WEST HOLLYWOOD	36,660	4,087
WESTLAKE VILLAGE	8,378	920
WESTMINSTER	92,610	9,561
WESTMORLAND	2,461	341
WILDOMAR	36,066	4,029
WHITTIER	87,526	9,064
YORBA LINDA	68,706	7,222
YUCCA VALLEY	22,050	2,407
YUCAIPA	54,844	5,866
SUB-TOTAL	16,911,481	1,742,801
GRAND TOTAL-ASSESSMENTS	18,928,731	2,063,673
 <u>COMMISSIONS</u>		
SBCTA	2,192,203	25,000
RCTC	2,440,124	25,000
VCTC	856,598	10,000
ICTC	190,266	3,500
Transportation Corridor Agency		10,000
OCTA	3,222,498	25,000
Air Districts		10,000
SUB-TOTAL	8,901,689	108,500
 TOTAL MEMBERSHIP AND ASSESSMENTS		<u>2,172,173</u>

SCAG Salary Schedule

	Classification	Ranges						Time Base
		Minimum	Minimum	Midpoint	Midpoint	Maximum	Maximum	
			Hourly		Hourly		Hourly	
1	Accountant I	\$62,836.80	\$30.21	\$72,259.20	\$34.74	\$81,660.80	\$39.26	Monthly
2	Accountant II	\$68,473.60	\$32.92	\$78,748.80	\$37.86	\$89,024.00	\$42.80	Monthly
3	Accountant III	\$76,024.00	\$36.55	\$87,422.40	\$42.03	\$98,820.80	\$47.51	Monthly
4	Accounting Systems Analyst	\$84,219.20	\$40.49	\$96,865.60	\$46.57	\$109,512.00	\$52.65	Monthly
5	Administrative Assistant	\$54,184.00	\$26.05	\$62,296.00	\$29.95	\$70,408.00	\$33.85	Hourly
6	Application Developer	\$99,985.60	\$48.07	\$114,982.40	\$55.28	\$129,958.40	\$62.48	Monthly
7	Assistant Analyst to the Ex Director	\$74,796.80	\$35.96	\$86,008.00	\$41.35	\$97,219.20	\$46.74	Monthly
8	Assistant Internal Auditor	\$84,156.80	\$40.46	\$96,782.40	\$46.53	\$109,387.20	\$52.59	Monthly
9	Assistant Regional Planner	\$71,198.40	\$34.23	\$81,910.40	\$39.38	\$92,601.60	\$44.52	Monthly
10	Assistant to the Executive Director	\$120,120.00	\$57.75	\$138,153.60	\$66.42	\$156,187.20	\$75.09	Monthly
11	Associate Accountant	\$49,171.20	\$23.64	\$56,555.20	\$27.19	\$63,939.20	\$30.74	Hourly
12	Associate Analyst to the Ex Director	\$88,836.80	\$42.71	\$102,169.60	\$49.12	\$115,481.60	\$55.52	Monthly
13	Associate Human Resources Analyst	\$62,067.20	\$29.84	\$71,385.60	\$34.32	\$80,683.20	\$38.79	Hourly
14	Associate IT Projects Manager	\$83,033.60	\$39.92	\$95,492.80	\$45.91	\$107,931.20	\$51.89	Monthly
15	Associate Regional Planner	\$83,033.60	\$39.92	\$95,492.80	\$45.91	\$107,931.20	\$51.89	Monthly
16	Budget and Grants Analyst I	\$68,619.20	\$32.99	\$78,936.00	\$37.95	\$89,232.00	\$42.90	Monthly
17	Budget and Grants Analyst II	\$80,496.00	\$38.70	\$92,580.80	\$44.51	\$104,665.60	\$50.32	Monthly
18	Chief Counsel/Director of Legal Services	\$224,744.00	\$108.05	\$258,460.80	\$124.26	\$292,177.60	\$140.47	Monthly
19	Chief Financial Officer	\$213,886.40	\$102.83	\$245,980.80	\$118.26	\$278,054.40	\$133.68	Monthly
20	Chief Information Officer	\$203,590.40	\$97.88	\$234,145.60	\$112.57	\$264,680.00	\$127.25	Monthly
21	Chief Operating Officer	\$245,627.20	\$118.09	\$282,484.80	\$135.81	\$319,321.60	\$153.52	Monthly
22	Clerk of the Board	\$102,481.60	\$49.27	\$117,852.80	\$56.66	\$133,203.20	\$64.04	Monthly
23	Community Engagement Specialist	\$67,641.60	\$32.52	\$77,792.00	\$37.40	\$87,921.60	\$42.27	Monthly
24	Contracts Administrator I	\$68,619.20	\$32.99	\$78,936.00	\$37.95	\$89,232.00	\$42.90	Monthly
25	Contracts Administrator II	\$80,496.00	\$38.70	\$92,580.80	\$44.51	\$104,665.60	\$50.32	Monthly
26	Contracts and Purchasing Assistant	\$55,681.60	\$26.77	\$64,064.00	\$30.80	\$72,425.60	\$34.82	Hourly
27	Database Administrator	\$95,222.40	\$45.78	\$109,512.00	\$52.65	\$123,780.80	\$59.51	Monthly
28	Department Manager	\$141,772.80	\$68.16	\$163,030.40	\$78.38	\$184,288.00	\$88.60	Monthly
29	Deputy Clerk of the Board	\$81,952.00	\$39.40	\$94,307.20	\$45.34	\$106,641.60	\$51.27	Monthly
30	Deputy Director (Division)	\$187,054.40	\$89.93	\$215,113.60	\$103.42	\$243,152.00	\$116.90	Monthly
31	Deputy Executive Director	\$233,729.60	\$112.37	\$268,798.40	\$129.23	\$303,846.40	\$146.08	Monthly
32	Deputy Legal Counsel I	\$122,304.00	\$58.80	\$140,670.40	\$67.63	\$159,036.80	\$76.46	Monthly
33	Deputy Legal Counsel II	\$146,764.80	\$70.56	\$168,792.00	\$81.15	\$190,819.20	\$91.74	Monthly
34	Division Director	\$203,590.40	\$97.88	\$234,145.60	\$112.57	\$264,680.00	\$127.25	Monthly
35	Executive Assistant	\$79,851.20	\$38.39	\$93,953.60	\$45.17	\$108,056.00	\$51.95	Monthly
36	Facilities Supervisor	\$88,691.20	\$42.64	\$98,966.40	\$47.58	\$109,241.60	\$52.52	Monthly
37	GIS Analyst	\$82,264.00	\$39.55	\$94,598.40	\$45.48	\$106,932.80	\$51.41	Monthly
38	GIS Application Developer	\$99,985.60	\$48.07	\$114,982.40	\$55.28	\$129,958.40	\$62.48	Monthly
39	Grants Administrator	\$97,406.40	\$46.83	\$112,008.00	\$53.85	\$126,609.60	\$60.87	Monthly
40	Graphics Designer	\$66,747.20	\$32.09	\$76,752.00	\$36.90	\$86,756.80	\$41.71	Monthly
41	Human Resources Analyst I	\$72,384.00	\$34.80	\$83,241.60	\$40.02	\$94,078.40	\$45.23	Monthly
42	Human Resources Analyst II	\$76,044.80	\$36.56	\$92,684.80	\$44.56	\$109,324.80	\$52.56	Monthly
43	Internal Auditor	\$141,772.80	\$68.16	\$163,030.40	\$78.38	\$184,288.00	\$88.60	Monthly
44	IT Projects Assistant	\$56,763.20	\$27.29	\$65,270.40	\$31.38	\$73,756.80	\$35.46	Hourly
45	Junior Planner	\$58,240.00	\$28.00	\$67,600.00	\$32.50	\$76,960.00	\$37.00	Hourly
46	Lead Accountant	\$106,246.40	\$51.08	\$122,200.00	\$58.75	\$138,132.80	\$66.41	Monthly
47	Lead Budget & Grants Analyst	\$97,406.40	\$46.83	\$112,008.00	\$53.85	\$126,609.60	\$60.87	Monthly
48	Lead Graphics Designer	\$79,393.60	\$38.17	\$91,312.00	\$43.90	\$103,209.60	\$49.62	Monthly
49	Lead IT Projects Manager	\$120,120.00	\$57.75	\$138,153.60	\$66.42	\$156,187.20	\$75.09	Monthly
50	Lead Projects Manager	\$120,120.00	\$57.75	\$138,153.60	\$66.42	\$156,187.20	\$75.09	Monthly

SCAG Salary Schedule

	Classification	Ranges						Time Base
		Minimum	Minimum	Midpoint	Midpoint	Maximum	Maximum	
			Hourly		Hourly		Hourly	
51	Lead Operations Technician	\$75,171.20	\$36.14	\$86,465.60	\$41.57	\$97,739.20	\$46.99	Monthly
52	Lead Programmer Analyst	\$110,344.00	\$53.05	\$126,900.80	\$61.01	\$143,457.60	\$68.97	Monthly
53	Legislative Aide	\$53,664.00	\$25.80	\$61,713.60	\$29.67	\$69,742.40	\$33.53	Hourly
54	Legislative Analyst I	\$61,630.40	\$29.63	\$70,865.60	\$34.07	\$80,100.80	\$38.51	Monthly
55	Legislative Analyst II	\$73,840.00	\$35.50	\$84,905.60	\$40.82	\$95,971.20	\$46.14	Monthly
56	Legislative Analyst III	\$85,404.80	\$41.06	\$98,217.60	\$47.22	\$111,009.60	\$53.37	Monthly
57	Legislative Analyst IV	\$96,844.80	\$46.56	\$111,384.00	\$53.55	\$125,923.20	\$60.54	Monthly
58	Management Analyst	\$79,081.60	\$38.02	\$90,958.40	\$43.73	\$102,814.40	\$49.43	Monthly
59	Office Assistant	\$46,716.80	\$22.46	\$53,726.40	\$25.83	\$60,736.00	\$29.20	Hourly
60	Office Services Specialist	\$46,716.80	\$22.46	\$53,726.40	\$25.83	\$60,736.00	\$29.20	Hourly
61	Operations Supervisor	\$88,691.20	\$42.64	\$98,966.40	\$47.58	\$109,241.60	\$52.52	Monthly
62	Operations Technician	\$46,716.80	\$22.46	\$53,726.40	\$25.83	\$60,736.00	\$29.20	Hourly
63	Operations Technician II	\$56,076.80	\$26.96	\$64,500.80	\$31.01	\$72,904.00	\$35.05	Hourly
64	Operations Technician III	\$62,649.60	\$30.12	\$72,072.00	\$34.65	\$81,473.60	\$39.17	Hourly
65	Planning Technician	\$66,830.40	\$32.13	\$76,876.80	\$36.96	\$86,902.40	\$41.78	Hourly
66	Principal Management Analyst	\$105,976.00	\$50.95	\$119,995.20	\$57.69	\$134,014.40	\$64.43	Monthly
67	Program Manager I	\$112,278.40	\$53.98	\$129,126.40	\$62.08	\$145,953.60	\$70.17	Monthly
68	Program Manager II	\$120,120.00	\$57.75	\$138,153.60	\$66.42	\$156,187.20	\$75.09	Monthly
69	Programmer Analyst	\$82,056.00	\$39.45	\$94,369.60	\$45.37	\$106,662.40	\$51.28	Monthly
70	Public Affairs Specialist I	\$68,868.80	\$33.11	\$79,206.40	\$38.08	\$89,523.20	\$43.04	Monthly
71	Public Affairs Specialist II	\$82,513.60	\$39.67	\$94,910.40	\$45.63	\$107,286.40	\$51.58	Monthly
72	Public Affairs Specialist III	\$95,451.20	\$45.89	\$109,761.60	\$52.77	\$124,072.00	\$59.65	Monthly
73	Public Affairs Specialist IV	\$108,243.20	\$52.04	\$124,488.00	\$59.85	\$140,712.00	\$67.65	Monthly
74	Receptionist	\$46,716.80	\$22.46	\$53,726.40	\$25.83	\$60,736.00	\$29.20	Hourly
75	Records Analyst	\$79,081.60	\$38.02	\$90,958.40	\$43.73	\$102,814.40	\$49.43	Monthly
76	Regional Affairs Officer I	\$68,868.80	\$33.11	\$79,206.40	\$38.08	\$89,523.20	\$43.04	Monthly
77	Regional Affairs Officer II	\$82,513.60	\$39.67	\$94,910.40	\$45.63	\$107,286.40	\$51.58	Monthly
78	Regional Affairs Officer III	\$95,451.20	\$45.89	\$109,761.60	\$52.77	\$124,072.00	\$59.65	Monthly
79	Regional Affairs Officer IV	\$108,243.20	\$52.04	\$124,488.00	\$59.85	\$140,712.00	\$67.65	Monthly
80	Regional Planner Specialist	\$104,936.00	\$50.45	\$120,681.60	\$58.02	\$136,406.40	\$65.58	Monthly
81	Senior Accountant	\$84,156.80	\$40.46	\$96,782.40	\$46.53	\$109,387.20	\$52.59	Monthly
82	Senior Administrative Assistant	\$62,649.60	\$30.12	\$72,072.00	\$34.65	\$81,473.60	\$39.17	Hourly
83	Senior Analyst to the Ex Director	\$100,464.00	\$48.30	\$115,544.00	\$55.55	\$130,624.00	\$62.80	Monthly
84	Senior Budget & Grants Analyst	\$88,545.60	\$42.57	\$101,836.80	\$48.96	\$115,107.20	\$55.34	Monthly
85	Senior Contracts Administrator	\$88,545.60	\$42.57	\$101,836.80	\$48.96	\$115,107.20	\$55.34	Monthly
86	Senior Economist	\$102,710.40	\$49.38	\$118,123.20	\$56.79	\$133,536.00	\$64.20	Monthly
87	Senior Graphic Designer	\$75,275.20	\$36.19	\$86,569.60	\$41.62	\$97,843.20	\$47.04	Monthly
88	Senior Human Resources Analyst	\$88,171.20	\$42.39	\$101,420.80	\$48.76	\$114,649.60	\$55.12	Monthly
89	Senior Management Analyst	\$86,985.60	\$41.82	\$100,048.00	\$48.10	\$113,089.60	\$54.37	Monthly
90	Senior Operations Technician	\$68,931.20	\$33.14	\$79,268.80	\$38.11	\$89,585.60	\$43.07	Monthly
91	Senior Programmer Analyst	\$99,985.60	\$48.07	\$114,982.40	\$55.28	\$129,958.40	\$62.48	Monthly
92	Senior Regional Planner	\$91,332.80	\$43.91	\$105,040.00	\$50.50	\$118,747.20	\$57.09	Monthly
93	Senior Regional Planner Specialist	\$112,278.40	\$53.98	\$129,126.40	\$62.08	\$145,953.60	\$70.17	Monthly
94	Transportation Modeler I	\$70,220.80	\$33.76	\$80,745.60	\$38.82	\$91,270.40	\$43.88	Monthly
95	Transportation Modeler II	\$83,033.60	\$39.92	\$95,492.80	\$45.91	\$107,931.20	\$51.89	Monthly
96	Transportation Modeler III	\$97,968.00	\$47.10	\$112,673.60	\$54.17	\$127,379.20	\$61.24	Monthly
97	Transportation Modeler IV	\$112,278.40	\$53.98	\$129,126.40	\$62.08	\$145,953.60	\$70.17	Monthly
98	Transportation Modeling Prog Mgr	\$120,120.00	\$57.75	\$138,153.60	\$66.42	\$156,187.20	\$75.09	Monthly
99	Web/Graphic Designer	\$73,424.00	\$35.30	\$84,448.00	\$40.60	\$95,451.20	\$45.89	Monthly

The Southern California Association of Governments (SCAG) is the nation's largest metropolitan planning organization and council of governments. To better serve the 19 million residents and 191 cities it represents, SCAG has an office in each of its six member counties: Imperial, Los Angeles, Orange, Riverside, San Bernardino and Ventura. For more information about SCAG call (213) 236-1800 or visit us at scag.ca.gov.



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3403 10th St., Ste. 805
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SAN BERNARDINO COUNTY

Santa Fe Depot
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San Bernardino, CA 92418
Phone: (909) 806-3556

VENTURA COUNTY

4001 Mission Oaks Blvd., Ste. L
Camarillo, CA 93012
Phone: (805) 642-2800

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Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

To: Executive/Administration Committee (EAC)
Transportation Committee (TC)
Regional Council (RC)
From: Annie Nam, Manager of Goods Movement, Planning Division,
213-236-1827, Nam@scag.ca.gov
Subject: Road User Charges (RUCs) – Lessons Learned

EXECUTIVE DIRECTOR'S
APPROVAL

Kome Ajise

RECOMMENDED ACTION:

For Information Only – No Action Required

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

EXECUTIVE SUMMARY:

The adopted RTP/SCS in 2012 and 2016, as well as the current draft 2020 RTP/SCS "Connect SoCal," call for a more sustainable funding future with emphasis on transitioning our fuel tax-based system to a more direct, user fee-based approach. Such a change requires additional investigation by local leaders as well as legislative action by state and federal leaders over the next decade. A critical aspect of SCAG's transportation finance work program includes engaging elected and appointed officials in sharing best practices. Accordingly, SCAG collaborated with government agencies in New Zealand and Australia and other stakeholders, in a study tour focused on sharing information about the use of RUCs. The primary objective was for the SCAG delegation to observe and discuss with officials from New Zealand and Australia, their respective nations' experience with RUCs and extract from that experience, practical lessons for the SCAG region. A report is provided, highlighting the scope of the study tour in January of 2020, background, key system elements, and observations. To provide additional context, an overview of California's Road Charge Pilot is provided as well.

BACKGROUND:

With public agencies facing significant funding gaps to build, maintain, and operate transportation infrastructure, states and regions across the country are exploring the concept of road user charges (RUC) – also called vehicle miles traveled fees or mileage-based user fees. In addition to addressing funding gaps, user fees can be structured and implemented to advance environmental, economic, equity, and congestion reduction goals. The adopted RTP/SCS in 2012 and 2016, as well as the

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

current draft 2020 RTP/SCS “Connect SoCal,” call for a more sustainable funding future with emphasis on transitioning our fuel tax-based system to a more direct, user fee-based approach. Such a change requires additional investigation by local leaders as well as legislative action by state and federal leaders over the next decade.

The SCAG Regional Council, in adopting the 2012 and 2016 RTP/SCS, essentially issued a challenge to our state and federal partners to take a leadership role in advancing such innovative transportation solutions. Following the passage of Senate Bill 1077, California completed the largest road charge research effort to date, piloting more than 5,000 vehicles over a nine-month duration. At the federal level, the 2015 Fixing America’s Surface Transportation (FAST) Act included the Surface Transportation System Funding Alternatives (STSFA) Program, providing grants to support states as they conduct demonstrations of user-based alternative revenue mechanisms.

A critical aspect of SCAG’s transportation finance work program includes engaging elected and appointed officials in sharing best practices. Accordingly, SCAG collaborated with government agencies in New Zealand and Australia, in a study tour focused on sharing information about the use of RUCs to fund system development and operational performance, issues associated with RUC design and implementation, practical lessons learned, and opportunities associated with the evolution of technology and public policy. The primary objective of the study was for the SCAG delegation to observe and discuss with officials from New Zealand and Australia, their respective nations’ experience with RUCs and extract from that experience, lessons that may be informative to the region. The SCAG delegation also learned about congestion pricing initiatives, including recent efforts in Auckland, New Zealand and studies in Melbourne, Australia. Congestion pricing generally involves tailoring prices to manage congestion (e.g., increases or decreases in vehicle charges based on congestion levels). In contrast, RUCs are typically seen as a revenue mechanism (to replace existing fuel taxes) but could also incorporate a congestion pricing component to achieve policy objectives.

A report is attached, describing the scope of the study tour, background, key system elements, and observations. To provide additional context, an overview of California’s Road Charge Pilot is provided as well.

FISCAL IMPACT:

Funding was allocated from SCAG’s FY19-20 Overall Work Program and General Fund Budget.

ATTACHMENT(S):

1. PowerPoint Presentation - RUC Report
2. RUC Report March 5, 2020

Road User Charges

Overview of California Road Charge Pilot & Lessons Learned
from New Zealand and Australia

Norma Ortega, Principal, Ortega Consulting (Retired CFO, Caltrans)

Annie Nam, Manager of Goods Movement & Transportation Finance

March 5, 2020

www.scag.ca.gov



Overview

ROAD USER CHARGES

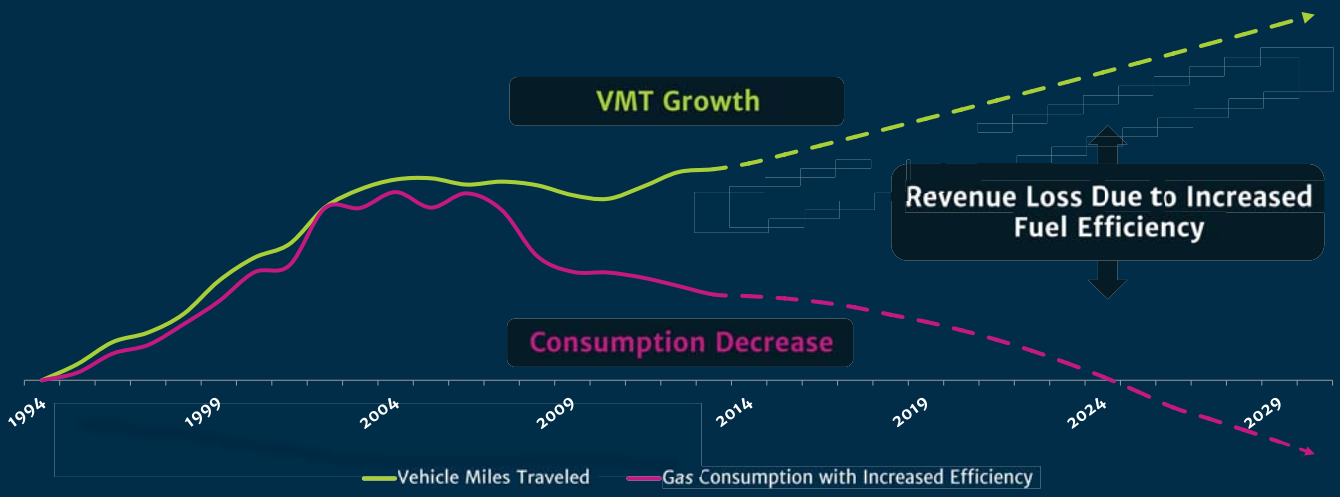
Source: Caltrans

Why Explore Road Charge?



Source: Caltrans

Fuel Efficiency Contributes to Revenue Loss



In this conceptual chart, Vehicle Miles Travelled and Fuel Consumption have been indexed to the same starting point in 1994 to enable comparison of the relative change of the two metrics over time

Source: Caltrans

Attachment: PowerPoint Presentation - RUC Report (Road User Charges (RUCs) – Lessons Learned)

Road Charging is...



- A policy whereby motorists pay for use based on the distance they travel on the roadway network.
- A “User Pays” principle – the more you drive, the more you pay (by mileage).
- Similar to other utilities such as electricity, water, and telephone.

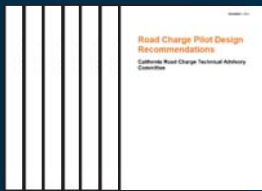
Source: Caltrans

California Road Charge Pilot Program

- Senate Bill 1077 (2014)
- Directed the California Transportation Commission (CTC) to establish a Technical Advisory Committee (TAC)
- TAC provided report recommendations to the California State Transportation Agency (CalSTA)
- Requires CalSTA to implement a pilot program by July 2016
- Requires a report of findings and recommendations by July 2017

Source: Caltrans

Public Input Drives TAC Process



- Extensive Public Outreach Efforts
- TAC Pilot Design Recommendations
 - 5,000 participants statewide
 - Diversity in vehicle types
 - Commercial and State account managers
 - Multiple mileage reporting methods
 - Protect privacy
 - Ensure data security
 - Independent evaluation

Source: Caltrans

Attachment: PowerPoint Presentation - RUC Report (Road User Charges (RUCs) – Lessons Learned)

Key Concerns Raised by the Public



- Privacy and Data Security
- Urban vs. Rural Differential Impacts
- Income Equity Implications
- Fleet Parity
- Rate Setting

Source: Caltrans

Mileage Reporting Methods

Operational Concepts

Corresponding Technology

Concept 1: Time Permit

Time Permit Technology

Concept 2: Mileage Permit

Mileage Permit Technology

Concept 3: Odometer Charge (post-pay)

Odometer Technology

Concept 4: Automated Mileage Reporting with No Location Data

Usage-based Insurance Devices
Smartphone

Concept 5: Automated Mileage Reporting with General Location

In-Vehicle Telematics
Other Location-based Devices

Source: Caltrans

Attachment: PowerPoint Presentation - RUC Report (Road User Charges (RUCs) – Lessons Learned)



CALIFORNIA

ROAD CHARGE

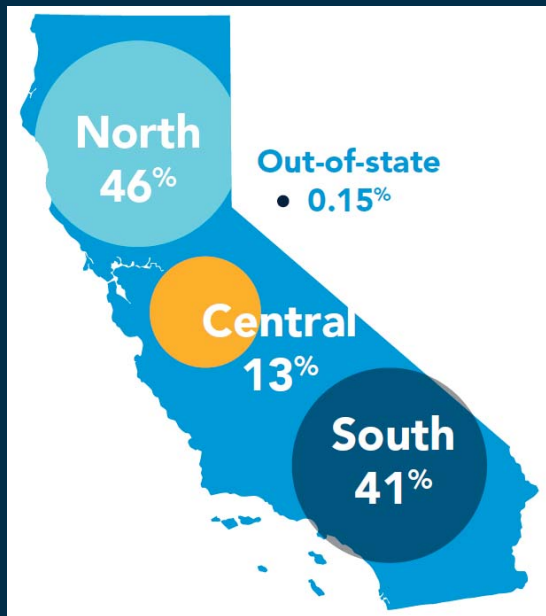
PILOT PROGRAM

2017

Final Report
Senate Bill 1077

Source: Caltrans

By the Numbers



Source: Caltrans

The Road Charge Pilot Program Achieved Many First

- Maintained more than 5,000 participating vehicles over a nine-month period
- Demonstrated six reporting and recording methods
- Offered manual, low tech, and high tech reporting methods
- For the first time included heavy commercial vehicles



Making it the largest road charge pilot in the nation to date!

Pilot Observations – Participation & Perception

TAC Participant Targets

Commercial Vehicles (Businesses)	North	Central	South	Trucks	
	100	50	175	50	
Private Vehicles (Individuals & Households)				Other	
Urban & Suburban		475	175	1050	
		475	175	1050	
Rural & Agriculture		200	200	150	
		200	200	150	
				125	

85% overall pilot satisfaction, which is further supported by the low rate of 4% attrition

- Certain demographic targets and sub-targets set by the TAC were unattainable
- 85% were satisfied with the overall pilot
- 78% were satisfied with the security of their data
- 73% agree that a road charge is more fair than a gas tax
- 90% say they would participate in another road charge demonstration

Source: Caltrans

Pilot Observations – Third Party Vendors



74% satisfied with account manager chosen for the pilot

- Successful in studying the viability of using third-party vendors (Account Managers)
- Demonstrated the ability to offer value-added features as an enhancement to the user experience
- Account managers provided flexibility to pilot participants
- No direct relationship with Account Managers
 - Communication Issues
 - Unclear Expectations

Source: Caltrans

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Attachment: PowerPoint Presentation - RUC Report (Road User Charges (RUCs) – Lessons Learned)

Pilot Observations – Privacy & Data Security



- Privacy and data security provisions were implemented, ensuring pilot participant information was secure
- No breaches or complications
- Privacy and data security were not of significant concern for the majority of focus group participants
- 78% participant satisfaction rating in regards to the pilot privacy and data security

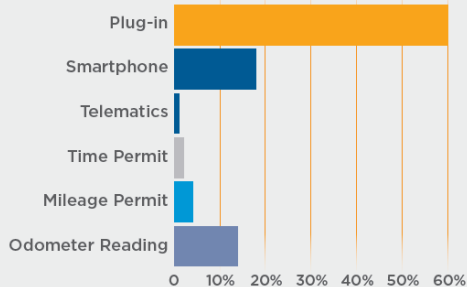
Source: Caltrans

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Pilot Observations – Mileage Reporting Methods

6 mileage recording and reporting methods...

and reporting methods...



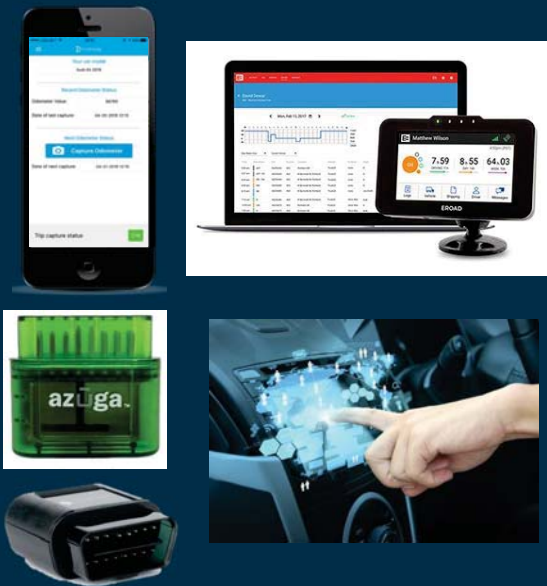
86% satisfied with mileage reporting method

- Manual and automated mileage reporting options offered
- At enrollment the clarity of communications and instructions regarding the mileage reporting methods caused a level of concern

Source: Caltrans

Attachment: PowerPoint Presentation - RUC Report (Road User Charges (RUCs) – Lessons Learned)

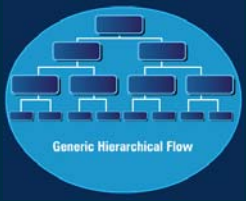
Pilot Observations – Technology



- Range of mileage recording and reporting technologies offered
- 62% of the participants with a technology based mileage recording and reporting device, chose a GPS enabled device
- Plug-in device reliable, but could be obsolete as vehicle technology evolves
- Smartphone applications and In-Vehicle Telematics show promise, but need further development

Source: Caltrans

Next Steps



- Pay-at-the-Pump
- Revenue Collection
- In-Vehicle Telematics
- Technology Collaborative
- Organizational Considerations

Source: Caltrans

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Lessons Learned from New Zealand and Australia

ROAD USER CHARGES



Attachment: PowerPoint Presentation - RUC Report (Road User Charges (RUCs) – Lessons Learned)

1

Purpose of Study Tour

- Explore the concept of road user charges (RUC) – also called vehicle miles traveled fees or mileage based user fees.
- Collaborate with government agencies in New Zealand, Australia, and other stakeholders, to share information about the use of RUC to fund system development and operational performance.
- SCAG calls for a more sustainable funding future with emphasis on transitioning our fuel tax-based system to a more direct, user fee-based approach:
 - 2012 and 2016 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS)
 - 2020 Draft Connect SoCal
- State level – SB 1077 – California completed the largest Road Charge research effort to date, piloting more than 5,000 vehicles over a nine-month duration.
- Federal level – 2015 Fixing America’s Surface Transportation (FAST) Act included the Surface Transportation Systems Funding Alternatives (STSFA) Program – providing grants to conduct demonstrations of user-based alternative revenue mechanisms.

New Zealand’s Road User Charge System (40+ Years)



All motorized users of NZ's roads contribute towards their upkeep



Most road users pay taxes when they buy fuel



Drivers of light diesel vehicles and heavy vehicles like trucks, pay through RUC.



- Heavy-duty vehicles: payment based on weight and distance traveled
- Light-duty vehicle (diesel) & all vehicles over 3.5 metric tonnes (any fuel source) must have a distance license

Exemptions



- Light electric vehicles: exempt until the end of 2021
- Heavy electric vehicles: exempt until electric vehicles in the heavy vehicle fleet reaches 2 percent.



- Vehicles unsuitable for regular road use – tractor, forklift, etc.
- Vehicles used for off-road for a certain purpose – agricultural, defense, medical, etc.

Key Elements of the New Zealand RUC System

RUC license - pre-purchased - 1,000 km (621 miles), or multiples
 RUC revenues - directly placed in National Land Transport Fund (NLTF)



LIGHT DUTY VEHICLES

Vehicles must display their RUC paper license on the inside of the windshield.

Manual, paper-based system that relies on self-reporting.



HEAVY DUTY VEHICLES

Predominantly a paper-based system, in 2010, electronic distance recording systems (eRUC) were piloted for more efficient compliance and collection.

Starting in 2012, eRUC systems were permitted. Roughly half of heavy-duty RUC revenue is now collected via eRUC.

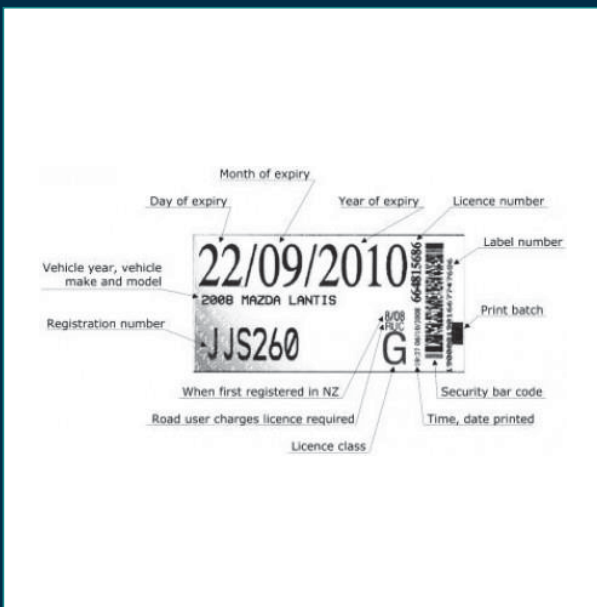
These systems use GPS and mobile data communications to measure distance and public road usage.

Four Electronic System Providers operate the eRUC system as a contract agent for the NZTA. They handle the RUC permitting, administration, and collection of RUC fund.



Attachment: PowerPoint Presentation - RUC Report (Road User Charges (RUCs) – Lessons Learned)

Key Elements of the New Zealand RUC System



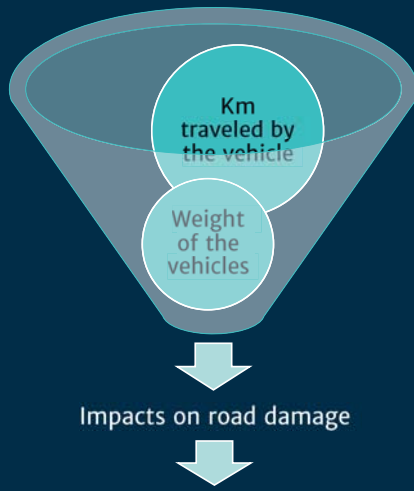
Changes to original RUC legislation

- Lower compliance cost for users and reduce the administrative costs and burden for government
- All revenue goes to NLTF
- Weight bands are introduced
- Exemptions are simplified

RUC Compliance and Evasion Enforcement

- High degree of personal trust built into the system
 - Regular vehicle inspection – every 6 or 12 months based on age of the vehicle
 - Heavy vehicles inspection – every 3, 6, or 12 months based on vehicle type and usage
- Police checks – traffic stops, weigh-in stations
- Audits

New Zealand's Cost Allocation Model (CAM)



- The RUC system is considered a levy, rather than a tax or charge. Changes to the RUC rate is not a decision by Parliament, but a policy decision of the Executive.
- NZ calculates RUC rates using the CAM.
- The CAM generates RUC rates needed to cover road damage costs—based on weight and distance.
- The calculation is based on the average estimated per-kilometer cost share for a vehicle type, rather than tied to specific routes.
- This system is also used to calculate fuel tax rates for gasoline powered vehicles, so that they pay similar amounts to the RUC rates for light-duty vehicles.

21

Attachment: PowerPoint Presentation - RUC Report (Road User Charges (RUCs) – Lessons Learned)

Australia's Road Usage Studies

Heavy Vehicle Road Reform: Broader effort to create stronger links between road usage, charges and services for heavy vehicle road users. Collaborative partnership among government agencies to test direct road user charging options for heavy vehicles, including:

- setting up a dedicated road fund establishing independent price setting for RUC rates
- setting minimum service standards for road managers to meet
- developing a forward-looking cost base to predict future spending and set rates accordingly

Small Scale On-Road Trial - 11 operators and 140 heavy vehicles – testing whether telematics devices already installed in heavy vehicles can measure mass and distance effectively. The six month study uses mock invoices generated by on-board technology that measures the distance traveled by heavy vehicles.

Large Scale On-Road Trial - Expected to begin in mid-late 2020 with 100 operators and 1,000 vehicles. The various approaches include:

- mass-distance charge (applied nationally)
- mass-distance-location charge (variable by state)
- mass-distance-location charges (variable by road type and based on marginal cost, as well as variable by road type and based on service level)

22

Transurban – Melbourne Road Usage Study



- 1,635 participants.
- Usage-based model – Three usage-based charging options were tested: charge per kilometer; charge per trip; and a flat rate (capped kilometers).
- Congestion-based model – Two methods were tested: cordon (area); and time of day.
- Results:
 - Road-charging model based on user-pays could work in Australia
 - User-pays system could offer flexibility →
 - manage demand
 - modify behaviors that impact traffic congestion
 - optimize network usage
 - Need for a coordinated approach across the different modes of transportation to provide Australians the choice they need to initiate change

Key Observations



Administrative and Program Management



- NZ RUC system is more administratively burdensome than the fuel excise tax system.
 - RUC is managed at a national level by a single entity so costs are lower than if numerous entities (states or regions) were also involved.

Cost Allocation Model



- The NZ RUC cost allocation methodology considers all future transport spending from the NLTF.
 - Around 23-30% of spending from the fund is not road infrastructure.

Public Perceptions and Engagement



- Little to very limited knowledge of how roads are paid for: Any changes to transportation revenue policies need heavy public outreach.
 - The requirement to pre-purchase miles could be a financial hardship to some drivers.

Compliance and Enforcement



Though non-compliance is difficult to measure in NZ's case, the annual (or more frequent) vehicle inspections appear to provide sufficient oversight.

Technology and eRUC



- Technology can simplify the RUC process.
 - eRUC provides insights into where vehicles are going, while protecting individual privacy as it is explicitly stated in the RUC legislation.

Future Opportunities



The RUC system can be expanded and/or modified to address new policy goals or challenges such as cordon charging or congestion pricing.

Next Steps for SCAG

- Consider partnering with Caltrans to apply for a federal Surface Transportation Systems Funding Alternatives (STSFA) grant to pilot how a road charge might work at a regional level.
- Align with the recommendations outlined in the California Transportation Commissions' 2019 Annual Report to the California Legislature, to test the collection of revenue process and/or the impact of a road charge on disadvantaged communities.
- Assess how a road charge aligns with broader transportation system/demand management, air quality and climate goals, consistent with policies and programs identified in its draft 2020 RTP/SCS, "Connect SoCal."

Thank You!

Road User Charges

Lessons Learned
from New Zealand
and Australia



Road User Charges

Lessons Learned from New Zealand and Australia

Table of Contents

Purpose of Study Tour	3
Scope of Study	3
New Zealand's Road User Charge System	4
Key Elements of the NZ RUC System	4
Australia's Road Usage Studies	6
Key Observations	8
Administrative and Program Management	8
Cost Allocation Model	8
Public Perceptions and Engagement	8
Compliance and Enforcement	8
Technology and eRUC	9
Future Opportunities	9
Next Steps for SCAG	9
Appendix	10
Final Agenda	10
Meeting Participants	14

Purpose of Study Tour

With public agencies facing significant funding gaps to build, maintain and operate transportation infrastructure, states and regions across the country are exploring the concept of road user charges (RUC) – also called vehicle miles traveled fees or mileage based user fees. In addition to addressing funding gaps, RUC can be structured and implemented to advance environmental, economic, equity, and congestions reduction goals.

In its 2012 and 2016's adopted Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), as well as the current draft 2020 RTP/SCS "Connect SoCal", the Southern California Association of Governments (SCAG), calls for a more sustainable funding future with emphasis on transitioning our fuel tax-based system to a more direct, user fee-based approach. Such a change requires additional investigation by local leaders, as well as legislative action by state and federal leaders over the next decade.

Following the passage of SB 1077, California completed the largest Road Charge research effort to date, piloting more than 5,000 vehicles over a nine-month duration. At the federal level, the 2015 Fixing America's Surface Transportation (FAST) Act included the Surface Transportation Systems Funding Alternatives (STSFA) Program, providing grants to support states as they conduct demonstrations of user-based alternative revenue mechanisms.

Scope of Study

A critical aspect of SCAG's transportation finance work program includes engaging elected and appointed officials in sharing best practices. Accordingly, SCAG collaborated with the Ministry of Transport in New Zealand and the comparable agency in Australia and other stakeholders – to participate in a study tour focused on sharing information about the use of RUC to fund system development and operational performance, issues associated with RUC design and implementation, practical lessons learned, and opportunities associated with the evolution of technology and public policy. The primary objective of the study was for the SCAG delegation to observe and discuss with officials from New Zealand and Australia, their respective nations' experience with RUC and extract from that experience, lessons that may be informative to the region. Meetings were held not only with government policy officials but also with key stakeholders involved such as light and heavy vehicle user groups, service providers, enforcement and compliance officials, and analysts of telematics data for other purposes. In Australia, a briefing was provided from a toll operator that conducted the Melbourne Road Usage Study.

New Zealand's Road User Charge System

All (motorized) users of New Zealand's roads contribute towards their upkeep. Most road users pay taxes when they buy fuel. Others, such as drivers of light diesel vehicles and heavy vehicles like trucks, pay through road user charges (RUC). New Zealand has over 40 years of experience with RUC. It is recognized internationally as a successful test case in road funding.

New Zealand established the RUC system under the Road User Charges Act 1977 as a means for collecting revenue from ALL users of diesel vehicles. The original focus and intent of the RUC system was to recover road wear and damage costs caused by heavy-duty vehicles. Diesel fuel vehicles were singled out for the RUC system as heavy-duty vehicles were the largest users of diesel (payment based on weight and distance traveled). All light-duty vehicles that use diesel and all vehicles over 3.5 metric tonnes, (regardless of their fuel source) must have a distance license associated with its vehicle license.

Today, the RUC system applies to nearly 20 percent of the overall New Zealand vehicle fleet, with 150,000 heavy-duty vehicles and approximately 700,000 light diesel vehicles. Certain vehicles are currently exempted from the RUC system, primarily off-road vehicles and agricultural vehicles. The Government continues to promote and encourage the purchase of electric vehicles by keeping them RUC exempt at this time. The current strategy would sunset the RUC exemption for light electric vehicles at the end of 2021 and for heavy electric vehicles when the percentage of the electric vehicles in the heavy vehicle fleet reaches 2 percent.

Key Elements of the NZ RUC System

Changes to original RUC legislation

- In 2012, New Zealand adopted a new Road User Charges Act replacing the initial 1977 legislation aimed at simplifying and modernizing the RUC system. The new legislation introduced policies to lower the compliance cost for users and reduce the administrative cost and burden for the Government.
- All revenues from the RUC system are placed directly in the National Land Transport Fund (NLTF).
- Permanent RUC weight bands were established. Vehicles pay based on the maximum allowable weight of the vehicle assuming an average load factor. Previously, vehicles were charged based on declared weight. This standardization of the RUC rates simplifies the information required for the user and minimizes potential evasion in the self-reporting system.
- RUC exemptions were simplified. The list of vehicles exempt from paying RUC, such as off-road and agricultural vehicles, was increased, simplifying the system for users that used to pay little RUC.

Requirements of the RUC System

All RUC eligible vehicles are required to obtain and be able to correctly display RUC licenses at all times of road operation. Light duty vehicles must display their RUC paper license on the inside of the windshield. Drivers of heavy-duty vehicles may carry their paper license on their person, but it must be produced on demand by any enforcement officer or official. Distance traveled by light duty vehicles is recorded by their odometer, heavy-duty vehicles must be equipped with either a hubodometer or a certified eRUC device (see below). Heavy-duty trailers must be equipped with their own hubodometer or eRUC device to record distance traveled.

A RUC license is linked to a specific vehicle, through its vehicle license plate, and to the vehicle's primary owner. The owner is responsible for ensuring the vehicle has a valid RUC license, regardless of who drives the vehicle.

Licenses are distance based and pre-purchased in units of 1,000 km (621 miles), or multiples. Once the distance on the license is reached, a driver must have purchased a new license. There is no expiration date for RUC licenses for light-duty vehicles. Heavy duty vehicles have licenses valid only for the period of the current RUC rate, plus 30 days. Licenses are pre-purchased directly from the NZTA, or authorized RUC agents throughout the country such as Post Offices, the Automobile Association or other independent agents (such as gas stations).

RUC Rate Setting, Cost Allocation Model

Under New Zealand legal classification, the RUC system is a levy, rather than a tax or charge. This designation means that changes to the RUC rate is not a decision by Parliament, but a policy decision of the Executive. There is no legislatively mandated process that addresses when or how often RUC rates must be analyzed or changed. The most recent RUC rate increases were on October 1, 2018.

The NZTA calculates RUC rates using a Cost Allocation Model, or CAM. This model calculate rates to recover forecast revenue for the National Land Transport Fund, based on what rates would need to be to cover the road damage costs forecasted for the following year and projected new capital spending on the road network (and other outputs). The calculation is based on the average estimated per-kilometer cost share for a vehicle type, rather than tied to specific routes traveled by the individual user. The CAM calculates the impacts on road damage using both the weight and distance of the vehicles. This system is also used to calculate fuel tax rates for gasoline powered vehicles, so that they pay similar amounts to the RUC rates for light-duty vehicles (basing the fuel tax on average fuel consumption per km for the gasoline fleet).

Electronic RUC (eRUC) Systems

Between 1978 and 2012, the RUC system in New Zealand operated only as a manual, paper-based system. About 2010, electronic distance recording systems (eRUC) were piloted to evaluate if they could be a more efficient method of RUC compliance and

collection. This was followed by allowing use of the eRUC systems within the 2012 legislation. New Zealand currently has certified four companies to operate as eRUC providers: EROADS Ltd., Coretex Ltd., Navman Wireless Ltd, and RUC Monkey. These electronic system providers (ESPs) operate the eRUC systems as a contract agent for the NZTA. The ESP handles the RUC permitting, administration, and collection of RUC funds on behalf of the NZTA. Around 50% of heavy-duty RUC revenue is now collected via eRUC. These systems use GPS and mobile data communications technology, with connections to the vehicle systems to accurately measure distance, distinguish between distance travelled on public roads from private roads and private property. eRUC devices must also be able to report distance traveled by both tractor and trailer units independently.

RUC Compliance and Evasion Enforcement

Compliance and enforcement is handled by the NZTA during regular vehicle inspections. Personal vehicles are inspected annually if a car is less than 6 years old. Older vehicles are inspected every six months. Heavy duty vehicles are inspected every 3, 6 or 12 months depending on the vehicle type and usage. The New Zealand Police check for RUC compliance during routine traffic stops, and at weigh-in stations for the heavy-duty fleet. NZTA authorize audits of truck and bus companies for RUC compliance, with similar powers to the Inland Revenue to check operator records.

The RUC system in New Zealand has a high degree of personal trust built into the system, and since the RUC relies (to an extent) on the honesty of the vehicle owner, it has been difficult to accurately quantify the level of evasion. However, as long as vehicles comply with safety inspections, they are subject to RUC compliance inspections as well. There is a considerable focus on compliance stops for operators that do not use eRUC, because it is difficult to evade using such systems, compared to a manual system based on paper.

Australia's Road Usage Studies

The Australian Government, through its Department of Infrastructure, Transport, Cities and Regional Development has partnered with key stakeholders – state, territory, and local governments as well as industry and communities - to test potential direct road user charging options for heavy vehicles. The studies provide a platform that is intended to inform and shape future policy for collection of heavy vehicle charges. The studies are part of the broader policy known as Heavy Vehicle Road Reform, which is about creating stronger links between road usage, charges and services for heavy vehicle road users. Heavy Vehicle Road Reform includes: setting up a dedicated road fund establishing independent price setting for RUC rates, setting minimum service standards for road managers to meet and developing a forward-looking cost base to predict future spending and set rates accordingly. At this time, the Government is not

considering light duty vehicles, however, information from these studies could inform future discussions.

Small Scale On-Road Trial

A small Scale On-Road Trial, with 11 operators and 140 heavy vehicles, is testing whether telematics devices already installed in heavy vehicles can measure mass and distance effectively. The six month study uses mock invoices generated by on-board technology that measures the distance traveled by heavy vehicles. This trial is intended to conclude later in 2020.

Large Scale On-Road Trial

Work is underway on a larger scale pilot that models and analyzes the impact of alternative charging approaches for heavy vehicles. This study is expected to begin in mid-late 2020 with 100 operators and 1,000 vehicles across every state and territory in Australia. The various approaches include a mass-distance charge (applied nationally), a mass-distance-location charge (variable by state) and mass-distance-location charges (variable by road type and based on marginal cost, as well as variable by road type and based on service level).

Melbourne Road Usage Study

Transurban, one of the world's largest toll-road operators, undertook the first Australian study into user-pays congestion charging in the city of Melbourne in 2015. It included 1,635 participants.

The study looked at both a Usage-based model and a Congestion-based model.

- Usage-based model – This model tested participants responses to a user-pays funding approach that is more transparent and sustainable as a funding source. Three usage-based charging options were tested: charge per kilometer; charge per trip; and a flat rate (capped kilometers).
- Congestion-based model – This model tested how motorists responded to demand-management pricing signals to reduced road use in highly congested areas or at peak travel times. Two methods were tested: cordon (area); and time of day.

The study delivered many insights into how Australians would respond to a new road-charging model. The study demonstrated that a road-charging model based on user-pays could work in Australia. It demonstrated the flexibility a user-pays system could offer in enabling a wide range of price signal options to help manage demand and modify behaviors that impact traffic congestion optimizing the network usage.

The Melbourne Study highlights the need for a coordinated approach across the different modes of transportation that provide Australians the choice they need to initiate change.

Key Observations

Administrative and Program Management

- NZ RUC system is more administratively burdensome than the fuel excise tax system (though higher administrative costs are also associated with tolling and other non-fuel excise tax revenue alternatives).
- RUC is managed at a national level by a single entity so costs are lower than if numerous entities (states or regions) were also involved in the management and collection processes. If an expansion of the system was implemented to address other policies such as congestion or cordon pricing, coordination with different jurisdictions could add complexity and cost.

Cost Allocation Model

- The NZ RUC cost allocation methodology considers all future transport spending from the National Land Transport Fund, including road maintenance and improvements, public transit subsidies, improvement to cycling and pedestrian infrastructure, road manager planning and administration costs and the costs of road policing. Around 23-30% of spending from the fund is not road infrastructure.

Public Perceptions and Engagement

- Similar to surveys done in the United States, both New Zealand and Australia, found that a very high percentage of drivers have little to very limited knowledge of how roads are paid for. Any changes to transportation revenue policies or systems need heavy public outreach.
- Engagement with users of the RUC system led to modifications of the original legislation in New Zealand.
- Australia's federal government approach to partner with key stakeholders – state, territory, and local governments as well as industry and communities – is critical in discussing and assessing changes to transportation policy and process.
- The requirement to pre-purchase miles could be a financial hardship to some drivers.

Compliance and Enforcement

- RUC compliance is an added responsibility to NZ Police's safety and other enforcement activities, so non-compliance is difficult to measure. However, the annual (or more frequent) vehicle inspections appear to provide sufficient oversight.

Technology and eRUC

- Technology can simplify the RUC process, can address other government requirements and provide value-added benefits.
- eRUC systems provide anonymized data that helps inform investment and maintenance decisions.
- eRUC provides insights into where vehicles are going, though RUC legislation explicitly protects individual privacy. Data collected can only be used for enforcement of RUC, and not for other purposes.

Future Opportunities

- The RUC system can be expanded and/or modified to address new policy goals or challenges such as cordon charging or congestion pricing.

Next Steps for SCAG

SCAG should consider partnering with the California Department of Transportation to apply for a federal STSFA grant to pilot how a road charge might work at a regional level. The demonstration could also align with the recommendations outlined in the California Transportation Commissions' 2019 Annual Report to the California Legislature, to test the collection of revenue process and/or the impact of a road charge on disadvantage communities.

SCAG should assess how a road charge aligns with broader transportation system/demand management, air quality and climate goals, consistent with policies and programs identified in its draft 2020 RTP/SCS, "Connect SoCal".

Appendix

Final Agenda

SCAG AU & NZ Study Tour, January 2020

Day 1 – Monday, January 20, Auckland

<u>6 AM -</u>	Arrive in Auckland
<u>6:00 PM</u>	Review Agenda for Study Tour, Address Questions

Day 2 – Tuesday, January 21, Auckland* - Eroad, Level 3, 260 Oteha Valley Road, Albany

<u>10:30 AM – 10:45 AM</u>	
Welcome to New Zealand	Marian Willberg, Ministry of Transport (MOT)
<u>10:45 AM -11:00 AM</u>	
Introduction of Delegates and Objectives of Trip	Bill Jahn and Kome Ajise, SCAG
<u>11:00 AM – 12:00 PM</u>	
Context for Road Usage Charge (RUC)	-Marian Willberg, MOT -Brent Lewers, Principal Advisor to MOT -Iain McGlinhy, MOT
<u>12:00 PM – 12:30 PM</u>	LUNCH BREAK
<u>12:30 PM – 1:30 PM</u>	
Cost Allocation Plan, application of investment intentions and past usage data to: <ul style="list-style-type: none"> - determine revenue share - set RUC rates by vehicle type and class 	Jonathan Petterson, former Principal Advisor, Ministry of Transport

Day 2 – Tuesday, January 21, Auckland – Eroad, Level 3, 260 Oteha Valley Road, Albany

<u>1:30 PM - 2:30 PM</u>	
Drivers and consequences of digitizing RUC delivery Evolution and introduction of eRUC idea The conditions supporting adoption of eRUC in New Zealand Directions of change in the technology Emerging options for the future revenue stream	Steven Newman, Chief Executive Officer, EROAD
	BREAK
<u>2:45 PM - 3:30 PM</u>	
RUC Monitoring and Compliance Role and functions of the RUC collector	John Freeman, New Zealand Transport Agency
<u>3:30 PM - 4:30 PM</u>	
Roadside Enforcement Role and functions of the Commercial Vehicle Safety Team	Sr Sargent Mike Moloney, New Zealand Police

Day 3 – Wednesday, January 22, Auckland

<u>9:00 AM - 9:30 AM</u>	
eRUC Service Provider - RUC Monkey	Monoj Dolli, Founder & Chief Executive Officer, Picobyte and RUC Monkey
<u>9:30 AM - 11:30 AM</u>	
Overview of Congestion Pricing in Auckland	-David Hawkey, Transport and Infrastructure Manager, Auckland Council -Christine Perrins, former Group Manager Strategic Transport Planning, Auckland Transport
<u>11:30 AM -12:30 PM</u>	LUNCH BREAK

<p><u>12:30 PM – 1:45 PM</u></p> <p>How RUC Works, key design elements Statutory framework including objective, scope, and obligations User requirements and how transactions are undertaken Regulations of RUC agents Data and privacy framework General enforcement model</p>	<p>-Iain McGlinhy, MOT -Peter Carr, EROAD</p>
<p><u>1:45 PM – 2:30 PM</u></p> <p>Road User Perspectives of RUC Public’s understanding of RUC Pros and Cons Desired directions of change</p>	<p>-Barney Irvine, Principal Advisory, New Zealand Automobile Association -Nina Elter for Road Transport Forum</p>
<p><u>2:30 PM – 2:45 PM</u></p>	<p>BREAK</p>
<p><u>2:45 PM – 3:30 PM</u></p> <p>Operation and implications of RUC eRUC Service Provider certification and Code of Practice Monitoring and enforcement benefit Downstream Benefit</p>	<p>-Peter Carr, ERoAD -Geoff Fowke, Head of Customer Service & New Zealand Operations for Cortex -Everett Shiina, Chief Revenue Officer, U & NZ, Cortex</p>
<p><u>3:30 PM – 4:15 PM</u></p> <p>The Power of eRUC Use of data in transportation planning, asset and network management Driver behavior insight and management</p>	<p>Chris Vallyon, Greater Wellington Regional Council/BECA</p>
<p><u>4:15 PM – 4:45 PM</u></p> <p>Considerations and Recommendations Overall Lessons learnt and parallels to US</p>	<p>Nina Elter, EROAD</p>
<p><u>4:45 PM – 5:00 PM</u></p> <p>Clarify Any Outstanding Questions</p>	<p>Kome Ajise, SCAG</p>

Day 4 – Thursday, January 23, Melbourne

<u>4:45 AM</u>	Depart to Airport for 7AM NZ Air#0721 flight
<u>1:00 PM – 2:45 PM</u> Australia’s fuel and registration-based RUC system and prospects for reform	-Ramon Staheli, Head of Economics, National Transport Commission -Matt Barry, Economics Manager, NTC -Chris Egger, Senior Policy Analyst, NTC -Joel Martin, Senior Policy Analyst, NTC
<u>3:00 PM -4:30 PM</u> Overview of Melbourne Pilot Study and Lessons Learned	-Daniel Sheridan, Strategy Manager, Transurban -Stephen McDonald, General Manager Strategic Initiatives, Transurban

Day 5, Friday January 24, Canberra

<u>7:30 AM</u>	Depart to airport for 9:15 AM Qantas, #0814 flight
<u>1:00 PM –4:00 PM</u> Overview of the National Heavy Vehicle Charging Pilot Policy Discussions on Lite Vehicle Charging	-Gareth Prosser, Transport Economic Reform Section, Land Transport Market Reform Branch, -Blair Thompson, Pilot Director and Team, Department of Infrastructure, Transport, Cities and Regional Development -Fiona Perry, Assistant Director, NHVCP -Jason Yeoh, Assistant Director, Transport Economic Reform Section -Sandra l’Anson, Assistant Director, Strategic Policy Section -Alex Rae, Acting Assistant Director, Sustainable Transport, Land Transport Policy
<u>6:00 PM – 7:10 PM</u>	Return flight to Melbourne, Qantas #0833

Meeting Participants



The New Zealand Ministry of Transport (MoT) is the public service department of New Zealand charged with advising the government on transport policy. Through this advice it aims to improve the overall performance of the transport system, improve the performance of transport Crown entities and achieve better value for money for the government from its investment in the transport system. MOT is responsible for creating and maintaining the road user charge legislation.



The New Zealand Transport Agency (NZTA) is a New Zealand Crown Entity tasked with promoting safe and functional transport by land, including responsibility for driver and vehicle licensing, investigating rail accidents and administering the New Zealand state highway network. It was created on 1 August 2008 by the Land Transport Management Act 2008, merging Transit New Zealand with Land Transport New Zealand. The NZ Transport Agency is responsible for collecting (and enforcing) road usage charges and land transport legislation.



New Zealand Police works with the community to make New Zealanders be safe and feel safe. With over 12,000 staff, they provide policing services 24 hours a day, every day. They operate by land, sea and air, manage over 860,000 emergency calls a year and are always actively preventing crime and crashes. They are working towards specific goals and targets that highlight their intent to work collaboratively with communities, other government sectors and business partners to deliver 'Our Business' and achieve long-term change.



The Auckland Council organization is led by the chief executive, who works closely with the mayor. The chief executive appoints an executive leadership who direct organizational staff. The organization as a whole is responsible for operation and service delivery, advising the governing body and local boards and carrying out their decisions.



Founded in 1903, the New Zealand Automobile Association has grown from a pioneering automobile club to an organization that offers motoring advice, insurance, finance, maps and travel guides. AA is the leading advocate for NZ motorists and their interests.



Road Transport Forum New Zealand was set up as a national body in 1997 to responsibly promote and advance the interests of the road transport industry and its member associations.



EROAD is a fully integrated technology, tolling and services provider. An approved NZTA supplier, its advanced technology provides road charging, compliance and commercial services with the same platform.



Coretex develops and supplies world-class telematics and fleet management solutions that allow transport operators to optimize every aspect of their business. It is a third party supplier of RUC services to NZTA. It has offices in New York, Denver, Auckland, Melbourne, Sydney, Perth and Singapore, along with an extensive dealer network in the USA.



The Greater Wellington Council works with the community towards achieving a sustainable economy and environment. They are responsible for the water supply: collecting, treating and delivering water - environment management: resources, harbours, emergencies - transport: funding public transport, building public transport infrastructure, planning and monitoring transport network - land: controlling plant and animal pests, forest and water catchments and promoting sustainable land management - regional parks and forests - planning and delivering flood protection.



Australia National Transportation Commission leads national land and transport reform in support of Australian governments to improve safety, productivity, environmental outcomes and regulatory efficiency.



Transurban manages and develops networks of urban toll roads in Australia and the USA. As one of the world's largest toll-road operators, they design and build new roads to researching new vehicle and road safety technology. An Australian-owned company, Transurban builds and operates toll roads in Melbourne, Sydney and Brisbane, as well as in Greater Washington, United States and Montreal, Canada.



The Australia Department of Infrastructure, Transport, Cities and Regional Development is responsible for the design and implementation of the Australian Government's infrastructure, transport and regional development policies and programs.



Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

To: Executive/Administration Committee (EAC)
Regional Council (RC)
From: Basil Panas, Chief Financial Officer, Finance, 213-236-1817,
panas@scag.ca.gov
Subject: CFO Monthly Report

**EXECUTIVE DIRECTOR'S
APPROVAL**

RECOMMENDED ACTION:

For Information Only - No Action Required

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 7: Secure funding to support agency priorities to effectively and efficiently deliver work products.

AUDITS:

Eide Bailly LLP, SCAG's outside independent auditor, is preparing for the interim audit work for the FY20 annual audit. They will present their audit plan to the Audit Committee at its April 29, 2020 meeting.

MEMBERSHIP DUES:

99.9% of the FY20 dues assessment was collected as of January 22, 2020. One city has yet to pay its dues and two are being recruited for membership.

BUDGET & GRANTS (B&G):

Caltrans approved Amendment 2 to the FY 2019-20 Overall Work Program (OWP) in the amount of \$1.8 million on January 31, 2020. This amendment included programming of unexpended Consolidated Planning Grant (CPG) funds and Transportation Development Act (TDA) funds for ongoing regional transportation projects; adjusting various state and federal grant balances; and adjusting staff time allocations in various OWP tasks.

The FY 2019-20 2nd Quarter OWP Progress Report was submitted to Caltrans on January 30, 2020. The expenditures reported for the period of July to December 2019 are approximately \$19.5 million or 24% of the OWP amended budget.

CONTRACTS:

In January 2020, the Contracts Department issued nine (9) Request for Proposal, awarded thirteen (13) contracts; issued four (4) contract amendments; and processed 31 Purchase Orders to support

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous



ongoing business and enterprise operations. Staff also administered 130 consultant contracts. Contracts staff continued to negotiate better pricing and reduced costs for services. This month staff negotiated \$46,581 in budget savings, bring the Fiscal Year 2020 savings to \$57,474 cumulatively.

ATTACHMENT(S):

1. CFO Monthly Report



Office of the Chief Financial Officer

Monthly Status Report

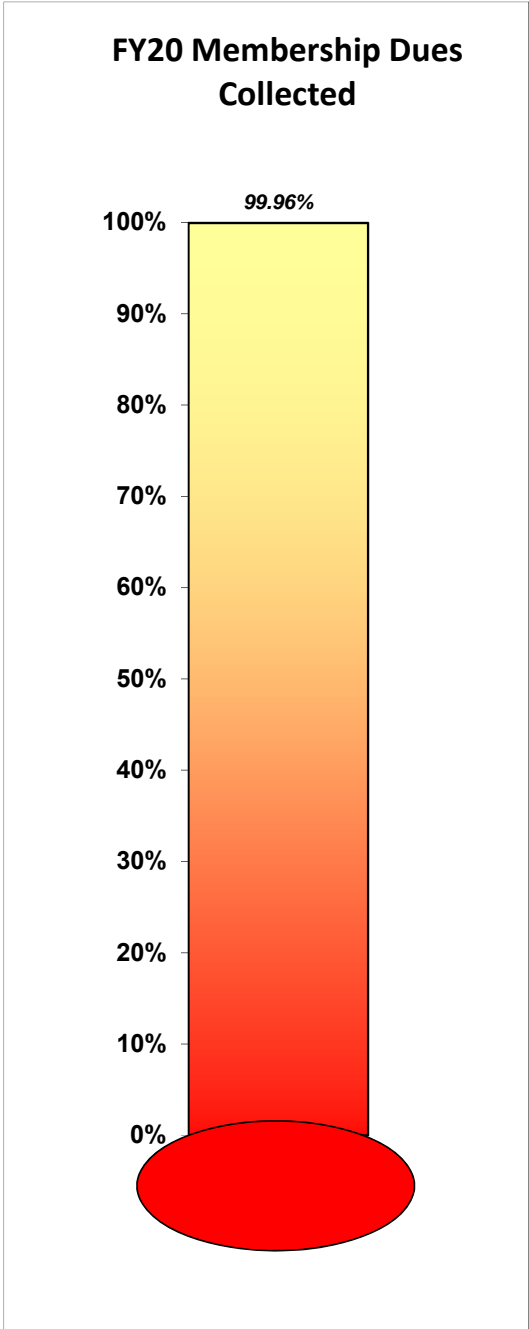
JANUARY 2020

OVERVIEW

As of February 13, 2020, 188 cities and 6 counties had paid their FY20 dues. This represents 99.96% of the dues assessment. One city had yet to pay its dues. Two cities are being recruited for membership.

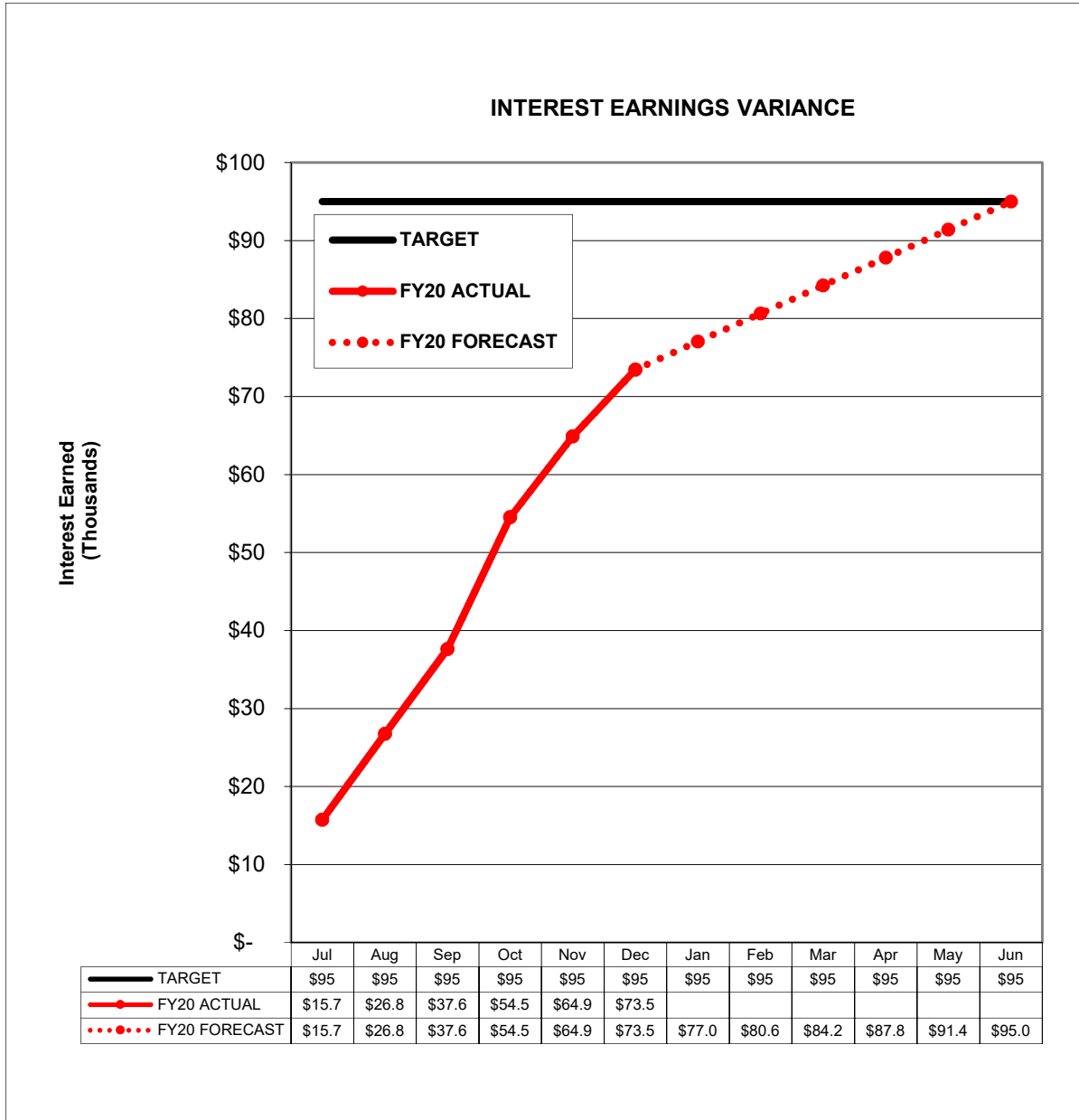
SUMMARY

FY20 Membership Dues	<u>\$ 2,113,909</u>
Total Collected	<u>\$ 2,112,970</u>
Percentage Collected	<u>99.96%</u>





Office of the CFO
Interest Earnings Variance



Attachment: CFO Monthly Report (CFO Monthly Report)

OVERVIEW

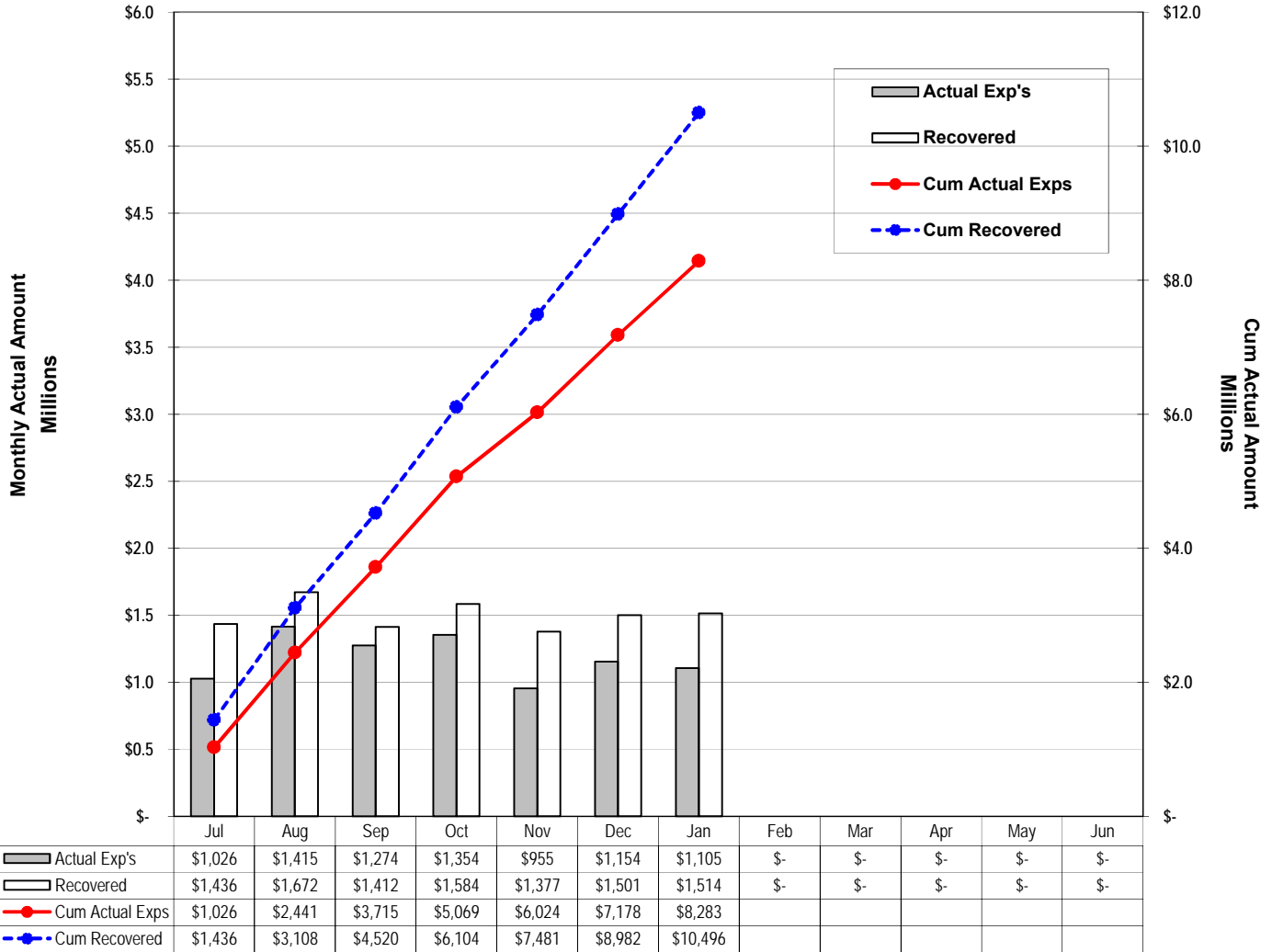
Actual interest income is plotted against the target amount. The amount credited to SCAG's account through December was \$73,451. The LA County Pool earned 1.83% in December.

SUMMARY

The amount projected for FY20 is \$95,000.



FY20 INDIRECT COST & RECOVERY



Attachment: CFO Monthly Report (CFO Monthly Report)

OVERVIEW

A comparison of Indirect Cost (IC), incurred by SCAG vs. IC recovered from SCAG's grants.

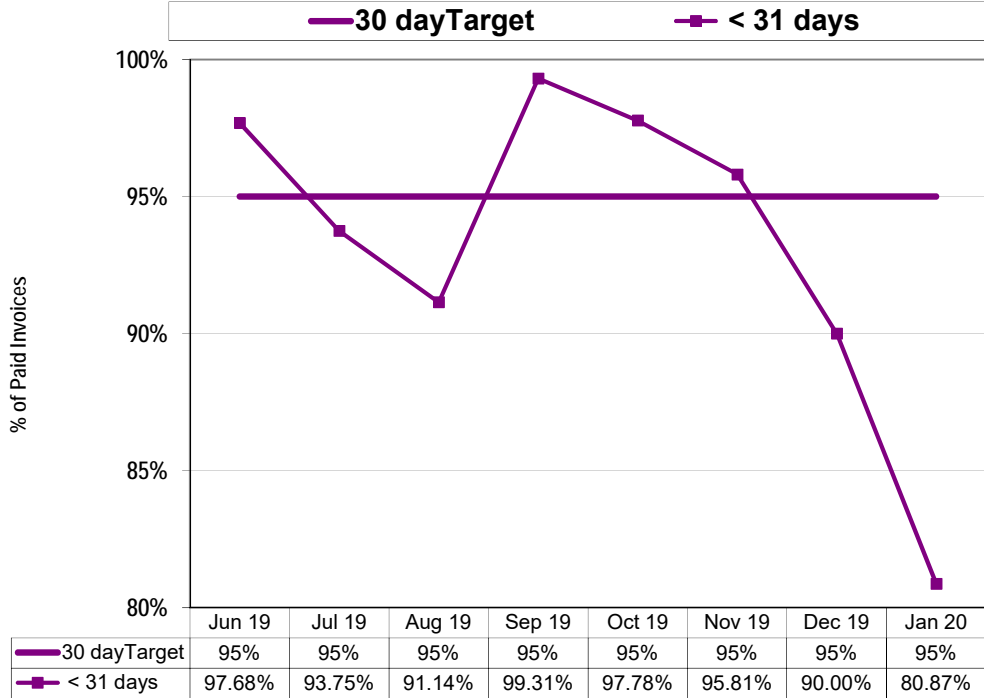
SUMMARY

Through January 2020, SCAG was over-recovered by \$2,213,210 due to unspent Indirect Cost budget.

Office of the CFO
Invoice Aging



INVOICE AGING



OVERVIEW

The percent of total invoices paid within 30 days. The target is to pay 95% of all invoices within 30 days. This goal was not met. The Contracts Dept. gave priority to new procurements over funding amendments which delayed invoice payment.

SUMMARY

80.87% of January 2020's payments were made within 30 days of invoice receipt.

At month-end, 33 invoices remained unpaid less than 30 days.

Actual

OVERVIEW

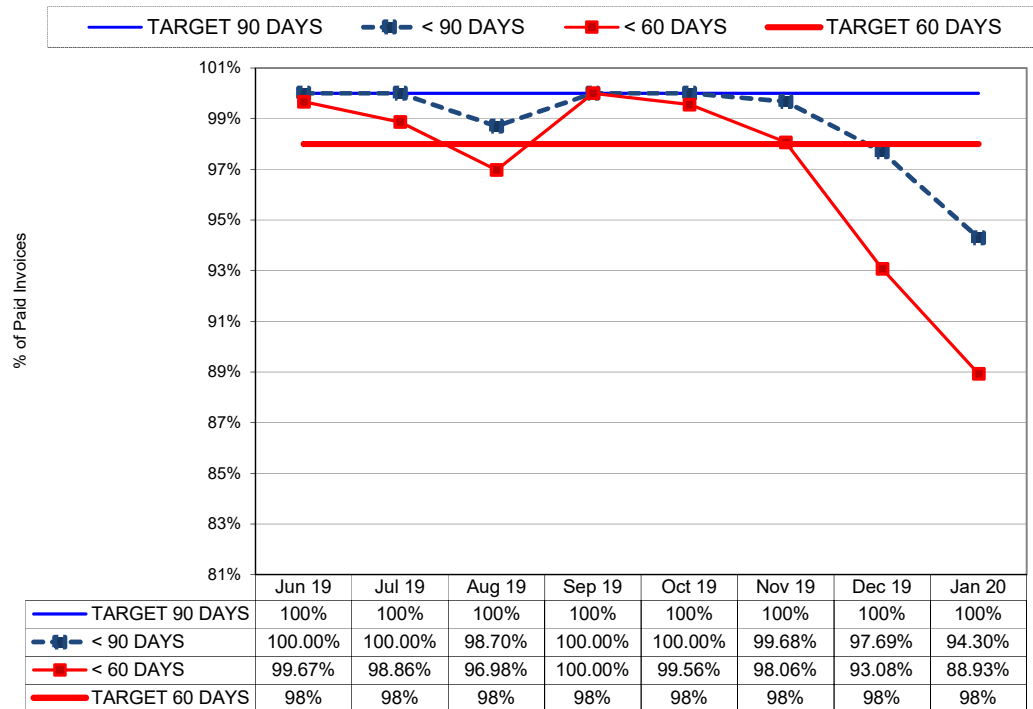
The percent of total invoices paid within 60 and 90 days. The target is to pay 98% of invoices within 60 days and 100% within 90 days.

SUMMARY

These goals were not met during this period. The Contracts Dept. gave priority to new procurements over funding amendments which delayed invoice payment.

88.93% of January 2020's payments were within 60 days of invoice receipt and 94.30% within 90 days. Invoices unpaid 30-60 days totaled 40; 60-90 days: 11; >90 days: 13.

INVOICE AGING



Attachment: CFO Monthly Report (CFO Monthly Report)



Office of the CFO
Consolidated Balance Sheet

	12/31/2019	1/31/2020	Incr (decr) to equity	COMMENTS
Cash at Bank of the West	\$ 7,512,080	\$ 6,215,019		
LA County Investment Pool	\$ 4,340,698	\$ 4,349,268		
Cash & Investments	\$ 11,852,778	\$ 10,564,287	\$ (1,288,491)	Expenses of \$6.3M with Revenues of \$5.04M. Balance from cash
Accounts Receivable	\$ 8,194,275	\$ 9,679,911	\$ 1,485,636	Billings of \$1,072K to FTA 5303, \$271K to SB1, & \$176K to ATPDCP, \$117K to FHWA & \$55K to MSRC offset by payments of \$192K from FHWA - ATP.
Other Current Assets	\$ 3,492,009	\$ 2,850,509	\$ (641,499)	Net amort of \$232K in prepaids combined with increase of IC fund over-recovery of \$409K
Fixed Assets - Net Book Value	\$ 5,957,615	\$ 5,957,615	\$ -	No change.
Total Assets	\$ 29,496,677	\$ 29,052,323	\$ (444,354)	
	\$ (251,251)			
	\$ (4,401,565)			
Accounts Payable	\$ (4,652,816)	\$ (4,530,496)	\$ 122,320	Pay down of invoices.
Employee-related Liabilities	\$ (462,768)	\$ (631,407)	\$ (168,639)	December had 7 unpaid working days while January had 10.
Deferred Revenue	\$ (282,259)	\$ (407,259)	\$ (125,000)	Received \$80k from Paramount & \$45k from CETF
Total Liabilities and Deferred Revenue	\$ (5,397,843)	\$ (5,569,162)	\$ (171,319)	
Fund Balance	\$ 24,098,834	\$ 23,483,161	\$ (615,673)	
WORKING CAPITAL				
	12/31/2019	1/31/2020	Incr (decr) to working capital	
Cash	\$ 11,852,778	\$ 10,564,287	\$ (1,288,491)	
Accounts Receivable	\$ 8,194,275	\$ 9,679,911	\$ 1,485,636	
Accounts Payable	\$ (4,652,816)	\$ (4,530,496)	\$ 122,320	
Employee-related Liabilities	\$ (462,768)	\$ (631,407)	\$ (168,639)	
Working Capital	\$ 14,931,468	\$ 15,082,295	\$ 150,826	

Attachment: CFO Monthly Report (CFO Monthly Report)



Office of the CFO
Fiscal Year-To-Date Expenditure Report Through January 31, 2020

COMPREHENSIVE BUDGET

		Adopted Budget	Amended Budget	Expenditures	Commitments	Budget Balance	% Budget Spent
1	Staff & Allocated Fringe Benefits	540,920	540,920	256,722	-	284,198	47.5%
2	51001 Allocated Indirect Costs	674,563	674,563	320,132	-	354,431	47.5%
3	54300 SCAG Consultants	291,400	270,887	86,267	97,817	86,803	31.8%
4	54340 Legal costs	120,000	120,000	21,939	97,699	363	18.3%
5	55210 Software		12,553	73,851	(0)	(61,298)	588.3%
6	55441 Payroll, bank fees	12,500	12,500	2,951	9,549	(0)	23.6%
7	55600 SCAG Memberships	116,000	116,000	82,809	-	33,191	71.4%
8	55610 Professional Membership	11,500	11,500	6,542	556	4,402	56.9%
9	55620 Res mat/sub	2,000	5,960	5,960	-	1	100.0%
10	55830 Conference - Registration	1,000	1,000	300	-	701	30.0%
11	55860 Scholarships	32,000	36,000	36,000	-	0	100.0%
12	55910 RC/Committee Mtgs	25,000	25,000	-	-	25,000	0.0%
13	55912 RC Retreat	10,000	10,000	12,616	-	(2,616)	126.2%
14	55914 RC General Assembly	672,000	672,000	50,000	1	621,999	7.4%
15	55915 Demographic Workshop	28,000	28,000	-	8	27,992	0.0%
16	55916 Economic Summit	100,000	100,000	82,638	1	17,361	82.6%
17	55918 Housing Summit	20,000	20,000	-	-	20,000	0.0%
19	55920 Other Meeting Expense	75,000	75,000	46,540	28,459	0	62.1%
20	55925 RHNA Subgrl Delegation	500,000	500,000	-	-	500,000	0.0%
21	55xxx Miscellaneous other	101,966	101,966	38,389	50,071	13,507	37.6%
22	55940 Stipend - RC Meetings	210,485	210,485	91,620	-	118,865	43.5%
23	56100 Printing	30,000	30,000	262	437	29,301	0.9%
24	58100 Travel - outside SCAG region	92,500	92,500	18,073	-	74,427	19.5%
25	58101 Travel - local	36,500	36,500	18,831	-	17,669	51.6%
26	58110 Mileage - local	28,500	28,500	16,646	-	11,854	58.4%
27	58150 Travel Lodging	13,500	13,500	8,496	-	5,004	62.9%
28	58800 RC Sponsorships	200,000	200,000	71,885	31,600	96,515	35.9%
29	Total General Fund	3,945,334	3,945,334	1,349,467	316,198	2,279,669	34.2%
30				-			
31	Staff & Allocated Fringe Benefits	15,383,005	15,387,241	8,160,747	-	7,226,494	53.0%
32	51001 Allocated Indirect Costs	19,182,124	19,187,403	10,176,451	-	9,010,952	53.0%
33	54300 SCAG Consultants	29,075,454	32,956,385	1,702,258	15,502,576	15,751,551	5.2%
34	54302 Non-Profits/IHL	485,000	535,000	-	379,000	156,000	0.0%
35	54303 Consultants TC - FTA 5303	6,265,889	6,265,889	1,076,977	2,043,204	3,145,707	17.2%
36	54340 Legal Services - FTA 5303	200,000	200,000	80,426	119,574	0	40.2%
38	54360 Pass-through Payments	4,480,619	4,480,619	88,792	4,391,827	0	2.0%
39	55210 Software Support	250,000	250,000	153,792	60,710	35,498	61.5%
40	55250 Cloud Services	489,330	489,330	120,999	89,361	278,970	24.7%
41	5528x Third Party Contributions	5,739,013	5,648,628	2,147,591	-	3,501,037	38.0%
42	55284 Toll Credits	718,703	-	-	-	0	#DIV/0!
43	55310 F&F Principal	239,928	239,928	138,542	101,386	0	57.7%
44	55315 F&F Interest	27,635	27,635	17,118	10,517	0	61.9%
45	55320 AV Principal	133,703	133,703	77,110	56,593	0	57.7%
46	55325 AV Interest	6,390	6,390	3,943	2,447	0	61.7%
47	55xxx Office Expenses	2,000	2,000	162	-	1,838	8.1%
48	55520 Hardware Supp	5,000	5,000	1,612	-	3,388	32.2%
49	55580 Outreach/Advertisement	50,000	50,000	6,256	5,428	38,316	12.5%
50	55610 Professional Memberships	2,500	2,500	-	-	2,500	0.0%
51	55620 Resource Materials - subscrib	934,455	934,455	168,303	121,344	644,808	18.0%
52	55730 Capital Outlay	300,000	300,000	-	80,210	219,790	0.0%
53	55810 Public Notices	57,000	57,000	55,819	1,182	(0)	97.9%
54	55830 Conf. Registration	3,500	3,500	976	-	2,524	27.9%
55	55920 Other Meeting Expense	54,000	54,000	1,789	-	52,211	3.3%
56	55930 Miscellaneous	294,228	722,473	-	99,497	622,976	0.0%
57	56100 Printing	15,000	15,000	-	-	15,000	0.0%
57	58xxx Travel	293,750	293,750	53,768	-	239,982	18.3%
58	58800 RC Sponsorships		-	10,000	-	(10,000)	#DIV/0!
59	59090 Exp - Local Other	6,268,529	6,268,529	6,122	-	6,262,407	0.1%
60	Total OWP & TDA Capital	90,956,755	94,516,358	24,249,554	23,064,857	47,201,947	25.7%
61				-			
62	Comprehensive Budget	94,902,089	98,461,692	25,599,021	23,381,055	49,481,616	26.0%

Attachment: CFO Monthly Report (CFO Monthly Report)



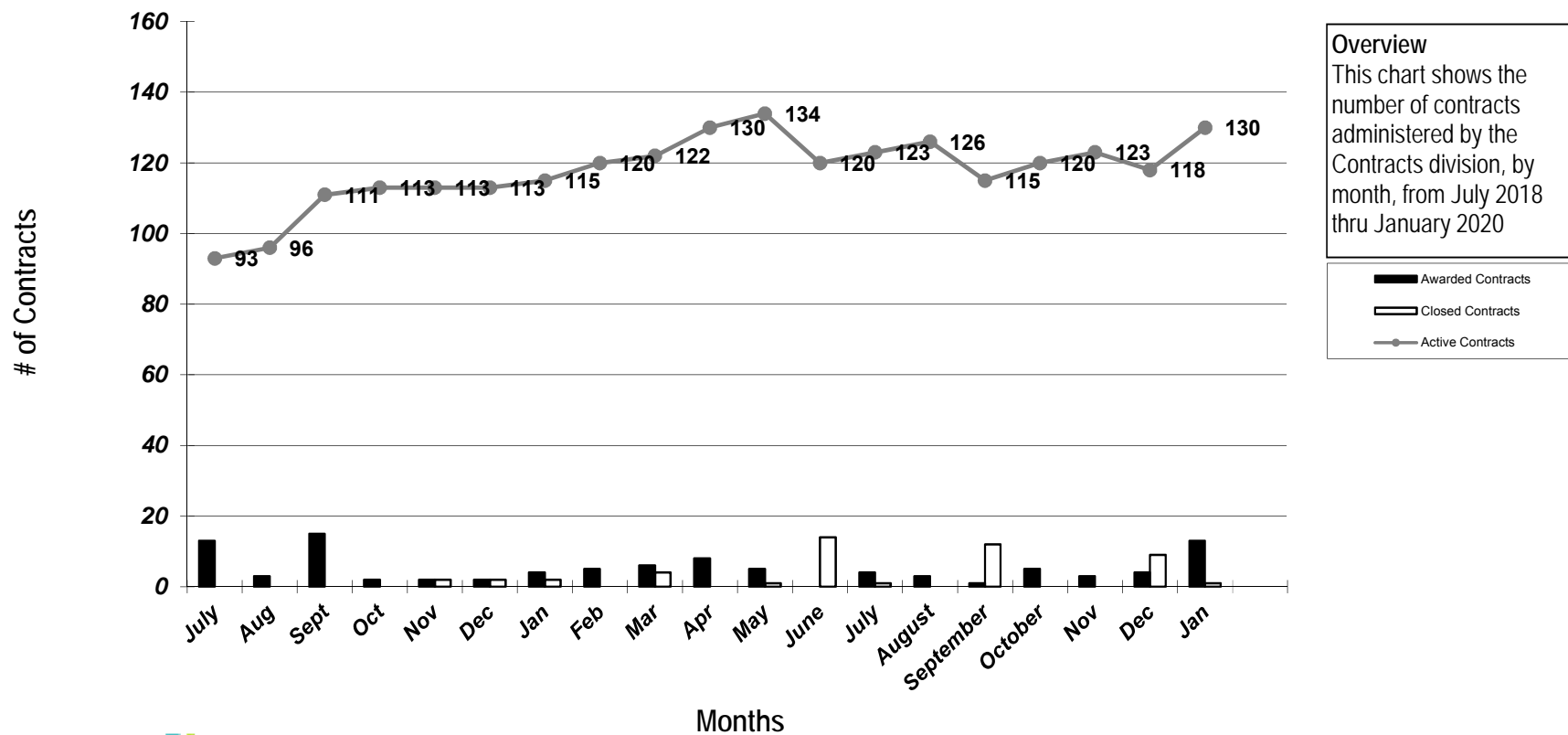
Office of the CFO
Fiscal Year-To-Date Expenditure Report Through January 31, 2019

INDIRECT COST EXPENDITURES

			Adopted Budget	Amended Budget	Expenditures	Commitments	Budget Balance	% Budget Spent
1	50010	Regular Staff	5,649,706	5,647,349	3,480,908		2,166,441	61.6%
2	50013	Regular OT	1,000	1,000	1,471		(471)	147.1%
3	50014	Interns, Temps, Annuity	75,000	75,000	69,342		5,658	92.5%
4	50030	Severance	80,000	80,000	-		80,000	0.0%
5	51xxx	Allocated Fringe Benefits	4,507,099	4,505,225	2,602,375	-	1,902,850	57.8%
6	54300	SCAG Consultants	292,150	279,688	17,998	3,370	258,320	6.4%
7	54301	Consultants - Other	1,041,600	1,041,600	257,125	299,773	484,702	24.7%
8	54340	Legal	40,000	40,000	(1,500)	1,500	40,000	-3.8%
9	55210	Software Support	519,400	515,803	374,766	7,191	133,846	72.7%
10	55220	Hardware Supp	415,000	415,000	170,875	116,614	127,511	41.2%
11	55230	Computer Maintenance	250,000	250,000	-	-	250,000	0.0%
12	55240	Repair & Maint Non-IT	26,500	38,962	38,962	0	0	100.0%
13	55270	Software Purchases		3,597	3,597	-	(0)	100.0%
14	55315	F&F Interest	11,604	11,604	7,187	-	4,417	61.9%
15	55325	AV Interest	19,745	19,745	12,185	-	7,560	61.7%
16	55400	Office Rent DTLA	1,538,000	1,538,000	548,583	989,417	0	35.7%
17	55410	Office Rent Satellite	260,000	260,000	131,280	128,720	(0)	50.5%
18	55415	Offsite Storage	5,000	7,500	2,015	1,213	4,272	26.9%
19	55420	Equip Leases	100,000	100,000	28,957	39,994	31,049	29.0%
20	55430	Equip Repairs & Maint	1,000	1,690	1,690	-	1	100.0%
21	55435	Security Services	100,000	100,000	30,384	31,533	38,083	30.4%
22	55440	Insurance	238,385	238,385	181,617	-	56,768	76.2%
23	55441	Payroll / Bank Fees	15,000	15,000	6,239	8,761	0	41.6%
24	55445	Taxes	5,000	5,000	624	-	4,376	12.5%
25	55460	Mater & Equip < \$5,000 *	64,000	63,310	1,879	841	60,590	3.0%
26	55510	Office Supplies	73,800	73,800	29,467	44,334	(0)	39.9%
27	55520	Graphic Supplies	2,500	2,500	-	-	2,500	0.0%
28	55530	Telephone	195,000	195,000	79,185	44,302	71,513	40.6%
29	55540	Postage	10,000	10,000	210	9,790	(0)	2.1%
30	55550	Delivery Svc	5,000	5,000	1,442	3,557	0	28.8%
31	55580	Outreach/Advertisement		-	-	-	0	#DIV/0!
32	55600	SCAG Memberships	76,200	76,200	56,931	163	19,107	74.7%
33	55610	Prof Memberships	1,500	1,500	240	-	1,260	16.0%
34	55611	Prof Dues	1,350	1,350	120	-	1,230	8.9%
35	55620	Res Mats/Subscrip	70,800	70,800	32,921	5,458	32,421	46.5%
36	55700	Deprec - Furn & Fixt	185,000	185,000	-	-	185,000	0.0%
37	55710	Deprec - Computer Equipment		-	-	-	0	#DIV/0!
38	55715	Amortiz - Software	1,684	1,684	-	-	1,684	0.0%
39	55720	Amortiz - Leasehold Improvements	62,500	62,500	-	-	62,500	0.0%
40	55800	Recruitment Notices	25,000	25,000	7,883	-	17,117	31.5%
41	55801	Recruitment - other	45,000	45,000	8,291	36,210	499	18.4%
42	55810	Public Notices	2,500	2,500	-	-	2,500	0.0%
43	55820	In House Training	30,000	30,000	10,239	-	19,761	34.1%
44	55830	Networking Meetings/Special Events	22,500	22,500	5,137	-	17,363	22.8%
45	55840	Training Registration	65,000	65,000	32,367	-	32,633	49.8%
46	55920	Other Mtg Exp	2,500	2,500	25	-	2,475	1.0%
47	55950	Temp Help	105,000	105,000	19,408	-	85,592	18.5%
49	55xxx	Miscellaneous - other	6,500	8,231	460	-	7,771	5.6%
50	56100	Printing	23,000	23,000	8,369	-	14,631	36.4%
51	58100	Travel - Outside	82,800	82,800	16,018	-	66,782	19.3%
52	58101	Travel - Local	19,500	19,500	2,876	-	16,624	14.7%
53	58110	Mileage - Local	23,500	23,500	2,769	-	20,731	11.8%
54	58120	Travel Agent Fees	3,000	3,000	459	-	2,541	15.3%
55		Total Indirect Cost	16,396,323	16,396,323	8,283,374	1,772,742	6,340,207	50.5%

Attachment: CFO Monthly Report (CFO Monthly Report)

SCAG Contracts (Year to Date)



Summary

The chart shows that the Contracts Department is managing One hundred-thirty. Sixty are Cost Plus Fixed Fee contracts, 35 are fixed price contracts, and the remaining 35 are Time and Materials (T&M) contracts (includes Labor Hour and Retainer contracts). The Contracts Department anticipates issuing approximately 60 contracts for FY 2019-20. Note, due to the nature of SCAG's work, the majority of SCAG contracts have a one year term and end on June 30th each year.

Office of the CFO
Staffing Report as of February 1, 2020



GROUPS	Authorized Positions	Filled Positions	Vacant Positions
Executive Office	12	11	1
Legal Services	2	2	0
Finance	23	22	1
Information Technology	21	17	4
Policy & Public Affairs	18	18	1
Planning & Programs	71	65	6
Total	147	135	13

OTHER POSITIONS

GROUPS	Limited Term Positions	Interns or Volunteers	Temp Positions	Agency Temps
Executive Office	0	1	0	0
Finance	0	0	1	0
Policy & Public Affairs	2	1	0	0
Information Technology	1	0	0	0
Planning & Programs	3	10	2	0
Total	6	12	3	0

Attachment: CFO Monthly Report (CFO Monthly Report)