



MARCH 11, 2010

AGENDA ITEM # **5**

BASELINE PERFORMANCE STANDARDS FOR THE NEW MEASURE A TRANSPORTATION SALES TAX PROGRAM

Action Requested: Adopt baseline performance standards

Key Staff: Brian Williams, Executive Director

Recommendation

Adopt the proposed baseline performance standards for the Measure A transportation sales tax program.

Discussion

The **New** Measure A Ordinance requires that your Board adopt **performance** standards by December 31, 2009, to guide the expenditure of transportation sales tax funds. In December, staff requested additional time to complete this task. Your Board directed that the performance standards be presented for adoption within six months. Staff presented “baseline” performance standards for Board review and discussion last month. The matter was continued to today’s meeting for action.

The baseline standards are organized into three themes: maintenance of effort, planning and programming, and reporting. The **Maintenance of Effort** (MOE) standards (Exhibit A) address several provisions in the Measure A ordinance that require local jurisdictions to maintain their existing commitments of discretionary local transportation funds. The Ordinance prohibits recipient entities from using Measure A funds to displace other discretionary local transportation revenues. The MOE standards will ensure that Measure A funds are used solely for transportation projects and services that local jurisdictions cannot otherwise provide if the transportation sales tax program were not in place. These standards only apply to local transportation revenues, because the cyclical nature of federal and state transportation subventions and development impact fee collections is beyond the control of local policymakers.

The objective of the **Planning and Programming** standards (Exhibit B) is to ensure that Measure A funds are expended solely on eligible projects and services as set forth in the Measure A expenditure plan, as interpreted by your Board. These standards also facilitate an understanding by local transportation providers and the interested public as to when—and how much—Measure A funds are expected to be available for transportation services and specific capital improvements.

The **Reporting** standards (Exhibit C) ensure that the progress in delivering Measure A-funded transportation services and projects is clearly documented. This will allow policy makers and the general public to track the improvements promised in the Measure A Expenditure Plan, and, working with the local project sponsors, to adjust the delivery strategy in portions of the program where insufficient progress is being made.

The proposed performance standards set forth in the exhibits attached hereto are *baseline* standards. The Measure A Independent Taxpayer Oversight Committee (ITOC) will begin meeting in the next few months. Among other things, the ITOC is charged with

conducting performance audits, reporting on progress in meeting the performance standards, and making recommendations for improving overall program performance. Staff suggests that your Board direct the ITOC to periodically re-visit the Measure A program performance standards and to recommend changes as appropriate to reflect program delivery experience and changing circumstances.

Please note that *program* performance standards differ from *accounting and auditing* standards. Staff has already implemented accounting, auditing, and reporting processes to comply with generally accepted accounting practices (GAAP) and Government Accounting Standards Board (GASB) protocols. These accounting and auditing processes also satisfy new financial reporting requirements associated with the STA's 2009 bond issue. Later this year, the ITOC will begin reviewing accounting and financial reports before they are presented to your Board.

Attachments