



August 16, 1995

TO: MTA BOARD OF DIRECTORS

FROM: LINDA BOHLINGER, EXECUTIVE OFFICER,
PLANNING AND PROGRAMMING

SUBJECT: PROP C MAINTENANCE OF EFFORT ADMINISTRATIVE
EXTENSION

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ISSUE

At the August 9, 1995 meeting of the Planning and Programming Committee, Director Croys asked for clarification of MTA's intention regarding extending the suspension of the Proposition C Maintenance of Effort (MOE) requirement. At that meeting, staff indicated intent to implement an administrative extension of this requirement to parallel the State's actions taken in the 1994-95 State Budget Act.

BACKGROUND

The Administrative Guidelines for Proposition C contain a requirement for a Maintenance of Effort for local jurisdiction expenditures of Proposition C for transit-related streets and roads purposes. This requirement was instituted to parallel a State requirement that was established by Propositions 108 and 111. This requirement established a "base year" amount of local, non-transportation funds each local agency must use for street and road purposes before it is eligible to use State Proposition 111 funds. In the Proposition C Administrative Guidelines, the MTA chose to use the State MOE process, rather than creating a parallel county one, which would have increased administrative costs, and caused additional reporting burdens for the local agencies.

Recognizing the financial difficulties within the state in 1991, the State Legislature suspended the state MOE requirement through 1994-95. On November 11, 1992, the MTA Board acted in concert with the State action, also suspending the Prop C for the same period. In 1994, the state extended the MOE for an additional two years (through 1996-97) as part of the budget bill.

In order to minimize administrative costs and local agency reporting requirements, as well as recognize the financial difficulties many local agencies are facing,

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the MTA staff is amending the Proposition C MOE requirement in the Guidelines to continue the MTA Board's prior action to parallel the State Prop 108/111 MOE.

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MOE