



OFFICE OF THE GOVERNOR

OCT 12 2019

To the Members of the California State Senate:

I am returning Senate Bill 277 without my signature.

This bill would revise how the California Transportation Commission allocates Local Partnership Program funds to local and regional transportation agencies by distributing 85 percent of program funds by formula and 15 percent through a competitive grant program.

SB 1 (Chapter 5, Statutes of 2018) doubled the annual funding to cities and counties by providing an additional \$1.5 billion annually, distributed on a per capita basis, to address maintenance and rehabilitation of local streets and roads. In addition, the legislation established the Local Partnership Program, which allocates \$200 million annually to benefit local entities that have imposed taxes and fees dedicated solely to transportation improvements. Through guidelines established by the California Transportation Commission, 50 percent of the Local Partnership Program funds are allocated by formula and 50 percent are competitively awarded.

The current approach to administer the Local Partnership Program provides a formulaic share for all entities that qualify, but also gives the Commission the flexibility to award funds on a competitive basis to ensure the program achieves statewide goals. Additional statutory limitations inhibit the state's ability to responsibly address emerging needs within the constitutionally defined parameters of SB 1, especially for small urban and rural communities.

Sincerely,



Gavin Newsom