

The Florida Senate
PROFESSIONAL STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Transportation Committee

BILL: SPB 7046

INTRODUCER: For consideration by Transportation Committee

SUBJECT: Transportation

DATE: February 15, 2007 REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------|----------------|-----------|---------------------------------|
| 1. | Eichin | Meyer | | Submit as Committee Bill |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |
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I. Summary:

The bill addresses a number of transportation-related issues. Among its key provisions, the legislation:

- Clarifies Metropolitan Planning Organizations (MPOs) are separate and distinct legal entities;
- Provides autonomy to MPOs by requiring independent staff and granting specific powers and authority;
- Provides staff to the MPO eligibility to participate in the Florida Retirement System (FRS);
- Revises the matching fund formula for fixed-guideway revenue bonds to allow for various matching scenarios up to a limit of 50 percent on the State's share of the eligible project cost;
- Revises the matching fund formula for the Transportation Regional Incentive Program (TRIP) to allow 50% funding of all eligible transportation projects, including public transportation projects.

This bill substantially amends ss. 112.061, 121.021, 121.051, 121.055, 121.061, 121.081, 215.615, 339.175, 163.3177, 339.176, 341.828, and 339.2819 of the Florida Statutes.

II. Present Situation:

Metropolitan Planning Organizations

An MPO is a transportation policy-making organization made up of representatives from local government and transportation authorities. Federal law requires the formation of an MPO for any urbanized area with a population greater than 50,000 to ensure expenditures for transportation

projects and programs are based on a continuing, cooperative and comprehensive planning process. The metropolitan planning area of the MPO encompasses the census-designated urbanized area and the adjacent area expected to become urbanized within 20 years. The purpose of the MPO is to provide a forum for coordinating transportation decision-making among the various state and local entities and to carry out various transportation planning elements including the development of the long-range transportation plan (LRTP) and the transportation improvement program (TIP). Larger MPOs (those in urbanized areas with over 200,000 in population) have additional planning responsibilities relating to congestion management and air quality.

Section 339.175, F.S., requires MPOs to develop plans and improvement programs consistent with the comprehensive plans of the local governments within the metropolitan planning area of the MPO. Both the long-range transportation plan and the TIP must consider the anticipated effects of transportation policy decisions on land use and land development. These plans must also weigh the degree of consistency with all available long and short-term land use plans. Local governments likewise must consider the MPO plans when developing their comprehensive plans. Similarly, FDOT uses the MPOs' TIPs to create the work program.

There are 26 MPOs in Florida (more than any other state except Texas) administering the transportation planning process for 28 urbanized areas (as defined by the U.S. Census Bureau). As recently as the 1990 Census, almost all of Florida's urbanized areas were contained within county boundaries. However, the 2000 Census showed urbanized areas growing, merging, crossing county boundaries, and in some cases encroaching into adjacent metropolitan planning area boundaries. The designation of urbanized areas by the U.S. Census Bureau is made without deference to jurisdictional boundaries. Instead, the designation relies upon the observed pattern of land use and intensity of development to identify concentrated generators and attractors of socio-economic activity. For the most part, an urbanized area's socio-economic activity is unaffected by political boundaries. This is borne out through travel patterns; drivers are unconcerned and often unaware when their daily travels result in crossing jurisdictional boundaries.

Accordingly, the Legislature has endeavored to enhance regional transportation planning in recent years. In 2003, the Legislature passed SB 676 which recognized the need to maximize the efficient use of increasingly scarce state resources and clarified the FDOT's responsibilities in serving all transportation modes. Specifically, SB 676:

- Created the Statewide Intermodal System (SIS) comprising transportation facilities of statewide and interregional significance, and directed the FDOT to develop an implementation plan;
- Directed the Florida Transportation Commission (FTC) to conduct an assessment of the need for an improved philosophical approach to regional and intermodal input in the planning for and governing of the Strategic Intermodal System and other transportation systems; and
- Directed MPOs to develop coordination mechanisms with one another to expand and improve transportation within the state.

Responding to the Legislature's direction in SB 676, the FTC prepared the report "An Assessment of Florida's Regional and Intermodal Transportation Planning Process" (December,

2003). Based on an analysis of the transportation planning process in Florida and the best practices of MPOs around the nation, the report identified three key elements of Florida MPOs requiring attention: MPO boundaries, MPO staffing arrangements, and MPO voting membership.

Seven Florida MPOs administer the transportation planning process for more than one county. Fifteen MPOs contain more than one census-defined urbanized area, in whole or in part. Several counties have portions of two or more urbanized areas within their county boundaries. Fourteen MPOs are staffed by employees of a local government (13 county, 1 city). Five MPOs are staffed by employees of Regional Planning Councils. Four MPOs are independent agencies, and two are staffed by independent local planning departments or agencies.

The Florida Retirement System

The Florida Retirement System (FRS) is a multi-employer, non-contributory pension plan providing retirement income and disability benefits to the more than 600,000 employees and 225,000 beneficiaries of its more than 800 state, county, municipal, and independent district public employers. The default choice in the FRS is a defined benefit, or percent of final pay pension arrangement, in which a final benefit is calculated on the basis of service, retirement class factor, and the average of the best five years' salary. Since 2001, the FRS has permitted employees to select a defined contribution alternative in which employees own and actively manage the contributions to their individual account. Both choices are accompanied by equivalent disability benefits for service and non-service related illness or injury. Retirees from either plan are also permitted to receive a contribution from a separate account to subsidize payment of health insurance premiums.

Fixed-Guideway Revenue Bonds

A "fixed-guideway transportation system" is a public transit system for transporting people by a conveyance, or a series of interconnected conveyances, specifically designed for travel on a stationary rail or other guideway. Section 215.615, F.S. authorizes FDOT or commuter rail authorities and regional transportation authorities to issue revenue bonds to fund fixed guideway projects. Each party is contractually liable for an equal, 50/50 share of the bond debt service. Projects must comply with FDOT's major capital investment policy guidelines, and must be included in the work program. The FDOT's share of debt service is payable from, and is limited to, a maximum of two percent of all state revenues deposited into the State Transportation Trust Fund (STTF). These debt service payments are part of the 15 percent of transportation revenues committed to public transportation projects pursuant to s. 206.46, F.S. The local share is payable from any available revenues other than revenues of FDOT. To date, the fixed-guideway revenue bond financing option has not been employed.

Transportation Regional Incentive Program

In 2005, SB 360 created s. 339.2819, F.S., to establish the Transportation Regional Incentive Program (TRIP) for the purpose of providing funds to improve regionally significant facilities in regional transportation areas. State funds are available throughout Florida to provide incentives for local governments and the private sector to help pay for critically needed projects that benefit regional travel and commerce. The FDOT will pay for 50 percent of project costs, however, matching funds for public transportation projects are limited to 50 percent of the nonfederal share of project costs.

III. Effect of Proposed Changes:

Section 1 amends s. 112.061, F.S., to allow MPOs to establish per diem and travel reimbursement rates in the manner afforded to counties, district school boards, and special districts.

Sections 2 through 6 revise sections of ch. 121, F.S., to enable MPO employees to participate in the Florida Retirement System (FRS). Section 121.055, F.S., is amended to require the executive director or staff director of each MPO participating in the FRS to be a member of the Senior Management Service Class within the Florida Retirement System.

Section 7 amends s. 215.615, F.S., to delete the 50/50 state/local matching requirement for fixed-guideway revenue bonds. The proposed changes allow for various matching scenarios with an upward limit on FDOT's share being established at up to 50 percent of the eligible project costs. This would allow local authorities to contribute more local dollars when the State's available match is insufficient to finance 50 percent of the project.

Section 8 amends s. 339.175, F.S., to:

- Clarify the purpose of MPOs to include fostering economic growth and development.
- Establish the independence of MPOs, separate and distinct from any county, municipality, or other entity.
- Require the governing board of the MPO to designate a chair and vice chair from the board. An agency clerk, responsible for recording minutes and agency actions, must also be designated. The agency clerk may be a member of the governing board, an employee of the MPO, or other person.
- Specify the elected officials eligible for voting membership on the MPO must be from local government, excluding sheriffs, tax collectors, supervisors of elections, property appraisers, clerks of court, and other constitutional or charter officers.
- Provide for a process used to appoint alternate members to the MPO and non-voting representatives of major military installations.
- Require each MPO to have an executive director who reports directly to the MPO governing board.
- Provide for the training of local elected officials regarding the transportation planning process for urbanized areas.
- Allow the MPO to refer to regional planning efforts made by other entities.
- Require a majority recorded roll call vote or show of hands to approve the LRTP, the TIP, and any amendments to these products.

Section 9 conforms cross-references in s. 163.3177, F.S.

Section 10 conforms cross-references in s. 339.176, F.S.

Section 11 conforms cross-references in s. 341.828, F.S.

Section 12 revises s. 339.2819, F.S. to allow 50% funding of all eligible transportation projects, removing the limitation on funding 50% of the non-federal share of public transportation projects.

Section 13 provides an effective date of July 1, 2007.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The provisions relating to the Florida Retirement System and Senior Management Service will result in indeterminate fiscal impacts to the State.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Summary of Amendments:

None.

This Senate Professional Staff Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
