



Class B&C Fund consensus framework as of October 26, 2016 (Nov 15)

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Other stakeholders: Wasatch Front Regional Council, Utah Transportation Coalition, Utah State Legislature

Part I: Framework

- 1) An aggregate increase of at least 17.5% from FY 2015 to FY 2017 for all entities according to the 50-50 formula (not exact guarantee, but based on spring 2015 projections after HB 362 in 2015)**
 - a. 50% population, 50% weighted lane mile (5 paved, 2 unpaved)
- 2) Hold harmless qualification**
 - a. Def: 50-50 allocation is LESS than 120% of the 1996-1997 Class B&C distribution
 - b. Framework hold harmless entities in FY 2017 & beyond: Garfield County and Kane County
 - i. Reduction from 12 HH entities in HB 60 (2016) to 2 entities in Framework
- 3) Hold harmless guaranteed payout plus growth**
 - a. Base for FY 2017: 120% of FY 2015 allocation plus growth
 - b. Growth component: growth in the B&C Fund between the penultimate year & previous year
 - i. For example: assume that 120% of FY 2015 = 1 million and the fund grew 5% between FY 2015 and FY 2016. The entity that qualifies as hold harmless would receive \$1,050,000 in FY 2017. Thus, for FY 2018, the entity would have a base of \$1,050,000 to which the growth component (growth from FY 2017 to FY 2016) would then apply.
 - c. Fiscal cliff prevention (potential)

Part II: "Soft landing" for remainder of county FY/calendar year 2016

- 1) No clawback for municipal/ULCT FY 2016 1st-5th distributions**
 - a. "Expectation gap" of approx. \$4 million that cities/towns will *not* pursue
 - i. Non-hold harmless counties also had an "expectation gap" in FY 16 of more than \$1 mill
- 2) Delayed FY 2016 6th payment (May & June 2016)**
 - a. Expectation: release the 6th payment with the Framework in place
- 3) Remainder of counties FY/Calendar 2016 for HH (distributions from July 1-Dec 31, 2016 in UDOT FY 17)**
 - a. Difference of HB 60 (2016) for FY/CY 2016 v. Framework for FY/CY 2016
- 4) \$2 million total of FY 2016 6th distribution set aside prior to 50-50 formula**
 - a. This local gov't contribution may be used to provide a minimum of 120% of the FY 2015 distribution to the 10 hold harmless entities that will no longer qualify under the Framework
 - b. UDOT will distribute the set aside after consultation with UAC; addresses difference in 3(a)
- 5) State appropriation of \$3 million: Addresses difference in 3(a)**

PART III: Next steps & big picture

- 1) ULCT & UAC have requested that Governor Herbert call a November special session for the Framework
- 2) Evaluate potential revenue sources to fund infrastructure in counties where there is a high volume of tourism traffic that the current B&C formula does not account for (i.e. National/State Park access)
- 3) Evaluate existing corridor preservation fund restrictions in some counties where funds would be better spent on infrastructure maintenance and not solely restricted to corridor preservation