



Metro

Metropolitan Transportation Authority

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PLANNING & PROGRAMMING COMMITTEE
November 15, 2006

**SUBJECT: ADDITIONAL FISCAL YEAR 2007 STATE TRANSIT ASSISTANCE (STA)
REVENUE ALLOCATIONS**

ACTION: APPROVE FISCAL YEAR 2007 ADDITIONAL STA FUND ALLOCATIONS

RECOMMENDATIONS

- A. Approve \$72.6 million in FY 2007 Additional STA Transit Fund Allocations calculated according to the Formula Allocation Procedure (FAP), as shown in Attachments A, for Los Angeles County transit operators and Metro Operations.
- B. Amend FY07 budget to increase the subsidies budget expenditures by \$21.7M of which \$17.9M will be funded by STA funds and \$3.8M will be funded by Proposition A 40% Discretionary growth over inflation.

ISSUE

Fiscal Year 2007 State Budget includes additional STA funds for Los Angeles County. These funds were made available after the Metro Board had approved the Transit Fund Allocations in July 2006. The MTA Board must approve the allocation of these additional STA funds before funds can be disbursed. Since only the included municipal operators are eligible for STA funds, this recommendation includes programming additional Proposition A 40% discretionary funds to eligible operators in compliance with state law.

POLICY IMPLICATIONS

The Los Angeles County Metropolitan Transportation Authority, as the Regional Transportation Planning Entity for Los Angeles County, is responsible for planning, programming and allocating all transportation funding to Los Angeles County jurisdictions, transit operators, and Metro Operations. The Financial Standards, adopted by the Board, state that "sales tax collections received during the fiscal year that are in excess of the sales tax budget for that year may only be expended pursuant to board authorization." These additional STA funds and Proposition A 40% discretionary funds will be disbursed immediately after the MTA Board approves the allocation.

OPTIONS

No alternatives were considered as State law requires us to allocate all STA (revenue share) of funds to Los Angeles County transit operators and Metro Operations for transit programs. Allocations are calculated according to the FAP methodology which complies with State law.

FINANCIAL IMPACT

A total of \$72.6 million in STA funds are recommended for approval. These additional STA fund allocations are based on revenue estimates included in the Fiscal Year 2007 State Budget. Expenditures for Metro's share of the STA funds are already included in the FY07 budget, therefore, no budget amendment is required. However, with Board approval of this action, available STA funds will replace other fund sources identified in the FY07 budget which will then be reprogrammed to the FY08 budget.

BACKGROUND

The Fiscal Year 2007 Budget for the State of California includes \$194.7 million in STA funds. \$67.9 million of these funds were approved by the MTA Board for allocation to the transit operators and MTA operations in July 2006. The remaining \$126.8 million are comprised of revenues under two categories: STA (revenue share) of \$72.6 million and STA (population share) of \$54.2 million. The STA population share is allocated to MTA operations for its rail program, and the STA revenue share is allocated to the transit operators and MTA operations as shown in Attachment A. The funding for the four eligible operators is calculated at the formula equivalent level, but the funds are allocated from growth in Proposition A revenues over the inflation amount. All remaining Proposition A growth over inflation funds will convert to Proposition C 40% funds. This is in accordance with the Board adopted method to fund the included and eligible operators.

NEXT STEPS

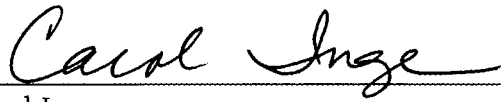
After the Board of Directors approves the recommended allocations staff will work with Los Angeles County transit operators and Metro Operations to ensure the proper disbursement of funds.

ATTACHMENTS

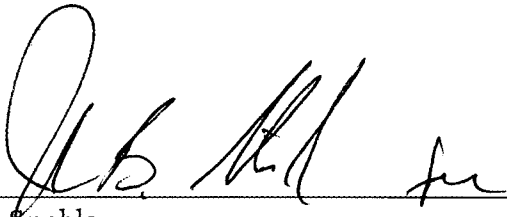
A. FY07 Additional STA (Revenue Share) Funds

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MTA FY07 ADDITIONAL STA (REVENUE SHARE) FUNDS

	STA % Shares	STA Rev Share	Total	
<u>Included Operators</u>				
Arcadia	0.109998%	\$ 79,858	\$ 79,858	
Claremont	0.032409%	\$ 23,529	23,529	
Commerce	0.077809%	\$ 56,489	112,978	[1]
Culver City	1.367128%	\$ 992,535	992,535	
Foothill	5.704989%	\$ 4,141,822	4,141,822	
Gardena	1.482109%	\$ 1,076,011	1,076,011	
La Mirada	0.056983%	\$ 41,369	41,369	
Long Beach	6.112607%	\$ 4,437,753	4,437,753	
Montebello	2.097413%	\$ 1,522,722	1,522,722	
MTA Bus Ops.	75.552173%	\$ 54,850,878	54,850,878	
Norwalk	0.769055%	\$ 558,334	558,334	
Redondo Beach	0.048866%	\$ 35,477	35,477	
Santa Monica	4.930812%	\$ 3,579,770	3,579,770	
Torrance	1.657650%	\$ 1,203,454	1,203,454	
Sub-Total		72,600,000	72,656,489	
Antelope Valley	1.268975%	921,276	921,276	[2]
Santa Clarita	1.519315%	1,103,023	1,103,023	[2]
City of LA DOT	1.626727%	1,181,004	1,181,004	[2]
Foothill - BSCP	0.757356%	549,840	549,840	[2]
Sub-Total		3,755,142	3,755,142	
TOTAL ADDITIONAL STA (REVENUE SHARE)		\$ 76,355,142	\$ 76,411,632	

[1] To compensate for Commerce having zero passenger revenue, MTA multiplies Commerce's funding estimates by two. Funding Source is Proposition A Discretionary Growth over CPI.

[2] Funds allocation from Proposition A Discretionary growth over CPI.