



Metro

Metropolitan Transportation Authority

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**REVISED
PLANNING AND PROGRAMMING COMMITTEE
MARCH 19, 2008**

**SUBJECT: REVISED FISCAL YEAR 2008 STATE TRANSIT ASSISTANCE
AND FORMULA EQUIVALENT FUND ALLOCATIONS**

**ACTION: APPROVE REVISED ALLOCATIONS AND ADOPT
REVISED RESOLUTION FOR TRANSIT FUNDS**

RECOMMENDATIONS

- A. Approve revised fiscal year (FY) 2008 State Transit Assistance (STA) and Proposition A Growth Over Inflation/Proposition C 40% Discretionary formula equivalent fund allocations, as shown in Attachment A, so that they may be disbursed to Los Angeles County transit operators;
- B. Amend the FY 08 budget to add in \$5,384,720 in STA funds and \$1,209,225 Prop A 40% Discretionary funds;**
- ~~B.~~ C. Adopt a revised Transportation Development Act/State Transit Assistance (TDA/STA) Resolution, as shown in Attachment B, designating STA fund allocation compliance to the terms and conditions of the allocation; and
- ~~C.~~ D. Authorize the Chief Executive Officer to negotiate and execute all necessary agreements for funding approved.

ISSUE

On July 26, 2007, the Board of Directors approved FY 2008 STA funding allocations (PUC 99314 – revenue share) and formula equivalent funds for the Los Angeles County Municipal Operators. The amount allocated, based on a January 2007 State Controller estimate for Los Angeles County, was \$31,629,927 in STA funds to the included municipal transit operators and Metro Operations, and \$1,768,176 in local formula equivalent funds to the eligible operators.

In October 2007, the State Controller provided a revised estimate for FY 2008 STA funds. The revised STA estimate (PUC 99314 – revenue share) for Los Angeles County that the Governor approved as part of the FY 2008 State Budget is actually \$53,261,086, or \$21,631,159 more than the original estimate. All of these STA funds need to be allocated to the included municipal transit operators. Also, in accordance with state law, we must allocate \$2,977,401 in formula equivalent amounts of local Proposition A Growth Over

CPI/Proposition C 40 % Discretionary funds through the Formula Allocation Procedure (FAP) to the eligible operators. The Board must approve these revised FY 2008 transit fund allocations before they can be disbursed.

POLICY IMPLICATIONS

The Los Angeles County Metropolitan Transportation Authority (LACMTA), as the Regional Transportation Planning Entity for Los Angeles County, is responsible for planning, programming and allocating STA funds to Los Angeles County transit operators and Metro Operations. Once the Board of Directors approves the revised allocations, funds can be disbursed for regional and local transit services, programs and projects.

OPTIONS

There are no alternatives to consider as state requirements direct us to allocate the STA revenue share of funds to Los Angeles County transit operators, including Metro Bus Operations for programs, projects and services. Allocation methodologies and assumptions comply with state requirements.

FINANCIAL IMPACT

~~We are recommending that a total of \$53,261,086 in STA funds and \$2,977,401 in formula equivalent local funds be disbursed for FY 2008. With Board approval of our recommendations, we will amend the FY08 Budget to allow for the disbursement of the additional STA and local formula equivalent funds.~~

The FY08 budget will be amended to include an additional \$6,593,945 of STA and Prop A 40% discretionary revenues and expenses to Cost Center #0441, Projects #410060 and #410056. The LACMTA portion of the additional STA funds will be programmed in the FY09 budget.

BACKGROUND

We developed our recommended FY 2008 STA fund allocations and formula equivalent amounts shown in Attachment A according to state law. We also have reviewed the recommended allocations with Los Angeles County transit operators through the Bus Operators Subcommittee (BOS) and the transit operators' General Manager meetings. Based on revised FY 2008 estimates for Los Angeles County from the State, \$53,261,086 of STA (PUC 99314 - revenue share) funds are to be allocated to the Included Municipal Operators. We must also allocate \$2,977,401 in Formula Equivalent Funds from Proposition A Growth Over CPI/Proposition C 40% Discretionary to the Eligible Transit Operators.

NEXT STEPS

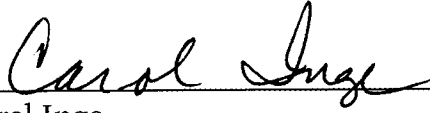
After the Board approves the recommended allocations and adopts the revised resolution, we will work with Los Angeles County transit operators and to ensure the proper disbursement of funds.

ATTACHMENTS

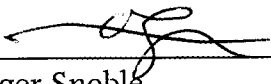
- A. Revised Fiscal Year 2008 STA and Formula Equivalent Funding Estimates
- B. Revised Resolution for TDA and STA Fund Allocations

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FY08 INCLUDED & ELIGIBLE OPERATORS ESTIMATED FUNDING LEVELS STA Adjustment

	TDA & STA % Shares	Revised Estimate 10/16/2007	Original Estimate Excl. Interest and carryover	Difference
<u>Included Operators</u>				
Arcadia	0.097611%	\$ 51,989	\$ 30,874	\$ 21,114
Claremont	0.032677%	17,404	10,336	7,068
Commerce [2]	0.075558%	40,243	23,899	16,344
Culver City	1.373482%	731,531	434,431	297,100
Foothill	6.303267%	3,357,188	1,993,719	1,363,470
Gardena	1.447242%	770,817	457,761	313,055
La Mirada	0.047675%	25,392	15,079	10,313
Long Beach	6.276549%	3,342,958	1,985,268	1,357,690
Montebello	2.092123%	1,114,288	661,737	452,551
Metro Bus Ops.	75.106650%	40,002,618	23,756,179	16,246,439
Norwalk	0.743752%	396,131	235,248	160,882
Redondo Beach DR	0.007791%	4,149	2,464	1,685
Redondo Beach MB	0.077907%	41,494	24,642	16,852
Santa Monica	4.756897%	2,533,575	1,504,603	1,028,972
Torrance	1.560820%	831,309	493,686	337,623
Sub-Total		53,261,086	31,629,927	21,631,159
<u>Eligible Operators - Formula Equivalent Funds</u>				
Antelope Valley	1.566872%	834,533	495,600	338,932
Santa Clarita	1.452658%	773,701	459,475	314,227
City of LA DOT	1.746704%	930,314	552,481	377,832
Foothill - BSCP	0.823965%	438,853	260,620	178,233
Sub-Total		2,977,401	1,768,176	1,209,225
Total FAP		\$ 56,238,487	\$ 33,398,103	\$ 22,840,384

REVISED RESOLUTION OF THE LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY FOR FISCAL YEAR 2007-08
FOR LOCAL TRANSPORTATION, TRANSPORTATION DEVELOPMENT ACT,
AND STATE TRANSIT ASSISTANCE FUND ALLOCATIONS

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (LACMTA) is the designated Transportation Planning agency for the County of Los Angeles and is, therefore, responsible for the administration of the Transportation Development Act (TDA), Public Utilities Code Section 99200 et seq.;

WHEREAS, under Chapter 2.5, Article 5, the State Transit Assistance Fund (STA) Section 6753, allocations to claimants shall be made and take effect by resolution and shall designate: 1) the fiscal year for which the allocation is made; 2) the amount allocated to the claimant for each of the purposes defined in Sections 6730 and 6731; and 3) any other terms and conditions of the allocation; and

WHEREAS, Section 6659 requires that allocation instructions be conveyed each year to the county auditor by written memorandum of its executive director and accompanied by a certified copy of the authorizing resolution; and

WHEREAS, the resolution shall also specify conditions of payment and may call for a single payment, for payments as moneys become available, or for payment by installments monthly, quarterly, or otherwise, and

WHEREAS, the amount of a regional entity's allocation for a fiscal year that is not allocated to claimants for that fiscal year shall be available to the regional entity for allocation in the following fiscal year, and

WHEREAS, Section 6754 requires that the regional entity may allocate funds to an operator or a transit service claimant only if, in the resolution allocating the funds, it finds all of the following:

- a.1 The claimant's proposed expenditures are in conformity with the Regional Transportation Plan.
- a.2 The level of passenger fares and charges is sufficient to enable the operator or transit service claimant to meet the fare revenue requirements of PUC section 99268.2, 99268.3, 99268.4, 99268.5, and 99268.9, as they may be applicable to the claimant.
- a.3 The claimant is making full use of federal funds available under the Urban Mass Transportation Act of 1964, as amended.
- a.4 The sum of the claimant's allocations from the state transit assistance fund and from the local transportation fund does not exceed the amount the claimant is eligible to receive during the fiscal year.

- a.5 Priority consideration has been given to claims to offset reductions on federal operating assistance and the unanticipated increase in the cost of fuel, to enhance existing public transportation services, and to meet high priority regional, countywide, or area wide public transportation needs.

WHEREAS, the regional entity may allocate funds to an operator for the purposes specified in Section 6730 only if, in the resolution allocating the funds, it finds all of the following:

- b.1 The operator has made a reasonable effort to implement the productivity improvements recommended pursuant to PUC Section 99244.
- b.2 A certification by the Department of the California Highway patrol verifying that the operator is in compliance with Section 1808.1 of the Vehicle Code, as required in PUC Section 99251. The certification shall have been completed within the last 13 month, prior to filing claims.
- b.3 The operator is in compliance with the eligibility requirements of PUC Section 99314.6 or 99314.7

WHEREAS, the regional entity may allocate funds to an operator to exchange funds pursuant to PUC Section 99314.4(b) only if, in the resolution allocating the funds made available pursuant to PUC Section 99231, it find that the operator is eligible to receive State Transit Assistance funds; and

WHEREAS, LACMTA staff in consultation with the Transit Operators and Cities has developed allocations in accordance with the Transportation Development Act as previously specified.

NOW THEREFORE,

- 1.0 The Board of Directors approves the allocation of TDA and STA for the Fiscal Year 2007-08 to each claimant for each of the purposes as specified in Attachment A.
- 2.0 The Board of Directors hereby finds that a claimant's proposed expenditures are in conformity with the Regional Transportation Plan.; and the level of passenger fares and charges is sufficient to enable the operator or transit service claimant to meet the fare revenue requirements; and the claimant is making full use of federal funds available under the Urban Mass Transportation Act of 1964; and the sum of the claimant's allocations from the State Transit Assistance fund and from the Local Transportation Fund do not exceed the amount the claimant is eligible to receive during the fiscal year; and that priority consideration has been given to claims to offset reductions on federal operating assistance and the unanticipated increase in the cost of fuel,

to enhance existing public transportation services, and to meet high priority regional, countywide, or area wide public transportation needs.

- 3.0 The Board of Directors hereby finds that, for the purposes specified in Section 6730, the operators eligible for funding have made reasonable efforts to implement the productivity improvements recommended pursuant to PUC Section 99244. A certification by the Department of the California Highway patrol verifying that the operator is in compliance with Section 1808.1 of the Vehicle Code, has been remitted. The operator is in compliance with the eligibility requirements of PUC Section 99314.6 or 99314.7
- 4.0 The Board of Directors hereby authorizes that the operators listed in Attachment A are eligible to receive State Transit Assistance funds.
- 5.0 The Board of Directors hereby authorizes that the operators may receive payments upon meeting the requirements of the STA eligibility test and submittal of TDA and STA claims.

CERTIFICATION

The undersigned, duly qualified and acting as the Board Secretary of the Los Angeles County Metropolitan Transportation Authority, certifies that the foregoing is a true and correct representation of the Resolution adopted at a legally convened meeting of the Board of Directors of the Los Angeles County Metropolitan Transportation Authority held on March 27, 2008.

MICHELE JACKSON
Board Secretary

DATED:

(SEAL)