



Metro

Metropolitan Transportation Authority

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**PLANNING AND PROGRAMMING COMMITTEE
MAY 17, 2006**

**SUBJECT: DESIGNATED RECIPIENT FOR FEDERAL FORMULA
FUNDING FROM JOB ACCESS AND REVERSE COMMUTE
AND NEW FREEDOM PROGRAMS**

**ACTION: ADOPT RESOLUTION APPROVING METRO AS DESIGNATED
RECIPIENT FOR FEDERAL JOB ACCESS AND REVERSE COMMUTE AND
NEW FREEDOM FUNDING**

RECOMMENDATION

Adopt the attached resolution approving the Los Angeles County Metropolitan Transportation Authority (Metro) as the Designated Recipient to receive and dispense formula funding from Federal Transit Administration (FTA) Sections 5316/Job Access and Reverse Commute (JARC) and 5317/New Freedom Programs.

ISSUE

Southern California Association of Governments (SCAG) staff has recommended that it would be more efficient for Metro to directly administer JARC and New Freedom federal formula funds for Los Angeles County. To do this, Metro must first become a Designated Recipient for the federal formula funding, as determined by the Governor through the State of California Department of Transportation (Caltrans).

POLICY IMPLICATIONS

In California, the Governor designates federal transportation formula fund recipients through Caltrans. For Los Angeles County, the role of Designated Recipient has traditionally been assigned to SCAG. Currently, SCAG is responsible for receiving and dispensing FTA Section 5307 Urbanized Area Formula funds for the area.

For JARC and New Freedom federal formula funding, SCAG staff has recommended that Metro be the Designated Recipient for Los Angeles County. SCAG staff believes that Metro, as the only other eligible regional transportation planning and programming agency within Los Angeles County, is better positioned with expertise and resources to oversee the JARC and New Freedom programs and to administer their federal formula funding. According to FTA guidance, if the Designated Recipient for JARC and New Freedom funding will not be the same agency as the Designated Recipient for Section 5307 Urbanized Area Formula

funds, then the new recipient must be officially designated before applying for fiscal year (FY) 2006 funds and thereafter. With SCAG's recommendation, the Governor through Caltrans needs to officially designate Metro as the Designated Recipient for JARC and New Freedom funding.

Once Metro assumes the role of Designated Recipient for JARC and New Freedom funding on behalf of Los Angeles County, Metro will be expected to be responsible for applying for and receiving the federal formula funding. Metro also will be responsible for developing a coordinated public transit – human services transportation plan (“the coordinated plan”) for Los Angeles County, according to requirements from the federal Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).

OPTIONS

The Board of Directors could consider two options to the recommended action as follows:

1. Reject the SCAG staff recommendation for Metro to become the Designated Recipient for JARC and New Freedom funds, and request that SCAG be the Designated Recipient for Los Angeles County; or,
2. Reject the SCAG staff recommendation for Metro to become the Designated Recipient for JARC and New Freedom funds, and allow for no Designated Recipient for Los Angeles County.

We do not recommend that the Board consider Option 1, as SCAG staff already has indicated that they would prefer Metro to assume the Designated Recipient role for Los Angeles County. Metro is better positioned to become the Designated Recipient and administer the JARC and New Freedom programs to benefit Los Angeles County. More specifically, Metro has the legal capacity to receive and dispense federal funds for public transit purposes; submit public transit projects for inclusion in the Transportation Improvement Program; submit and execute project applications to the FTA; enter into formal project agreements with sub-grantees; and hold and certify public hearings. We also do not recommend that the Board consider Option 2, as the FTA will not provide any JARC or New Freedom funding to Los Angeles County without a Designated Recipient.

FINANCIAL IMPACT

For the FY 06 Budget, we expect to use existing staff and budgetary allocations to address all necessary activities for the recommended action. As the JARC and New Freedom Programs are multi-year programs, the cost center manager and Deputy Chief Executive Officer will be accountable for budgeting costs for needed activities in future years.

Once Metro is recognized as the Designated Recipient, we may apply for and be reimbursed for up to ten percent (10%) of the JARC and New Freedom funding made available, so as to repay our expenditures in administering the programs. We anticipate that Los Angeles County will be receiving as much as \$8.5 million annually for the combined JARC and New Freedom programs during the SAFETEA-LU programming period.

BACKGROUND

SAFETEA-LU, the federal funding authorization for fiscal years 2006 through 2009, was enacted last year. Under this legislation, JARC and the New Freedom programs were developed with new funding and provisions to improve transportation services for persons with disabilities, older Americans, and individuals with lower incomes.

The FTA Section 5316 JARC Program provides formula funding to support the development and maintenance of job access and reverse commute projects designed to transport welfare recipients and eligible low-income individuals to and from jobs and activities related to their employment. Anticipated funding for the Los Angeles metropolitan area is estimated to be \$6 million annually.

The FTA Section 5317 New Freedom Program provides formula funding for new transportation services and transportation alternatives beyond those that the Americans with Disabilities Act of 1990 (ADA) requires to assist persons with disabilities. Anticipated funding for the Los Angeles metropolitan area is estimated to be \$2.5 million annually.

Beginning in FY 2007, for both the JARC and New Freedom programs, SAFETEA-LU requires the recipient of these funds to certify that projects selected for funding result from a “locally developed, coordinated public transit-human services transportation plan.” Furthermore, SAFETEA-LU requires that such a plan must be developed through a process that included representatives of public, private, and nonprofit transportation and human services providers and participation by the public.

Los Angeles County has a coordinated plan that was developed for the JARC program and could serve as the foundation for meeting the project selection requirement of the new SAFETEA-LU required plan. We are currently working with Access Services Incorporated (ASI) who has already initiated a contract to meet state legal requirements that include the preparation of an action plan and inventory, identifying specialized service providers and strategy to implement consolidated and coordinated services. Included within ASI’s contract scope is the requirement that the action plan meet the SAFETEA-LU coordinated plan criteria. We believe that once this work is completed, ASI’s plan can help us meet the coordinated plan requirement.

NEXT STEPS

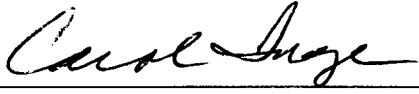
Upon Board approval and adoption of the accompanying resolution, we will submit the required documentation to Caltrans and SCAG to implement the Board’s action. Once the FTA formulates the final guidelines for JARC and New Freedom Programs, we will implement and administer these programs according to these federal requirements.

ATTACHMENTS

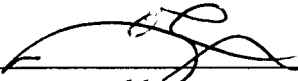
A. Board Resolution Approving Metro as Designated Recipient

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Regional Program Management

Frank Flores, Deputy Executive Officer
Programming and Policy Analysis



Carol Inge
Chief Planning Officer



Roger Snoble
Chief Executive Officer



Resolution No. _____

**RESOLUTION APPROVING THAT THE
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (METRO)
BE IDENTIFIED AS THE DESIGNATED RECIPIENT FOR FEDERAL TRANSIT
ADMINISTRATION (FTA) FORMULA FUNDING UNDER JOB ACCESS AND REVERSE
COMMUTE (JARC) AND NEW FREEDOM PROGRAMS**

WHEREAS, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), portions of which propose to improve transportation services for persons with disabilities, older Americans, and individuals with lower incomes, was signed into law in 2005; and

WHEREAS, SAFETEA-LU includes FTA Sections 5316/JARC and 5317/New Freedom Formula Programs that provide federal formula funding; and

WHEREAS, Caltrans, on behalf of the Governor, approves Designated Recipients for the purposes of receiving and dispensing FTA formula funding from Sections 5316/JARC and 5317/New Freedom Programs for urbanized areas over 200,000 in California; and

WHEREAS, federal regulations require that a statewide or regional agency responsible under state law for financing, construction, or operating directly, by lease, contract, or otherwise of public transit services be named as the Designated Recipient for the purposes of receiving and dispensing FTA Sections 5316/JARC and 5317/New Freedom formula funds in accordance with the provisions of 49 U.S.C. 5303-5306; and

WHEREAS, Metro has the legal capacity to receive and dispense federal funds for public transit purposes; submit public transit projects for inclusion in the Transportation Improvement Program; submit project applications to the FTA; enter into formal project agreements with the FTA; and hold and certify public hearings; and

WHEREAS, by naming Metro as the Designated Recipient for FTA Sections 5316/JARC and 5317/New Freedom formula funds for areas of Los Angeles County, it would foster an effective planning process that ensures connectivity between modes, reduces access disadvantages experienced by modal systems, and promotes efficient overall transportation

investment strategies for the disabled and disadvantaged residing in the Los Angeles County region.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Los Angeles County Metropolitan Transportation Authority that:

1. The Board of Directors approves Metro to be declared the Designated Recipient for formula funding from FTA Sections 5316/JARC and 5317/New Freedom Programs.
2. The Chief Executive Officer or the Chief Executive Officer's Designee is authorized to select projects, program funding, and file and execute FTA grant applications, agreements and contracts on behalf of Metro to fulfill the responsibilities of Designated Recipient, hereunder.

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 Thursday, May 25, 2006.

MICHELE JACKSON
Metro Board Secretary

DATED:

(SEAL)

