

DIRECTIVE  
MAY 22, 2008  
ITEM # 11, BUDGET  
DIRECTOR NAJARIAN

REQUESTING THE CEO DIRECT MTA STAFF TO REPORT BACK TO THE BOARD AT THE JUNE MEETING WITH A CHART FOR PROP A GROWTH OVER INFLATION FISCAL YEARS 98/99 THROUGH 08/09 STATING THE REVENUES AND EXPENSES FOR EACH FISCAL YEAR **BEFORE** ANY BALANCES ARE CONVERTED TO PROP C 40% DISCRETIONARY FUNDS.

MTA SHOULD WORK WITH BOARD STAFF TO DEVELOP A SIMPLE FORMAT THAT IS EASILY UNDERSTOOD.



**Metro**

**FINANCE AND BUDGET COMMITTEE  
JUNE 18, 2008**

**SUBJECT: PROP A GROWTH OVER INFLATION**

**ACTION: RECEIVE AND FILE**

**RECOMMENDATION:**

Receive and file the attached schedules showing the Prop A “growth over inflation” (GOI) funds for FY00 through FY09 and a forecast for FY10 through FY13.

**ISSUE:**

During adoption of the FY09 budget, the Board requested that the information be developed with input from Board staff and presented at the June meeting.

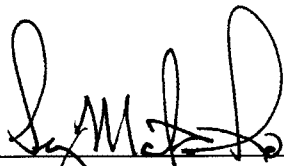
**DISCUSSION:**

A portion of Prop A 40% (95% of Prop A 40%) is used to provide regional funding to our bus operations and the municipal bus operators via the Formula Allocation Procedure (FAP). Under the FAP, each bus operator is designated as “Included” or “Eligible” by State law or Board policy. The total amount of Prop A 40% available for programming to the Included operators is limited to the prior year total plus the inflation rate approved by the Board in the annual Business Planning Parameters.

The remainder of the 95% of Prop A 40% is growth over inflation. GOI is allocated to the Eligible operators based on their FAP shares that are computed as if they had been Included operators. Funds remaining after allocation to the Eligible operators are transferred to Prop C 40% pursuant to the Board adopted Prop A 40% Discretionary Guidelines.

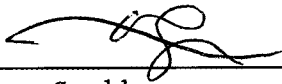
Prepared by: Office of Management & Budget

Attachment 1 – Historical Growth Over Inflation FY00-FY09  
Attachment 2 – Forecasted Growth Over Inflation FY10-FY13



---

Terry Matsumoto  
Chief Financial Services Officer, and  
Treasurer



---

Roger Snoble  
Chief Executive Officer

Historical Growth Over Inflation (GOI)  
FY00 through FY09

		<u>Annual Transit Fund Allocations</u>			
		GOI	Eligible Operators	Other	GOI To PC40
1	FY00	\$13,571,897	\$(12,011,839)	\$ -	\$1,560,058
2	FY01	18,569,116	(13,688,395)	-	4,880,721
3	FY02	23,368,045	(15,040,110)	-	8,327,935
4	FY03	32,021,242	(16,879,886)	-	15,141,356
5	FY04	26,761,925	(17,930,299)	-	8,831,626
6	FY05	33,432,708	(19,463,977)	-	13,968,731
7	FY06	37,360,428	(18,893,364)	-	18,467,064
8	FY07	58,761,568	(19,483,106)	(3,755,142)	a 35,523,320
9	FY08	72,774,871	(22,488,807)	(1,209,225)	a 49,076,839
10	FY09	60,249,344	(31,071,561)	(42,053,695)	b (12,875,912)
11	Total	<u>\$376,871,144</u>	<u>\$(186,951,344)</u>	<u>\$(47,018,062)</u>	<u>\$142,901,738</u>
	FY00-08	\$316,621,800	\$(155,879,783)		
	Ratio	49.23%			

a Mid-year STA budget amendment

b Draft TFA 4-08. Includes FY09 Prop 1B allocations and FY08 Prop 1B and FY08 LADOT adjustments that were approved late in FY08.

## FORECASTED GROWTH OVER INFLATION

FY10 Through FY13

	FY10	FY11	FY12	FY13	Total
1 Available GOI (a)	\$ 62,653,293	\$65,153,159	\$67,752,770	\$70,456,106	\$266,015,328
2 Eligible Operators (b)	(30,844,216)	(32,074,900)	(33,354,689)	(34,685,541)	(130,959,346)
3 LADOT Adjustment (a)	(7,717,540)	(8,025,470)	(8,345,686)	(8,678,679)	(32,767,374)
4 Prop 1B PTMISEA	(15,839,969)	(15,839,969)	(15,839,969)	(15,839,969)	(63,359,876)
5 Prop 1B Security	(1,476,166)	(1,476,166)	(1,476,166)	(1,476,166)	(5,904,664)
6 GOI to be transferred to PC40	\$6,775,402	\$7,736,654	\$8,736,260	\$9,775,751	\$33,024,067
7 Sales Tax Growth Rate - Aug 07 10-yr Forecast	3.99%	3.99%	3.99%	3.99%	
8 Ratio of Eligible Operator Programming	49.23%	49.23%	49.23%	49.23%	

(a) Escalates by 10-yr Forecast rate -  
line 7. LADOT Adj not  
included in historical ratio.  
Therefore, shown separately

(b) Historical ratio of Eligible/GOI  
(FY00-08) - line 8