



Metro

Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

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**FINANCE AND BUDGET COMMITTEE
APRIL 15 2009**

**SUBJECT: TRANSFER OF FY08 PROP A GROWTH OVER INFLATION
ACTION: RECEIVE AND FILE**

RECOMMENDATION

Receive and file the attached schedule showing the FY08 Prop A “growth over inflation” (GOI) funds that will be transferred to Prop C40%.

ISSUE

On May 22, 2008, the Board passed a motion requesting that we report the balance to be transferred to Prop C40% before any balances are transferred.

DISCUSSION

A portion of Prop A40% (95% of Prop A40%) 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 A40% 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 A40% 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 C40% pursuant to the Board adopted Prop A40% Discretionary Guidelines.

The amount to be transferred for FY08 is consistent with the FY08 Transit Fund Allocations approved by the Board on July 18, 2007 and the subsequent action to increase the fund allocations through a budget amendment in March 2008. Since the amount approved by the Board in July 2007 and March 2008 was \$3.9 million greater than the actual Prop A40% sales tax receipts were in FY08, the difference will be reduced from the FY10 Transit Fund Allocations which will be brought to the Board in June 2009.

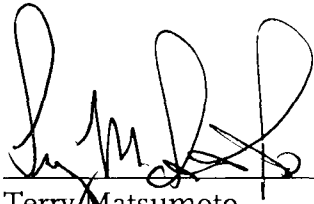
Prepared by: Office of Management & Budget

Attachment

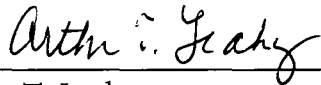
ATTACHMENT

FY08 PROP A40% GROWTH OVER INFLATION TRANSFER

1	GOI In FY08 Transit Fund Allocation	\$72,774,871
2	Eligible Operators Allocation	(22,488,807)
3	Mid-Year STA Budget Amendment to Eligible Operators	(1,209,225)
4	Total FY08 Allocations to Eligible Operators	(23,698,032)
5	Remaining GOI to PC40%	\$49,076,839
6	Actual GOI Revenues Earned in FY08	\$68,861,111
7	Reduction of FY10 GOI Transfer to Balance FY08 Overallocation	\$3,913,760



Terry Matsumoto
Chief Financial Services Officer and
Treasurer



Arthur T. Leahy
Chief Executive Officer

