



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Joseph P. Bort MetroCenter  
101 Eighth Street  
Oakland, CA 94607-4700  
TEL 510.817.5700  
TDD/TTY 510.817.5769  
FAX 510.817.5848  
E-MAIL info@mtc.ca.gov  
WEB www.mtc.ca.gov

## *Memorandum*

TO: Minority Citizens Advisory Committee

DATE: September 1, 2009

FR: Jennifer Yeaman

RE: Lifeline Cycle II Funding Update

### Background

In July 2008, MTC released the second-cycle Lifeline funding program, originally totaling \$66 million over three years. The program is administered by county-level Lifeline Program Administrators (LPAs) and comprises State Transit Assistance (STA), Proposition 1B Transit, and federal Job Access Reverse Commute (JARC) funds.

Because the three-year Lifeline Program included both FY 09 and FY10 STA and Proposition 1B estimates, LPAs had an option of programming their Lifeline funding all at once or in two tiers. Subsequent elimination of STA funding reduced the funding available to the program by approximately \$4 million in Tier 1 and \$13 million in Tier 2, reducing the 3-year overall total Lifeline Program to \$48.7 million as of May 2009, when the Tier 1 program of projects was revised to reflect reduced STA funding.

Currently, the Tier 2 program consists of \$10.4 million in Proposition 1B Transit funds only, and is due to MTC September 30.

### Tier 2 Funding Augmentation Proposal

MTC staff is proposing to augment the STA Consolidated Policy Program with a one-time augmentation of \$13.3 million in population-based STA funds, of which \$3.9 million would be available to the Lifeline Program. In addition, MTC anticipates FY10 JARC Large Urbanized Area funds to be available under the federal transportation bill extension in an amount roughly equal to the FY09 JARC funds programmed in Tier 1. **Table A**, attached, shows the revised estimated Tier 2 program targets by fund source; **Table B** shows these estimated amounts broken out by county per the Lifeline formula.

MTC staff is proposing that county LPAs work with their local transit agencies and partners to incorporate these additional funds into their Tier 2 programs. In addition, MTC staff is proposing to amend the Lifeline Program Guidelines to reflect the new funding levels and to allow project solicitations that have already occurred to satisfy the competitive selection process. Further, if a county has gone through a competitive process, but chooses to select alternative projects for Tier 2 that sustain existing Lifeline-eligible transit services as a result of recent state budget cuts, that would be acceptable for all funding except JARC funds. Federal rules require projects funded by JARC to be the result of a competitive project selection process.

Due to the one-time-only nature of the STA funds in particular, MTC staff is recommending that counties and transit operators work together to develop a strategic approach for their expenditure. Specifically in the Northern Counties/Small Operators and Lifeline categories, agencies should consider focusing on services that can be sustained with these funds for the next several years rather than spreading the funding across many services that will need to be terminated if no alternative source of revenue becomes available in the next year or two. The use of STA funds as match to JARC funds to sustain services longer should also be considered.

Proposed Timeline

Tier 2 programs including all additional funds would be due to MTC October 30, 2009. This deadline is important because MTC expects applications for FY10 Proposition 1B Transit funds will be due to Caltrans in December.

I will attend your September 8 meeting to answer questions about this proposal. This information is also being provided to Lifeline Program Administrators and transit agency staff for each county.

Attachments: Table A — Revised Second Cycle Lifeline Program Funding Estimate  
Table B — Estimated Lifeline Funding Targets by County