

Date: January 23, 2008
W.I: 1514
Referred By: PAC

ABSTRACT

Resolution No. 3837

This resolution establishes a policy for the programming and allocation of State Transit Assistance (STA) funds, made available under the provisions of Public Utilities Code Sections 99313 and 99314.

This resolution supersedes Resolution No. 2310.

Further discussion of this action is contained in the "Executive Director's Memorandum dated January 9, 2008.

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Re: Adoption of MTC's State Transit Assistance Programming and Allocation Policy.

METROPOLITAN TRANSPORTATION COMMISSION

RESOLUTION NO. 3837

WHEREAS, State Transit Assistance (STA) funds are to be used to enhance public transportation service, including community transit service, and to meet high priority regional transportation needs; and

WHEREAS, the Metropolitan Transportation Commission (MTC), as the Regional Transportation Planning Agency for the San Francisco Bay Area, is responsible for the allocation of STA funds available to eligible claimants in this region; and

WHEREAS, MTC adopted an STA Allocation Policy in Resolution No. 2310 in 1991;
and

WHEREAS, MTC Resolution No. 3814 directed staff to revise the STA Allocation Policy to incorporate changes in distribution formulas and to establish a consolidated percentage framework for population-based program categories; now therefore, be it

RESOLVED, that MTC adopts its State Transit Assistance Allocation Policy described in Attachment A, attached hereto and incorporated by reference, for guidance to eligible claimants in the preparation of their applications for STA funds and to staff for reviewing such applications; and be it further

RESOLVED, that the prior policy governing allocation of State Transit Assistance Funds contained in Resolution No. 2310 is superseded by this resolution.

METROPOLITAN TRANSPORTATION COMMISSION

Bill Dodd, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in Oakland, California, on January 23, 2007.

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Attachment A
Resolution No. 3837
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STATE TRANSIT ASSISTANCE ALLOCATION POLICY
Exhibit 1

This policy affects all allocations by the Metropolitan Transportation Commission (MTC) of STA funds, made available under the provisions of Public Utilities Code Sections 99313 and 99314 and relevant subsections.

I. Population-Based Funds (PUC Code 99313) Including Interest Earnings

A. Consolidated Percentages – Base and Prop. 42 funds

The consolidated percentages established in this section pertain to Base and Proposition 42 funds only. The percentages by category do not apply to Spillover funds; the policy for these funds is described separately below.

1. *Northern Counties/Small Operators*

28.3% of the STA Population-Based funds and interest is reserved for the Northern counties (Marin, Sonoma, Napa, and Solano) and the small operators (LAVTA, Union City, CCCTA, ECCTA, and WestCAT). These funds will be apportioned to each jurisdiction in proportion to its share of the total Northern counties/Small operators' population, as determined by the most recent State Department of Finance estimates.

As with TDA, a coordinated claim will be required if there is more than one eligible operator within those service areas.

2. *Regional Paratransit*

15.6% of the STA Population-Based funds and interest is reserved for Regional Paratransit purposes to meet the region's requirements under the Americans with Disabilities Act (ADA). These funds will be distributed to each of the nine counties in proportion to each county's share of the region's transportation disabled population, as determined by the 1990 Regional Paratransit Plan and subsequent updates of that plan.

3. ***MTC Regional Coordination***

26.9% of the STA Population-base funds and interest is reserved for projects and programs that improve regional coordination, including but not limited to:

- TransLink®
- 511
- Transit connectivity

MTC will develop an annual MTC Regional Coordination program. All final programming will be reviewed and approved by the MTC Programming and Allocations Committee (PAC).

4. ***Lifeline Transportation Program (LTP)***

29.2% of the STA Population-Based funds and interest is reserved for Lifeline projects. The Lifeline Transportation Program is intended to improve mobility options for low-income residents in the Bay Area by funding transportation projects designed to address their transportation needs.

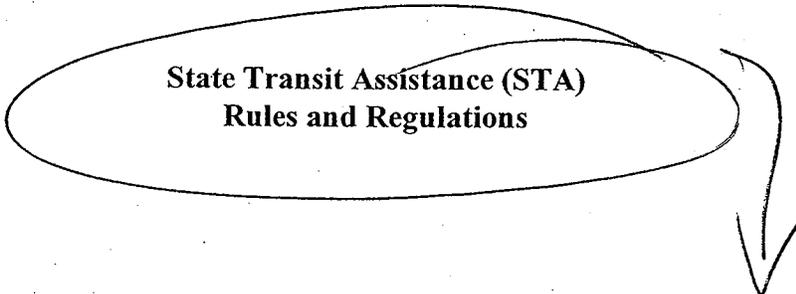
B. **Spillover funds**

Per MTC Resolution No. 3814, starting in FY 2007-08 and continuing each year as necessary, the first available \$62 million in regional population-based Spillover funds is to be distributed as follows: \$19 million to restore program reductions to the May 9, 2007 Proposition 1B Transit staff proposal level as well as provide funding to match BART's May 9, 2007 commitment to the BART Extensions to Eastern Contra Costa and Warm Springs (*Lifeline - \$10 million, Small Operators/North Counties - \$3 million, BART Extension to Warm Springs - \$3 million, BART Extension to Eastern Contra Costa County - \$3 million*), and \$43 million to SamTrans to fulfill the Caltrain Right-of-Way settlement agreement, on a pro rata basis. For FY 2007-08, the population-based Spillover available will be net of the distribution to the Northern Counties and Small Operators per current policy.

II. **Revenue-Based Portion (PUC Code 99314)**

Funds apportioned to the region based on revenues generated by the transit operators will be allocated for the support of fixed route and paratransit operations, for inter-operator coordination, including the cost of interoperator transfers, joint fare subsidies, integrated fares etc., and for capital projects consistent with the adopted long-range plan.

**State Transit Assistance (STA)
Rules and Regulations**



**for the MTC Region
Exhibit 2**

These Rules and Regulations cover the eligibility requirements and the rules for a full or partial allocation of these funds.

Eligibility Requirements

To be **eligible for any STA funds** in the MTC region, an operator must comply with all SB 602 fare and schedule coordination requirements for the fiscal year. The evaluation of operator's compliance with the SB 602 program is made annually.

An operator's requested STA allocation may also be **partially or fully reduced** if the operator did not make satisfactory progress in meeting its Productivity Improvement Program (PIP) and/or the Regional Coordination projects for which each operator is a participant.

SB 602 Requirements

All SB 602 fare and schedule coordination requirements for the fiscal year must be completely satisfied. If not, operator is ineligible to receive (a) annual increment of TDA funds and (b) any STA funds. Thus, meeting SB 602 (pursuant to MTC Res. No. 2323 regulations) becomes fully obligatory.

Fare coordination revenue-sharing agreements, as specified in the annual Regional Coordination Program, must be fully executed by all participating operators and provisions of the agreement(s) must be in compliance with MTC rules and regulations.

The Regional Schedule Coordination Implementation Plan must achieve satisfactory progress according to the Implementation Plan workscope. All operators in the region have equal responsibility and accountability in ensuring satisfactory progress.

Project workscopes, implementation schedules and progress achievement for both fare and schedule coordination requirements will be reviewed annually by MTC.

STA funds **withheld** from allocation or disbursement due to non-compliance, or falling out of compliance, will be held for one quarter to provide an opportunity to come into compliance. If MTC finds that satisfactory progress is being made by the operator to comply with their SB 602 agreements, the deadline for coming into compliance may be extended further one quarter. (In the event of non-compliance by an operator to whom STA funds have already been disbursed, disbursed funds will be

requested to be returned to the STA account. If funds are not returned, an equivalent amount can be withheld from the operator's following year allocation.)

In accordance with the provisions of SB 3, withheld funds may be **re-allocated** to any eligible operator to implement an unfunded coordination project in the Regional Coordination Plan. MTC may also allocate these funds to any operator whose increase in total operating cost per revenue vehicle hour is less than the increase in the CPI.

Progress on PIP and Regional Coordination Projects

Each Performance Audit-based project and Regional Coordination project is evaluated based on actual progress as compared to scheduled. The Overall Performance Evaluation Score is calculated as the average of all projects.

The Overall Performance Score represents the Overall Score for Reasonable Effort and converts to a full or partial STA allocation as indicated on the following scale.

<u>Projects Progress *</u>	<u>Allocation Action</u>
Projects Completed or within 90-100% of schedule	Full allocation
Projects within 40-80% of schedule	Allocation proportional to progress
Projects between 0-30% of schedule	No allocation

(*) Based on status of project as evaluated by MTC staff.

The amount withheld will be reviewed with the affected operator. Partial funds withheld will be held by MTC up to two years to allow an operator to comply with its PIP.

After two years, funds withheld under this section may also be **re-allocated** to any eligible operator for purposes of improving coordination, according to the unfunded coordination projects in the Regional Coordination Plan. MTC may also allocate these funds to any operator whose increase in total operating cost per revenue vehicle hour is less than the increase in the CPI.