

# LACMTA Transportation Funds Guidelines Administration Reference Manual Volume II



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Local Programming

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**Metro**<sup>®</sup>



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Assembly Bill No. 2321

CHAPTER 302

An act to amend Section 130350.5 of, and to add Section 130350.4 to, the Public Utilities Code, relating to transportation.

[Approved by Governor September 25, 2008. Filed with Secretary of State September 25, 2008.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2321, Feuer. Transportation funding: County of Los Angeles.

Existing law authorizes the Los Angeles County Metropolitan Transportation Authority (MTA) to impose, in addition to any other tax that it is authorized to impose, a transactions and use tax at the rate of 0.5% for 6 ½ years or less, for the funding of specified transportation-related purposes designated as capital projects or capital programs. Existing law conditions the imposition of a tax under this authority upon voter approval as otherwise required by law. It also prohibits the MTA from incurring bonded indebtedness payable from the tax proceeds to fund those projects or programs or from substituting revenue from the tax proceeds for current funding commitments to the projects or programs. Existing law requires the MTA to prepare an expenditure plan prior to submitting the tax ordinance to voters, describing the projects and programs and their cost and funding sources. Existing law also creates the Capital Project Development Fund, into which the tax revenue is to be deposited, and makes those moneys available for expenditure by the MTA to fund the designated projects and programs.

This bill would modify these provisions to require the MTA tax ordinance to specify that the tax is to be imposed for a period not to exceed 30 years, and to require the MTA to include specified projects and programs in its Long Range Transportation Plan. This bill would require the MTA to notify Members of the Legislature representing the County of Los Angeles of proposed amendments to the expenditure plan, as specified. This bill would also authorize the MTA to incur bonded indebtedness, as specified, and would make other related changes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 130350.4 is added to the Public Utilities Code, to read:

130350.4. The Legislature finds and declares all of the following:

(a) In authorizing the Los Angeles County Metropolitan Transportation Authority (MTA) to impose a transaction and use tax pursuant to Section

130350.5, the Legislature intends for the net revenues derived from the tax to be used to fund a transportation investment program that provides mobility, health, and safety benefits to the people residing in all regions of the County of Los Angeles.

(b) For purposes of proposing to the voters of the County of Los Angeles the imposition of a 0.5 percent transaction and use tax at the election held on November 4, 2008, pursuant to subdivision (b) of Section 130350.5, the MTA adopted, on July 24, 2008, a local ordinance that includes as "Attachment A" a plan for the expenditure of the net revenues derived from the imposition of the tax. The adoption of Attachment A constitutes the adoption of an expenditure plan pursuant to subdivision (f) of Section 130350.5.

(c) In addition to the projects and funding amounts identified in paragraph (3) of subdivision (b) of 130350.5, the adopted expenditure plan includes other high-priority projects and funding amounts for the region, including, but not limited to, the following projects:

(1) Green Line Extension to the Los Angeles International Airport – two hundred million dollars (\$200,000,000).

(2) Interstate 710 North Gap Closure (tunnel) – seven hundred eighty million dollars (\$780,000,000).

(3) Gold Line Eastside Extension – one billion two hundred seventy-one million dollars (\$1,271,000,000).

(4) Interstate 605 Corridor "Hot Spot" Interchanges – five hundred ninety million dollars (\$590,000,000).

(d) The Legislature finds and declares that all regions of the county stand to benefit from the proposed expenditure plan; therefore, the MTA shall strive to maintain the fair and equitable geographic balance in the plan and shall strive to complete those capital projects as soon as practicable, consistent with the requirements of the proposing ordinance, state and federal law.

(e) Because it is in the interest of the people of the County of Los Angeles and the people of the State of California to ensure that the net revenues derived from the tax imposed pursuant to this act are expended efficiently, and in a manner consistent with the adopted expenditure plan, the MTA shall notify the Legislature prior to the adoption of amendments to the adopted expenditure plan.

SEC. 2. Section 130350.5 of the Public Utilities Code is amended to read:

130350.5. (a) In addition to any other tax that it is authorized by law to impose, the Los Angeles County Metropolitan Transportation Authority (MTA) may impose, in compliance with subdivision (b), a transactions and use tax at a rate of 0.5 percent that is applicable in the incorporated and unincorporated areas of the county.

(b) For purposes of the taxing authority set forth in subdivision (a), all of the following apply:

(1) The tax shall be proposed in a transactions and use tax ordinance, that conforms with Chapter 2 (commencing with Section 7261) to Chapter

4 (commencing with Section 7275), inclusive, of the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code), and that is approved by a majority of the entire membership of the authority.

(2) The tax may be imposed only if the proposing ordinance is approved by two-thirds of the voters, in the manner as otherwise required by law, voting on this measure, in an election held on November 4, 2008, or at a subsequent election and, if so approved, shall become operative as provided in Section 130352.

(3) The proposing ordinance shall specify, in addition to the rate of tax and other matters as required by the Transactions and Use Tax Law, that the tax is to be imposed for a period not to exceed 30 years and the net revenues derived from the tax are to be administered by the MTA as provided in this section. Net revenues shall be defined as all revenues derived from the tax less any refunds, costs of administration by the State Board of Equalization, and costs of administration by the MTA. Such costs of administration by the MTA shall not exceed one and one-half percent (1.5%) of the revenues derived from the tax. The MTA shall, during the period in which the ordinance is operative, allocate 20 percent of all net revenues derived from the tax for bus operations to all eligible and included municipal transit operators in the County of Los Angeles and to the MTA, in accordance with Section 99285. However, the allocations to the MTA and eligible and included municipal operators shall be made solely from revenues derived from a tax imposed pursuant to this section, and not from local discretionary sources. Funds allocated by MTA to itself pursuant to this section shall be used for transit operations and shall not supplant funds from any other source allocated by MTA to itself for public transit operations. Funds allocated by MTA to the eligible and included municipal operators pursuant to this section shall be used for transit operations and shall not supplant any funds authorized by other provisions of law and allocated by MTA to the eligible and included municipal operators for public transit. In addition to this amount, the MTA shall allocate 5 percent of all net revenues derived from the tax for rail operations. The MTA shall include the projects and programs described in subparagraphs (A) and (B) in the expenditure plan required under subdivision (f). The MTA shall include all projects and programs described in the expenditure plan required under subdivision (f) in its Long Range Transportation Plan (LRTP). The priorities for projects and programs described in subparagraphs (A) and (B) and in the expenditure plan required under subdivision (f) shall be those set forth in the expenditure plan. The funding amounts specified in subparagraphs (A) and (B) are minimum amounts that shall be allocated by the MTA from the net revenues derived from a tax imposed pursuant to this section. Nothing in this section prohibits the MTA from allocating additional net revenues derived from the tax to these projects and programs.

(A) Capital Projects.



- (i) Exposition Boulevard Light Rail Transit Project from downtown Los Angeles to Santa Monica. The sum of nine hundred twenty-five million dollars (\$925,000,000).
  - (ii) Crenshaw Transit Corridor from Wilshire Boulevard to Los Angeles International Airport along Crenshaw Boulevard. The sum of two hundred thirty-five million five hundred thousand dollars (\$235,500,000).
  - (iii) San Fernando Valley North-South Rapidways. The sum of one hundred million five hundred thousand dollars (\$100,500,000).
  - (iv) Metro Gold Line (Pasadena to Claremont) Light Rail Transit Extension. The sum of seven hundred thirty-five million dollars (\$735,000,000).
  - (v) Metro Regional Connector. The sum of one hundred sixty million dollars (\$160,000,000).
  - (vi) Metro Westside Subway Extension. The sum of nine hundred million dollars (\$900,000,000).
  - (vii) State Highway Route 5 Carmenita Road Interchange Improvement. The sum of one hundred thirty-eight million dollars (\$138,000,000).
  - (viii) State Highway Route 5 Capacity Enhancement (State Highway Route 134 to State Highway Route 170, including access improvement for Empire Avenue). The sum of two hundred seventy-one million five hundred thousand dollars (\$271,500,000).
  - (ix) State Highway Route 5 Capacity Enhancement (State Highway Route 605 to the Orange County line, including improvements to the Valley View Interchange). The sum of two hundred sixty-four million eight hundred thousand dollars (\$264,800,000).
  - (x) State Highway Route 5/State Highway Route 14 Capacity Enhancement. The sum of ninety million eight hundred thousand dollars (\$90,800,000).
  - (xi) Capital Project Contingency Fund. The sum of one hundred seventy-three million dollars (\$173,000,000).
- (B) Capital Programs.
- (i) Alameda Corridor East Grade Separations. The sum of two hundred million dollars (\$200,000,000).
  - (ii) MTA and Municipal Regional Clean Fuel Bus Capital (Facilities and Rolling Stock). The sum of one hundred fifty million dollars (\$150,000,000).
  - (iii) Countywide Soundwall Construction (MTA Regional List and Monterey Park/State Highway Route 60). The sum of two hundred fifty million dollars (\$250,000,000).
  - (iv) Local return for major street resurfacing, rehabilitation, and reconstruction. The sum of two hundred fifty million dollars (\$250,000,000).
  - (v) Metrolink Capital Improvements. The sum of seventy million dollars (\$70,000,000).
  - (vi) Eastside Light Rail Access. The sum of thirty million dollars (\$30,000,000).
- (c) The MTA may incur bonded indebtedness payable from the proceeds of the tax provided by this section pursuant to the bond issuance provisions of Section 130500 et seq. of the Public Utilities Code, and any successor

act. The MTA shall include in the expenditure plan, required under subdivision (f), the amount of net revenue specified for all projects and programs in subparagraphs (A) and (B) of paragraph (3) of subdivision (b) as a condition of the use and expenditure of the proceeds of the tax. The MTA shall maintain the current amount of any funding for the projects and programs specified in this section that has been previously programmed or received from sources other than the proceeds of the tax, and may not reallocate money that has been previously programmed or received for those projects and programs to other projects or uses.

(d) Notwithstanding Section 7251.1 of the Revenue and Taxation Code, the tax rate authorized by this section shall not be considered for purposes of the combined rate limit established by that section.

(e) A jurisdiction or recipient is eligible to receive funds from the local return program, described in clause (iv) of subparagraph (B) of paragraph (3) of subdivision (b), only if it continues to contribute to that program an amount that is equal to its existing commitment of local funds or other available funds. The MTA may develop guidelines that, at a minimum, specify maintenance of effort requirements for the local return program, matching funds, and administrative requirements for the recipients of revenue derived from the tax.

(f) Prior to submitting the ordinance to the voters, the MTA shall adopt an expenditure plan for the net revenues derived from the tax. The expenditure plan shall include, in addition to other projects and programs identified by the MTA, the specified projects and programs listed in paragraph (3) of subdivision (b), the estimated total cost for each project and program, funds other than the tax revenues that the MTA anticipates will be expended on the projects and programs, and the schedule during which the MTA anticipates funds will be available for each project and program. The MTA shall also identify in its expenditure plan the expected completion dates for each project described in subparagraph (A) of paragraph (3) of subdivision (b). To be eligible to receive revenues derived from the tax, an agency sponsoring a capital project or capital program shall submit to the MTA an expenditure plan for its project or program containing the same elements as the expenditure plan that MTA is required by this subdivision to prepare.

(g) The MTA shall establish and administer a sales tax revenue fund. The net revenue derived from the tax, after payment of any debt services and related obligations, shall be credited to this fund. The moneys in the fund shall be available to the MTA to meet expenditure and cashflow needs of the projects and programs described in the expenditure plan required under subdivision (f). In the event that there are net revenues in excess of the amount necessary to provide the amount of net revenues specified in the expenditure plan for the projects and programs described therein, the MTA may expend the excess net revenues on projects and programs in the expenditure plan or the LRTP. In the event that projects and programs in the expenditure plan are completed without the expenditure of the amount of net revenues specified, the MTA shall expend the excess net revenues

on projects and programs in the expenditure plan or the LRTP within the same subregion as the project or program that is completed. For the purposes of this section, "subregion" shall be defined in the LRTP.

(h) If other funds become available and are allocated to provide all or a portion of the amount of net revenues specified in the expenditure plan for the projects or programs described therein, the MTA may expend the surplus net revenues on other projects and programs in the expenditure plan or the LRTP.

(i) (1) Notwithstanding subdivision (h), if a capital project or capital program described in clauses (i) to (x), inclusive, of subparagraph (A) of paragraph (3) of subdivision (b) and clauses (i) and (vi) of subparagraph (B) of paragraph (3) of subdivision (b), has been fully funded from other sources on or before December 31, 2008, the funds designated to the project or program in clauses (i) to (x), inclusive, of subparagraph (A) of paragraph (3) of subdivision (b) and clauses (i) and (vi) of subparagraph (B) of paragraph (3) of subdivision (b) shall remain in the subregion in which the project or program is located and shall be allocated to other projects or programs in the subregion prior to the expiration of the tax.

(2) A capital project or capital program funded with reallocated funds pursuant to paragraph (1) shall be included in the adopted 2008 Long Range Transportation Plan or the successor plan and shall be of regional significance as determined by the MTA. For purposes of this subdivision, "subregions" means the subregions as defined in the LRTP in effect as of January 1, 2008.

(j) Notwithstanding Section 130354, revenues raised under this section may be used to facilitate the transportation of people and goods within Los Angeles County. The use of the revenues shall not be limited to public transit purposes.

(k) No later than 365 days prior to the adoption of an amendment described in paragraph (1) to an expenditure plan adopted pursuant to subdivision (f), including, but not limited to, the expenditure plan adopted by the MTA board as "Attachment A" in Ordinance #08-01 adopted by the board on July 24, 2008, and in addition to any other notice requirements in the proposing ordinance, the board shall notify the Members of the Legislature representing the County of Los Angeles of all of the following:

(1) A description of the proposed amendments to the adopted expenditure plan that would do any of the following:

(A) Affect the amount of net revenues derived from the tax imposed pursuant to this act that is proposed to be expended on a capital project or projects identified in the adopted expenditure plan.

(B) Affect the schedule for the availability of funds proposed to be expended on a capital project or projects identified in the adopted expenditure plan.

(C) Affect the schedule for the estimated or expected completion date of a capital project or projects identified in the adopted expenditure plan.

(2) The reason for the proposed amendment.

(3) The estimated impact the proposed amendment will have on the schedule, cost, scope, or timely availability of funding for the capital project or projects contained in the adopted expenditure plan.

(l) The notification required pursuant to subdivision (k) shall be achieved by resolution adopted by the MTA board.

SEC. 3. The Legislature finds and declares that the tax authority set forth in Section 130350.5 of the Public Utilities Code, as amended by this act, is intended to provide those funds necessary to provide the amount of net revenues specified for the capital projects and capital programs described in the expenditure plan required pursuant to Section 130350.5 of the Public Utilities Code, as amended by this act.

SEC. 4. The Legislature finds and declares that due to the unique circumstances regarding transportation funding within the County of Los Angeles, a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

**Proposed One-Half Cent Sales Tax for Transportation  
Outline of Expenditure Categories**

**ATTACHMENT A**

**Sunsets in 30-Years: Fiscal Year (FY ) 2010 - 2039  
(millions)**

<b>Subfund</b>	<b>Program</b>	<b>% of Sales Tax (net of administration)</b>	<b>First Year Amount</b>	<b>10-Year Amount</b>	<b>30-Year Amount</b>
Transit Capital	New Rail and/or Bus Rapid Transit Capital Projects - project definition depends on final environmental review process	35%	\$ 241	\$ 2,930	\$ 13,790
Transit Capital	Metrolink Capital Improvements (Operations, Maintenance, and Expansion)	3%	\$ 21	\$ 251	\$ 1,182
Transit Capital	Metro Rail Capital - System Improvements, Rail Yards, and Rail Cars	2%	\$ 14	\$ 167	\$ 788
Highway Capital	Carpool Lanes, Highways, Goods Movement, Grade Separations, and Soundwalls	20%	\$ 138	\$ 1,675	\$ 7,880
Operations	Rail Operations (New Transit Project Operations and Maintenance)	5%	\$ 34	\$ 419	\$ 1,970
Operations	Bus Operations (Countywide Bus Service Operations, Maintenance, and Expansion)	20%	\$ 138	\$ 1,675	\$ 7,880
Local Return	Major street resurfacing, rehabilitation and reconstruction; pothole repair; left turn signals; bikeways; pedestrian improvements; streetscapes; signal synchronization; and transit. (Local Return to the Incorporated Cities within Los Angeles County and to Los Angeles County for the Unincorporated Area of the County on a Per Capita Basis.)	15%	\$ 103	\$ 1,256	\$ 5,910
<b>TOTAL PROGRAMS</b>		<b>100%</b>	<b>\$ 689</b>	<b>\$ 8,373</b>	<b>\$ 39,400</b>
1.5% for Administration			\$ 11	\$ 127	\$ 600
<b>GRAND TOTAL</b>			<b>\$ 700</b>	<b>\$ 8,500</b>	<b>\$ 40,000</b>

**Proposed One-Half Cent Sales Tax for Transportation: Expenditure Plan  
30 Years, Fiscal Year (FY) 2010 - 2039**

**ATTACHMENT A**

**As Adopted by the Los Angeles County Metropolitan Transportation Authority Board of Directors July 24, 2008  
(\$ in millions)**

for reference only - not priority order	Subfund	Potential Project in Alphabetical Order by Category (project definition depends on final environmental process)	Cost Estimate	New Sales Tax (Assembly Bill 2321)			Other Funds			Funds Available Beginning	Expected Completion
				Minimum	Additional	Total	Federal Funding	State Funding	Local Funding (Rail is 3% except as noted)		
1		<b>Transit Projects: New Rail and/or Bus Rapid Transit Capital Projects. Could include rail improvements or exclusive bus rapid transit improvements in designated corridors.</b>									
2			<b>Escalated \$</b>								
3		Eastside Light Rail Access (Gold Line)	\$ 30	\$ 30	\$ -	\$ 30	\$ -	\$ -	\$ -	FY 2010	FY 2013
4		Exposition Boulevard Light Rail Transit	\$ 1,632 <sup>a</sup>	\$ 925	\$ -	\$ 925	\$ -	\$ 353	\$ 354	FY 2010-12	FY 2013-15
5		Metro and Municipal Regional Clean Fuel Bus Capital Facilities and Rolling Stock (Metro's share to be used for clean fuel buses)	\$ 150	\$ 150	\$ -	\$ 150	\$ -	\$ -	\$ -	FY 2010	FY 2039
6		Regional Connector (links local rail lines)	\$ 1,320	\$ 160	\$ -	\$ 160	\$ 708	\$ 186	\$ 266 <sup>b</sup>	FY 2014-16	FY 2023-25
7			<b>Current 2008 \$</b>								
8	Transit Capital Projects	Crenshaw Transit Corridor - project acceleration	\$ 1,470	\$ 235.5	\$ 971.5	\$ 1,207	To be determined	\$ 263 <sup>c</sup>		FY 2010-12	FY 2016-18
9		Gold Line Eastside Extension	\$ 1,310	\$ -	\$ 1,271	\$ 1,271		\$ 39		FY 2022-24	FY 2033-35
10		Gold Line Foothill Light Rail Transit Extension	\$ 758	\$ 328	\$ 407	\$ 735		\$ 23		FY 2010-12	FY 2015-17
11		Green Line Extension to Los Angeles International Airport	\$ 200	\$ -	\$ 200	\$ 200		TBD <sup>d</sup>		FY 2010-12	FY 2015-28 <sup>d</sup>
12		Green Line Extension: Redondo Beach Station to South Bay Corridor	\$ 280	\$ -	\$ 272	\$ 272		\$ 8		FY 2028-30	FY 2033-35
13		San Fernando Valley I-405 Corridor Connection (match to total project cost)	TBD	\$ -	\$ 1,000	\$ 1,000		\$ 31		FY 2030-32	FY 2038-39
14		San Fernando Valley North-South Rapidways (Canoga Corridor) - project acceleration	\$ 188	\$ 32 <sup>e</sup>	\$ 150	\$ 182		\$ 6		FY 2010-12	FY 2014-16
15		San Fernando Valley East North-South Rapidways - project acceleration	\$ 70	\$ 68.5 <sup>e</sup>	\$ -	\$ 68.5		\$ 2		FY 2013-15	FY 2016-18
16		West Santa Ana Branch Corridor (match to total project cost)	TBD	\$ -	\$ 240	\$ 240		\$ 7		FY 2015-17 <sup>*</sup>	FY 2025-27 <sup>*</sup>
17		Westside Subway Extension - to be opened in segments	\$ 4,200 <sup>f</sup>	\$ 900	\$ 3,174	\$ 4,074		\$ 126		FY 2013-15	FY 2034-36
18		Capital Project Contingency (Transit)-Escalation Allowance for lines 8-17 to be based on year of construction	\$ 7,331	\$ 173	\$ 3,103	\$ 3,276	\$ 2,200	\$ 1,015	\$ 840 <sup>g</sup>	FY 2010	FY 2039
19		<b>Total New Rail and/or Bus Rapid Transit Capital Projects</b>	<b>\$ 18,939 <sup>h</sup></b>	<b>\$ 3,001.5</b>	<b>\$ 10,788.5</b>	<b>\$ 13,790</b>	<b>\$ 2,908</b>	<b>\$ 1,554</b>	<b>\$ 1,965</b>	<b>FY 2010</b>	<b>FY 2039</b>

**Proposed One-Half Cent Sales Tax for Transportation: Expenditure Plan  
30 Years, Fiscal Year (FY) 2010 - 2039**

**ATTACHMENT A**

**As Adopted by the Los Angeles County Metropolitan Transportation Authority Board of Directors July 24, 2008**  
(\$ in millions)

for reference only - not priority order	Subfund	Potential Project in Alphabetical Order by Category (project definition depends on final environmental process)	Cost Estimate	New Sales Tax (Assembly Bill 2321)			Other Funds			Funds Available Beginning	Expected Completion
				Minimum	Additional	Total	Federal Funding	State Funding	Local Funding (Rail is 3% except as noted)		
20		<i>Highway Projects, Capital Projects, Carpool Lanes, Highways, Goods Movement, Grade Separations, and Soundwalls</i>									
21			Escalated \$								
22		Alameda Corridor East Grade Separations Phase II	\$ 1,123	\$ 200	\$ 200	\$ 400	\$ 200	\$ 336	\$ 187		As funds become available
23		BNSF Grade Separations in Gateway Cities	\$ 35	\$ -	\$ 35	\$ 35	\$ -	\$ -	\$ -		As funds become available
24		Countywide Soundwall Construction (Metro regional list and Monterey Park/SR-60)	\$ 250	\$ 250	\$ -	\$ 250	\$ -	\$ -	\$ -	FY 2010	FY 2039
25		High Desert Corridor (environmental)	\$ 33	\$ -	\$ 33	\$ 33	\$ -	\$ -	\$ -		As funds become available
26		Interstate 5 / St. Route 14 Capacity Enhancement	\$ 161	\$ 90.8	\$ -	\$ 90.8	\$ 15	\$ 41	\$ 14	FY 2010	FY 2013-15
27		Interstate 5 Capacity Enhancement from I-605 to Orange County Line	\$ 1,240	\$ 264.8	\$ -	\$ 264.8	\$ 78	\$ 834	\$ 63	FY 2010	FY 2016-17
28		I-5 Capacity Enhancement from SR-134 to SR-170	\$ 610	\$ 271.5	\$ -	\$ 271.5	\$ 50	\$ 264	\$ 24	FY 2010	FY 2013
29		I-5 Carmenita Road Interchange Improvement	\$ 389	\$ 138	\$ -	\$ 138	\$ 97	\$ 154	\$ -	FY 2010	FY 2015
30			Current 2008 \$								
31	Highway Capital Projects	Highway Operational Improvements in Arroyo Verdugo subregion	\$ 170	\$ -	\$ 170	\$ 170	To be determined			As funds become available	
32		Highway Operational Improvements in Las Virgenes/Malibu subregion	\$ 175	\$ -	\$ 175	\$ 175					
33		Interstate 405, I-110, I-105, and SR-91 Ramp and Interchange Improvements (South Bay)	\$ 906	\$ -	\$ 906	\$ 906					
34		Interstate 5 North Capacity Enhancements from SR-14 to Kern County Line (Truck Lanes)	\$ 2,800	\$ -	\$ 410	\$ 410					
35		Interstate 605 Corridor "Hot Spot" Interchanges	\$ 2,410	\$ -	\$ 590	\$ 590					
36		Interstate 710 North Gap Closure (tunnel)	\$ 3,730	\$ -	\$ 780	\$ 780					
37		Interstate 710 South and/or Early Action Projects	\$ 5,460	\$ -	\$ 590	\$ 590					
38		State Route 138 Capacity Enhancements	\$ 270	\$ -	\$ 200	\$ 200					
39		Capital Project Contingency (Highway)-Escalation Allowance for lines 31-38 to be based on year of construction	\$ 2,575	\$ -	\$ 2,575.9	\$ 2,576					
40		<b>Total Capital Projects Highway: Carpool Lanes, Highways, Goods Movements, Grade Separations, and Soundwalls</b>	<b>\$ 22,337</b>	<b>\$ 1,215.1</b>	<b>\$ 6,664.9</b>	<b>\$ 7,880</b>	<b>TBD</b>	<b>TBD</b>	<b>\$ 288</b>	<b>FY 2010</b>	<b>FY 2039</b>

**Proposed One-Half Cent Sales Tax for Transportation: Expenditure Plan  
30 Years, Fiscal Year (FY) 2010 - 2039**

**ATTACHMENT A**

**As Adopted by the Los Angeles County Metropolitan Transportation Authority Board of Directors July 24, 2008**  
(\$ in millions)

for reference only - not priority order	Subfund	Operating and Capital Programs	Percent of New Sales Tax Net Revenues	New Sales Tax (Assembly Bill 2321)			Other Funds			Funds Available Beginning	Expected Completion
				Minimum	Additional	Total Escalated	Federal Funding	State Funding	Local Funding (Rail is 3% except as noted)		
41	Ops	Bus Operations (Countywide Bus Service Operations, Maintenance, and Expansion)	20%	\$ -	\$ 7,880	\$ 7,880 <sup>k</sup>	Not Applicable			FY 2010	FY 2039
42	Ops	Rail Operations (New Transit Project Operations and Maintenance)	5%	\$ -	\$ 1,970	\$ 1,970 <sup>k</sup>				FY 2010	FY 2039
43	Local Return	Major street resurfacing, rehabilitation and reconstruction; pothole repair; left turn signals; bikeways; pedestrian improvements; streetscapes; signal synchronization; and transit.	15% <sup>l</sup>	\$ 250	\$ 5,660	\$ 5,910 <sup>k</sup>				FY 2010	FY 2039
44	Tran. Cap.	Metro Rail Capital Projects - System Improvements, Rail Yards, and Rail Cars	2%	\$ -	\$ 788	\$ 788 <sup>k</sup>				FY 2010	FY 2039
45	Tran. Cap.	Metrolink Capital Improvement Projects (Operations, Maintenance, and Expansion)	3%	\$ 70	\$ 1,112	\$ 1,182 <sup>k</sup>				FY 2010	FY 2039
46		<b>Subtotal Transit and Highway Capital Projects</b>	<b>\$ 41,276<sup>m</sup></b>	<b>\$ 4,216.6</b>	<b>\$ 17,453</b>	<b>\$ 21,670</b>	<b>\$ 2,908</b>	<b>\$ 1,554</b>	<b>\$ 2,253</b>	FY 2010	FY 2039
47		<b>Subtotal page 4</b>		<b>\$ 320.0</b>	<b>\$ 17,410</b>	<b>\$ 17,730</b>	Not Applicable				
48		1.5% for Administration	N/A	\$ 10	\$ 590	\$ 600				FY 2010	FY 2039
49		<b>Total</b>		<b>\$ 4,546.6</b>	<b>\$ 35,453</b>	<b>\$ 40,000</b>	<b>\$ 2,908</b>	<b>\$ 1,554</b>	<b>\$ 2,253</b>	FY 2010	FY 2039

**Notes:**

- The Exposition Blvd Light Rail Transit project includes the following funds: Prop 1B Transit Modernization funds (\$250 M), State Transportation Improvement Program funds (\$103 M), Metro Propositions A and C funds (\$354 M).
- Systemwide ridership forecasts indicate need for a Regional Connector downtown. This expenditure plan assumes that Metro Long Range Transportation Plan funds freed-up from the Exposition Phase II project by passage of this sales tax will be redirected to the Regional Connector project by the Metro Board.
- Local funding for the Crenshaw Transit Corridor assumes a 3% local contribution (\$44 M) and a Metro Long Range Transportation Plan contribution (\$219 M).
- Local funding target and project schedule to be determined due to potential LAX contribution. First segment is included in the Crenshaw project.
- The San Fernando Valley North-South Rapidways minimum of \$100 M is divided between the East and Canoga segments.
- Unescalated cost estimate to Westwood.
- Assumes a 3% local contribution to the Escalation Allowance (\$225 M) and a Metro Long Range Transportation Plan contribution for project scheduling risk (\$615 M).
- Total new rail and/or bus rapid transit capital projects cost estimate subject to change when cost estimates are developed for the San Fernando Valley I-405 Corridor Connection (line 13) and the West Santa Ana Branch Corridor (line 16).
- The precise amounts of Federal and local funding for the Alameda Corridor East Grade Separations Phase II project are subject to change.
- For projects funded from other sources on or before December 31, 2008, the funds freed-up by passage of this sales tax shall remain in the subregion in which the project is located for projects or programs of regional significance (per AB 2321).
- Amounts are estimates. Actual amounts will be based on percentage of actual sales tax receipts net of administration.
- Local Return to the incorporated cities within Los Angeles County and to Los Angeles County for the unincorporated area of the County on a per capita basis per annual California Department of Finance population data.
- The total project cost estimate for the transit and highway capital projects of \$41.2 B includes \$12.9 B in as yet unidentified federal, state, local, and public-private partnership funds for highway projects.

Legend: Ops = Operations; Tran. Cap. = Transit Capital; SR = State Route; I = Interstate

\* The West Santa Ana Branch matching funds would be accelerated by utilizing Long Range Transportation Plan resources freed-up by the use of new sales tax funds on the Interstate 5 Capacity Enhancement from I-605 to Orange County Line project (line 27).



**Metro**

Metropolitan Transportation Authority

One Gateway Plaza  
Los Angeles, CA 90012-2952213.922.2000 Tel  
metro.net

**REVISED**  
**MEASURE R PROJECT DELIVERY COMMITTEE**  
**OCTOBER 15, 2009**

**SUBJECT: MEASURE R GUIDELINES FOR COUNTYWIDE BUS OPERATIONS, MAINTENANCE AND EXPANSION AND REGIONAL CLEAN FUEL BUS CAPITAL PROGRAM**

**ACTION: APPROVE MEASURE R GUIDELINES FOR COUNTYWIDE BUS OPERATIONS, MAINTENANCE AND EXPANSION AND REGIONAL CLEAN FUEL BUS CAPITAL PROGRAM**

**RECOMMENDATION**

- A. Approve Measure R 20% Guidelines for Countywide bus operations, maintenance and expansion as submitted in Attachment A.
- B. Approve the Measure R Guidelines for regional clean fuel bus capital as submitted in Attachment B.
- C. Approve the allocation and amend the FY10 budget to include \$10 million in Measure R Transit Capital funds for regional clean fuel bus capital as shown in Attachment C.

**ISSUE**

Twenty percent of the Measure R tax is designated for Countywide bus operations, maintenance and expansion. In addition, Measure R sets aside \$150 million for regional clean fuel bus capital projects in Los Angeles County. These Measure R funds are allocated to municipal operators and Los Angeles County Metropolitan Transportation Authority (LACMTA). LACMTA is responsible for management of these programs.

**POLICY IMPLICATIONS**

LACMTA, as the Regional Transportation Planning Entity for Los Angeles County, is responsible for developing policies, planning, programming and allocating transportation funding to Los Angeles County transit operators and LACMTA Operations. These guidelines are developed to allow maximum flexibility to the operators and LACMTA in spending these funds within the constraints of the Measure R legislation and ordinance.

## FINANCIAL IMPACT

The allocation of Measure R 20% Funds to the transit operators and LACMTA in the amount of \$71.2 million was approved by a prior Board action in June 2009. Since the funds will be disbursed in December, funding of \$52.5 million of the total allocation of Measure R 20% Funds are included in the FY10 budget in Non-Departmental cost centers in projects 460056 (Measure R 20% FAP) and 300011 (Metro Subsidies). For the Measure R Regional Clean Fuel Bus Capital Program \$150 million has been programmed, however, no funds have been budgeted in FY10. Approval of recommendation C would allow us to amend the FY10 budget. Since these are multi-year projects, it will be the responsibility of the cost center manager and the Chief Planning Officer for budgeting expenditures in future years.

### Impact to Bus and Rail Operating and Capital Budget

The funding for this project is from Measure R Funds and these funds are eligible for bus operating and capital expenditures, however, they are not eligible for rail operating and capital expenditures.

## BACKGROUND

Measure R is funded by a ½ cent sales tax measure approved by Los Angeles County voters to meet the transportation needs of its residents. The tax measure was approved in November 2008. Collection of the tax began on July 1, 2009. The funds will be available for distribution in the fall of 2009. Twenty percent of the Measure R tax is designated for Countywide bus operations, maintenance and expansion. In addition, Measure R sets aside \$150 million for regional clean fuel bus capital and transit facilities program. All included and eligible municipal operators and LACMTA participating in the Formula Allocation Procedure are eligible to receive these funds.

The Guidelines were developed through a working group consisting of LACMTA staff and thirteen members from agencies who represent the Los Angeles County region, see Attachment D. The Guidelines were presented to and subsequently approved by the Bus Operations Subcommittee (BOS) at its September 2009 meeting.

### **Measure R 20% for Countywide Bus Operations, Maintenance and Expansion**

The purpose of the Measure R 20% program is to improve countywide bus service operations, maintenance and expansion. Every year 20 percent of all net revenues derived from the Measure R tax will be allocated for bus operations to all existing eligible and included municipal transit operators in the County of Los Angeles and to the LACMTA. Funds will be allocated according to the Formula Allocation Procedures (FAP). ~~The Measure R 20% Guidelines include a provision that if the LACMTA Board authorizes the inclusion of additional operators into the FAP, the new operators will be incorporated into the Measure R 20% Guidelines that are in effect at that time. This staff recommended provision has not yet been reviewed and approved by the working group and the BOS.~~ The attached guidelines summarize the funding policies and administrative procedures for the Measure R program.

### **Regional Clean Fuel Bus Capital**

The purpose of the Measure R bus capital program is to construct transit facilities and/or repairs, procure rolling stock and fund related components. A total of \$150 million is set aside for the total life of the Measure R program to cover LACMTA and municipal regional clean fuel bus capital facilities and rolling stock. Funds will be allocated among the included and eligible municipal operators according to the shares calculated by the Capital Allocation Procedure (CAP). In the financial model of the Long Range Plan staff is proposing to allocate \$10 million every other year beginning in 2010 up to \$150 million over 30 years. The guidelines summarize the funding policies and administrative procedures for the Measure R capital program. ~~The Measure R Clean Fuel Bus Capital Guidelines include a provision that if the LACMTA Board authorizes the inclusion of additional operators into the CAP, the new operators will be incorporated into the Measure R Clean Fuel Bus Capital Guidelines that are in effect at that time. This staff recommended provision has not yet been reviewed and approved by the working group and the BOS.~~ The attached guidelines summarize the funding policies and administrative procedures for the Measure R program.

~~We have received comments from municipal transit operators regarding both sets of Guidelines discussed above indicating that wording should be added that if new operators are added into the FAP and Measure R funding, there would be mitigation funding to hold existing operators, including Metro, whole, and that this is what has been done historically. We have not incorporated this language in the Guidelines because this would require us to spend other Metro funds which could be needed for other purposes.~~

### **NEXT STEPS**

The Memorandum of Understanding (MOU) for both programs have been developed and approved by the working group and the BOS. They are currently being reviewed internally. After the Board of Directors adopts the guidelines, we expect to execute the MOUs within about a month. We should be able to disburse the funds by December 2009.

## ATTACHMENTS

- A. Proposed Measure R 20% Guidelines for Countywide Bus Operations, Maintenance and Expansion.
- B. Proposed Measure R Guidelines for LACMTA and municipal operators' clean fuel bus capital.
- C. Measure R \$150 million clean fuel bus capital funding allocation Estimate for FY 2010.
- D. Municipal Operators Working Group Members

Prepared by:

Rufus E. Cayetano/Parvaneh Ahmadi, Transportation Planning Managers,  
Local Programming

Nalini Ahuja, Director of Local Programming

*Carol Inge*

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Carol Inge  
Chief Planning Officer  
Countywide Planning and Development

*Arthur T. Leahy*

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Arthur T. Leahy  
Chief Executive Officer

**MEMORANDUM OF UNDERSTANDING  
TO ALLOCATE  
MEASURE R 20% BUS OPERATION FUNDS**

This Memorandum of Understanding ("MOU") is entered into as of July 1, 2015, by and between the Los Angeles County Metropolitan Transportation Authority ("LACMTA") and \_\_\_\_\_ ("GRANTEE").

WHEREAS, on November 4, 2008, the voters of the County of Los Angeles approved Measure R, an ordinance establishing a one-half percent sales tax (the "FUNDS") for better public transportation and quality of life purposes; and

WHEREAS, the LACMTA, is the agency responsible for administering the tax; and

WHEREAS, LACMTA and GRANTEE desire to agree to the terms and conditions of the grant of FUNDS from the Measure R 20% Bus Operation Program ("Program").

NOW THEREFORE, in consideration of the mutual term and conditions contained herein, LACMTA and GRANTEE hereby agree as follows:

**ARTICLE 1 - TERM**

- 1.1. This MOU will be in effect from July 1, 2015 through June 30, 2025, unless terminated earlier as provided herein.

**ARTICLE 2 – ALLOCATION OF MEASURE R FUNDS AND INVOICE PROCEDURE**

- 2.1. Each fiscal year, to the extent the FUNDS are available, LACMTA staff, in coordination with the Eligible/Included Operators, will develop funding marks for the Program to be funded that fiscal year (the "Annual Funding Marks"). The Annual Funding Marks will describe GRANTEE's share of the FUNDS for the Program that fiscal year. GRANTEE shall have the opportunity to review and comment on the applicable Annual Funding Marks prior to LACMTA staff submitting the Annual Funding Marks to the LACMTA Board for approval. Attached as Exhibit A are the FY 2016 Annual Funding Marks which includes GRANTEE's share of the Program, which have been approved by the LACMTA Board.
- 2.2. For each fiscal year covered by this MOU, GRANTEE hereby directs LACMTA to allocate to GRANTEE its share of the Program FUNDS pursuant to the applicable Annual Funding Marks for that fiscal year as approved by the MTA Board. If LACMTA staff, in coordination with the Eligible/Included Operators, develops a mid-year reallocation of any Annual Funding Marks for the Program that is approved by the LACMTA Board, GRANTEE hereby directs and authorizes LACMTA to make such mid-year adjustments to its Annual Funding Marks, as approved by the LACMTA Board, if applicable.

- 2.3. Each fiscal year, GRANTEE shall send LACMTA one invoice for an amount consistent with the amount shown on the applicable Annual Funding Marks. LACMTA shall not be obligated to forward the Program FUNDS to GRANTEE until it receives an invoice and the annual Improvement Plan as described in the GUIDELINES as defined in Section 3.1 below. LACMTA shall make payments to GRANTEE in equal 1/12 portion of GRANTEE's annual allocation on a monthly basis, unless otherwise agreed to in writing by the parties.

#### ARTICLE 3 - USE OF FUNDS

- 3.1. GRANTEE shall utilize the Program FUNDS in accordance with the LACMTA Measure R 20% Bus Operations Guidelines (the "GUIDELINES") (as adopted by LACMTA on October 22, 2009) and the annual Improvement Plan.
- 3.2. GRANTEE shall not use the Program FUNDS to substitute for any other funds, service, or project except as otherwise specifically provided for herein or in the GUIDELINES.
- 3.3. GRANTEE may reserve or carry-over its allocation to the next fiscal year; however the Program FUNDS will retain their original year of allocation for the purpose of applying the lapsing requirement set forth in the GUIDELINES.

#### ARTICLE 4 – AUDIT AND REPORTING REQUIREMENTS

- 4.1. Grantee shall meet its audit obligations set forth in the GUIDELINES. Each fiscal year, LACMTA or its designee shall have the right to conduct its own financial and compliance audit(s) of the Program. GRANTEE agrees to establish and maintain proper accounting procedures and cash management records and documents in accordance with conditions defined by this MOU. GRANTEE shall maintain financial records for three (3) years after the end of the fiscal year within which the Program FUNDS were dispersed. LACMTA may audit as provided herein up to three years after the end of the fiscal year within which the Program FUNDS were dispersed.
- 4.2. GRANTEE shall comply with all Federal National Transit Database reporting requirements and shall annually submit a completed copy of said report to LACMTA.
- 4.3. By November 30th of each year, the GRANTEE shall submit to the LACMTA a completed TPM form which separately reports all service funded with the Program FUNDS.
- 4.4. By December 30 of each year, the GRANTEE shall submit to the LACMTA an annual financial audit report which identifies the use of the Program FUNDS for transit operations purposes as outlined in the GUIDELINES.
- 4.5. GRANTEE will provide an annual report to LACMTA describing how uses of the Program FUNDS are contributing to accomplishing the Program objectives. LACMTA will compile GRANTEE's annual report into a regional annual Measure R 20% Program update for the LACMTA Board. All service funded with the Program FUNDS will be included in the Formula Allocation Procedure (FAP), and reported separately on the Transportation

Performance Measurement forms. The Program FUNDS may be used to supplement existing state, federal and local transit funds in order to maintain the provision of the existing transit services in the event of a current or projected funding shortfall. Program FUNDS used for expansion may only be included in the FAP if there is an overall service level increase (as evidenced in the National Transit Database Report).

#### ARTICLE 5 - MISCELLANEOUS

- 5.1. Each grant given pursuant to an Annual Funding Mark shall be subject to the terms and conditions agreed to herein and in the GUIDELINES. Notwithstanding the term of this MOU, each grant does not imply nor obligate any future funding commitment on the part of the LACMTA.
- 5.2. GRANTEE understands and agrees that in programming the Program FUNDS and entering into this MOU, LACMTA is acting pursuant to its statutory authority and shall have no liability in connection with the use of these Program FUNDS for public transit purposes. GRANTEE shall fully indemnify, defend and hold the LACMTA, its directors, officers, employees and agents harmless from and against any liability and expenses, including without limitation, defense costs, any costs or liability on account of bodily injury, death or personal injury of any person or for damage to or loss of risk of property, any environmental obligation, legal fees and any claims for damages of any nature whatsoever arising out of (i) breach of GRANTEE's obligations under this MOU; (ii) use of the Program FUNDS by GRANTEE or its officers, agents, employees or subcontractors; (iii) any act or omission of the GRANTEE or its officers, agents, employees or subcontractors in the performance and/or provision of the services funded under the Program.
- 5.3. GRANTEE agrees to comply with all applicable local, state and federal laws and regulations in the provision of public transit services and any services funded under the Program. Grantee shall comply with the GUIDELINES.
- 5.4. The LACMTA reserves the right to terminate this MOU and withhold the Program FUNDS if it is determined that the GRANTEE has not complied with all the terms and conditions contained herein or in the GUIDELINES. Any withholding of Program FUNDS or termination of the MOU is subject to the 2/3 vote of LACMTA Board.
- 5.5. No amendment or modification to this MOU shall be binding upon either party unless such amendment or modification is in writing duly executed by both parties. This MOU shall not be amended or modified by any acts or conduct of the parties.
- 5.6. GRANTEE is not a contractor, agent or employee of the LACMTA. GRANTEE shall not represent itself as a contractor, agent or employee of the LACMTA and shall have no power to bind the LACMTA in contract or otherwise.
- 5.7. This MOU constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous agreements and understandings.



IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be duly executed as of the dates below with all the formalities required by law.

GRANTEE

LOS ANGELES COUNTY  
METROPOLITAN TRANSPORTATION  
AUTHORITY

BY: \_\_\_\_\_

BY: \_\_\_\_\_

Phillip A. Washington  
Chief Executive Officer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved As To Form:

APPROVED AS TO FORM:

By: \_\_\_\_\_

MARY C. WICKHAM  
Interim County Counsel

Date: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

**MEASURE R 20% PROGRAM GUIDELINES FOR BUS OPERATIONS  
(Countywide Bus Service Operations, Maintenance and Expansion)**

**INTRODUCTION**

Measure R was approved by the voters of California (Los Angeles County) on November 4, 2008 to relieve traffic and expand rail in Los Angeles County consistent with the Measure R Expenditure Plan (Attachment A). These guidelines summarize the funding policies and administrative procedures for the Measure R 20% Program for the Los Angeles County Metropolitan Transportation Authority (LACMTA) and Municipal Operators.

**PROGRAM OBJECTIVES**

The purpose of the Measure R 20% program is to improve countywide bus service operations, maintenance, and expansion. The program is flexible to allow each operator to determine how best to accomplish making public transportation more convenient and affordable, and improve quality of life.

**PROGRAM AMOUNT AND ALLOCATION PERIOD**

This is a thirty year (30 year) program, beginning in FY 2010. Every year LACMTA shall allocate 20 percent of all net revenues derived from the tax for bus operations to all existing eligible and included municipal transit operators in the County of Los Angeles and to the LACMTA.

**ALLOCATION METHODOLOGY**

Funds will be allocated among the included and eligible municipal operators according to the shares calculated by the Formula Allocation Procedure (FAP) for the year in which funds are allocated. The allocations to the LACMTA and eligible and included municipal operators for this program shall be made solely from revenues derived from the Measure R 20% funds, and not from other local discretionary sources. ~~If the LACMTA Board authorizes the inclusion of additional operators into the FAP, the new operators will be incorporated into the Measure R 20% Guidelines that are in effect at that time.~~

**ELIGIBLE RECIPIENTS**

All included and eligible municipal operators and LACMTA participating in the FAP are eligible to receive these funds. Eligible recipients are those operators that were in existence when the Measure R program was approved by the voters of California (Los Angeles County) and include the following:

City of Arcadia

City of Claremont  
City of Commerce  
City of Culver City  
Foothill Transit  
City of Gardena  
City of La Mirada  
Long Beach Transit  
City of Montebello  
City of Norwalk  
City of Redondo Beach  
City of Santa Monica  
City of Torrance  
Antelope Valley Transit Authority  
City of Santa Clarita  
Los Angeles Department of Transportation  
Los Angeles County Metropolitan Transportation Authority - Operations

### **ELIGIBLE PROJECTS**

Eligible operating expenses include bus operations for countywide bus service operations, maintenance, and expansion and any other operating expenses that will contribute to meet the above program purpose and/or objectives.

### **MAINTENANCE OF EFFORT**

Assembly Bill No. 2321 states that funds allocated by LACMTA to eligible and included municipal operators shall be used for transit operations and shall not supplant any funds authorized by other provisions of law and allocated by LACMTA to the eligible and included municipal operators for public transit. In addition to implementing new transit services and programs, eligible recipients may use Measure R 20% funds to supplement existing state, federal and local transit funds in order to maintain the provision of the existing transit services in the event of a current or projected funding shortfall. LACMTA staff reserves the right to request appropriate documentation from eligible recipients to support the existence of a funding shortfall.

For LACMTA, Assembly Bill No. 2321 states that funds allocated by LACMTA to itself pursuant to this section shall be used for transit operations and shall not supplant funds from any other source allocated by LACMTA to itself for public transit operations. (See Attachment B - Assembly Bill No. 2321). For LACMTA, per Metro Board direction, Measure R operating funds should be used to improve or expand transit service. This provision of Maintenance of Effort would also be subject to any future Board direction.

### **FUND DISBURSEMENT**

Funds will be disbursed after a memorandum of understanding (MOU) between the operator and the LACMTA has been executed and the operator has submitted to LACMTA a Measure R 20%

Improvement Plan showing the assignment of that fiscal year's funds. The Measure R 20% Improvement Plan should include a description of how these funds will be spent. The plan should explain how these services will meet the program objective and benefit transit users. The Measure R 20% Improvement Plan may be amended by the operator in coordination with the LACMTA. Funds for operating purposes will be disbursed monthly in equal portions of an operator's allocation once an invoice for the annual allocation amount is received from that operator.

All interest accrued on the Measure R 20% bus operations fund will be re-allocated annually through the FAP and according to these guidelines.

### **RESERVE/CARRY-OVER REQUIREMENTS**

An operator may reserve or carry-over its allocation to the next fiscal year; however the funds will retain their original year of allocation for the purpose of applying the lapsing requirement.

An operator may assign its funds for a given fiscal year to another operator that is able to use them according to the program, purpose, and objectives and within the lapsing requirement timeframe. Fund trade will not be allowed using Measure R 20% funds.

### **LAPSING REQUIREMENT**

Given the objective of the program to improve transit service, operators are encouraged to spend these funds in a timely manner.

Operators have three years, which is the year of allocation plus two years, to spend the funds allocated through this program. LACMTA staff may grant extensions on a case-by-case basis, accompanied by adequate documentation of justification of the need for extension request. The appeal of any lapsing funds will be reviewed in consultation with the Bus Operations Subcommittee (BOS) and subject to LACMTA's Board discretion, with any lapsed funds reverting back to the Measure R 20% fund for reallocation to the eligible recipients.

### **REPORTING REQUIREMENTS**

Operators will provide an annual report to LACMTA describing how uses of Measure R 20% funds are contributing to accomplishing the program objectives. LACMTA will compile the operators' annual reports into a regional annual Measure R 20% Program update for the LACMTA Board. All service funded with Measure R 20% Bus Operations proceeds will be included in the FAP, and reported separately on the Transportation Performance Measurement forms. Measure R Funds may be used to supplement existing state, federal and local transit funds in order to maintain the provision of the existing transit services in the event of a current or projected funding shortfall. Measure R 20% Funds used for expansion may only be included in the FAP if there is an overall service level increase (as evidenced in the National Transit Database Report).

The Measure R 20% Program Guidelines for Bus Operations will be in effect until the end of FY 2014, at which time the BOS and LACMTA Board will review, revise and approve the guidelines as necessary.

**FOOTHILL MITIGATION**

Measure R 20% Services will not be included in the Foothill Mitigation Calculation.

**AUDIT/REPORTING REQUIREMENTS**

Use of these funds will be audited as part of the annual audit of each municipal operator. Those operators that perform their own audit shall consult with LACMTA for a scope of work, which covers the Measure R 20% audit requirement. Operators will retain all documents and records related to this program and the use of funds for a period of three years after the year in which the funds are expended.

**Measure R Signage/Logo**

All operators will display logo indicating that each project was funded using Measure R funds. Examples may include websites, car cards, schedules, other promotions and marketing material. This will be left to the discretion of each operator.

**Note:**

The following attachments are not included here, but will be included in the Measure R Guidelines package, and are available upon request.

Attachment A – Measure R Expenditure Plan

Attachment B – Assembly Bill No. 2321

**MEASURE R PROGRAM GUIDELINES  
FOR LACMTA AND MUNICIPAL OPERATORS  
REGIONAL CLEAN FUEL BUS CAPITAL (Transit Facilities and Rolling Stock)**

**INTRODUCTION**

Measure R was approved by the voters of California (Los Angeles County) on November 4, 2008 to relieve traffic and expand rail in Los Angeles County consistent with the Measure R Expenditure Plan (Attachment A). These guidelines summarize the funding policies and administrative procedures for Measure R for the Los Angeles County Metropolitan Transportation Authority (LACMTA) and Municipal Operators regional clean fuel bus capital program.

**PROGRAM OBJECTIVES**

The purpose of the Measure R Bus Capital program is to construct and/or repair transit facilities, procure rolling stock and fund related components in Los Angeles County. The program is flexible to allow each operator to determine how best to accomplish making public transportation more convenient and affordable, and improve quality of life.

**PROGRAM AMOUNT AND ALLOCATION PERIOD**

This is a thirty year (30 year) program, beginning in FY 2010. A total of \$150 million is set aside for the total life of the Measure R program to cover LACMTA and Municipal Operators regional clean fuel bus capital facilities and rolling stock.

**ALLOCATION METHODOLOGY**

Funds will be allocated among the included and eligible municipal operators according to the shares calculated by the Capital Allocation Procedure (CAP) for the year in which funds are allocated. ~~If the LACMTA Board authorizes the inclusion of additional operators into the CAP, the new operators will be incorporated into the Measure R Clean Fuel Bus Capital Guidelines that are in effect at that time.~~

**ELIGIBLE RECIPIENTS**

All included and eligible municipal operators and LACMTA participating in the formula allocation program are eligible to receive these funds. Eligible recipients are those operators that were in existence when the Measure R program was approved by the voters of California (Los Angeles County) and include the following:

City of Arcadia  
City of Claremont  
City of Commerce

City of Culver City  
Foothill Transit  
City of Gardena  
City of La Mirada  
Long Beach Transit  
City of Montebello  
City of Norwalk  
City of Redondo Beach  
City of Santa Monica  
City of Torrance  
Antelope Valley Transit Authority  
City of Santa Clarita  
Los Angeles Department of Transportation  
Los Angeles County Metropolitan Transportation Authority

### **ELIGIBLE PROJECTS**

Measure R sets aside \$150 million to be used exclusively by LACMTA and Municipal Operators for clean fuel bus capital. These funds can be used for cost associated with transit facilities construction and/or repairs, procurement of rolling stock and related components.

Funds of \$10 million, once approved by the LACMTA Board, will be allocated beginning FY 2010. It is anticipated that the LACMTA Board will allocate \$10 million every other year thereafter up to an amount of \$150 million over 30 years for disbursement to municipal operators and LACMTA following procedures established herein.

### **FUND DISBURSEMENT**

Funds will be disbursed after an MOU between the operator and the LACMTA has been executed and the operator has submitted to LACMTA a Capital Expenditure Program. The Expenditure Program should describe the project cost, schedule, milestone and the project benefit. Funds for capital purposes will be disbursed once an operator has submitted an invoice for such needed funds in anticipation of project costs. (Attachment B – Operator Capital Expenditure Program).

All interest accrued on the Measure R funds designated for Clean Fuel Bus Capital related expenses will be re-allocated annually through the Capital Allocation Procedure (CAP) and according to these guidelines.

### **RESERVE/CARRY-OVER REQUIREMENTS**

An operator may reserve or carry-over its allocation to the next fiscal year; however the funds will retain their original year of allocation for the purpose of applying the lapsing requirement.

An operator may assign its funds for a given fiscal year to another operator that is able to use them according to the program, purpose, and objectives and within the lapsing requirement



timeframe. Bonding is allowed and bond proceeds shall be used for eligible projects under this program. Fund trade will not be allowed using Measure R Clean Fuel Bus Capital funds.

### **LAPSING REQUIREMENT**

Given the objective of the program to improve transit service, operators are encouraged to spend these funds in a timely manner.

Operators have five (5) years, which is the year of allocation plus four (4) years, to spend the funds allocated through this program. LACMTA staff may grant extensions on a case-by-case basis, accompanied by adequate documentation of justification of the need for extension request. The appeal of any lapsing funds will be reviewed in consultation with the Bus Operations Subcommittee (BOS) and subject to LACMTA's Board discretion, with any lapsed funds reverting back to the Measure R Clean Fuel Bus Capital fund.

### **REPORTING REQUIREMENTS**

Operators will provide an annual report to LACMTA describing how uses of Measure R funds are contributing to accomplishing the program objectives. The annual report should include the Operator Expenditure Program describing the project's progress and estimated completion date. LACMTA will compile the operators' annual reports into a regional annual Measure R Program update for the LACMTA Board.

### **AUDIT/REPORTING REQUIREMENTS**

Use of these funds will be audited as part of the annual audit of each municipal operator. Those operators that perform their own audit shall consult with LACMTA for a scope of work, which covers the Measure R audit requirement. Operators will retain all documents and records related to this program and the use of funds for a period of three years after the year in which the funds are expended. Funds used for capital purposes should be reported in the Short Range Transit Plan.

### **Measure R Signage/Logo**

All operators will display logo indicating that each capital project was funded using Measure R funds. Examples may include websites, car cards, schedules, other promotions and marketing material. This will be left to the discretion of each operator.

**Note:**

The following attachments are not included here, but will be included in the Measure R Guidelines package, and are available upon request.

Attachment A – Measure R Expenditure Plan

Attachment B – Operator Capital Expenditure Program

**LACMTA****Measure R Clean Fuel Bus Capital Facilities and Rolling Stock Fund  
FISCAL YEAR 2010**

OPERATOR	Federal Section 5307 Capital Allocation	Allocation Amount
	FORMULA SHARE	
ANTELOPE VALLEY	1.4440%	\$ 144,399
ARCADIA	0.1241%	12,411
CLAREMONT	0.0495%	4,947
COMMERCE	0.1909%	19,092
CULVER CITY	1.0879%	108,793
FOOTHILL	6.7186%	671,856
GARDENA	1.1282%	112,822
LADOT	2.8937%	289,368
LA MIRADA	0.0797%	7,974
LONG BEACH	5.4113%	541,130
MONTEBELLO	1.9536%	195,355
METRO OPERATIONS	70.6502%	7,065,017
NORWALK	0.7456%	74,555
REDONDO BEACH	0.2185%	21,846
SANTA CLARITA	1.5881%	158,807
SANTA MONICA	4.2005%	420,046
TORRANCE	1.5158%	151,581
<b>TOTAL</b>	<b>100.0000%</b>	<b>\$ 10,000,000</b>

Municipal Operators Measure R Working Group  
for  
Countywide Bus Service Operations, Maintenance, and Expansion  
and  
Municipal Regional Clean Fuel Bus Capital Facilities and Rolling Stock

Name	Agency
Susan Lipman	City of Santa Clarita
Linda Hui	City of Arcadia
Corinne Ralph	Los Angeles Department of Transportation
David Feinberg	City of Santa Monica
Jim Mills	City of Torrance
David Reyno	Foothill Transit
Steve Fox	Metro
Bob Hildebrand	City of Gardena
Joseph Loh	City of Gardena
Dana Lee	Long Beach Transit
Kim Hemperly	Antelope Valley Transit Authority
John Fong	Los Angeles Department of Transportation
Jasmine Chilingarian	City of Montebello

**MEMORANDUM OF UNDERSTANDING  
TO ALLOCATE MEASURE R FUNDS  
TO  
MUNICIPAL OPERATORS FOR REGIONAL CLEAN FUEL BUS CAPITAL  
FACILITIES AND ROLLING STOCK PROGRAM**

This Memorandum of Understanding (“MOU”) is entered into as of July 1, 2020, by and between the Los Angeles County Metropolitan Transportation Authority (“LACMTA”) and \_\_\_\_\_ (“GRANTEE”).

WHEREAS, on November 4, 2008, the voters of the County of Los Angeles approved Measure R, an ordinance establishing a one-half percent sales tax (the “FUNDS”) for better public transportation and quality of life purposes; and

WHEREAS, on November 4, 2008, the voters of the County of Los Angeles approved Measure R’s Expenditure Plan which outlines how the FUNDS are to be spent;

WHEREAS, the Measure R term is for a thirty (30) year period and is estimated to generate a total of approximately \$40 billion over the 30-year term;

WHEREAS, the voter approved Expenditure Plan includes an estimated \$150 million for the LACMTA and Municipal Regional Clean Fuel Bus Capital Facilities and Rolling Stock Program (the “Program”);

WHEREAS, LACMTA, is the agency responsible for administering the tax; and

WHEREAS, on October 22, 2009, the LACMTA Board approved funding of \$10 million beginning in FY 2010 and thereafter \$10 million every other year for a not to exceed amount of \$150 million for the Program;

WHEREAS, allocations to eligible recipients of Program FUNDS will be authorized by the LACMTA Board using the Formula Allocation Procedures;

WHEREAS, on October 22, 2009, the LACMTA Board approved the Measure R Program Guidelines for LACMTA and Municipal Operators’ Regional Clean Fuel Bus Capital (Transit Facilities and Rolling Stock) (the “GUIDELINES”);

WHEREAS, LACMTA and GRANTEE desire to agree to the terms and conditions of the grant of Program FUNDS described herein.

NOW THEREFORE, in consideration of the mutual term and conditions contained herein, LACMTA and GRANTEE hereby agree as follows:

ARTICLE 1 - TERM

- 1.1. This MOU will be in effect from July 1, 2020, through June 30, 2030, unless terminated earlier as provided herein.

ARTICLE 2 – PAYMENT OF MEASURE R FUNDS AND INVOICE PROCEDURE

- 2.1. To the extent the FUNDS are available, LACMTA staff, in coordination with the Eligible/Included Operators will develop funding marks for the Program to be funded in the applicable fiscal year (the “Annual Funding Marks”). The Annual Funding Marks will describe GRANTEE’s share of FUNDS from the Program that fiscal year. GRANTEE shall have the opportunity to review and comment on the applicable Annual Funding Marks prior to LACMTA staff submitting the Annual Funding Marks to the LACMTA Board for approval. Attached as Exhibit A are the FY 2020 Annual Funding Marks which includes GRANTEE’s share of the Program, which have been approved by the LACMTA Board.
- 2.2. For each fiscal year covered by this MOU, GRANTEE hereby directs LACMTA to allocate to GRANTEE its share of the Program FUNDS pursuant to the applicable Annual Funding Marks for that fiscal year as approved by the LACMTA Board. If LACMTA staff, in coordination with the Eligible/Included Operators, develops a mid-year reallocation of any Annual Funding Marks for the Program that is approved by the LACMTA Board, GRANTEE hereby directs and authorizes LACMTA to make such mid-year adjustments to its Annual Funding Marks, as approved by the LACMTA Board.
- 2.3. For the applicable fiscal year, GRANTEE shall send LACMTA an invoice for eligible expense under the Program as set forth in the GUIDELINES. LACMTA shall not be obligated to disburse the Program FUNDS to the GRANTEE until (i) this MOU has been executed, (ii) an Expenditure Plan as described in the GUIDELINES has been submitted, and (iii) GRANTEE has submitted to LACMTA an invoice for the applicable fiscal year funding mark. The Expenditure Plan and invoice must demonstrate that the Program FUNDS are being used to purchase clean fuels buses and for facilities in accordance with the GUIDELINES. LACMTA shall disburse Program FUNDS within 30 days of receipt of invoices with adequate backup documentation.

ARTICLE 3 - USE OF FUNDS

- 3.1 GRANTEE must submit an Expenditure Plan, which describes each project’s cost, schedule, milestones and benefits.
- 3.2 GRANTEE shall utilize the Program FUNDS in accordance with Program GUIDELINES and GRANTEE’s Expenditure Plan.
- 3.3 GRANTEE may reserve or carry-over its allocation to the next fiscal year;

However, the Program FUNDS will retain their original year of allocation for the purpose of applying the lapsing requirement.

- 3.4 GRANTEE has five years, which is the year of allocation plus four years, to spend the Program FUNDS. LACMTA staff may grant extensions on a case-by-case basis, accompanied by adequate documentation of justification of the need for extension request.

#### ARTICLE 4 - AUDIT AND REPORTING REQUIREMENTS

- 4.1 GRANTEE shall meet its audit obligations set forth in the GUIDELINES. For each fiscal year GRANTEE receives Program FUNDS, LACMTA or its designee shall have the right to conduct its own financial and compliance audit of the Program. GRANTEE agrees to establish and maintain proper accounting procedures and cash management records and documents in accordance with conditions defined by this MOU. GRANTEE shall maintain all documents and records related to the Program and the use of the Program FUNDS for three (3) years after the end of the fiscal year in which the Program FUNDS were expended. LACMTA may audit, as provided, herein, up to three (3) years after the end of the fiscal year in which the Program FUNDS were expended.
- 4.2 By December 30 of each year, GRANTEE shall submit to LACMTA an annual financial audit report which identifies the use of the Program FUNDS for Regional Clean Fuel Bus Capital purposes, GRANTEE's progress and the project's estimated completion date.
- 4.3 GRANTEE will provide an annual report to LACMTA describing how uses of The Program FUNDS are contributing to accomplishing the Program objectives. The annual report should include the GRANTEE Expenditure Plan describing each project's progress and estimated completion date. LACMTA will compile the GRANTEE's annual report into a regional annual Measure R Program update for the LACMTA Board.

#### ARTICLE 5 – MISCELLANEOUS

- 5.1 Each grant given pursuant to an Annual Funding Mark shall be subject to the terms and conditions agreed to herein and in the GUIDELINES. Notwithstanding the term of this MOU, each grant does not imply nor obligate any future funding commitment on the part of the LACMTA.
- 5.2 GRANTEE understands and agrees that in programming and granting the Program FUNDS and entering into this MOU, LACMTA is acting pursuant to its statutory authority and shall have no liability in connection with the use of these Program FUNDS for public transit purposes or the projects or services funded with the Program FUNDS. GRANTEE shall fully indemnify, defend and hold LACMTA, its directors, officers, employee and agents harmless from and against

any liability and expenses, including without limitation, defense costs, any costs or liability on account of bodily injury, death or personal injury of any person or for damage to or loss of risk of property, any environmental obligation, legal fees and any claims for damages of any nature whatsoever arising out of GRANTEE's use of the Program FUNDS including without limitation (i) breach of GRANTEE's obligations under this MOU; (ii) use of the Program FUNDS by GRANTEE or its officers, agents, employees or subcontractors; (iii) any act or omission of GRANTEE or its officers, agents, employees, contractors or subcontractors in the performance and/or provision of any service or capital improvement.

- 5.3 GRANTEE shall comply with all applicable local, state and federal laws and regulations in the use of the Program FUNDS. GRANTEE shall comply with the GUIDELINES.
- 5.4 LACMTA reserves the right to terminate this MOU and withhold the Program FUNDS if it is determined that GRANTEE has not complied with all the terms and conditions contained herein. Any withholding of Program FUNDS or termination of the MOU is subject to the 2/3 vote of LACMTA Board.
- 5.5 No amendment or modification to this MOU shall be binding upon either party unless such amendment or modification is in writing duly executed by both parties. This MOU shall not be amended or modified by any acts or conduct of the parties.
- 5.6 GRANTEE is not a contractor, agent or employee of LACMTA. GRANTEE shall not represent itself as a contractor, agent or employee of LACMTA and shall have no power to bind LACMTA in contract or otherwise.
- 5.7 This MOU constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous agreements and understandings.



IN WITNESS WHEREOF, the parties hereto have caused this MOU to be duly executed as of the dates below with all the formalities required by law.

GRANTEE

LOS ANGELES COUNTY  
METROPOLITAN TRANSPORTATION  
AUTHORITY

By: \_\_\_\_\_

By: \_\_\_\_\_

Stephanie N. Wiggins  
Chief Executive Officer

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

APPROVED AS TO FORM:

By: \_\_\_\_\_

RODRIGO A. CASTRO-SILVA  
County Counsel

Title: \_\_\_\_\_

By: \_\_\_\_\_

Deputy

Date: \_\_\_\_\_

Date: \_\_\_\_\_



**Metro**

Metropolitan Transportation Authority

One Gateway Plaza  
Los Angeles, CA 90012-2952

213.922.2000 Tel  
metro.net

**MEASURE R PROJECT DELIVERY COMMITTEE MEETING  
OCTOBER 15, 2009**

**SUBJECT: MEASURE R LOCAL RETURN PROGRAM GUIDELINES**

**ACTION: APPROVE MEASURE R LOCAL RETURN PROGRAM GUIDELINES**

**RECOMMENDATION**

Approve the Measure R Local Return (LR) Guidelines as submitted in Attachment A.

**ISSUE**

Fifteen percent of the Measure R tax is designated for the Measure R LR Program to be used by cities and the county. The Los Angeles County Metropolitan Transportation Authority (LACMTA), as the agency responsible for management of the program, has worked with the cities and the county to develop the LR Guidelines which require LACMTA Board approval.

**BACKGROUND**

Measure R is funded by a ½ cent sales tax measure approved by Los Angeles County voters to meet the transportation needs of its residents. The tax measure was approved in November 2008. Collection of the tax began on July 1, 2009. The funds will be available for distribution in the fall of 2009. Fifteen percent of the Measure R tax is designated for the Local Return Program to be used by cities and the county, see Attachment B for jurisdiction funding estimates.

The Local Return Guidelines were developed through a working group consisting of LACMTA staff and thirteen members from agencies who represent the Los Angeles County region, see Attachment C. The working group met eight times to review the Measure R Assembly Bill, The Measure R Ordinance, the Measure R Ballot, as well as, Proposition 1B, the California Constitution Article 19, and the Guidelines Relating to Gas Tax Expenditures as they relate to LR Measure R issues. The working group has emphasized that the Guidelines allow maximum flexibility for project eligibility.

The Draft Guidelines were distributed to the Council of Governments (COGs) for all affected areas, and were presented to the Local Transit Systems Subcommittee, Bus Operations Subcommittee, Streets & Freeways and Technical Advisory Committee

(TAC) meetings. The Draft Guidelines were approved by TAC in their September 2009 meeting.

The Measure R LR Guidelines were developed to provide a more flexible program where it would be easier for the cities to use the funds, but ensure that the requirements of the ordinance are met. The eligible project uses are condensed to nine categories: 1) Streets and Roads, 2) Traffic Control Measures, 3) Bikeways and Pedestrian Improvements, 4) Public Transit Services, 5) Public Transit Capital, 6) Transportation Marketing, 7) Planning, Engineering and/or Study, CMP, 8) Transportation Administration, and 9) Local Funding Contributions.

Some highlighted key policy elements of the Guidelines include: less restrictive uses on streets and roads as well as bikeways and pedestrian projects; promotes sustainability and encourages jurisdictions to coordinate their projects multi-jurisdictionally for signal synchronization, arterials, highway corridors, transit and rail stations. Administratively, cities have less reporting requirements, relaxed lapsing requirements, and an easier fund reserve process. Currently, cities can email and download forms and requests. We are also developing an online submittal and approval process through our webpage for even easier access.

### NEXT STEPS

Once the Board adopts the guidelines as recommended we will print and distribute the guidelines. The Assurances and Understandings agreement will be sent to all jurisdictions. When a jurisdiction returns a signed agreement, accounts payable will set up an electronic payment process to begin the distribution of the funds. We will hold a training workshop for the jurisdictions to discuss guideline requirements in the fall of 2009.

### ATTACHMENTS

- A. Proposed Measure R Local Return Guidelines for FY 2009-10 Board approval
- B. Measure R Local Return Estimates for FY10 and FY11.
- C. Working Group List

Prepared by:

Susan Richan, Transportation Planning Manager, Local Programming  
Nalini Ahuja, Director of Local Programming

*Carol Inge*

---

Carol Inge  
Chief Planning Officer  
Countywide Planning and Development

*Arthur T. Leahy*

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Arthur T. Leahy  
Chief Executive Officer

# Measure R Local Return Guidelines



**Metro**

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## Measure R Local Return

### A. POLICY

#### I. PROGRAM SUMMARY

Measure R is funded with 1/2-cent sales tax revenues that Los Angeles County voters approved in November 2008 to meet the transportation needs of Los Angeles County. Collection of the tax began on July 1, 2009. Fifteen percent (15%) of the Measure R tax is designated for the Local Return (“LR”) Program to be used by cities and the County of Los Angeles (“Jurisdictions”). The Los Angeles County Metropolitan Transportation Authority (“LACMTA”) allocates and distributes LR funds monthly to Jurisdictions on a per capita basis.

The Measure R Ordinance specifies that LR funds are to be used for transportation purposes. No net revenues distributed to Jurisdictions may be used for purposes other than transportation purposes. The Measure R Ordinance directs LACMTA to develop LR Guidelines, including administrative requirements. The projects included in herein further define those transportation purposes for which Measure R LR revenues may be used.

To maximize the transportation funding benefit for the region, a “Coordinated Approach” and “Sustainability” are encouraged. Jurisdictions are encouraged to apply their Measure R LR funds towards multi-jurisdictional projects, specifically projects that support other Measure R rail, bus and highway corridor projects. Examples of projects where multi-jurisdictional coordination can be achieved are located in the Coordination Approach Section. Coordination efforts will result in incentive benefits for Jurisdictions as listed in the Coordination Incentive Section. Projects that show Sustainability, or green measures, are listed in the Sustainability Section.

#### II. MEASURE R USES AND CONDITIONS FOR PROJECT ELIGIBILITY

Following are listings of eligible projects for which Measure R LR funds can be used:

1. Streets and Roads. Planning, right of way acquisition, engineering, administration, construction, improvement, maintenance, and operation of public streets and roads, highways and exclusive public mass transit guide ways, and their related public facilities for non-motorized traffic, including the mitigation of their environmental effects, all costs associated with property acquisition for such purposes.

Streets and Roads improvements may consist of, but are not limited to, the following:

- Repair and maintenance of public roadways, pavement maintenance, slurry seals, chip seals, pot-hole repair, pavement rehabilitation and roadway reconstruction, curb, gutter, sidewalk, roadway signage and catch basin repair (storm drains) in connection with any roadway improvements
- Capacity enhancements, street widenings, pavement marking and striping or restriping
- Exclusive bike or bus lanes
- Roadway safety improvements such as soundwalls, roadway lighting raised median or roadway signage, or other

- Americans with Disabilities Act (“ADA”)
  - Complete streets
2. Traffic Control Measures. Signal Synchronization, Transportation Demand Management (“TDM”), Transportation Systems Management (“TSM”), Intelligent Transportation System (“ITS”), traffic signal modification, signalization of turns,, traffic management center, and traffic safety.

TDM projects are defined as strategies/actions intended to influence how people commute, resulting in minimizing the number of vehicle trips made and vehicle miles traveled during peak travel periods.

- a. Signal Synchronization. The research, planning, design, engineering, administration, construction, improvement, maintenance, and operation of traffic signals and traffic signal improvement projects, in particular those improvements required to install and maintain traffic signal synchronization and coordinated traffic signal timing across jurisdictions. Signal Synchronization Improvements may consist of, but are not limited to, the following:
- Installation of new traffic signal
  - Installation of left-turn phasing
  - Maintenance, repair, replacement and/or upgrade of traffic and pedestrian signal equipment
  - Installation, repair, maintenance of vehicle detection system which may include operation as a fully traffic actuated signal
  - Installation of time-based coordination; installation and maintenance of traffic signal coordination timing
- b. TDM-eligible project expenditures may consist of, but are not limited to, the following:
- Vanpool and/or vanpool incentive programs, (as well as carpool and biking incentive programs) including ride-matching programs (must be made available to all employers and/or residents within the Jurisdiction boundaries)
  - Community-based shuttles for employees, if such services complement existing transit service
  - Parking management incentive programs, including parking cash-outs or parking pricing strategies
  - Employer or citizen ride-matching programs and subsidies
  - Transportation Management Organization's (“TMO”) insurance costs or individual employer's vanpool programs under the umbrella vehicle insurance policy of the Jurisdiction
  - Matching funds for LR-eligible projects such as Safe Routes to School projects and highway safety projects
  - Car sharing programs
- c. TSM-eligible project expenditures include those for relatively low-cost, non-capacity-enhancing traffic control measures that improve vehicular flow and/or increase safety within an existing right-of-way. TSM projects may consist of, but are not limited to, the following:
- Reserved bus lanes (no physical separation) on surface arterials



- Contra-flow lanes (reversible lanes during peak travel periods)
- Ramp meter by-pass (regulated access with bus/carpool unrestricted entry)
- Traffic signal priority for buses (to allow approaching transit vehicles to extend green phase or change traffic signal from red to green)
- Preferential turning lanes for buses
- Other traffic signal improvements that facilitate traffic movement

Traffic Control Measures - Eligibility Restrictions

LR funds may not be used to alter system/signal timing that was implemented under a traffic forum project/grant, unless coordinated with all affected Jurisdictions in the corridor. If a LR-funded project is or has an ITS component, it must be consistent with the Regional ITS Architecture. ITS projects must comply with the Countywide ITS Policy and Procedures that the LACMTA Board has adopted.

3. Bikeways and Pedestrian Improvements. Bikeway and Pedestrian improvements are for public uses and should follow ADA and California Title 24 specifications for accessibility requirements. Bikeways and Pedestrian improvements may consist of, but are not limited to, the following:
  - Bike/pedestrian facilities (including bike storage), sidewalks, related lighting, construction and maintenance,
  - Signage, information/safety programs
  - Lighting for bike and pedestrian safety
  - Bike signal, bike detection, bike valet, bike lane and bicycle parking
  - ADA improvements, streetscapes, crossings and curb cuts
  - Bike sharing
  - Bike Safety and Bike Education
4. Public Transit Services. Proposed new or expanded transit or paratransit services must be coordinated with LACMTA and other affected existing regional bus transit systems to determine the proposed service's compatibility with the existing service(s). LACMTA may request that the proposed service be modified. Proposed services must also meet the criteria outlined under "Non-Exclusive School Service" and "Specialized Transit". Emergency Medical Transportation is not an eligible use of LR funds. Public transit service expenditures may include, but are not limited to, the following:
  - New fixed route, paratransit (Elderly and Disabled and/or General Public) or Flexible Destination bus service
  - Extension or augmentation of an existing bus route(s) and coordination of existing paratransit service
  - Contracting with a transit operator or private provider for transportation services
  - Contracting with transit operator in an adjacent county to provide transportation services within Los Angeles County
  - Operating subsidy to existing municipal or regional bus operator
  - Service enhancements related to bus/rail interface
  - Shuttle service between activity centers
  - Fare subsidy, subsidized taxi service for disadvantaged residents
  - Taxi coupon programs used to provide paratransit systems for senior and disabled patrons
  - ADA related improvements to fixed route or paratransit operations

- Transit security
- Recreational transit

Public Transit Services - Eligibility Restrictions

- a. **Non-Exclusive School Service** includes fixed-route bus services or demand-responsive services available to the general public, which also provide school trips, are eligible for LR funding. Exclusive school bus services are not eligible. Projects must meet the following conditions:
- The bus vehicles utilized cannot be marked "School Bus" or feature graphics that in any way indicate they are not available to the general public. Yellow paint schemes should not be for the specific purpose of meeting the vehicle code definition of a school bus
  - The bus head sign is to display its route designation by street intersection, geographic area, or other landmark/destination description and cannot denote "School Trip" or "Special." In cases where the service includes an alternate rush-hour trip to provide service by a school location, the dashboard sign is to indicate the line termination without indicating the school name
  - Timetables for such services will be made available to the general public, shall provide the given schedule and route but must not be labeled "school service"
  - Drivers must be instructed that such service is available to the general public and board and alight all passengers as required at designated stops
  - The same fare payment options must be made available to all users
  - The overall transportation service provided in the Jurisdiction must not be for school service hours only
- b. **Specialized Public Transit**, special-user group service or social service transit may be eligible where it can be incorporated into the existing local transit or paratransit program. Jurisdictions must demonstrate that existing services cannot be modified to meet the identified user need. Projects must meet the following conditions:
- The special user group identified does not discriminate on the basis of race, religion, sex, disability or ethnicity
  - Service shall be available to all members of the general public having that specialized need and not be restricted to a specific group or program
  - Service shall be advertised to the general public
  - LACMTA may require, as a condition of approval, inter-jurisdictional project coordination and consolidation
  - LR funds may only be used for the transportation component of the special user group program, i.e., direct, clearly identifiable and auditable transportation costs, excluding salaries for specialized escorts or other program aides
  - The designated vehicle(s) used must be made available for coordination with other paratransit programs if space permits
- c. **Recreational Transit Services** are eligible for travel within a 300 mile radius of the designated point of departure within the Jurisdiction. All eligible trips must be made within California, and eligibility restricts the use to day trips (no overnight trips). Trips may be limited to certain general age groups (e.g.,

children under 18, senior citizens, persons with disabilities); however, trips must be made available to all individuals within that designated group. Special events or destinations may be served; however, all members of the general public including individuals with disabilities must be allowed to use the service.

LR funds may not be used to pay the salaries of recreation leaders or escorts involved in recreational transit projects. All recreational transit trips must be advertised to the public, such as through newspapers, flyers, posters, and/or websites. Jurisdictions must submit a Recreational Transit Service Form (Appendix II) on or before October 15<sup>th</sup> after the fiscal year the service was made available, to certify that all conditions were met.

5. Public Transit Capital - Bus/rail improvements maintenance and transit capital. Jurisdictions must coordinate bus stop improvements with affected transit operators. Jurisdictions that propose replacing privately owned benches or shelters must notify the affected operator(s) before requesting Jurisdictional project approval. Public Transit Capital projects may consist of, but are not limited to, the following:
  - Bus stops, stations
  - Vehicles (new, replacement, and/or maintenance)
  - Transit facilities
  - Transportation Enhancements (“TE”) park-and-ride lots
  - Right of way improvements
  - Farebox systems
  - Transit Access Pass (“TAP”)
  - Universal Fare System (“UFS”), ITS
  - Bus/station amenities
  - Transportation technical systems
  - Transit security
  
6. Transportation Marketing. If promotional signage, literature, or other project marketing material is distributed or displayed as part of a Measure R project outreach or marketing activity, Jurisdictions are encouraged to include a notation indicating that Measure R funding was used to fund the project. Marketing projects may consist of, but are not limited to, the following:
  - Transportation kiosks and/or transit pass sales centers
  - Transportation information amenities such as maps, brochures, transportation signage
  - Transportation user subsidy programs
  - Promotions and events
  - GIS mapping of bikeways & other bikeway information
  
7. Planning, Engineering and/or Study, Congestion Management Program (“CMP”) Planning, coordination, engineering and design costs incurred toward implementing an eligible LR project are eligible when the following conditions are met:
  - The projects being planned (designed, coordinated, etc.) are LR eligible; coordination includes: Jurisdictions’ start-up costs or dues for Councils of Governments (“COGs”) and Transportation Management Associations (“TMAs”); advocacy; and funding for Joint Powers Authorities (“JPAs”) by Jurisdictions or (“COGs”). If some activities are LR eligible and some are not,

partial payment of dues must be made proportionally to the organization's budget for LR-eligible projects

- TDM-related activities as required by the CMP. CMP project may consist of, but are not limited to: preparation of TDM ordinances; administration and implementation of transit or TDM-related projects pursuant to CMP deficiency plans; and monitoring of transit standards by transit operators
8. Transportation Administration expenditures for those administrative costs associated with and incurred for the aforementioned eligible projects/programs. Direct administration includes those fully burdened costs that are directly associated with administering LR program or projects, and includes salaries and benefits, office supplies and equipment, and other overhead costs. All costs must be associated with developing, maintaining, monitoring, coordinating, reporting and budgeting specific LR project(s). Expenditures must be reasonable and appropriate to the activities undertaken by the locality. The administrative expenditures for any year shall not exceed twenty percent (20%) of the total LR annual expenditures.
9. Local Funding Contributions. Measure R LR funds may be used as matching funds for other federal, state, or local sources that may be used to fund transportation projects as listed herein in this section.

Measure R Ordinance Attachment A assumes a three percent (3%) local funding contribution for projects listed therein. LR funds may be used to provide these local funding contributions.

### III. MAINTENANCE OF EFFORT ("MOE")

Measure R LR Program funds are to be used to augment, not supplant, existing local revenues being used for transportation purposes. Jurisdictions must maintain their individual existing local commitment of funds, for current transportation projects and services.

In addition to implementing new Measure R eligible projects and programs, Jurisdictions may use Measure R LR funds to supplement existing Measure R eligible projects and programs should there be a current or projected funding shortfall. LACMTA reserves the right to request appropriate documentation from a Jurisdiction to support the existence of a funding shortfall.

### IV. PROMOTE SUSTAINABILITY

Jurisdictions are encouraged to use Measure R LR funds for projects that will foster a more sustainable countywide transportation system by improving the efficiency and operation of streets and roads and/or increasing alternative transportation choices. Jurisdictions should also consider sustainability in the development of each project by incorporating design elements that reduce construction-related and long-term environmental impacts.

Measure R LR funds provide a resource for jurisdictions to implement regional or sub-regional Sustainable Communities Strategies, adopted in response to SB 375. The LACMTA encourages jurisdictions to maximize the use of this resource to reduce

greenhouse gas emissions, while also improving mobility and access in local communities. Examples of projects likely to be included in Sustainable Communities Strategies include: livable streets, complete streets, car sharing programs, parking pricing strategies, and other actions to reduce congestion and/or vehicle miles traveled. Sustainable design elements should aim to reduce energy, water, waste and air pollutants that occur throughout the lifecycle of a project, including its construction, maintenance, and operations. Examples of sustainable design elements include: green street features, solar options, drought tolerant landscaping, energy efficient lighting, and the use of recycled or re-used materials, among others.

## V. COORDINATION APPROACH

Jurisdictions are encouraged to coordinate and use their Measure R LR funded projects as follows:

1. More corridor based projects, specifically projects that support other Measure R rail, bus and highway corridors
2. Coordination on arterials
3. Land use policies to support rail and bus transit
4. Bike connectivity between Jurisdictions
5. Bicycle and pedestrian access to support transit stations and rail stations
6. Bus rapid service implementation
7. Street improvements to support coordinated signal synchronization
8. Complete streets (bike, pedestrian, traffic) sustainability, green measures

## B. ADMINISTRATIVE

### I. ADMINISTRATIVE POLICY

#### Standard Assurances

LACMTA will require that Jurisdictions submit Assurances and Understandings agreements before participating in the LR Program.

### II. REPORTING REQUIREMENTS

1. Expenditure Plan (Form One) included in Appendix IV.  
To maintain legal eligibility and meet Measure R LR program compliance requirements, Jurisdictions shall submit to LACMTA an Expenditure Plan (Form One), annually, by August 1<sup>st</sup> of each year.

Form One provides a listing of projects funded with Measure R LR funds along with estimated expenditures for the year. For both operation and capital projects, Part I is to be filled out. For capital projects (projects over \$250,000), Part II is required. Pursuant to AB 2321, LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan containing the following:

1. The estimated total cost for each project and/or program activity;
2. Funds other than Measure R that will be expended on the projects and/or program activity;
3. The active funding schedule for each project and/or program activity; and,
4. The expected completion dates for each project and/or program activity.

2. Expenditure Report (Form Two) included in Appendix V.  
The submittal of an Expenditure Report (Form Two) is also required to maintain legal eligibility and meet Measure R LR program compliance requirements. Jurisdictions shall submit a Form Two, to LACMTA annually, by October 15<sup>th</sup> (following the conclusion of the fiscal year). The Expenditure Report serves to notify LACMTA of previous year LR fund receipts and expenditures. Jurisdictions are required to specify administration charges to Direct Administration in order to verify compliance of the 20% cap on administration costs.
3. Recreational Transit Form  
Jurisdictions that use their Measure R LR funds for recreational transit services must fill out, sign and submit this form a no later than October 15 after the fiscal year in which the services were rendered. See Appendix II for Recreational Transit Form.
4. Form Submission Timeline

<u>FORM</u>	<u>DETERMINATION</u>	<u>ANNUAL DUE DATE</u>
Expenditure Plan (Form One)	New, amended, ongoing and carryover projects; Capital projects require additional information	August 1 <sup>st</sup>
Expenditure Report (Form Two)	All projects	October 15th
Recreational Transit Form	Recreational Transit only	October 15th

III. TIMELY USE OF FUNDS

Measure R LR funds have five (5) years to be expended. Funds must be expended within five years of the first day of the fiscal year in which funds were originally allocated or received. For example: funds received in FY 2009-10 are required to be expended by June 30, 2015. A First-In-First-Out (FIFO) method of calculation will be used to determine any lapsing of funds. The Measure R LR allocation, interest income and other income earned from LR projects (such as revenues from advertising) which are not expended within the allocated time, will consequently lapse, and be returned to LACMTA upon request, for reallocation to Jurisdictions on a per capita basis.

LACMTA will allow a time extension for Jurisdictions to reserve funds (see Section V below).

IV. FUND EXCHANGE: TRADE, LOAN, GIFT

Jurisdictions involved with fund exchanges are required to obtain LACMTA approval and keep all related documents on file.

1. Trading of Measure R LR funds are restricted to other dedicated transportation funds/revenues (except for Proposition C funds which are not allowed).
2. Jurisdictions may arrange a mutually acceptable temporary transfer or loan from one Jurisdiction to another in order to meet short-term project financing needs while allowing for multi-year payback to the lead agency. These loans are to be made on terms to be negotiated between the involved parties. The participating Jurisdictions

are held mutually responsible for ensuring that the end use of Measure R is for statutorily allowed purposes.

3. Jurisdictions can gift its Measure R LR funds to another Jurisdiction for the implementation of a mutual project, providing that the funds are used for eligible transportation purposes as listed herein. Jurisdictions giving the funds away cannot accept an exchange or gift of any kind in return.

V. RESERVE FUND

Jurisdictions, may set up a reserve fund account to obtain additional time (beyond the five year term limit) to expend funds. The reserve project will be accounted for in a separate account, or sub-account for audit purposes and lapse date calculation. The reserve fund process is as follows:

1. The Jurisdiction must send a letter to LACMTA requesting a reserve fund along with project details, including an Expenditure Plan and justification and time continuance specific to the project for which the extension is needed.
2. LACMTA will determine if the extension is warranted. If the project qualifies, LACMTA will send an approval letter for the reserve.
3. The Jurisdiction will then be required to establish a separate account, or sub-account (line item), that can be audited.

However, if a Jurisdiction finds that the reserve fund project cannot be constructed for reasons beyond the Jurisdiction's control, the Jurisdiction may submit a request to LACMTA to reprogram the reserve. The Jurisdiction must indicate in writing the proposed use of the accumulated reserve funds to be reprogrammed, and receive written LACMTA approval. If the reserve funds are reprogrammed without the approval of LACMTA, LACMTA may request that the funds be paid back to LACMTA for reallocation to Jurisdictions on a per capita basis through the Measure R LR allocation process.

VI. FINANCE SECTION

Apportionment and Disbursement

The Measure R Ordinance specifies that 15% of its revenues be allocated to Jurisdictions on a per capita basis. After administrative costs are deducted, apportionments are made to all Jurisdictions within the Los Angeles County, currently 88 cities and the County of Los Angeles (for unincorporated areas). The Jurisdictions allocation is based on the population shares from the projected populations as derived from annual estimates made by the California State Department of Finance. The projected populations are revised annually in the Formula Allocation Procedure (FAP) and approved by the LACMTA Board.

Prior to receiving disbursements, a Jurisdiction must sign and return an Assurances and Understandings (legal agreement). Funds are then automatically disbursed on a monthly basis from the net received revenues, on a per capita basis, to the Jurisdiction.

Establishing a Separate Account

Jurisdictions are required to establish a separate account, or sub-account (line item), and deposit all Measure R LR revenues, interest earnings received and other income earned (such as fare revenues, revenue from advertising, etc.) in that account.

### Bonding

Jurisdictions may issue bonds against Measure R Local Return Revenue

### Pooling of Funds

LACMTA will allow Jurisdiction's to pool Measure R LR funds in order to obtain maximum return on investments. Such investments earnings must be reported and expended consistent with these guidelines. As in fund exchanges or transfers, Jurisdictions involved in such arrangement should keep adequate records of such transactions in order to allow for subsequent audits.

### Unexpended Project Funds

All unexpended project funds remaining upon completion of an approved project must be re-programmed.

### Reimbursement

Measure R LR funds may be used to advance a project which will subsequently be reimbursed by federal, state, or local grant funding, or private funds, if the project itself is eligible under these guidelines. The reimbursement must be returned to the Measure R LR account.

## VII. AUDIT SECTION

A financial and compliance audit will be conducted annually as part of LACMTA's Consolidated Audit Program to verify adherence to the Measure R Guidelines. Audits will be performed in accordance with auditing standards generally accepted in the United States of America and the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that the audit is planned and performed to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. The audit shall include examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. The audit shall also include review of internal control procedures, assessing the accounting principles used, as well as evaluation of the overall basic financial presentation.

It is the Jurisdictions' responsibility to maintain proper accounting records and documentation to facilitate the performance of the audit prescribed in these guidelines. Jurisdictions are required to retain LR records for at least four years following the year of allocation and be able to provide trial balances, financial statements, worksheets and other documentation required by the auditor. Jurisdictions are advised that they can be held accountable for excess audit costs arising from poor cooperation and inaccurate accounting records that would cause delays in the completion of the required audits.

Note: Jurisdictions are required to expend their Measure R LR funds for transportation purposes, as defined by these guidelines. Any Jurisdiction that violates this provision must fully reimburse LACMTA, including interest thereon, for the misspent funds and shall be deemed ineligible to receive Measure R LR funds for a period of three (3) years.

### A. FINANCIAL AND COMPLIANCE PROVISIONS

The Measure R LR Audits shall include, but not limited to, verification of adherence to the following financial and compliance provisions of this guidelines:



<b>Audit Area</b>	<b>Non-Compliance Penalty (for failure to comply with Audit Area)</b>
Measure R LR funds were expended for transportation purposes (as defined by the Measure R LR Guidelines)	Suspension of disbursements for three (3) years. The suspended funds will be reallocated to Jurisdictions on a per capita basis
Assurances and Understandings (fully executed agreement)	Suspension of disbursements until compliance
Accounts and Records have established a separate operating Measure R Local Transportation Assistance Account for LR purposes.	Suspension of disbursements until compliance
Verification of revenues received including allocations, project generated revenues, interest income properly credited to Measure R account	Suspension of disbursements until compliance
Verification that funds were expended with Metro's approval	Jurisdiction will be required to reimburse its LR account
Verification that funds were not substituted for property tax and is in compliance with the MOE	Jurisdiction will be required to reimburse its LR account (Auditors will measure MOE compliance globally, not project by project)
Verification that the funds are expended within five (5) years from the first day of the fiscal year in which funds were originally allocated or received (unless an approved reserve fund has been established. See page 10.)	Lapsed funds will be returned to LACMTA for reallocation to Jurisdictions on a population basis
Verification that <u>administrative expenditures</u> did not exceed over 20% of the total annual LR expenditures.	Jurisdictions will be required to reimburse their LR account for the amount over the 20% cap.
Verification that the Expenditure Plan was submitted on or before August 1 <sup>st</sup> at the beginning of the new fiscal year.	Audit exception.
Verification that the Annual Expenditure Report was submitted on or before October 15 <sup>th</sup> following the end of past fiscal year.	Audit Exception.
Where funds expended are reimbursable by other grants or fund sources, verification that the reimbursement is credited to the Local Return account upon receipt of reimbursement.	Audit exception and reimbursement received must be returned to the LR account

<p>Where Measure R funds were given, loaned or exchanged by one Jurisdiction to another, verification that the receiving Jurisdiction has credited its LR account with the funds received.</p> <p>Where a capital reserve has been granted, verification that a separate account for the capital reserve is established, and current status is reported in the Expenditure Plan</p>	<p>Audit exception and reimbursement of affected funds to the LR account.</p> <p>Audit exception.</p>
---	---

B. AUDIT DELIVERABLES

The auditor shall submit to the Jurisdictions and to LACMTA a Comprehensive Annual Report of Measure R LR funds no later than March 31<sup>st</sup> following the end of fiscal year. The report must contain at the minimum, the following:

- Audited Financial Statements – Balance Sheet, Statement of Revenues and Expenditures and Changes in Fund Balances.
- Compliance Report, Summary of Exceptions, if any, and ensuing recommendations.
- Supplemental Schedules – Capital Reserves, if any; Schedule of Detailed Project Expenditures; and Capital Assets.

C. SUSPENSION OR REVOCATION

Jurisdictions are expected to take corrective action in response to the LR financial and compliance audit. Notwithstanding the provisions of these guidelines, LACMTA reserves the right to suspend or revoke allocation to Jurisdictions that may be found to be in gross violation of these guidelines, or repeatedly committing violations, or refusing to take corrective measures.

VIII. APPENDICES

**ASSURANCES AND UNDERSTANDINGS REGARDING  
RECEIPT AND USE OF MEASURE R LOCAL RETURN FUNDS**

The undersigned, in conjunction with the receipt of funds derived from the one-half cent sales tax approved pursuant to Assembly Bill 2321, Measure R Ordinance of the Los Angeles County Metropolitan Transportation Authority (“LACMTA”), and as required by LACMTA's Measure R Local Return (“LR”) Guidelines, hereby provides the following assurances and understandings.

A. The undersigned hereby assures LACMTA:

1. That the Measure R LR funds are to be used to augment, not supplant, existing local revenues being used for transportation purposes;
2. That Measure R LR funds will be used for public transportation purposes as defined in LACMTA's Measure R LR Guidelines;
3. That the undersigned will submit to LACMTA for the use of Measure R LR funds:
  - a. An Expenditure Plan, annually, by August 1<sup>st</sup> of each year, including a proposed budget of the current year’s expenditures;
  - b. An Expenditure Report, annually, by October 15<sup>th</sup> of each year, including an update of the prior year’s expenditures;
4. Unless otherwise required by LACMTA, an audit certified by a Certified Public Accountant, will be conducted by LACMTA within 180 days of the close of the fiscal year;
5. That all projects proposed for Measure R LR funding will meet the legal requirements of the Measure R Ordinance and LACMTA's LR Guidelines criteria.

B. The undersigned further understands and agrees:

1. That LACMTA will require the undersigned to return any Measure R LR funds and may impose interest penalties on any expenditure found to be illegal or improper under the terms of the Measure R Ordinance or the LACMTA's LR Guidelines;
2. That the undersigned will, for projects to be funded in part or in whole with Measure R LR funds, comply with all applicable federal, state, and local laws and regulations, including without limitation: American With Disabilities Act (ADA), CEQA and NEPA, affirmative action, transit accessibility and public health and safety requirements and fair labor practices;
3. That the undersigned will utilize the State Controller's Uniform System of Accounts and Records to accommodate uses and disbursements of Measure R LR funds which will allow financial and compliance audits of Measure R LR funds transactions and expenditures to be conducted;

4. That any Measure R LR funds not expended within five (5) years, under the Timely Use of Funds time period, or held in a Capital Reserve account approved by LACMTA, thereafter will be returned to LACMTA upon request.
5. In addition to implementing new Measure R eligible projects and programs, Jurisdictions may use Measure R LR funds to supplement existing Measure R eligible projects and programs should there be a current or projected funding shortfall. LACMTA reserves the right to request appropriate documentation from a Jurisdiction to support the existence of a funding shortfall.

**IN WITNESS WHEREOF** the undersigned has executed this "Assurances and Understandings Regarding Receipt and Use of Measure R LR Funds" this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by its duly authorized officer:

CITY OF \_\_\_\_\_

BY \_\_\_\_\_

\_\_\_\_\_  
(Title)

DATE \_\_\_\_\_

**ASSURANCES AND UNDERSTANDINGS REGARDING  
RECEIPT AND USE OF MEASURE R LOCAL RETURN FUNDS**

Recreational Transit Services Form

LACMTA – Annual Report – Due October 15<sup>th</sup>  
 Recreational Transit Trips

Agency	Fiscal Year
Availability: Certify that all Local Return funded trips were made available to the public	
Advertisements: Certify that all Local Return funded trips were made available to the general public (Advertisement, flyers, internet postings)	
Destination: Certify that all Local Return funded trips were within the area of recreation map Appendix III (fully or proportionally funded)	
Salaries: Certify that Local Return funds did not fund the salary of escorts or guardians	

Signature:

Date:

Local Return Guideline Information:

Jurisdiction shall submit a listing of Recreational Transit Services no later than October 15 after the fiscal year. Recreational Transit Service project must meet the following conditions:

- Trips are eligible for travel within a 300 mile radius of the designated point of departure within the Jurisdiction. All eligible trips must be made within California, and eligibility restricts the use to day trips (no overnight trips).
- Trips may be limited to certain general age groups (e.g., children under 18, senior citizens, persons with disabilities), however, trips must be made available to all individuals within that designated group.
- Special events or destinations (e.g., city parks, concerts, special events) may be served, however, all members of the general public including individuals with disabilities must be allowed to use, the service.
- LR funds may not be used to pay the salaries of recreation leaders or escorts involved in recreational transit projects.
- All recreational transit trips must be advertised to the public, such as through newspapers, flyers, posters, and/or websites.

**Note:** When annual audits are performed for the Local Return Program, compliance audits to the above will be conducted for Recreational Transit Services on a random basis. LACMTA advises you to keep all recreational transit information, including dates and destinations, on hand for the audit.

**SAMPLE FUND EXCHANGE AGREEMENT**

Note: Trading of Measure R LR funds are restricted to other dedicated transportation funds/revenues (except for Proposition C funds which are not allowed)

This Fund Exchange Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_, by and between the City of Surf City, California and the City of Mountain Valley, California with respect to the following facts:

- A. The City of Mountain Valley proposes to provide Dial-A-Ride services to its elderly and individuals with disabilities. Approximately 20% of the City population is unable to use the available fixed route service due to frailty or handicap. No door-to-door public transit services are available in the City of Mountain Valley. Adequate Measure R Local Return (LR) funding for such a service is not available given the limited amount of the City of Mountain Valley's Measure R LR allocation and the needs of other priority transit projects in the City.
- B. City of Surf City, has uncommitted funding authority for its Fiscal Year 2009-10 allocation of Measure R LR funds which could be made available to the City of Mountain Valley to assist in providing the services discussed in Paragraph A of this Agreement.
- C. City of Mountain Valley is willing to exchange its transportation funds, in the amount indicated in Section 1 below in exchange for City of Surf City's uncommitted Measure R LR funds.
- D. City of Surf City is willing to exchange its uncommitted Measure R LR funding in the amount indicated in Section 1 below to City of Mountain Valley, for the purpose identified in Paragraph A above, for City of Mountain Valley's transportation funds.

Now, therefore, in consideration of the mutual benefits to be derived by the parties and of the premises herein contained, it is mutually agreed as follows:

- 1. Exchange. City of Surf City shall transfer \$100,000 of its Fiscal Year 20\_\_-20\_\_ Measure R LR funds to City of Mountain Valley. In return, City of Mountain Valley shall transfer \$50,000 of its transportation funds to City of Surf City.
- 2. Consideration. City of Surf City shall transfer the Measure R LR funds to City of Mountain Valley in twelve equal installments due the first day of each month (or in one lump sum payment). City of Mountain Valley shall transfer its transportation funds to City of Surf City in twelve equal installments due the first of each month (or in one lump sum payment).

The first installment shall be due and payable upon approval by the Los Angeles County Metropolitan Transportation Authority ("LACMTA") of City of Mountain Valley's Expenditure Plan covering the services discussed in Paragraph A above.

- 3. Term. This Agreement is effective on the date above written and for such time as is necessary for both parties to complete their mutual obligations under this Agreement.

4. Termination. Termination of this Agreement may be made by either party before the date of approval of the project description covering the funds in question by the LACMTA so long as written notice of intent to terminate is given to the other party at least five (5) days prior to the termination date.

5. Notices. Notices shall be given pursuant to this agreement by personal service on the party to be notified, or by written notice upon such party deposited in the custody of the United States Postal Service addressed as follows:

a. City Manager  
City of Surf City  
101 Main Street  
Surf City, CA 90000

b. City Manager  
City of Mountain Valley  
401 Valley Boulevard  
Mountain Valley, CA 90000

6. Assurances

A. City of Mountain Valley shall use the assigned Measure R LR funds only for the purpose of providing the services discussed in Paragraph A of this Agreement and within the time limits specified in LACMTA's Measure R LR Program Guidelines.

B. Concurrently with the execution of this Agreement City of Mountain Valley shall provide LACMTA with the Standard Assurances and Understandings Regarding Receipt and Use of Measure R LR funds specified in the Guidelines regarding the use of the assigned Measure R LR funds.

7. This Agreement constitutes the entire understanding between the parties, with respect to the subject matter herein. This Agreement shall not be amended nor any provisions or breach hereof waived, except in writing signed by the parties hereto.

**IN WITNESS WHEREOF**, the parties hereto have caused this Fund Exchange Agreement to be executed by their respective officers, duly authorized, on the day and year above written.

CITY OF \_\_\_\_\_

CITY OF \_\_\_\_\_

BY \_\_\_\_\_

BY \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk  
Approved as to Form:

\_\_\_\_\_  
City Clerk  
Approved as to Form:

Expenditure Plan (Form One)

Appendix IV

Note: Capital Project Definition

A "capital project" is a large, one-time undertaking that results in a major asset with a life of longer than one year and a total expenditure of more than \$250,000. Such a project may involve the acquisition, construction, improvement, rehabilitation, renovation, replacement and/or expansion of a major asset (e.g., infrastructure, land, equipment, facilities, etc.)

A capital project also may include activities associated with developing such an undertaking, including: (1) planning (e.g., studies relating to management, operations, capital requirements and economic feasibility); (2) engineering, design and evaluation of alternatives (e.g., preparation of engineering and architectural surveys, plans and specifications, and development of other technical studies; and (3) other similar or related activities prior to and in preparation for the acquisition, construction, improvement, rehabilitation, renovation, replacement and/or expansion of a major asset. A capital project is not involved with activities normally associated with the everyday operation and maintenance of a major street.

(Agency)

**Measure R Local Return Expenditure Plan (Form One, Part I) - Due August 1st  
Fiscal Year 2010**

		<b>(A)</b> <b>FY 2010</b> Operations	<b>If Capital is over \$250,000, fill out Part II</b> <b>(B)</b> <b>FY 2010</b> Capital
<b><u>Expenditures</u></b>			
<b><u>1</u></b>	<b><u>Streets and Roads</u></b>		
	<i>a) Street Repair and Maintenance</i>		
	<i>b) Capacity Enhancements</i>		
	<i>c) Exclusive Bike or Bus Lanes</i>		
	<i>d) Roadway safety improvements</i>		
	<i>e) ADA Related Street Improvements</i>		
	<i>f) Complete Streets</i>		
	<i>g) Other</i>		
	<i>Sub-total</i>		
<b><u>2</u></b>	<b><u>Traffic Control Measures</u></b>		
	<i>a) Signal Synchronization</i>		
	<i>b) Transportation Demand Management (TDM)</i>		
	<i>c) Transportation Systems Management (TSM)</i>		
	<i>d) Intelligent Transportation System (ITS)</i>		
	<i>e) Other</i>		
	<i>Sub-total</i>		
<b><u>3</u></b>	<b><u>Bikeways and Pedestrian Improvements</u></b>		
	<i>a) Bike/Pedestrian Facilities, Construction &amp; Maint.</i>		
	<i>b) Signage, Information/safety programs</i>		
	<i>c) Bike: signal, detection, valet, lane, parking</i>		
	<i>d) ADA Impvts, streetscapes, crossings and curb cuts</i>		
	<i>e) Bike Sharing</i>		
	<i>f) Other</i>		
	<i>Sub-total</i>		
<b><u>4</u></b>	<b><u>Public Transit Services – (Operations)</u></b>		
	<i>a) New fixed route, paratransit or Flexible Destination</i>		
	<i>b) Extension or augmentation of existing bus route</i>		
	<i>c) Contracting out</i>		





(Agency)

**Measure R Local Return Capital Projects (Form One, Part II) - Due August 1st  
Fiscal Year 2010**

		<b>Capital Projects</b>				
		<b>(c)</b>	<b>(d)</b>	<b>(e)</b>	<b>(f)</b>	<b>(g)</b>
<b>Capital Projects</b>		<b>Total Measure R Funds</b>	<b>Other Fund Source</b>	<b>Total Project Cost</b>	<b>Start Date</b>	<b>Est. Complete Date</b>
<b>1</b>	<b><u>Streets And Roads</u></b>					
	<i>Sub-total</i>					
<b>2</b>	<b><u>Traffic Control Measures</u></b>					
	<i>Sub-total</i>					
<b>3</b>	<b><u>Bikeways and Pedestrian Improvements</u></b>					
	<i>Sub-total</i>					
<b>4</b>	<b><u>Public Transit Capital</u></b>					
	<i>Sub-total</i>					
<b>5</b>	<b><u>Transportation Marketing</u></b>					
	<i>Sub-total</i>					
<b>6</b>	<b><u>Transportation Administration</u></b>					
	<i>Sub-total</i>					
<b>Total Capital Expenditures</b>						

(Agency)

**Measure R Local Return Capital Projects (Form One, Part II) - Due August 1st  
Fiscal Year 2010**

Add Rows as necessary  
Add Columns as  
necessary (for future  
fiscal year spending)

		<b>Capital Projects</b>				
		<b>(h)</b>	<b>(i)</b>	<b>(j)</b>	<b>(k)</b>	<b>(l)</b>
<b><u>Capital Projects</u></b>		<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>
<b>1</b>	<b><u>Streets And Roads</u></b>					
	<i>Sub-total</i>					
<b>2</b>	<b><u>Traffic Control Measures</u></b>					
	<i>Sub-total</i>					
<b>3</b>	<b><u>Bikeways and Pedestrian Improvements</u></b>					
	<i>Sub-total</i>					
<b>4</b>	<b><u>Public Transit Capital</u></b>					
	<i>Sub-total</i>					
<b>5</b>	<b><u>Transportation Marketing</u></b>					
	<i>Sub-total</i>					
<b>6</b>	<b><u>Transportation Administration</u></b>					
	<i>Sub-total</i>					
	<i>Total Capital Expenditures</i>					

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(Agency)  
**Measure R Local Return Expenditure Report (Form Two)**  
**Due October 15 (following the conclusion of the Fiscal Year)**  
**Fiscal Year 2010**

	<b>2010</b>
	Expended
<b><u>Revenue</u></b>	
Fund balance, Beginning of the Year	
Local Return Revenue	
Contributions from other Agencies	
Interest and other Income	
Total Funds Available	-
Expenditures	
Fund Balance, End of the Year	
Reserves for out-year Projects	
Unallocated Fund Balance, End of the Year	

Attachments

Assembly Bill 2321  
Measure R Ordinance  
Measure R Ordinance Attachment A

Appendix VI  
Appendix VII  
Appendix VIII

Acknowledgements

The Measure R LR Guidelines were made possible through the combined efforts of LACMTA staff and Jurisdiction representatives comprising of the Measure R LR Working Group:

Nalini Ahuja, Susan Richan, Pari Ahmadi, LACMTA  
Andrew Brozyna, City of Calabasas  
Sumire Gant, City of Long Beach  
Alex Gonzalez, City of Covina  
Ken Husting, LADOT  
Wendell Johnson, City of Lomita  
David Kriske, City of Burbank  
Jim Lefton, LADOT  
Susan Lipman, City of Santa Clarita  
Paul Maselbas, LA County  
Mohammad Mostahkami, City of South Gate  
Nicole Rizzo, City of Lancaster  
Joyce Rooney, City of West Hollywood  
Fred Zohrehvand, City of Glendale

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## **Borrowing Guidelines for Prop A, Prop C, Measure R and Measure M Local Return Programs**

The following guidelines are provided to establish consistency for Local Return borrowing under Los Angeles County Metropolitan Transportation Authority's ("Metro") four sales taxes, facilitate the review and approval of Local Return Borrowings, and ensure equitable treatment of local jurisdictions. A Jurisdiction borrowing against its Local Return funds must adhere to the Local Return Guidelines for the respective sales tax/taxes committed to secure the borrowing.

### **Structures**

There are three basic methods that a Jurisdiction may use to borrow against its Local Return funds:

- Method 1) Issue its own debt – only Metro local return program/project approval with little financing oversight
- Method 2) Metro issues the bonds on the Jurisdiction's behalf – requires Metro Board approval and staff oversight
- Method 3) Borrow directly from Metro – requires Metro board approval and Metro controls the execution of any bond sale

### **Approval Process and Issuance Procedures**

Method 1) Direct Issuance by the Jurisdiction

- A. The Jurisdiction requests approval for it to borrow via the normal Local Return approval process.
- B. The Local Return Program Manager ("Program Manager") is delegated the authority to approve the borrowing. The Program Manager also has the authority to approve eligible Local Return projects.
- C. The Program Manager notifies the Jurisdiction and the Board in writing within 30 days of the jurisdiction request for approval to borrow that the projects were in compliance with the LR Guidelines and the borrowing has been approved.
- D. The Jurisdiction selects its debt issuance team, including conduit issuer (if applicable), municipal advisor, bond counsel, and underwriters if the debt is sold through negotiated sale or a private placement.
- E. Metro Treasury staff assists the Jurisdiction by reviewing its borrowing documents as to information related to Metro.
- F. The Jurisdiction issues the debt and is solely responsible for the repayment from its Local Return over the life of the bonds and compliance with Federal and State restrictions and requirements related to the issuance of tax-exempt or taxable debt.

## Method 2) Issuance by Metro on Behalf of the Jurisdiction

- A. The Jurisdiction takes the necessary legal actions to authorize the debt issuance, such as through an authorizing resolution by the governing body. The authorization should include the terms and conditions of the sale and the delegation of authority to enter into required agreements.
- B. The Jurisdiction selects its financing team and determines whether to sell through competitive or negotiated sale. For a negotiated bond sale, the Jurisdiction approves selection of bond underwriters.
- C. The Jurisdiction requests approval from Metro to borrow on its behalf via normal Local Return approval process. The Program Manager reviews the projects to be bonded to ensure compliance with the Local Return Guidelines.
- D. Local Programs/Treasury with assistance from the Jurisdiction prepares an item for the Oversight Committee findings as required by Measure R or Measure M.
- E. The Program Manager notifies the Jurisdiction that findings have been made by the Oversight Committee.
- F. The Program Manager and Treasury staff request authorization from the Board to approve the borrowing and enter into the MOU and Master Trust Agreement. Board authorization will include terms and conditions of the bond issue and concurrence with the financing team selected by the Jurisdiction. Any subsequent Local Return bonds will be issued under the master trust and a supplemental trust agreement.
- G. The Jurisdiction and Metro enter into a memorandum of understanding (“MOU”) and a trust agreement with a trustee bank. The MOU will cover the following points:
  - a. Metro will issue the bonds on behalf of the Jurisdiction for the Jurisdiction’s benefit to be used for approved Local Return projects.
  - b. The Jurisdiction and Metro will determine reasonable security features such as debt service coverage ratios and debt service reserve requirement sufficient to obtain ratings of A- from Standard & Poor’s or A3 from Moody’s.
  - c. Negotiate associated fees provided that all fees are reimbursed by the Jurisdiction.
  - d. The Jurisdiction will repay the bonds by pledging its share of the respective Local Return.
  - e. One-twelfth of annual debt service will be withheld from the Jurisdiction’s monthly Local Return allocation and be transferred to the Trustee. The balance will be remitted to the Jurisdiction.
  - f. The Jurisdiction will reimburse Metro for any and all costs incurred in the issuance and administration of these bonds.
  - g. The Jurisdiction will indemnify the Metro against all other possible expenses, liabilities, or required actions resulting from the outstanding bonds that would not otherwise have been incurred by the Metro.
- H. Following the sale of bonds the Jurisdiction is responsible for on-going debt management including arbitrage rebate calculations, annual continuing disclosure requirements and for spending bond proceeds in a timely manner.

Method 3) Direct Loan between Metro and the Jurisdiction

This method is reserved for circumstances where the Jurisdiction is unable to borrow under the first two methods. Should Metro choose to borrow through the capital markets to advance the funds, it would generally be part of a larger Metro bond issue. This method reduces the total amount of borrowing available for Metro's own capital program.

- A. The Jurisdiction requests approval to borrow via the normal Local Return approval process.
- B. The Program Manager notifies the Jurisdiction in writing that the projects submitted for bonding are in compliance with the LR Guidelines.
- C. The Jurisdiction and Metro negotiate the loan terms and develop required documentation.
- D. The Jurisdiction obtains authorization from its governing body for the loan and to enter into the necessary legal documents to secure repayment of the loan.
- E. The Program Manager and Treasury staff request authorization from the Board to approve the loan and to enter into all appropriate legal agreements (i.e., MOU/Assignment Agreement/Promissory Note, other required documents) required to provide for repayment of the loan to Metro.

The MOU/ Promissory Note will cover at a minimum the following:

- A. Project description.
- B. Principal amount, interest rate, term.
- C. The Local Return committed by the Jurisdiction to repay the loan.
- D. Amortization/ repayment schedule. Typically one-twelfth of annual debt service will be withheld from the Jurisdiction's monthly Local Return allocation by Metro. The balance will be remitted to the Jurisdiction.
- E. Jurisdiction to reimburse its allocable share of costs incurred in the issuance and administration of the outstanding debt if the advance is part of a larger Metro bond issue.
- F. Other terms and conditions as appropriate.



## **XXII. 20% TRANSIT OPERATIONS**

### **(Metro and Included and Eligible Municipal Providers)**

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#### **INTRODUCTION**

Measure M was approved by the voters of Los Angeles County on November 8, 2016 to improve transportation and ease traffic congestion consistent with the Measure M Ordinance. These guidelines summarize the funding policies and administrative procedures for the Measure M 20% Transit Operations program for the Los Angeles County Metropolitan Transportation Authority (Metro) and Municipal Operators.

#### **PROGRAM OBJECTIVES**

As defined in Section 3 of the Measure M Ordinance, Transit Operations “means countywide transit service operated by Metro and the Included and Eligible Municipal Operators receiving funds allocated through a Board-adopted Formula Allocation Procedure (FAP).” The purpose of the Measure M 20% Transit Operations program is to improve countywide transit service operations, maintenance, and expansion. The intent of Measure M is to increase revenues available for the public transit system. The program is flexible to allow each operator to determine how best to accomplish making public transportation more convenient, affordable, and improve quality of life.

#### **PROGRAM AMOUNT AND ALLOCATION PERIOD**

This is a program funded by the Measure M sales tax with no sunset, beginning on July 1, 2017. Every year Metro shall allocate 20% of all net revenues derived from the tax for transit operations to all existing eligible and included municipal transit operators in the County of Los Angeles and to Metro.

#### **ALLOCATION METHODOLOGY**

Funds will be allocated among the included and eligible municipal operators according to the shares calculated by the Formula Allocation Procedure (FAP) for the year in which funds are allocated. The allocations to the eligible and included municipal operators and Metro for this program shall be made solely from the revenues derived from the Measure M 20% funds, and not from other local discretionary sources. Measure M 20% services will not be included in the Foothill Mitigation Calculation.

#### **ELIGIBLE RECIPIENTS**

All included and eligible municipal operators and Metro participating in the FAP are eligible to receive these funds. Eligible recipients are those operators that were in existence when the

Measure M program was approved by the voters of Los Angeles County (California) and include the following:

- City of Arcadia
- City of Claremont
- City of Commerce
- City of Culver City
- Foothill Transit
- City of Gardena
- City of La Mirada
- Long Beach Transit
- City of Montebello
- City of Norwalk
- City of Redondo Beach
- City of Santa Monica
- City of Torrance
- Antelope Valley Transit Authority
- City of Santa Clarita
- Los Angeles Department of Transportation
- Los Angeles County Metropolitan Transportation Authority – Operations

#### **ELIGIBLE USES**

Eligible expenses include operations for transit service, maintenance, and expansion, and any other operating expenses that will contribute to meet the above program purpose and/or objectives. For Metro, these funds are also eligible to be used for Metro Rail operations, and as secondary Metro Rail State of Good Repair and pilot programs for new transit services. Metro will develop policies that will define and establish criteria for implementing pilot programs.

#### **MAINTENANCE OF EFFORT**

Senate Bill No. 767 (De Leon) states that funds allocated by Metro to eligible and included municipal operators shall be used for transit operations and shall not supplant any funds authorized by other provisions of law and allocated by Metro to the eligible and included municipal operators for public transit. In addition to implementing new transit services and programs, eligible recipients may use Measure M 20% funds to supplement existing state, federal, and local transit funds in order to maintain the provision of the existing transit services in the event of a current or projected funding shortfall. Metro staff reserves the right to request appropriate documentation from eligible recipients to support the existence of a funding shortfall.

For Metro, Senate Bill No. 767 (De Leon) states that funds allocated by Metro to itself shall be used for transit operations and shall not supplant funds from any other source allocated by Metro to itself for public transit operations (Attachment B – Senate Bill No. 767).

Measure M funds shall not supplant any local return fund contributions made toward the operations of a transit system.

#### **FUND DISBURSEMENT**

Funds will be disbursed after a Memorandum of Understanding (MOU) between the operator and Metro has been executed and the operator has submitted to Metro a Measure M 20% Improvement Plan showing the assignment of that fiscal year's funds. The Measure M 20% Improvement Plan should include a description of how these funds will be spent. The plan should explain how these services will meet the program objective and benefit transit users. The Measure M 20% Improvement Plan may be amended by the operator in coordination with Metro's Local Programming staff. Funds for operating purposes will be disbursed monthly in equal portions of an operator's allocation once an invoice for the annual allocation amount is received from that operator.

All interest accrued on the Measure M 20% transit operations fund will be reallocated annually through the FAP and according to these guidelines.

#### **RESERVE/CARRYOVER REQUIREMENTS**

An operator may reserve or carryover its allocation to the next fiscal year; however, the funds will retain their original year of allocation for the purpose of applying the lapsing requirement.

An operator may assign its funds for a given fiscal year to another operator that is able to use them according to the program, purpose, and objectives and within the lapsing requirement timeframe. Fund trade will not be allowed using Measure M 20% funds.

#### **LAPSING REQUIREMENT**

Given the objective of the program to improve transit service, operators are encouraged to spend these funds in a timely manner.

Operators have three years, which is the year of allocation plus two years, to spend the funds allocated through this program. Metro may grant extensions on a case-by-case basis, accompanied by adequate documentation of justification of the need for the extension request. The appeal of any lapsing funds will be submitted to Metro, in consultation with Bus Operations Subcommittee (BOS), and subject to approval by the Metro Board of Directors, with any lapsed funds reverting back to the Measure M 20% fund for reallocation to eligible recipients.

## **REPORTING REQUIREMENTS**

Operators will provide quarterly reports to Metro describing how uses of Measure M 20% funds are contributing to accomplishing the program objectives. Metro will compile the operators' quarterly reports into a regional Measure M 20% Program update for the Metro Board and the Measure M Independent Taxpayer Oversight Committee. The quarterly reports are in addition to the annual Improvement Plan. All service funded with Measure M 20% Transit Operations proceeds will be included in the FAP, and reported separately on the Transportation Performance Measurement forms. Measure M Funds may be used to supplement existing state, federal, and local transit funds in order to maintain the provision of the existing transit services in the event of a current or projected funding shortfall. Measure M 20% Funds used for expansion may only be included in the FAP if there is an overall service level increase (as evidenced in the National Transit Database Report).

## **AUDIT REQUIREMENTS**

Use of these funds will be audited as part of the annual audit of each municipal operator. Those operators that perform their own audit shall consult with Metro for a scope of work, which covers the Measure M 20% audit requirement. The audit shall include in the scope of work compliance with the Maintenance of Effort provision and exceptions to that provision will be reported as a finding. Operators will retain all documents and records related to this program and the use of funds for a period of three years after the year in which the funds are expended.

## **MEASURE M RECOGNITION**

All operators are encouraged to recognize projects and services that are funded using Measure M funds. Examples include websites, car cards, schedules, other promotions and marketing materials. This will be left to the discretion of each operator.

## **REVISIONS TO PROGRAM GUIDELINES**

These guidelines cannot be changed without consensus from the eligible recipients, as defined in these guidelines, and upon approval of the Metro Board of Directors.

**MEMORANDUM OF UNDERSTANDING  
TO ALLOCATE  
MEASURE M 20% TRANSIT OPERATIONS FUNDS**

This Memorandum of Understanding ("MOU") is entered into as of July 1, 2017 by and between the Los Angeles County Metropolitan Transportation Authority ("LACMTA") and \_\_\_\_\_ ("GRANTEE").

WHEREAS, on November 8, 2016, the voters of the County of Los Angeles approved Measure M, an ordinance establishing a one-half of one percent sales tax (the "FUNDS") for the purpose of improving transportation and easing traffic congestion; and

WHEREAS, the LACMTA, is the agency responsible for administering the tax; and

WHEREAS, LACMTA and GRANTEE desire to agree to the terms and conditions of the grant of FUNDS from the Measure M 20% Transit Operations Program ("Program").

NOW THEREFORE, in consideration of the mutual term and conditions contained herein, LACMTA and GRANTEE hereby agree as follows:

**ARTICLE 1 - TERM**

- 1.1. This MOU will be in effect from July 1, 2017 through June 30, 2027 unless terminated earlier as provided herein.

**ARTICLE 2 – ALLOCATION OF MEASURE M FUNDS AND INVOICE PROCEDURE**

- 2.1. Each fiscal year, to the extent the FUNDS are available, LACMTA staff, in coordination with the Eligible/Included Operators, will develop funding marks for the Program to be funded that fiscal year (the "Annual Funding Marks"). The Annual Funding Marks will describe GRANTEE's share of the FUNDS for the Program that fiscal year. GRANTEE shall have the opportunity to review and comment on the applicable Annual Funding Marks prior to LACMTA staff submitting the Annual Funding Marks to the LACMTA Board for approval. Attached as Exhibit A are the FY 2018 Annual Funding Marks which includes GRANTEE's share of the Program, which have been approved by the LACMTA Board.
- 2.2. For each fiscal year covered by this MOU, GRANTEE hereby directs LACMTA to allocate to GRANTEE its share of the Program FUNDS pursuant to the applicable Annual Funding Marks for that fiscal year as approved by the LACMTA Board. If LACMTA staff, in coordination with the Eligible/Included Operators, develops a mid-year reallocation of any Annual Funding Marks for the Program that is approved by the LACMTA Board, GRANTEE hereby directs and authorizes LACMTA to make such mid-year adjustments to its Annual Funding Marks, as approved by the LACMTA Board, if applicable.

- 2.3. Each fiscal year, GRANTEE shall send LACMTA one invoice for an amount consistent with the amount shown on the applicable Annual Funding Marks. LACMTA shall not be obligated to forward the Program FUNDS to GRANTEE until it receives an invoice and the annual Improvement Plan as described in the GUIDELINES as defined in Section 3.1 below. LACMTA shall make payments to GRANTEE in equal 1/12 portion of GRANTEE's annual allocation on a monthly basis, unless otherwise agreed to in writing by the parties.

#### ARTICLE 3 - USE OF FUNDS

- 3.1. GRANTEE shall utilize the Program FUNDS in accordance with the LACMTA Measure M 20% Transit Operations Guidelines (the "GUIDELINES") (as adopted by LACMTA on June 22, 2017, attached as Exhibit B).
- 3.2. GRANTEE shall not use the Program FUNDS to substitute for any other funds, service, or project except as otherwise specifically provided for herein or in the GUIDELINES.
- 3.3. GRANTEE may reserve or carry-over its allocation to the next fiscal year; however the Program FUNDS will retain their original year of allocation for the purpose of applying the lapsing requirement set forth in the GUIDELINES.

#### ARTICLE 4 – REPORTING REQUIREMENTS

- 4.1. GRANTEE will provide an annual Improvement Plan to LACMTA describing how uses of the Program FUNDS are contributing to accomplishing the Program objectives. LACMTA will compile GRANTEE's annual report into a regional annual Measure M 20% Program update for the LACMTA Board. All service funded with the Program FUNDS will be included in the Formula Allocation Procedure (FAP), and reported separately on the Transportation Performance Measurement forms. The Program FUNDS may be used to supplement existing state, federal and local transit funds in order to maintain the provision of the existing transit services in the event of a current or projected funding shortfall. Program FUNDS used for expansion may only be included in the FAP if there is an overall service level increase (as evidenced in the National Transit Database Report).
- 4.2. Grantee shall provide quarterly reports to LACMTA that are consistent with the annual Improvement Plan. The quarterly reports are in addition to the annual Improvement Plans. LACMTA will compile GRANTEE's quarterly reports into a regional Measure M 20% Program update for the Measure M Independent Taxpayer Oversight Committee.
- 4.3. GRANTEE shall comply with all Federal National Transit Database reporting requirements and shall annually submit a completed copy of said report to LACMTA.
- 4.4. By November 30th of each year, the GRANTEE shall submit to the LACMTA a completed TPM form which separately reports all service funded with the Program FUNDS.
- 4.5. By December 30 of each year, the GRANTEE shall submit to the LACMTA an annual

financial audit report which identifies the use of the Program FUNDS for transit operations purposes as outlined in the GUIDELINES.

#### ARTICLE 5 – AUDIT REQUIREMENTS

- 5.1 Grantee shall meet its audit obligations set forth in the GUIDELINES. Each fiscal year, LACMTA or its designee shall have the right to conduct its own financial and compliance audit(s) of the Program. GRANTEE agrees to establish and maintain proper accounting procedures and cash management records and documents in accordance with conditions defined by this MOU. GRANTEE shall maintain financial records for three (3) years after the end of the fiscal year within which the Program FUNDS were dispersed. LACMTA may audit as provided herein up to three years after the end of the fiscal year within which the Program FUNDS were dispersed.

#### ARTICLE 6 - MISCELLANEOUS

- 6.1 Each grant given pursuant to an Annual Funding Mark shall be subject to the terms and conditions agreed to herein and in the GUIDELINES. Notwithstanding the term of this MOU, each grant does not imply nor obligate any future funding commitment on the part of the LACMTA.
- 6.2 GRANTEE understands and agrees that in programming the Program FUNDS and entering into this MOU, LACMTA is acting pursuant to its statutory authority and shall have no liability in connection with the use of these Program FUNDS for public transit purposes. GRANTEE shall fully indemnify, defend and hold the LACMTA, its directors, officers, employees and agents harmless from and against any liability and expenses, including without limitation, defense costs, any costs or liability on account of bodily injury, death or personal injury of any person or for damage to or loss of risk of property, any environmental obligation, legal fees and any claims for damages of any nature whatsoever arising out of (i) breach of GRANTEE's obligations under this MOU; (ii) use of the Program FUNDS by GRANTEE or its officers, agents, employees or subcontractors; (iii) any act or omission of the GRANTEE or its officers, agents, employees or subcontractors in the performance and/or provision of the services funded under the Program.
- 6.3 GRANTEE agrees to comply with all applicable local, state and federal laws and regulations in the provision of public transit services and any services funded under the Program. Grantee shall comply with the GUIDELINES.
- 6.4 The LACMTA reserves the right to terminate this MOU and withhold the Program FUNDS if it is determined that the GRANTEE has not complied with all the terms and conditions contained herein or in the GUIDELINES. Any withholding of Program FUNDS or termination of the MOU is subject to the 2/3 vote of LACMTA Board.
- 6.5 No amendment or modification to this MOU shall be binding upon either party unless such amendment or modification is in writing duly executed by both parties. This MOU shall not be amended or modified by any acts or conduct of the parties.

6.6 GRANTEE is not a contractor, agent or employee of the LACMTA. GRANTEE shall not represent itself as a contractor, agent or employee of the LACMTA and shall have no power to bind the LACMTA in contract or otherwise.

6.7 This MOU constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous agreements and understandings.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be duly executed as of the dates below with all the formalities required by law.

GRANTEE

LOS ANGELES COUNTY  
METROPOLITAN TRANSPORTATION  
AUTHORITY

By: \_\_\_\_\_

By: \_\_\_\_\_  
Phillip A. Washington  
Chief Executive Officer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Approved As To Form:

MARY C. WICKHAM  
County Counsel

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_



**LACMTA**  
**MEASURE M 20% BUS OPERATIONS**  
**Fiscal Year 2018 Annual Funding Marks**

**Exhibit A**

<b>Operators</b>	<b>Funding Allocation</b>
Antelope Valley Transit Authority	\$2,268,938
City of Arcadia	\$103,062
City of Claremont	\$58,422
City of Commerce	\$160,753
City of Culver City	\$1,998,085
Foothill Transit	\$8,929,782
City of Gardena	\$1,976,360
City of La Mirada	\$43,032
City of Los Angeles	\$4,638,060
Long Beach Public Transportation Co.	\$8,653,452
City of Montebello	\$3,064,202
City of Norwalk	\$1,113,772
City of Redondo Beach	\$269,744
City of Santa Clarita	\$2,301,490
City of Santa Monica	\$7,401,889
City of Torrance	\$2,366,679
Foothill Transit BSCP	\$1,016,034

## MEASURE M 20% TRANSIT OPERATIONS QUARTERLY REPORT FORM

### Reporting Agency:

Annual Total	FY22
Total Operating Cost	
Total Service Miles	
Total Service Hours	
Total Passengers	
Fleet Size	
Base Fare (Local)	

	FY22 Annual	Q1	Q2	Q3	Q4
Measure M 20% Fund Allocation					
Total Miles of Service Delivered with Measure M					
Total Hours of Service Delivered with Measure M					
Total Passengers Served with Measure M					

Information reported should be consistent with Transportation Performance Measurement data  
 Quarterly reports are due to Metro's Local Programming no later than 45 days after the end of each quarter (1st Qtr - November 15, 2 Qtr - February 15, 3rd Qtr - May 15 & 4th Qtr - August 15).



## Board Report

File #: 2017-0280, File Type: Policy

Agenda Number: 38.

**4th REVISION**  
**PLANNING AND PROGRAMMING COMMITTEE**  
**JUNE 14, 2017**  
**EXECUTIVE MANAGEMENT COMMITTEE**  
**JUNE 15, 2017**

**SUBJECT: MEASURE M MASTER GUIDELINES**

**ACTION: ADOPT MEASURE M MASTER GUIDELINES**

**RECOMMENDATION**

CONSIDER:

- A. RECEIVE AND FILE report from the Policy Advisory Council (PAC) on the Draft Measure M Master Guidelines (Attachment A);
- B. ADOPT the Measure M Master Guidelines; and
- C. AUTHORIZE the Chief Executive Officer to enter into Memorandums of Understanding (MOUs) and Assurances and Understandings with Included and Eligible Municipal Operators, Metrolink, Access Services and Los Angeles County jurisdictions for Measure M funding allocations and distribution, consistent with applicable Measure M Guideline provisions.

**Amendment by Solis** to remove the following text under “3% Local Contribution to Major Transit Projects” (page 4, bullet 4 of the report):

*“...this may include assignment of this obligation to the Supervisorial District in which the project is located.”*

**ISSUE**

The Measure M Ordinance requires guidelines to be developed. On March 23, 2017, the Metro Board of Directors approved the release of the draft Measure M Master Guidelines for public review for a period of 60 days during April and May, concluding May 26, 2017. The revised Measure M Master Guidelines (Attachment B) are presented for adoption in anticipation of the initiation of the Measure M sales tax collection on July 1, 2017. Adoption of the Measure M Guidelines will enable recipients (i.e. Included and Eligible municipal operators, Metro, Metrolink, Access Services, the 88 cities and Los Angeles County) of the sales tax revenues to move forward with expenditure of funds to support planning and development of their programs.

## **BACKGROUND**

At the December 1, 2016 Board Meeting, Chief Executive Officer Phillip A. Washington presented an overview on development of the Measure M Ordinance Guidelines, where he indicated that draft Master Guidelines would be developed internally by Metro staff, for subsequent review and comment by the public, with a target date for Board adoption of final Measure M Guidelines at the June 2017 Board meeting, in advance of the initiation of the additional sales tax revenue collection on July 1, 2017.

To support the public review of the draft Guidelines, the CEO also announced the formation of the Metro Policy Advisory Council (PAC), comprised of 27 members representing three major areas: Consumers, Providers, and Jurisdictions. Metro has held 3 meetings with the PAC and PAC leadership. The PAC has submitted a report (Attachment A) to the Board summarizing their views on the draft Guidelines.

## **DISCUSSION**

Responsible and accountable administration and oversight of Measure M is essential to respect the trust of LA County taxpayers, and provide the necessary framework to support the requirements established in the Ordinance for the Independent Measure M Taxpayer Oversight Committee. In response, staff has prepared a Master Guidance document to provide direction for all elements of Measure M. Primary elements include: Administration and Oversight; Audits; Assessments and Amendments; Cashflow; Transit Operations; Metro Rail; Regional Rail; ADA Paratransit/Metro Discounts for Seniors and Students; Multi-year Subregional Programs; Active Transportation; Local Return; and State of Good Repair.

### **A. OUTREACH PROCESS**

All comments received by the public were submitted to Metro through a web portal located at [ThePlan.Metro.net](http://ThePlan.Metro.net) or via email to [ThePlan@Metro.net](mailto:ThePlan@Metro.net) (the Portal). All comments received were documented as an official record. Staff attended more than 20 public meetings with key stakeholders to provide additional information, and received more than 60 submissions, encompassing over 300 comments on various topics.

This outreach and public comment coordination is distinct from, and complementary to, the outreach facilitated through the newly implemented PAC. The PAC had its first meeting on April 5, 2017, which started its review and outreach process. On May 2, 2017, the PAC had its second meeting, and as a result, the PAC officers presented to the Metro Board on May 26, 2017 initial comments reflecting the three represented constituencies of transportation consumers, transportation providers, and jurisdictions. That report grouped comments and related findings into five major subject areas:

- Local Return Distribution
- ADA/Paratransit and Senior/Student Discounts;
- 3% Local Contribution for Transit Projects;

- Project Readiness; and
- Multi-year Subregional Programs Administration.

These subjects are also the primary topic areas for the majority of comments received through the Portal.

The PAC held its third meeting on June 6, 2017, and presents its subsequent comments and findings directly to the Board as a Receive and File report (included as Attachment A).

## **B. COMMENTS AND RESPONSES**

Staff summarized the written comments submitted to Metro into primary topics that generally align with the PAC categories from its May report. The comments are also indexed by source. The summary table, which includes policy considerations and resulting decisions, is included as Attachment C.

As a result of comments received, grammatical corrections and technical clarifications have been made throughout the document. More substantive comments, as noted above, are aligned with five major topics of Local Return, ADA Paratransit/Senior and Student Discounts, 3% Local Contribution, Project Readiness, and Multi-year Subregional Programs. Staff responses to those themed comments are also summarized in Attachment C; and are flagged as red line changes in the revised Guidelines (Attachment B). High profile responses and revisions in these areas have been selected for further discussion below, for the Board's particular attention.

### **Local Return Distribution**

The draft Guidelines approved for release at the March Board meeting included a staff recommendation of a Local Return distribution with a minimum allocation of \$100,000 per jurisdiction. At the same meeting, Directors Garcia, Hahn, and Garcetti introduced a motion directing staff to evaluate an array of distribution alternatives with the intent of providing an increased level of Local Return for smaller cities. The Board received the evaluation report at its May 26<sup>th</sup> meeting and the PAC reported that its consensus position was that no minimum floor be established.

Considering the totality of public comments received on this topic since the release of the draft Guidelines, including comments from local agencies, staff is recommending that Measure M Local Return distribution to cities and the county be consistent with the other sales tax measures, based on population and in compliance with the Measure M Ordinance and be implemented as follows:

- No minimum allocations to be established by Metro;
- Reallocation of Local Return distributions can be subsequently pursued at the subregional level among the cities and county areas within subregional boundaries, to support smaller cities, at the discretion of those parties;
- Measure M Multi-year Subregional funds can be used to supplement Local Return allocations to support smaller cities subject to the eligibility, process, and availability of funds as described in the Multi-year Subregional Measure M guidelines.

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### **ADA Paratransit for the Disabled/Metro Discounts for Seniors and Students**

Within this fund category, clarification was requested on the eligible uses for this fund. In May, the Board adopted the New Low Income Program, which combined current fare subsidy programs to create an enhanced program that serves low-income riders. The program creatively leverages the limited Measure M 2% funds to help more riders. This program provides low income seniors and students deep discounts (70%-88%) on their monthly passes, showing their Measure M dollars at work.

In addition, regional Travel Training/Mobility management programs and/or similar programs/technology improvements geared towards bridging the mobility gap for seniors and people with disability will be eligible uses for these funds.

### **3% Local Contribution to Major Transit Projects**

Within this fund category, clarification was requested as to what could constitute the local contribution (i.e. in-kind contributions and betterments). Staff has provided clarity regarding the Ordinance provision, which is specific as to the timing of the calculation for the 3% local contribution.

- 3% contributions must be calculated on a project scope determined at a 30% design level.
- “In kind” contributions are allowed from the local agency provided that they are included as eligible expenses in the project scope and cost at the time 30% of the final design is completed.
- Once individual calculations for all affected jurisdictions are completed based on the Ordinance’s stated distribution formula, the aggregate of those contributions can be redistributed among the affected agencies, at their discretion. This is consistent with the practice under Measure R.
- Contributions for calculations assigned to the County of Los Angeles are to be determined by the County; ~~this may include assignment of this obligation to the Supervisorial District in which the project is located.~~
- Clarity is also provided that the 3% provision only applies to rail projects.

As well, commentary sought clarity on the definition of betterments, and their application under the 3% policy. The definition as presented in the Draft Guidelines has been slightly revised, to be consistent with existing policy adopted by the Metro Board on Supplemental Modifications to Transit Projects (October 2013). A “betterment” is defined “as an upgrade of an existing city or utility’s facility or the property of a Third Party, be it a public or private entity, that will upgrade the service capacity, capability, appearance, efficiency or function of such a facility or property of a third party.” Once the 30% design project scope and cost have been determined as the basis of the 3% contribution calculation, subsequent betterments cannot be included in that calculation, nor counted toward a jurisdiction’s eligible contribution. However, they may be included in the project scope if carried at the jurisdiction’s expense.

### **Multi-year Subregional Programs**

Within the Multi-year Subregional Program (MSP) category, several key comment areas were noted and addressed, as listed in Attachment C. Two of major note are:

- **MSP funds should have an equal funding priority to other capital items.**
  - Consistent with the Ordinance’s assignment of funding purposes to capital subfund accounts, the availability of funds for MSP investment is prioritized equal to other Highway and Transit Capital subfunds. Actual disbursements of capital funding irrespective of subfund is subject to Cash Flow policies established in the Guidelines.
  - NOTE: Capital subfunds are sourced **after** the Transit Operating Maintenance Subfund, and the Local Return Subfund. By Ordinance, revenues to these two subfunds are directly proportional to the percentage of net sales tax collected from Measure M. Therefore, they are “taken off the top” of Measure M sales tax revenue generated in a year. The balance of sales tax revenue is then assigned to the Capital subfunds. At any point in time, Capital subfunds amounts, including those for MSP, can vary based on proceeds from bonds issued to manage actual capital resource needs. Any issuance of debt for Measure M purposes, however, remains at the exclusive discretion and authority of Metro, and will be conducted consistent with Board debt policy.
  
- **MSP projects should derive from a specific subregional planning process.**

In response to comments received by the PAC and local agencies, a new process has been inserted into the Guidelines to coordinate projects within the framework of five-year plans. Plans will be developed for each MSP listed in the Expenditure Plan to ensure accountable and responsive subregional project identification, selection and delivery. The plans will:

  - Build on prior Mobility Matrix projects as a foundation; with provisions to reconsider the relevance and performance of existing Matrix projects, and the addition of new ones;
  - Include meaningful public outreach, which is essential to the success of Multi-year Subregional program development; Metro will develop baseline parameters for effective community engagement;
  - Be adopted by the Metro Board, with provisions for periodic updates/modifications; and
  - Up to 0.5% of MSP funding per year, per individual MSP program, is eligible for program development by the subregion.

## **Project Readiness**

There were many comments regarding clarification of project readiness and eligibility of funds at various phases of project development. This definition is specific to each MSP program type; that is, project readiness thresholds will be designated for capital project phases leading up to and including construction, separately designated for specific programs (Highway, Transit, Active Transportation, etc.). Additional clarifications will be made as part of the administration procedures to be developed according to the schedule in Attachment D.

## **Other Topics**

### *Regional Rail*

Establishing a consensus for key performance metrics was the focus for this fund category. The metrics developed will establish the evaluation basis allowing the Regional Rail allocation to increase

from 1% to 2% in FY 2039.

The draft guidelines have been revised to reflect a change from a specific attainment of criteria to an evaluative judgment that the Board would consider in its determination of whether to increase the Regional Rail allocation from 1% to 2%. Metro acknowledges the significant time frame over which the performance of the system will be judged and the related inherent uncertainty. However, specifically because of that uncertainty, Metro's Board retains the authority to evaluate the performance of any commuter rail system in place, and to determine the most appropriate investment strategy that will serve the overall county mobility objectives.

#### *Countywide BRT*

The draft guidelines have been revised to expand the eligibility to municipal operators.

### **DETERMINATION OF SAFETY IMPACT**

The proposed approval will not have any adverse safety impacts on employees and patrons.

### **FINANCIAL IMPACT**

Adoption of the Guidelines will provide Metro with an administrative framework for Measure M. This is required for the agency to proceed with Measure M funding distributions.

#### Impact to Budget

Approving the staff recommendations will have no impact on the FY 2017 Budget. This is required for the agency to proceed with Measure M subfund distributions, and delay in approval of the Guidelines could have an impact on availability of funds for the FY 2018 Budget, as approved by the Metro Board in May 2017.

### **ALTERNATIVES CONSIDERED**

The Draft Guidelines released for public review in March 2017 could remain as is or additional outreach could be conducted. This is not recommended as substantial public outreach has occurred which generated substantive public comments that have been considered and incorporated into the recommended Guidelines.

If the Guidelines are not approved, or approval is delayed, FY 18 Measure M funding for operational purposes eligible under Transit Operations, Metro Rail, Metro State of Good Repair, ADA Paratransit for the disabled/Metro Discounts for Seniors and Disabled, Regional Rail and/or Local Return programs will be withheld from Metro, Included and Eligible Municipal Operators, Metrolink, and the 89 local jurisdictions that are eligible recipients of those resources.

### **NEXT STEPS**

Measure M sales tax collection begins on July 1, 2017.

**Attendant Technical/Administrative Procedures.** As revised, the Master Guidelines embody a



comprehensive, complete framework to be adopted and enforced by the Board. For some elements, administrative details are required to assist in actual implementation of the Guidelines, and will be addressed as procedures are developed. These elements and the timelines are noted in Attachment D. Appropriate stakeholder input with the PAC will be sought and considered in the development of these procedures, with final approval by the CEO. The CEO may bring any specific issues regarding these procedures to the Board for information or action, if circumstances warrant.

### **Responses to Policy Advisory Council and Committee Testimony**

As reported orally last week at the Planning and Executive Management Committee meetings, staff has prepared responses to the final report from the Policy Advisory Council (PAC), and other testimony presented at that time. All written letters have been submitted into the public comment portal established for the guidelines, as official documentation. Per its advisory capacity, the PAC submittal has been attached as a formal record to the Board as Attachment A.

Staff's responses are presented as a compendium in Attachment E. They fall into three main categories:

- A) **Concurrence.** Actual changes to the language in the Draft Guidelines. These reflect factual corrections, as well as clarifications or modifications that are critical, in our view, to the overall framework that the Measure M guidelines establish. These were fairly limited, and are flagged "Metro concurs."
- B) **Administrative Procedures.** Referrals to the Measure M Guideline Administrative Procedures. Many of the comments were important, and point directly to technical or administrative procedures that will aid in the actual implementation of the guidelines, as compared to the overall framework. In many cases, this will involve applications to specific projects, or steps that must be crafted in more detail than is appropriate for the Guidelines themselves. The Policy Advisory Council, complemented with additional stakeholders as necessary, will play an active role in these procedures, as listed in Attachment D. As noted, comments and responses in Attachment E will be carried over into these administrative procedures, which will begin this summer and fall.
- C) **Future Policy Deliberations**  
In some cases, observations offered demand a policy level discussion and decision beyond the Guidelines per se. Fundamentally, the Guidelines are intended to direct Measure M investments consistent with the language of the Ordinance, but also consistent with existing Metro Board policy. To the extent that Board policies could or would change or be augmented in the future, Measure M implementation would need to adjust accordingly.

It is anticipated that development and adoption of the new , comprehensive Long Range Transportation Plan (LRTP) will affect not only Measure M, but many other Metro investment programs. As a result the LRTP is the logical starting point to take up Policy challenges forwarded as part of the review and response to Measure M including:

- further considerations of the intersection between affordable housing and transit
- the definition and role of “equity” in the policy development, project identification, and investment priorities
- the role of performance measurement and metrics in determining not only the success of Measure M, but the performance of the transportation system of which M is a single (albeit major) part.

In some instances, targeted policies may be pursued alongside the LRTP effort, for expediency, scale, or other reasons, though the overall LRTP effort itself remains a central point of coordination and consistency.

With that in mind, staff offers Attachment B as the Final Measure M Guidelines, with the further commitments noted in Attachment E.

## **ATTACHMENTS**

Attachment A - Recommendations from Policy Advisory Council

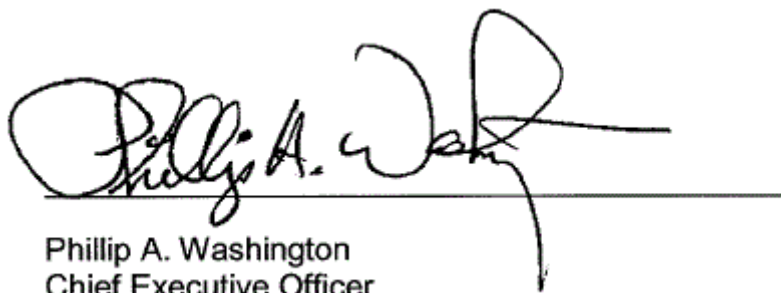
Attachment B - Measure M Master Guidelines

Attachment C - Public Comments Summary

Attachment D - Timeline for Completion of Administrative Processes

Attachment E - Metro Responses to Policy Advisory Council Comments and to Public Speaker Comments

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Phillip A. Washington  
Chief Executive Officer

## **XXV. LOCAL RETURN**

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### **INTRODUCTION**

Measure M was approved by the voters of Los Angeles County on November 8, 2016 to improve transportation and ease traffic congestion. Consistent with the Measure M Ordinance, these guidelines summarize the funding policies and administrative procedures for the Measure M Local Return (LR) program.

### **PROGRAM OBJECTIVES**

The Measure M Ordinance specifies that LR funds are to be used for transportation purposes. No net revenues distributed to cities and the County of Los Angeles (Jurisdictions) may be used for purposes other than transportation purposes. The Measure M Ordinance directs the Los Angeles County Metropolitan Transportation Authority (Metro) to develop LR Guidelines, including administrative requirements. The projects included herein further define those transportation purposes for which Measure M LR revenues may be used.

### **PROGRAM AMOUNT AND ALLOCATION PERIOD**

This is a program funded by the Measure M sales tax with no sunset, beginning on July 1, 2017. Every year, Metro shall allocate 17% of all net revenues to the LR Program. This amount shall increase to 20% on July 1, 2039.

### **ALLOCATION METHODOLOGY**

Metro will require that Jurisdictions submit Assurances and Understandings agreements before participating in the LR Program. The Measure M Ordinance specifies that 17% of its revenues be allocated to Jurisdictions on a per capita basis. After administrative costs are deducted, apportionments are made to all Jurisdictions within the Los Angeles County, currently 88 cities and the County of Los Angeles (for unincorporated areas). The Jurisdictions' allocations are based on the population shares from the projected populations as derived from annual estimates made by the California State Department of Finance. The projected populations are revised annually in the Transit Fund Allocations and approved by the Metro Board.

Reallocation of Local Return distributions can be subsequently pursued at the subregional level among the cities and county areas within subregional boundaries, to support smaller cities, at the discretion of those parties.

## ELIGIBLE RECIPIENTS

The following cities and the County of Los Angeles are eligible to receive Measure M LR funds:

- Agoura Hills
- Alhambra
- Arcadia
- Artesia
- Avalon
- Azusa
- Baldwin Park
- Bell
- Bellflower
- Bell Gardens
- Beverly Hills
- Bradbury
- Burbank
- Calabasas
- Carson
- Cerritos
- Claremont
- Commerce
- Compton
- Covina
- Cudahy
- Culver City
- Diamond Bar
- Downey
- Duarte
- El Monte
- El Segundo
- Gardena
- Glendale
- Glendora
- Hawaiian Gardens
- Hawthorne
- Hermosa Beach
- Hidden Hills
- Huntington Park
- Industry
- Inglewood
- Irwindale
- La Canada Flintridge
- La Habra Heights
- Lakewood
- La Mirada
- Lancaster
- La Puente
- La Verne
- Lawndale
- Lomita
- Long Beach
- Los Angeles City
- Lynwood
- Malibu
- Manhattan Beach
- Maywood
- Monrovia
- Montebello
- Monterey Park
- Norwalk
- Palmdale
- Palos Verdes Estates
- Paramount
- Pasadena
- Pico Rivera
- Pomona
- Rancho Palos Verdes
- Redondo Beach
- Rolling Hills
- Rolling Hills Estates
- Rosemead
- San Dimas
- San Fernando
- San Gabriel
- San Marino
- Santa Clarita
- Santa Fe Springs
- Santa Monica
- Sierra Madre
- Signal Hill
- South El Monte
- South Gate
- South Pasadena
- Temple City
- Torrance
- Vernon
- Walnut
- West Covina
- West Hollywood
- Westlake Village
- Whittier
- Unincorporated Los Angeles County

## ELIGIBLE USES

Following are listings of eligible projects for which Measure M LR funds can be used.

1. Streets and Roads. Planning, right-of-way and utility acquisition, engineering and design, administration, construction, improvement, maintenance, and operation of public streets and roads, bridges, highways and exclusive public mass transit guideways, and their related public facilities for non-motorized traffic, including the mitigation of their environmental effects, improvements to capture, convey, infiltrate, and/or treat urban runoff and stormwater, and all costs associated with property acquisition for such purposes.

Streets and Roads improvements may consist of, but are not limited to, the following:

- Repair and maintenance of public roadways, pavement maintenance, slurry and rubberized seals, chip seals, pot-hole repair, pavement rehabilitation, or other pavement preservation treatments, roadway construction or reconstruction, utility undergrounding, curb, gutter, sidewalk, trees, roadway signage, median and parkway improvements, and storm drain systems in connection with any roadway improvements
- Cape seals, or other pavement preservation treatments, slope maintenance to preserve the operation of the public right of way
- Capacity enhancements, street widenings, pavement marking and striping or restriping
- Exclusive bike or bus lanes
- Roadway safety improvements such as sound walls, roadway lighting, traffic signals, raised median or roadway striping and signage, railroad crossings, erosion/sediment controls for hillside roads, and guardrails
- Street improvements to meet Americans with Disabilities Act (“ADA”) requirements

### Complete Streets

As defined in Section 3 of the Measure M Ordinance, “Complete Streets” means a comprehensive, integrated transportation network with infrastructure and design that allows safe and convenient travel along and across streets for all users, including pedestrians, users and operators of public transit, bicyclist, persons with disabilities, seniors, children, motorists, users of green modes, and movers of commercial goods.

Specific aspects of a complete street are dependent on the context in which the roadway is located (urban, suburban, rural, heavy traffic volume, numerous pedestrian destinations, etc.).

### Green Streets

As defined in Section 3 of the Measure M Ordinance, “Green Streets” means urban transportation rights-of-way integrated with stormwater treatment techniques that use natural processes and landscaping and quantitatively demonstrate that they capture and treat stormwater runoff from their tributary watershed through infiltration or other means and are included within the respective Enhanced Watershed Management Plan.

Green Streets are a stormwater management approach that incorporates vegetation (perennials, shrubs, trees), soil, and engineered systems, such as permeable pavements, to slow, filter, and cleanse stormwater runoff from impervious surfaces (e.g., streets, sidewalks). Green streets are designed to capture rainwater at its source, where rain falls. Enhanced Watershed Management Programs may include, but are not limited to, any Watershed Management Plan and/or Program approved by the California Regional Water Quality Control Board, Los Angeles Region, or its successors. Projects that integrate urban runoff stormwater capture, infiltration, and/or treatment techniques that are not included within a watershed management plan or program may still be eligible for Measure M LR funds as part of other eligible project categories.

Per Ordinance, no more than 33 1/3% of LR funds received may be spent on Green Streets projects in any fiscal year.

### Storm Drains

Storm drains are drains designed to remove excess rain and groundwater from impervious surfaces such as paved streets, parking lots, bikepaths, and sidewalks. Most storm drainage systems are designed to drain the water, untreated and unfiltered, into channels and water bodies.

2. Traffic Control Measures. Signal Synchronization, Transportation Demand Management (“TDM”), Transportation Systems Management (“TSM”), Intelligent Transportation System (“ITS”), new traffic signals, traffic signal modification, signalization of turns, traffic management center, and traffic safety.
  - a. Signal Synchronization. The research, planning, design, engineering, administration, construction, improvement, maintenance, and operation of traffic signals and traffic signal improvement projects, in particular those

improvements required to install and maintain traffic signal synchronization and coordinated traffic signal timing across jurisdictions.

Signal Synchronization Improvements may consist of, but are not limited to, the following:

- Installation of new traffic signal
- Installation of left-turn or right-turn phasing
- Maintenance, repair, replacement and/or upgrade of traffic and pedestrian signal equipment
- Installation, repair and maintenance of vehicle detection system which may include operation as a fully traffic-actuated signal
- Installation of time-based coordination; installation and maintenance of traffic signal coordination timing
- Traffic Management Center (TMC) establishment or modification for management of traffic signals
- Installation of signal-related electrical system and/or fiber optic in the roadway

- b. TDM projects are defined as strategies/actions intended to influence how people commute, resulting in minimizing the number of vehicle trips made and vehicle miles traveled during peak travel periods.

TDM projects must be made available to all employers and/or residents within the Jurisdiction boundaries.

TDM-eligible project expenditures may consist of, but are not limited to, the following:

- Vanpool and/or vanpool incentive programs, and carpool and biking incentive programs. Community-based shuttles for employees, if such services complement existing transit service
- Parking management incentive programs, including parking cash-outs or parking pricing strategies
- Employer or citizen ride-matching programs and subsidies
- Transportation Management Organization's ("TMO") insurance costs or individual employer's vanpool programs under the umbrella vehicle insurance policy of the Jurisdiction
- Matching funds for LR-eligible projects such as Safe Routes to School projects, Call for Projects, and highway improvement safety projects
- Car-sharing programs
- Bike-sharing programs

- Guaranteed Ride Home Programs, Telework Incentives, Ride-hailing incentives
  - First/last mile transit connectivity strategies including shared mobility services (mobility hubs, secure bike parking, bike-share, car-share, universal reservation payment systems, etc.
  - Safe routes for Seniors
  - Safe routes to school
  - Autonomous and/or Connected Shared Vehicle Technology
- c. TSM-eligible project expenditures include those for relatively low-cost, non-capacity-enhancing traffic control measures that improve vehicular flow and/or increase safety within an existing right-of-way. TSM projects may consist of, but are not limited to, the following:
- Reserved bus lanes (no physical separation) on surface arterials
  - Contra-flow lanes (reversible lanes during peak travel periods)
  - Ramp meter by-pass (regulated access with bus/carpool unrestricted entry)
  - Traffic signal priority for buses (to allow approaching transit vehicles to extend green phase or change traffic signal from red to green)
  - Preferential turning lanes for buses
  - Other traffic signal improvements that facilitate traffic movement

#### Traffic Control Measures - Eligibility Restrictions

LR funds may not be used to alter system/signal timing that was implemented under a traffic forum project/grant, unless coordinated with all affected Jurisdictions in the corridor. If a LR-funded project is or has an ITS component, it must be consistent with the Regional ITS Architecture. ITS projects must comply with the Countywide ITS Policy and Procedures that the Metro Board has adopted.

3. Active Transportation. Active transportation is any non-motorized, human-powered mode of transportation, such as walking, bicycling, rolling, skating or scooting. Complete Streets projects are intended to facilitate and encourage the use of active transportation modes.

Bikeway and pedestrian improvements are for public uses and should follow ADA and California Title 24 specifications for accessibility requirements. Bikeways and pedestrian improvements may consist of, but are not limited to, the following:



- Construction and maintenance of bike/pedestrian facilities, sidewalks, related lighting, and cycle track operation and maintenance of off-street bike and pedestrian facilities, shared use paths, bike/pedestrian trails and trail connections
- Installation, repair, and maintenance of street furniture, such as seating and parklets
- Signage, information/safety programs
- Lighting for bike and pedestrian safety, including ongoing energy and maintenance costs
- Bike signal, bike detection, bike valet, bike lane and bike parking/storage
- ADA improvements, streetscapes, crossings and curb cuts
- Bike sharing
- Pedestrian, bike safety and bike education and studies
- Pedestrian plans
- Demonstration, pilot, or temporary staging projects to show the public a project and test the project's feasibility
- Improve first and last mile access to transit
- Bicycle center and supportive secure parking, and repair services for city owned bike share program
- Open street events to provide opportunities for 1) riding transit, walking and riding a bike, possibly for the first time, 2) to encourage future mode shift to more sustainable transportation modes, and 3) for civic engagement to foster the development of multi-modal policies and infrastructure at the city/community level
- Non-profit and private organization consultant services that can offer their expertise in outreach, planning, cost estimation, grant writing, design, environmental review, implementation, and maintenance

4. Public Transit Services. Proposed new or expanded transit or paratransit services to address unmet transit needs must be coordinated with Metro and other affected existing regional bus transit systems to determine the proposed service's compatibility with the existing service(s). Metro may request that the proposed service be modified. Proposed services must also meet the criteria outlined under "Non-Exclusive School Service" and "Specialized Transit." Emergency Medical Transportation is not an eligible use of LR funds. Public transit service expenditures may include, but are not limited to, the following:

- New fixed-route, paratransit (Elderly and Disabled and/or General Public) or Flexible Destination bus service
- Extension or augmentation of an existing bus route(s) and coordination of existing paratransit service

- Contracting with a transit operator or private provider for transportation services
- Contracting with transit operator in an adjacent county to provide transportation services within Los Angeles County
- Operating subsidy to existing municipal or regional bus operator
- Service enhancements related to bus/rail interface
- Shuttle service between activity centers
- Fare subsidy, subsidized taxi or similar service for residents
- Taxi or similar service coupon/voucher programs used to provide paratransit systems for senior and disabled patrons
- ADA related improvements to fixed route or paratransit operations
- Transit security operations
- Recreational transit
- Software or technology for collecting, reporting, and analyzing real-time operations, performance, or fare collection data
- Support existing levels of transit operations

Public Transit Services - Eligibility Restrictions

- a. **Non-Exclusive School Service** which includes fixed-route bus services or demand-responsive services available to the general public, which also provide school trips, are eligible for LR funding. Exclusive school bus services are not eligible. Projects must meet the following conditions:
- The vehicles utilized cannot be marked "School Bus" or feature graphics that in any way indicate they are not available to the general public. Yellow paint schemes should not be for the specific purpose of meeting the vehicle code definition of a school bus.
  - The bus head sign is to display its route designation by street intersection, geographic area, or other landmark/destination description and cannot denote "School Trip" or "Special." In cases where the service includes an alternate rush-hour trip to provide service by a school location, the dashboard sign is to indicate the line termination without indicating the school name.
  - Timetables for such services which will be made available to the general public, shall provide the given schedule and route but must not be labeled "school service."
  - Drivers must be instructed that such service is available to the general public and board and alight all passengers as required at designated stops.

- The same fare payment options must be made available to all users.
  - The overall transportation service provided in the Jurisdiction must not be for school-hour service only.
- b. **Specialized Public Transit**, special-user group service or social service transit may be eligible where it can be incorporated into the existing local transit or paratransit program. Jurisdictions must demonstrate that existing services cannot be modified to meet the identified user need. Projects must meet the following conditions:
- The special-user group identified does not discriminate on the basis of race, religion, sex, disability or ethnicity.
  - Service shall be available to all members of the general public having that specialized need and not be restricted to a specific group or program.
  - Service shall be advertised to the general public.
  - Metro may require, as a condition of approval, inter-jurisdictional project coordination and consolidation.
  - LR funds may only be used for the transportation component of the special user group program, i.e., direct, clearly identifiable and auditable transportation costs, excluding salaries for specialized escorts or other program aides.
  - The designated vehicle(s) used must be made available for coordination with other paratransit programs if space permits.
- c. **Recreational Transit Services** are eligible for travel within a 300 mile radius of the designated point of departure within the Jurisdiction. All eligible trips must be made within California, and eligibility restricts the use to day trips (no overnight trips). Trips may be limited to certain general age groups (e.g., children under 18, senior citizens, persons with disabilities); however, trips must be made available to all individuals within that designated group. Special events or destinations may be served; however, all members of the general public including individuals with disabilities must be allowed to use the service.

LR funds may not be used to pay the salaries of recreation leaders or escorts involved in recreational transit projects. All recreational transit trips must be advertised to the public, such as through newspapers, flyers, posters, and/or websites. Jurisdictions must submit a Recreational Transit

Service Form (Appendix C) on or before October 15<sup>th</sup> after the fiscal year the service was made available, to certify that all conditions were met.

5. Public Transit Capital. Bus/rail improvements, maintenance, and transit capital. Jurisdictions must coordinate bus stop improvements with affected transit operators. Public Transit Capital projects may consist of, but are not limited to, the following:

- Improvements to bus stops or rail stations (including street improvements)
- Transit Infrastructure
- Vehicles (new, replacement, and/or maintenance)
- Transit facilities
- Maintenance of facilities/state of good repair
- Transportation Enhancements (“TE”), park-and-ride lots
- Right-of-way improvements
- Improvements to rail crossing(s)
- Farebox systems and related improvements
- Transit Access Pass (“TAP”)
- Universal Fare System (“UFS”), plan development or projects
- Passenger counting systems, Automated Passenger Counter
- Purchase and installations of bus stop/station amenities and signage
- Parking facilities that support public transit use
- Transportation technical systems
- Transit security capital

6. Transit Oriented Community Investments (TOC).

Measure M’s intent goes beyond traditional transit oriented development to focus on the creation of “transit-oriented communities” (TOC). TOCs represent a comprehensive approach to creating compact, walkable and bikeable places in a community context, rather than focusing on a single development site, particularly around transit, as defined in Metro’s TOC Policy to be developed and approved by the Metro Board.

Measure M funds must leverage private and other public funds to create TOC. Jurisdictions are encouraged to publicize that Measure M funding was used to fund the project.

7. Transportation Marketing. If promotional signage, literature, or other project marketing material is distributed or displayed as part of a Measure M project outreach or marketing activity, Jurisdictions are encouraged to include a notation indicating that Measure M funding was used to fund the project.

Marketing projects may consist of, but are not limited to, the following:

- Transportation kiosks and/or transit pass sales centers
- Transportation information amenities such as maps, brochures, transportation signage
- Transportation user subsidy programs
- Promotions and events
- GIS mapping of bikeways and other bikeway information

8. Planning, Engineering and/or Study, Congestion Management Program (“CMP”). Planning, coordination, engineering and design costs incurred toward implementing an eligible LR project are eligible when the following conditions are met:

- Projects being planned (designed, coordinated, etc.) are LR eligible. Coordination includes: Jurisdictions’ start-up costs or dues for Councils of Governments (“COGs”) and Transportation Management Associations (“TMAs”); advocacy; and funding for Joint Powers Authorities (“JPAs”) by Jurisdictions or (“COGs”). If some activities are LR eligible and some are not, partial payment of dues must be made proportionally to the organization’s budget for LR-eligible projects.
- TDM-related activities as required by the CMP. CMP projects may consist of, but are not limited to the following:
  - a. preparation of TDM ordinances
  - b. administration and implementation of transit or TDM-related projects pursuant to CMP deficiency plans
  - c. monitoring of transit standards by transit operators

9. Transportation Administration. Expenditures for those administrative costs associated with and incurred for the aforementioned eligible projects/programs.

Direct administration include those fully burdened costs that are directly associated with administering LR program or projects, salaries and benefits, office supplies and equipment, and other overhead costs. All costs must be associated with developing, maintaining, monitoring, coordinating, reporting and budgeting specific LR project(s). Expenditures must be reasonable and appropriate to the activities undertaken by the locality. The administrative expenditures for any year shall not exceed twenty percent (20%) of the total LR annual expenditures.

10. Local Funding Contributions. Measure M LR funds may be used as matching funds for other federal, state, or local sources that may be used to fund transportation projects as listed herein in this section.

The Measure M Ordinance requires a three percent (3%) local funding contribution for designated projects. LR funds may be used to provide these local funding contributions. The 3% Local Contribution to Major Transit Projects guidelines are included in Attachment A.

### **MAINTENANCE OF EFFORT (“MOE”)**

Measure M LR Program funds are to be used to augment, not supplant, existing local revenues being used for transportation purposes. Jurisdictions must maintain their individual existing local commitment of funds, for current transportation projects and services.

In addition to implementing new Measure M eligible projects and programs, Jurisdictions may use Measure M LR funds to supplement existing Measure M eligible projects and programs should current grant funding that supports the operations of a program sunset, or it there is a current or projected funding shortfall. Metro reserves the right to request appropriate documentation from a Jurisdiction to support the existence of grant funding schedules and/or a funding shortfall.

### **COORDINATION APPROACH**

Jurisdictions are encouraged to coordinate and use their Measure M LR-funded projects as follows:

1. More corridor-based projects, specifically projects that support other Measure M rail, bus and highway corridors
2. Coordination on arterials

3. Land use policies to support rail and bus transit
4. Bike connectivity between Jurisdictions
5. Bicycle and pedestrian access to support transit stations and rail stations
6. Rapid bus service implementation
7. Street improvements to support coordinated signal synchronization across jurisdictions
8. Complete streets, green measures
9. Improve first and last mile access to transit network

## PROMOTE SUSTAINABILITY

Jurisdictions are encouraged to use Measure M LR funds for projects that will foster a more sustainable countywide transportation system by improving the efficiency and operation of streets and roads and/or increasing alternative transportation choices. Jurisdictions should also consider sustainability in the development of each project by incorporating design elements that reduce construction-related and long-term environmental impacts.

Sustainable design elements should aim to reduce energy, water, waste and air pollutants that occur throughout the lifecycle of a project, including its construction, maintenance, and operations.

## ADMINISTRATIVE

### AGREEMENT

Prior to receiving disbursements, a Jurisdiction must submit an executed Assurances and Understandings (legal agreement), a sample of which is shown in Attachment C.1. Funds are then automatically disbursed on a monthly basis from the net received revenues, on a per capita basis, to the Jurisdiction.

### REPORTING REQUIREMENTS

#### Expenditure Plan (Form M-One)

To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdictions shall submit to Metro an Expenditure Plan (Form M-One), annually, by August 1 of each year. A sample of Form M-One is shown in Attachment C.2.

Form M-One provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operation and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). Metro will provide LR funds to a capital project or program sponsor who submits the required expenditure plan containing the following:

1. The estimated total cost for each project and/or program activity;
2. Funds other than Measure M that will be expended on the projects and/or program activity;
3. The active funding schedule for each project and/or program activity; and
4. The expected completion dates for each project and/or program activity.

Expenditure Report (Form M-Two)

The submittal of an Expenditure Report (Form M-Two) is also required to maintain legal eligibility and meet Measure M LR program compliance requirements. Jurisdictions shall submit a Form M-Two, to Metro annually, by October 15<sup>th</sup> (following the conclusion of the fiscal year). The Expenditure Report serves to notify Metro of previous year LR fund receipts and expenditures. Jurisdictions are required to specify administration charges to Direct Administration in order to verify compliance of the 20% cap on administration costs. A sample of Form M-Two is shown in Attachment C.3.

Recreational Transit Form

Jurisdictions that use their Measure M LR funds for recreational transit services must fill out, sign and submit this form no later than October 15<sup>th</sup> after the fiscal year in which the services were rendered. A sample Recreational Transit Form is shown in Attachment C.4.

Form Submission Timeline

<u>FORM</u>	<u>DETERMINATION</u>	<u>ANNUAL DUE DATE</u>
Expenditure Plan (Form M-One)	New, amended, ongoing and carryover projects; Capital projects require additional	August 1



	information	
Expenditure Report (Form M-Two)	All projects	October 15
Recreational Transit Form	Recreational Transit only	October 15

## FINANCE

### Establishing a Separate Account

Jurisdictions are required to establish a separate account, or sub-account (line item), and deposit all Measure M LR revenues, interest earnings received and other income earned (such as fare revenues, revenue from advertising, etc.) in that account.

### Pooling of Funds

Metro will allow Jurisdictions to pool Measure M LR funds in order to obtain maximum return on investments. Such investment earnings must be reported and expended consistent with these guidelines. As in fund exchanges or transfers, Jurisdictions involved in such arrangement should keep adequate records of such transactions in order to allow for subsequent audits.

### Unexpended Project Funds

All unexpended project funds remaining upon completion of an approved project must be re-programmed.

### Reimbursement

Measure M LR funds may be used to advance a project which will subsequently be reimbursed by federal, state, or local grant funding, or private funds, if the project itself is eligible under these guidelines. The reimbursement must be returned to the Measure M LR account.

A jurisdiction may advance an approved Measure M LR project using City/County/State funds, to be subsequently reimbursed by Measure M LR funds.

### Fund Exchange: Trade, Loan, Gift

Jurisdictions involved with fund exchanges are required to obtain Metro approval and keep all related documents on file.

1. Trading of Measure M LR funds are restricted to other dedicated transportation funds/revenues (except for Proposition C funds which are not allowed).

2. Jurisdictions may arrange a mutually acceptable temporary transfer or loan from one Jurisdiction to another in order to meet short-term project financing needs while allowing for multi-year payback to the lead agency. These loans are to be made on terms to be negotiated between the involved parties. The participating Jurisdictions are held mutually responsible for ensuring that the end use of Measure M is for statutorily allowed purposes.
3. Jurisdictions can gift its Measure M LR funds to another Jurisdiction for the implementation of a mutual project, providing that the funds are used for eligible transportation purposes as listed herein. Jurisdictions giving the funds away cannot accept an exchange or gift of any kind in return.

See Attachment C.5. for a sample Fund Exchange Agreement.

### Bonding

Jurisdictions may issue bonds against Measure M LR Revenue. See Appendix C .6. for bonding requirements.

### LAPSING REQUIREMENT

Measure M LR funds have five (5) years to be expended. Funds must be expended within five years of the last day of the fiscal year in which funds were originally allocated or received. For example, funds received in FY 2017-18 are required to be expended by June 30, 2023. A First-In-First-Out (FIFO) method of calculation will be used to determine any lapsing of funds. The Measure M LR allocation, interest income and other income earned from LR projects (such as revenues from advertising) which are not expended within the allocated time, will consequently lapse, and be returned to Metro upon request, for reallocation to Jurisdictions on a per capita basis.

Metro will allow a time extension for Jurisdictions to reserve funds (see RESERVE/CARRYOVER REQUIREMENTS below).

### RESERVE/CARRYOVER REQUIREMENTS

Jurisdictions, may set up a reserve fund account to obtain additional time (beyond the five year term limit) to expend funds. The reserve project will be accounted for in a separate account, or sub-account for audit purposes and lapse date calculation. The reserve fund process is as follows:

1. The Jurisdiction must send a letter to Metro requesting a reserve fund along with project details, including an Expenditure Plan and justification and time continuance specific to the project for which the extension is needed.
2. Metro will determine if the extension is warranted. If the project qualifies, Metro will send an approval letter for the reserve.

3. The Jurisdiction will then be required to establish a separate account, or sub-account (line item), that can be audited.

However, if a Jurisdiction finds that the reserve fund project cannot be constructed for reasons beyond the Jurisdiction's control, the Jurisdiction may submit a request to Metro to reprogram the reserve. The Jurisdiction must indicate in writing the proposed use of the accumulated reserve funds to be reprogrammed, and receive written Metro approval. If the reserve funds are reprogrammed without the approval of Metro, Metro may request that the funds be paid back to Metro for reallocation to Jurisdictions on a per capita basis through the Measure M LR allocation process.

#### AUDIT REQUIREMENTS

A financial and compliance audit will be conducted annually as part of Metro's Consolidated Audit Program to verify adherence to the Measure M Guidelines. Audits will be performed in accordance with auditing standards generally accepted in the United States of America and the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that the audit is planned and performed to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. The audit shall include examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. The audit shall also include review of internal control procedures, assessing the accounting principles used, as well as evaluation of the overall basic financial presentation.

It is each Jurisdiction's responsibility to maintain proper accounting records and documentation to facilitate the performance of the audit prescribed in these guidelines. This includes proper controls that administrative charges are adequately supported (timesheets, payroll registers, labor distribution reports and other related documentation). Jurisdictions are required to retain LR records for at least four years following the year of allocation and be able to provide trial balances, financial statements, worksheets and other documentation required by the auditor. Jurisdictions are advised that they can be held accountable for excess audit costs arising from poor cooperation and inaccurate accounting records that would cause delays in the completion of the required audits.

**Note:** Jurisdictions are required to expend their Measure M LR funds for transportation purposes, as defined by these guidelines. Any Jurisdiction that violates this provision must fully reimburse the Measure M LR fund, including interest thereon, for the misspent funds and may be deemed ineligible to receive Measure M LR funds for a period of three (3) years.



Financial and Compliance Provisions

The Measure M LR Audits shall include, but not limited to, verification of adherence to the following financial and compliance provisions of this guidelines:

<b>Audit Area</b>	<b>Non-Compliance Penalty (for failure to comply with Audit Area)</b>
<p>Measure M LR funds were expended for transportation purposes (as defined by the Measure M LR Guidelines).</p>	<p>Reimbursement to the LR fund of unsupported expenditures, and possible suspension of disbursements for three (3) years. The suspended funds will be reallocated to Jurisdictions on a per capita basis.</p>
<p>Assurances and Understandings (fully executed agreement).</p>	<p>Suspension of disbursements until compliance.</p>
<p>Accounts and records have established a separate operating Measure M Local Transportation Assistance Account for LR purposes.</p>	<p>Suspension of disbursements until compliance.</p>
<p>Verification of revenues received including allocations, project generated revenues, interest income properly credited to Measure M account.</p>	<p>Suspension of disbursements until compliance.</p>
<p>Verification that funds were expended</p>	

<p>with Metro’s approval.</p> <p>Verification that funds were not substituted for property tax and are in compliance with the MOE.</p> <p>Verification that the funds are expended within five (5) years from the last day of the fiscal year in which funds were originally allocated or received (unless an approved reserve fund has been established).</p> <p>Verification that administrative expenditures did not exceed 20% of the total annual LR expenditures.</p> <p>Verification that the Expenditure Plan was submitted on or before August 1<sup>st</sup> at the beginning of the new fiscal year.</p> <p>Verification that the Annual Expenditure Report was submitted on or before October 15<sup>th</sup> following the end of the prior fiscal year.</p> <p>Where funds expended are reimbursable by other grants or fund sources,</p>	<p>Jurisdiction will be required to reimburse its LR account.</p> <p>Jurisdiction will be required to reimburse its LR account (Auditors will measure MOE compliance globally, not project by project).</p> <p>Lapsed funds will be returned to Metro for reallocation to Jurisdictions on a population basis.</p> <p>Jurisdictions will be required to reimburse their LR account for the amount over the 20% cap.</p> <p>Audit exception.</p> <p>Audit Exception.</p>
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<p>verification that the reimbursement is credited to the Local Return account upon receipt of reimbursement.</p> <p>Where Measure M funds were given, loaned or exchanged by one Jurisdiction to another, verification that the receiving Jurisdiction has credited its LR account with the funds received.</p> <p>Where a capital reserve has been granted, verification that a separate account for the capital reserve is established, and current status is reported in the Expenditure Plan</p>	<p>Audit exception and reimbursement received must be returned to the LR account</p> <p>Audit exception and reimbursement of affected funds to the LR account.</p> <p>Audit exception.</p>
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### Audit Deliverables

The auditor shall submit to the Jurisdictions and to Metro a Comprehensive Annual Report of Measure M LR funds no later than March 31 following the end of fiscal year. The report must, at the minimum, contain the following:

- Audited Financial Statements – Balance Sheet, Statement of Revenues and Expenditures and Changes in Fund Balances.
- Compliance Report, Summary of Exceptions, if any, and ensuing recommendations.
- Supplemental Schedules – Capital Reserves, if any; Schedule of Detailed Project Expenditures; and Capital Assets.

### Suspension or Revocation

Jurisdictions are expected to take corrective action in response to the LR financial and compliance audit. Notwithstanding the provisions of these guidelines, Metro reserves the right to suspend or revoke allocation to jurisdictions that may be found to be in gross violation of these guidelines, or repeatedly committing violations, or refusing to take corrective measures.

### **MEASURE M RECOGNITION**

All jurisdictions are encouraged to recognize projects and services that are funded using Measure M funds. Examples may include websites, car cards, schedules, other promotions and marketing materials. This will be left to the discretion of each jurisdiction.

### **REVISIONS TO PROGRAM GUIDELINES**

These guidelines shall be reviewed by a Working Group of LR jurisdictions at least every five years. Any revisions to these program guidelines shall be approved by the Metro Board of Directors.



## APPENDIX

- A. 3% Local Contribution to Major Transit Projects Guidelines
- B. Low Income Fare Subsidy Program (Measure M – Metro Discounts for Seniors and Students)
- C. Local Return Forms and Attachments (will be available within one month of adoption):
  - 1. Assurances and Understandings
  - 2. Form M-One
  - 3. Form M-Two
  - 4. Recreational Transit Form
  - 5. Fund Exchange Agreement
  - 6. Bonding

## **Borrowing Guidelines for Prop A, Prop C, Measure R and Measure M Local Return Programs**

The following guidelines are provided to establish consistency for Local Return borrowing under Los Angeles County Metropolitan Transportation Authority's ("Metro") four sales taxes, facilitate the review and approval of Local Return Borrowings, and ensure equitable treatment of local jurisdictions. A Jurisdiction borrowing against its Local Return funds must adhere to the Local Return Guidelines for the respective sales tax/taxes committed to secure the borrowing.

### **Structures**

There are three basic methods that a Jurisdiction may use to borrow against its Local Return funds:

- Method 1) Issue its own debt – only Metro local return program/project approval with little financing oversight
- Method 2) Metro issues the bonds on the Jurisdiction's behalf – requires Metro Board approval and staff oversight
- Method 3) Borrow directly from Metro – requires Metro board approval and Metro controls the execution of any bond sale

### **Approval Process and Issuance Procedures**

Method 1) Direct Issuance by the Jurisdiction

- A. The Jurisdiction requests approval for it to borrow via the normal Local Return approval process.
- B. The Local Return Program Manager ("Program Manager") is delegated the authority to approve the borrowing. The Program Manager also has the authority to approve eligible Local Return projects.
- C. The Program Manager notifies the Jurisdiction and the Board in writing within 30 days of the jurisdiction request for approval to borrow that the projects were in compliance with the LR Guidelines and the borrowing has been approved.
- D. The Jurisdiction selects its debt issuance team, including conduit issuer (if applicable), municipal advisor, bond counsel, and underwriters if the debt is sold through negotiated sale or a private placement.
- E. Metro Treasury staff assists the Jurisdiction by reviewing its borrowing documents as to information related to Metro.
- F. The Jurisdiction issues the debt and is solely responsible for the repayment from its Local Return over the life of the bonds and compliance with Federal and State restrictions and requirements related to the issuance of tax-exempt or taxable debt.

## Method 2) Issuance by Metro on Behalf of the Jurisdiction

- A. The Jurisdiction takes the necessary legal actions to authorize the debt issuance, such as through an authorizing resolution by the governing body. The authorization should include the terms and conditions of the sale and the delegation of authority to enter into required agreements.
- B. The Jurisdiction selects its financing team and determines whether to sell through competitive or negotiated sale. For a negotiated bond sale, the Jurisdiction approves selection of bond underwriters.
- C. The Jurisdiction requests approval from Metro to borrow on its behalf via normal Local Return approval process. The Program Manager reviews the projects to be bonded to ensure compliance with the Local Return Guidelines.
- D. Local Programs/Treasury with assistance from the Jurisdiction prepares an item for the Oversight Committee findings as required by Measure R or Measure M.
- E. The Program Manager notifies the Jurisdiction that findings have been made by the Oversight Committee.
- F. The Program Manager and Treasury staff request authorization from the Board to approve the borrowing and enter into the MOU and Master Trust Agreement. Board authorization will include terms and conditions of the bond issue and concurrence with the financing team selected by the Jurisdiction. Any subsequent Local Return bonds will be issued under the master trust and a supplemental trust agreement.
- G. The Jurisdiction and Metro enter into a memorandum of understanding (“MOU”) and a trust agreement with a trustee bank. The MOU will cover the following points:
  - a. Metro will issue the bonds on behalf of the Jurisdiction for the Jurisdiction’s benefit to be used for approved Local Return projects.
  - b. The Jurisdiction and Metro will determine reasonable security features such as debt service coverage ratios and debt service reserve requirement sufficient to obtain ratings of A- from Standard & Poor’s or A3 from Moody’s.
  - c. Negotiate associated fees provided that all fees are reimbursed by the Jurisdiction.
  - d. The Jurisdiction will repay the bonds by pledging its share of the respective Local Return.
  - e. One-twelfth of annual debt service will be withheld from the Jurisdiction’s monthly Local Return allocation and be transferred to the Trustee. The balance will be remitted to the Jurisdiction.
  - f. The Jurisdiction will reimburse Metro for any and all costs incurred in the issuance and administration of these bonds.
  - g. The Jurisdiction will indemnify the Metro against all other possible expenses, liabilities, or required actions resulting from the outstanding bonds that would not otherwise have been incurred by the Metro.
- H. Following the sale of bonds the Jurisdiction is responsible for on-going debt management including arbitrage rebate calculations, annual continuing disclosure requirements and for spending bond proceeds in a timely manner.

Method 3) Direct Loan between Metro and the Jurisdiction

This method is reserved for circumstances where the Jurisdiction is unable to borrow under the first two methods. Should Metro choose to borrow through the capital markets to advance the funds, it would generally be part of a larger Metro bond issue. This method reduces the total amount of borrowing available for Metro's own capital program.

- A. The Jurisdiction requests approval to borrow via the normal Local Return approval process.
- B. The Program Manager notifies the Jurisdiction in writing that the projects submitted for bonding are in compliance with the LR Guidelines.
- C. The Jurisdiction and Metro negotiate the loan terms and develop required documentation.
- D. The Jurisdiction obtains authorization from its governing body for the loan and to enter into the necessary legal documents to secure repayment of the loan.
- E. The Program Manager and Treasury staff request authorization from the Board to approve the loan and to enter into all appropriate legal agreements (i.e., MOU/Assignment Agreement/Promissory Note, other required documents) required to provide for repayment of the loan to Metro.

The MOU/ Promissory Note will cover at a minimum the following:

- A. Project description.
- B. Principal amount, interest rate, term.
- C. The Local Return committed by the Jurisdiction to repay the loan.
- D. Amortization/ repayment schedule. Typically one-twelfth of annual debt service will be withheld from the Jurisdiction's monthly Local Return allocation by Metro. The balance will be remitted to the Jurisdiction.
- E. Jurisdiction to reimburse its allocable share of costs incurred in the issuance and administration of the outstanding debt if the advance is part of a larger Metro bond issue.
- F. Other terms and conditions as appropriate.

2018

# Transportation Development Act (TDA) Statutes and California Code of Regulations



Division of Rail and Mass Transportation

July 2018



# Acknowledgements

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# Forward

Materials contained in this book consist of the Transportation Development Act (TDA) Statutes (as enacted by the Legislature through fiscal year 2018) and other important information regarding the operation of a public transportation service. This Guidebook has been compiled to provide legislative information to Regional Transportation Planning Agencies, cities, counties, transit operators, and all other parties.

Since the last publication, the following Statutes changed TDA:

- **SB 508 (Statutes of 2015)** – Amended 99233.3, 99234, 99247, 99268.2, 99268.3, 99268.4, 99268.17 and 99268.19, Added 99314.6
- **SB 1 (Statutes of 2017)** – Amended 99312.1, Added 99312.3, 99312.4 and 99314.9
- **SB 903 (Statutes of 2018)** – Added 99270.8
- **AB 115 (Statutes of 2017)** – Amended 99312.1, 99314.9
- **AB 1113 (Statutes of 2017)** - Amended 99243, 99312, 99312.1, 99312.7, 99313, 99313.1, 99313.3, 99313.6, 99313.7, 99314, 99314.2, 99314.3, 99314.4, 99314.5, 99314.6, 99314.8, Added 99312.2

The TDA Statutes and Regulations Guidebook may also be viewed online at <http://www.dot.ca.gov/drmt/sptda.html>. Subject search features are available when viewing the document online.

## ***Mailing Addresses:***

Reports to the Department of Transportation, including performance audits of regional transportation planning agencies and county transportation commissions, along with certification of performance audits of operators and unmet transit needs findings documentation, should be addressed to:

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**Division of Rail and Mass Transportation**  
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Reports, including fiscal audits transmitted to the State Controller, should be addressed to:

**State Controller's Office**  
**Division of Audits**  
**TDA Audit Program**  
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For individuals with sensory disabilities, this document is available in alternate formats. For alternate format information, contact the TDA Program at (916) 657-3863, TTY 711, or write to the TDA Program, 1120 N Street, MS-39, Sacramento, CA 95814.



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# The Transportation Development Act (TDA) Overview

The Mills-Alquist-Deddeh Act (SB 325) was enacted by the California Legislature to improve existing public transportation services and encourage regional transportation coordination. Known as the Transportation Development Act (TDA) of 1971, this law provides funding to be allocated to transit and non-transit related purposes that comply with regional transportation plans.

The TDA provides two funding sources:

1. Local Transportation Fund (LTF), which is derived from a ¼ cent of the general sales tax collected statewide.
2. State Transit Assistance fund (STA), which is derived from the statewide sales tax on diesel fuel.

The State Board of Equalization, based on sales tax collected in each county, returns the general sales tax revenues to each county's LTF. The STA funds are appropriated by the Legislature to the State Controller's Office. That Office then allocates the tax revenue, by formula, to planning agencies and other selected agencies. Statute requires that 50% of STA funds be allocated according to population and 50% be allocated according to operator revenues from the prior fiscal year.

The TDA funds a wide variety of transportation programs, including planning and program activities, pedestrian and bicycle facilities, community transit services, public transportation, and bus and rail projects. Providing certain conditions are met, counties with a population under 500,000 (according to the 1970 federal census) may also use the LTF for local streets and roads, construction and maintenance. The STA fund can only be used for transportation planning and mass transportation purposes.

Public participation is a key component of TDA. Public meetings are held to discuss transportation needs and hear concerns. Regional planning agencies are required to establish Social Service Transportation Advisory Councils (SSTAC), comprised of the transit-dependent, including disabled, elderly and low-income representatives. SSTAC members work with local agencies in developing transit unmet needs criteria, which are used in making project approval decisions.

To ensure program compliance, fiscal and performance audits are conducted. Fiscal audits are conducted annually, and include transit operator's expense-to-revenue ratio, known as farebox recovery. Performance audits are conducted every three years and include performance measures that verify the efficiency and effectiveness of planning agencies and transit operators. Both fiscal and performance audits are conducted by entities designated by the transportation planning agency (other than itself), a county transportation commission, or an operator.

Generating \$1.9 billion dollars in the 2016/17 fiscal year, TDA continues to be a major funding source for public transportation in California.

# Frequently Asked Questions

## *Where do I get more information related to TDA?*

There are three basic ways to seek information regarding TDA. They are:

1. The TDA Guidebook – Please see the Appendix for additional supporting information related to TDA.
2. The Internet – Page 178 in the Appendix provides detailed information on how to access the TDA Handbook online, where you are able to perform detailed searches on various aspects of the TDA.
3. Staff – Caltrans TDA staff are always available to assist you with questions related to TDA.

## Roles and Responsibilities

### *Who is responsible for implementing the TDA?*

1. State Government – Responsible for governing statutes, oversees funding programs, allocations to cities and counties, reviews transit financial and performance audits.
2. Regional Transportation Agencies, local government – Responsible for authorizing funding to local transportation agencies, ensures public participation process and needs assessments are conducted.
3. Transportation Operators – Receives capital and operating funds for transportation projects.
4. Public Works Departments – Under certain conditions, receives funding for streets and roads maintenance.

## Statutorily-Created Entities

### *What are the statutorily-created Regional Transportation Planning Agencies (RTPAs) in California?*

Pursuant to Section 29532.1 of the Government Code, the seven statutorily created Regional Transportation Planning Agencies are:

- The Metropolitan Transportation Commission
- Tahoe Regional Planning Agency
- Placer County Transportation Planning Agency
- Nevada County Transportation Commission
- Santa Cruz County Regional Transportation Commission
- The Transportation Agency of Monterey County
- The El Dorado County Transportation Planning Agency

## ***Which are the statutorily-created County Transportation Commissions in California?***

The five statutorily created County Transportation Commissions are in Los Angeles, Orange, San Bernardino, Riverside, and Ventura Counties. These County Transportation Commissions also function as their respective County RTPAs, per Public Utilities Code (PUC) Section 99214 for purposes of this chapter.

## **Funding Questions**

### ***What are the funding sources for the TDA?***

The TDA provides two major sources of funding for public transportation:

1. *The Local Transportation Fund (LTF)* – In existence since 1972, the LTF is derived from ¼ cent of the general sales tax collected statewide.
2. *The State Transit Assistance (STA) Fund* – Beginning in 1980, STA is derived from the statewide sales tax on diesel fuel.

### ***How are the revenues derived to create the LTF?***

The TDA creates in each county an LTF for the transportation purposes specified in the Act (“Mills-Alquist Deddeh Act”, also known as the Transportation Development Act, PUC Section 99200). Revenues to the LTF are derived from ¼ cent of the 7.25-cent retail sales tax collected statewide. The State Board of Equalization returns the ¼ - cent to each county according to the amount of tax collected in that county.

### ***What is the process for obtaining funds from the LTF?***

Obtaining funds from the LTF is a three-step process: (1) apportionment, (2) allocation, and (3) payment. One step does not always imply or require the next. Annually, the Transportation Planning Agencies (TPAs) determine each area’s share of the anticipated LTF. This share is the area apportionment. Once funds are apportioned to a given area, they are available only for allocation to claimants in that area. Allocation is the discretionary action by the TPA, which designates funds for a specific claimant for a specific purpose. Payment is authorized by allocation instructions issued by the TPA, which may call for payment in a lump sum, in installation, or as funds become available.

### ***How are LTF revenues apportioned?***

Generally, revenues from the county’s LTF must be apportioned, by population, to areas within the county. An area can be a transit district, city, county, etc. For a county without a transit district, apportionments are made for the incorporated area of each city and for the county’s unincorporated area. Where there is a transit district, separate apportionments are made to areas within and outside the district. Area apportionments are defined in PUC Sections 99231 through 99232.6. It is important to remember that an area’s apportionment represents an estimate of the amount of LTF the area can expect to get allocated to it.

***Can LTF be allocated for administrative purposes before the apportionment to areas?***

Yes. As outlined in PUC Section 99233, the LTF is allocated in a specific priority order. Claims for administration, planning and programming, pedestrian and bicycle projects, passenger rail projects, and Consolidated Transportation Service Agency activities are funded in priority order before Article 4 and Article 8 claims. Article 4 claims are funded before Article 8 claims (see page 16 and 17).

***Who instructs the county auditor to make payments from the LTF?***

Payments from the LTF are made by the County auditor, but only in accordance with written allocation instructions issued by the county's TPA.

***What is the State Transit Assistance Fund?***

The State Transit Assistance (STA) fund was created under Chapter 161 of the Statutes of 1979 (SB 620), and revised by Chapter 322 of the Statutes of 1982 (AB 2551), and Chapter 105 of the Statutes of 1989 (SB 300). The fund provides a second source of Transportation Development Act (TDA) funding for transportation planning and mass transportation purposes as specified by the Legislature.

***How are STA funds derived?***

Funds for the program are derived from the statewide sales tax on diesel fuel.

On April 28, 2017 the Governor signed Senate Bill (SB) 1 (Beall, Chapter 5, Statutes of 2017), known as the Road Repair and Accountability Act of 2017. To address basic road maintenance, rehabilitation and critical safety needs on both the state highway and local streets and road system, SB 1: increases per gallon fuel excise taxes: increases diesel fuel sales taxes and vehicle registration fees: and provides for inflationary adjustments to tax rates in future years. Included in SB1 is a new program, referred to as the State of Good Repair program (SGR), which provides approximately \$105 million annually to transit operators in California for eligible transit maintenance, rehabilitation and capital projects.

Effective January 1, 2018, the State of California will collect an additional vehicle registration fee called the "Transportation Improvement Fee" with rates based on the value of the motor vehicle. A portion of this fee will be transferred to the State Controller's Office (SCO) for the SGR program. These funds will be allocated under the State Transit Assistance (STA) program formula to eligible agencies pursuant to Public Utilities Code section 99312.1 subdivision (c); 50% to be allocated according to population and 50% allocated according to transit operator revenues from the prior fiscal year.

***How are STA funds allocated?***

The money is apportioned to the State Controller's Office (SCO) by the Legislature, for allocation by formula to each TPA, to the five county transportation commissions, and to the San Diego Metropolitan Transit Development Board. The formula allocates 50 percent of the funds according to population and the remaining 50 percent are allocated according to operator revenues from the prior fiscal year. The STA allocations are deposited in each regional transportation planning entity's STA fund.

***What is the process for allocation and payment of STA funds?***

STA funds are allocated to the operators within the county. The allocations are based on the operator's share of revenues when compared with all of the other operators in the State. The allocation must be made in a resolution adopted by the TPA's governing board. The county auditor, in accordance with the allocation instructions, makes payment from the STA fund.

STA funds may not be allocated to fund a TPA's administration cost or streets and roads projects. Section 99400 (c) of the Public Utility Code (PUC) does allow STA to pay for administrative cost related to transportation services under contract. Section 6731(b) of the California Code of Regulations (CCR) also allows STA to pay for administrative services by operators under contract to provide transportation services. Operators receiving STA funds must meet qualifying criteria based on the change in cost per revenue vehicle-hour from the previous year, taking into consideration the change in the Consumer Price Index within the operator's region.

In those areas where the LTF apportionment restriction applies (counties over 500,000 population as of the 1970 Federal Decennial Census), a claimant may not receive STA funds unless all of its LTF apportionment is allocated.

**Unmet Needs**

***What sections apply to the unmet transit needs funding process?***

Sections 99238, 99238.5, 99401.5, and 99401.6 of the Public Utilities Code.

***If our county is eligible for funding under Article 8, but 100% of available TDA funding goes to transit, does the unmet needs process still need to be practiced?***

All counties eligible for funding under Article 8 must establish a Social Services Transportation Advisory Council (SSTAC) under Section 99238. Furthermore, all counties eligible for funding under Article 8 are required to establish and implement a process of citizen participation, utilizing the SSTAC to hear the transit needs of transit dependent or disadvantaged persons. Section 99238.5 (a) requires that this process provide for a least one public hearing annually. There are no exceptions or exemptions to this process in the TDA law.

**Farebox Recovery**

***What are the minimum fare box ratios and local support requirements to qualify for TDA funding?***

In order to qualify for funding under TDA (from either the LTF or the STA fund), a transit claimant must either claim no more than 50% of their operating budget from TDA or maintain a ratio of fare revenues to operating cost at least equal to 20 percent if the claimant is in an urbanized area, or 10 percent if the claimant is in a non-urbanized area, whichever is greater.

A transportation planning agency or a county transportation commission may set the required ratio of fare revenues to operating costs at not less than 15 percent for an operator in a county with a population of 500,000 or less, if the operator provides services in an urbanized area (where funds may be allocated under Article 8), and specific findings are made by the planning agency or the transportation commission justifying the reasons for its actions.



For service that is provided for elderly and disabled persons under Article 4.5 or 8, the Regional Transportation Planning Agency may adopt by resolution any performance criteria, local match requirement, or fare recovery ratio it desires.

A claimant may receive exemptions from the various ratio requirements for services provided to new areas or along new routes. The exemptions apply until the end of the second full fiscal year of operation. If a claimant fails to meet a required ratio for a fiscal year, its TDA funding level will be reduced by the amount of required revenues that was not maintained. There is an exception if it is the first time that the claimant has ever failed to meet the required ratio.

The ultimate significance of the ratios is that a claimant's maximum eligibility for TDA funds is determined in large part by its required ratios. For example, if a claimant had a required fare ratio of 20 percent and no local support requirement, then it could receive a maximum of 80 percent of its operating cost from TDA and federal revenues (this is in addition to eligibility for capital purposes). If the claimant's actual fare revenues proved to be less than the required 20 percent, its TDA eligibility would not be increased to make up the difference.

***What happens if a claimant does not meet its farebox recovery ratio?***

The claimant could raise local support money to meet the ratio; the claimant may be able to file for LTF under Article 8; and/or the claimant's TDA funding can be reduced.

***Are there any exemptions to the farebox recovery requirements?***

The TDA allows exemptions to the farebox recovery requirements for new routes, new route extensions, newly urbanized areas, and in the case of work stoppages.

***What are the impacts on TDA apportionments if Transit Agencies do not charge fares?***

There are no impacts on TDA apportionments should an agency not charge a fare (i.e. free fare days or voucher programs). This scenario would most commonly be found under a free fare day or voucher program funded through the Low Carbon Transit Operations Program (LCTOP). If the Transportation Planning Agency wanted to count free fare days or voucher programs (awarded through a program such as LCTOP), they could work with the region to distinguish these funds and if they report them as local funds to meet their farebox revenues, it would be at the discretion of the Transportation Planning Agency.

***Regarding permanent free service, what are the impacts to farebox recovery and what types of funds can be used to meet recovery ratio requirements under TDA?***

The biggest impact to farebox recovery for an agency that is wanting to provide free service is lack of revenue. The agency would have to find other means by which to collect funds to meet the farebox recovery. SB 508 changed the definition of local revenue within PUC 99268.19 for purposes of supplementing fare revenues. Prior to SB 508, revenue was limited to local option sales tax. Post SB 508, this supplement of local funds has been clarified to include any nonfederal or nonstate grants or other revenues generated by, or distributed to the operator. This could include advertising, transient occupancy taxes, or other local revenues sources. Per CCR 6611.2 and 6611.3, there are additional fare revenue and local support sources as defined by the State Controller's Office Uniform System of Accounts (<https://www.sco.ca.gov/Files-ARD-Local/uastransit.pdf>). Category 402.000 covers revenues earned for rides given in regular transit service, but paid for by some organization rather than

by the rider (for example a college or university paying a transit system to let students ride the system free of charge). Category 406.000 covers revenues earned from operations closely associated with transportation operations (for example advertising revenues from displaying advertising materials on transit system vehicles and property).

***Does TDA pose any restrictions on transit agencies to conduct mean testing for reduced fare programs?***

There are no impacts or restrictions on transit agencies regarding mean testing. This is a non-TDA related code found in PUC 99155. As long as an operator complies with PUC 99155, and they charge the same fare for seniors or the disabled, there should be no impacts or restrictions.

***If a TDA audit evaluates the farebox ratio below the required amount (i.e. 9.91% with a recovery ratio of 10%) would the operator be penalized and/or could the ratio be rounded up to meet the required recovery ratio?***

The farebox recovery is not rounded up. In some cases, the Transportation Planning Agency might not choose to enforce the fare penalty because of this small difference. Another way to evaluate this scenario is to look at other local revenue or cost savings to bring the farebox up to the required percentage. Not meeting the farebox by such a slight amount could be a learning moment to be creative to make up the small gap by supplementing with local funds including any nonfederal or nonstate grants or other revenues generated by, or distributed to the operator such as advertising, transient occupancy taxes, or other local revenue sources.

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# 1970 California Population by County

(Source: The State of California, Department of Finance)

<b>Alameda*</b>	<b>1,073,184</b>	<b>Orange*</b>	<b>1,420,386</b>
Alpine	484	Placer	77,306
Amador	11,821	Plumas	11,707
Butte	101,969	Riverside	459,074
Calaveras	13,585	<b>Sacramento*</b>	<b>631,498</b>
Colusa	12,430	San Benito	18,226
<b>Contra Costa*</b>	<b>558,389</b>	<b>San Bernardino*</b>	<b>684,072</b>
Del Norte	14,580	<b>San Diego*</b>	<b>1,357,854</b>
El Dorado	43,833	<b>San Francisco*</b>	<b>715,674</b>
Fresno	413,053	San Joaquin	290,208
Glenn	17,521	San Luis Obispo	105,690
Humboldt	99,692	<b>San Mateo*</b>	<b>556,234</b>
Imperial	74,492	Santa Barbara	264,324
Inyo	15,571	<b>Santa Clara*</b>	<b>1,064,714</b>
Kern	329,162	Santa Cruz	123,790
Kings	64,610	Shasta	77,640
Lake	19,548	Sierra	2,365
Lassen	14,960	Siskiyou	33,225
<b>Los Angeles*</b>	<b>7,032,075</b>	Solano	169,941
Madera	41,519	Sonoma	204,885
Marin	206,038	Stanislaus	194,506
Mariposa	6,015	Sutter	41,935
Mendocino	51,101	Tehama	29,517
Merced	104,629	Trinity	7,615
Modoc	7,469	Tulare	188,322
Mono	4,016	Tuolumne	22,169
Monterey	250,071	Ventura	376,430
Napa	79,140	Yolo	91,788
Nevada	26,346	Yuba	44,736

\*Counties having populations of 500,000 or more

# 2000 California Population by County

(Source: The State of California, Department of Finance)

<b>Alameda*</b>	<b>1,443,741</b>	Orange*	<b>2,846,289</b>
Alpine	1,208	Placer	248,399
Amador	35,100	Plumas	20,824
Butte	203,171	<b>Riverside*</b>	<b>1,545,387</b>
Calaveras	40,554	<b>Sacramento*</b>	<b>1,223,499</b>
Colusa	18,804	San Benito	53,234
<b>Contra Costa*</b>	<b>948,816</b>	<b>San Bernardino*</b>	<b>1,709,434</b>
Del Norte	27,507	<b>San Diego*</b>	<b>2,813,833</b>
El Dorado	156,299	<b>San Francisco*</b>	<b>776,733</b>
<b>Fresno*</b>	<b>799,407</b>	<b>San Joaquin*</b>	<b>563,598</b>
Glenn	26,453	San Luis Obispo	246,681
Humboldt	126,518	<b>San Mateo*</b>	<b>707,161</b>
Imperial	142,361	Santa Barbara	399,347
Inyo	17,945	<b>Santa Clara*</b>	<b>1,682,585</b>
<b>Kern*</b>	<b>661,645</b>	Santa Cruz	255,602
Kings	129,461	Shasta	163,256
Lake	58,309	Sierra	3,555
Lassen	33,828	Siskiyou	44,301
<b>Los Angeles*</b>	<b>9,519,338</b>	Solano	394,542
Madera	123,109	Sonoma	458,614
Marin	247,289	Stanislaus	446,997
Mariposa	17,130	Sutter	78,930
Mendocino	86,265	Tehama	56,039
Merced	210,554	Trinity	13,022
Modoc	9,449	Tulare	368,021
Mono	12,853	Tuolumne	54,501
Monterey	401,762	<b>Ventura*</b>	<b>753,197</b>
Napa	124,279	Yolo	168,660
Nevada	92,033	Yuba	60,219

\*Counties having populations of 500,000 or more

# 2020 California Population Projections by County

(Source: The State of California, Department of Finance)

<b>Alameda*</b>	1,864,145	<b>Orange*</b>	<b>3,526,144</b>
Alpine	1,441	Placer	456,040
Amador	42,257	Plumas	20,983
Butte	260,730	<b>Riverside*</b>	2,675,648
Calaveras	59,691	<b>Sacramento*</b>	1,946,679
Colusa	26,337	San Benito	73,547
<b>Contra Costa*</b>	1,327,081	<b>San Bernardino*</b>	2,456,089
Del Norte	30,765	<b>San Diego*</b>	3,633,572
El Dorado	221,289	<b>San Francisco*</b>	820,545
<b>Fresno*</b>	1,114,654	<b>San Joaquin*</b>	989,462
Glenn	31,950	San Luis Obispo	305,274
Humboldt	139,518	<b>San Mateo*</b>	786,740
Imperial	214,386	Santa Barbara	464,019
Inyo	18,404	<b>Santa Clara*</b>	2,006,992
<b>Kern*</b>	950,112	Santa Cruz	286,044
Kings	184,751	Shasta	227,922
Lake	79,676	Sierra	3,654
Lassen	38,232	Siskiyou	45,862
<b>Los Angeles*</b>	10,885,092	<b>Solano*</b>	555,264
Madera	183,966	<b>Sonoma*</b>	602,783
Marin	251,260	<b>Stanislaus*</b>	653,841
Mariposa	20,607	Sutter	111,856
Mendocino	100,664	Tehama	68,323
Merced	360,831	Trinity	13,402
Modoc	9,285	<b>Tulare*</b>	543,749
Mono	16,248	Tuolumne	65,452
<b>Monterey*</b>	505,359	<b>Ventura*</b>	924,410
Napa	165,946	Yolo	271,040
Nevada	126,912	Yuba	84,816

\*Counties having populations of 500,000 or more

# 2040 California Population Projections by County

(Source: The State of California, Department of Finance)

<b>Alameda*</b>	<b>2,032,262</b>	<b>Orange*</b>	<b>3,558,718</b>
Alpine	1,164	<b>Placer*</b>	<b>507,740</b>
Amador	41,719	Plumas	18,366
Butte	263,642	<b>Riverside*</b>	<b>3,165,363</b>
Calaveras	48,242	<b>Sacramento*</b>	<b>1,942,004</b>
Colusa	26,451	San Benito	73,535
<b>Contra Costa*</b>	<b>1,426,050</b>	<b>San Bernardino*</b>	<b>2,735,646</b>
Del Norte	28,309	<b>San Diego*</b>	<b>3,380,210</b>
El Dorado	221,939	<b>San Francisco*</b>	<b>1,047,902</b>
<b>Fresno*</b>	<b>1,256,572</b>	<b>San Joaquin*</b>	<b>996,379</b>
Glenn	33,261	San Luis Obispo	310,367
Humboldt	141,958	<b>San Mateo*</b>	<b>886,272</b>
Imperial	243,975	<b>Santa Barbara*</b>	<b>516,163</b>
Inyo	19,360	<b>Santa Clara*</b>	<b>2,443,718</b>
<b>Kern*</b>	<b>1,213,558</b>	Santa Cruz	317,542
Kings	187,048	Shasta	196,656
Lake	70,275	Sierra	2,985
Lassen	29,117	Siskiyou	44,339
<b>Los Angeles*</b>	<b>11,161,569</b>	<b>Solano*</b>	<b>556,679</b>
Madera	212,229	<b>Sonoma*</b>	<b>586,957</b>
Marin	278,955	<b>Stanislaus*</b>	<b>669,177</b>
Mariposa	18,823	Sutter	120,845
Mendocino	95,329	Tehama	72,859
Merced	369,193	Trinity	13,224
Modoc	8,971	<b>Tulare*</b>	<b>594,348</b>
Mono	15,020	Tuolumne	55,557
<b>Monterey*</b>	<b>521,041</b>	<b>Ventura*</b>	<b>961,828</b>
Napa	161,795	Yolo	296,657
Nevada	111,421	Yuba	93,517

\*Counties having populations of 500,000 or more

# Caltrans District Contact Information

<p><b><u>DISTRICT 1</u></b>          1656 Union Street,          Eureka, CA 95502          (707) 445-6600</p>	<p><b><u>DISTRICT 2</u></b>          1657 Riverside Drive          Redding, CA 96001          (530) 225-3426</p>	<p><b><u>DISTRICT 3</u></b>          703 B Street          Marysville, CA 95901          (530) 741-4572</p>
<p><b><u>DISTRICT 4</u></b>          111 Grand Avenue          Oakland, CA 94612          (510) 286-4444</p>	<p><b><u>DISTRICT 5</u></b>          50 Higuera Street          San Luis Obispo, CA 93401-5415          (805) 549-311</p>	<p><b><u>DISTRICT 6</u></b>          1352 W. Olive Avenue          Fresno, CA 93728-2616          (559) 488-4038</p>



<p><b><u>DISTRICT 7</u></b>          100 S. Main Street          Los Angeles, CA 90012          (213) 897-3656</p>	<p><b><u>DISTRICT 8</u></b>          464 W. 4th St.          San Bernardino, CA 92401          (909) 383-4631</p>	<p><b><u>DISTRICT 9</u></b>          500 South Main Street          Bishop, CA 93514          (760) 872-0601</p>
<p><b><u>DISTRICT 10</u></b>          1976 E. Dr. Martin Luther King Blvd.          Stockton, CA 95205          (209) 948-7543</p>	<p><b><u>DISTRICT 11</u></b>          4050 Taylor Street          San Diego, CA 92110          (619) 688-6699</p>	<p><b><u>DISTRICT 12</u></b>          1750 East 4<sup>th</sup> Street, Suite 100          Santa Ana, CA 92705          (657) 328-6000</p>



# Metropolitan Planning Organizations (MPOs) and Regional Transportation Planning Agencies (RTPAs)



# Summary of Important Dates

(With Reference to Statues and Regulations)

<b>January 31</b>	State Controller sends preliminary STA estimate to TPA's, CTC's and San Diego Metropolitan Transit Development Board	PUC Sec. 99312.7
<b>February 1</b>	County auditor furnishes LTF estimate to TPA	CCR Sec. 6620
<b>March 1</b>	TPA advises LTF claimants of anticipated area apportionments within the county	PUC Sec. 99230 CCR Sec. 6644
<b>April 1</b>	Claimants file for LTF and STA funding with TPA	CCR Sec. 6630 CCR Sec. 6732
<b>June 15</b>	TPA, CTC, and the San Diego Metropolitan Transit Development Board reports to the State Controller the transit operators within their jurisdictions that are STA-eligible operators.	PUC Sec. 99243
<b>June 30</b>	TPA conveys LTF allocation instructions to LTF claimants and to the county auditor	PUC Sec. 99235 CCR Sec. 6659
<b>June 30</b>	TPA, CTC, and San Diego Metropolitan Transit Development Board transmit fiscal audit to the State Controller	CCR 6662
<b>August 1</b>	State Controller sends revised STA estimates to TPA, CTC and the San Diego Metropolitan Transit Development Board	PUC Sec. 99312.7
<b>August 15 (flexible)</b>	TPA submits unmet transit needs finding documentation to Caltrans (this date is flexible)	PUC Sec. 99401.6
<b>September 1</b>	TPA, CTC, and the San Diego Metropolitan Transit Development Board provide to Caltrans and the State Controller a schedule of performance audit reports to be submitted during the fiscal year and a list of all the entities subject to performance audits	CCR Sec. 6664.5
<b>September 30</b>	Claimants submit reports on extension of services to TPA	CCR Sec. 6633.8
<b>September 30</b>	TPA, CTC, and the San Diego Metropolitan Transit Development Board submit annual financial transaction reports to the State Controller	PUC Sec. 99406 CCR Sec. 6660
<b>September 30</b>	Operators and transit service claimants submit reports of operation to TPA, CTC, and the San Diego Metropolitan Transit Development Board, and the State Controller	PUC Sec. 99243 CCR Sec. 6637
<b>October 1</b>	Non-transit claimants submit expenditure reports to the State Controller	CCR Sec. 6665
<b>December 30</b>	Transportation planning entity submits fiscal and compliance audit of its STA fund to the State Controller	CCR Sec. 6751
<b>December 30</b>	All claimants submit certified fiscal and compliance audit (unless granted 90-day extension) to TPA, CTC, the San Diego Metropolitan Transit Development Board, and to the State Controller	PUC Sec. 99245 PUC Sec. 99276 CCR Sec. 6663 CCR Sec. 6664
<b>December 30</b>	All county auditors submit fiscal and compliance audits of LTF to TPA, CTC, the San Diego Metropolitan Transit Development Board, and to the State Controller	CCR Sec. 6661
<b>Quarterly</b>	County auditor reports status of funds to TPA, CTC, and submit fiscal and compliance audits of LTF to TPA, CTC, the San Diego Metropolitan Transit Development Board	CCR Sec. 6622
<b>Triennially</b>	Performance audits of TPA's, CTC's, and the San Diego Metropolitan Transit Development Board will be submitted to Caltrans. TPA's CTC's and the San Diego Metropolitan Transit Development Board will certify to the Director that performance audits of operators under their jurisdiction have been completed	PUC Sec. 99246 – 99249

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# The Local Transportation Fund Allocations

Priority	PURPOSE	PUC SECTION	Eligible Claimants	Amount Available
1	TDA administration	99233.1	County Auditor & the TPA	As necessary
			El Dorado County TPA Monterey County TPA Metropolitan Transportation Com. Nevada County TPA Orange CTC Placer County TPA Riverside CTC	
2	Planning & Programming	99233.2	San Bernardino CTC Santa Cruz County RTC Tahoe Regional Planning Agency	≤ 3% of revenues
		130050	Ventura CTC	≤ 2% of revenues
		130004	Los Angeles County Metropolitan Transportation Authority	≤ 1% of revenues
			Southern California Association of Governments	≤ ¾ of 1% & ≤ \$1 million of revenues
3	Pedestrian & bicycle facilities	99233.3 99234	Cities & Counties	Countywide, 2% of remaining money
4	Rail passenger service operations & capital improvements	99233.4 99234.9	Cities, Counties, CTC's or Operators	≤ apportionment
5	Long-term planning	99233.5 (a)	San Diego Association of Governments	
	San Diego MTDB administrative & planning functions; construction & acquisition programs	99233.5 (b)	San Diego Metropolitan Transit Development Board	≤ 10% of remaining money for area of MTDB
6	Community Transit Services	Article 4.5, 99233.7	Cities, Counties, Operators & CTSA's	Countywide, ≤ 5% of remaining money

(Cont. on next page)

PRIORITY	PURPOSE	PUC SECTION	Eligible Claimants	Amount Available
7	Article 4-Public Transportation,	99233.8	Operators	≤ Area Apportionment
	Support of public transportation systems	99260(a) 99262	Operators	≤ Area Apportionment
	Aid to research & development projects	99260(b)	Operators	≤ Area Apportionment
	Grade separation projects	99260(c)	Operators	≤ Area Apportionment
	Peak hour service contract	99260.2(a)	Operators	≤ Area Apportionment
	Rail passenger ticket purchases	99260.2(b)	Transit Districts	≤ Area Apportionment
	Payments to railroad corporation	99260.5	Transit Districts, Cities, Counties	≤ Area Apportionment
	Rail passenger service	99260.6, 99234.9	Cities & Counties, CTC, Operators	≤ Area Apportionment
	Claims for separate service to elderly & elderly	99260.7	Cities & Counties with a Joint Power Agency agreement	≤ Area Apportionment
8	Article 8-Other Allocation	99233.9	Cities & Counties where not restricted	≤ Area Apportionment
	Local streets & roads; pedestrian & bicycle projects	99400(a), 99402, 99407	Cities & Counties where not restricted	≤ Area Apportionment
	Commuter ferry services		Cities within the County of San Diego	≤ Area Apportionment
	Rail Passenger service operations & capital improvements	99400(b)	Cities & Counties	≤ Area Apportionment
	Public or special group transportation service contract	99400 (c,d,e)	Transit Districts, Cities & Counties	≤ Area Apportionment
	Multimodal transportation terminal	99400.5	Cities & Counties	≤ Area Apportionment
	Express bus & van pool services	99400.6	County of San Diego	≤ Area Apportionment

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# **California Government Code**





**CALIFORNIA GOVERNMENT CODE**  
**Title 3, Division 3, Chapter 2**  
**Article 11 – Local Transportation Fund**

**GOV § 29530 - Establishment of the Local Transportation Fund**

*(Repealed and added by Stats. 2003, 5th Ex. Sess., Ch. 2, Sec. 1.25. Effective December 12, 2003. Operative March 3, 2004, pursuant to Sec. 8 of Ch. 2.)*

- (a) If the board of supervisors so agrees by contract with the State Board of Equalization, the board of supervisors shall establish a local transportation fund in the county treasury and shall deposit in the fund all revenues transmitted to the county by the State Board of Equalization under Section 7204 of the Revenues and Taxation Code, which are derived from that portion of the taxes imposed by the county at a rate in excess of 1 percent, and on and after July 1, 2004, until the rate modifications in subdivision (a) of Section 7203.1 of the Revenue and Taxation Code cease to apply, at a rate in excess of three-quarters of 1 percent, pursuant to Part 1.5 (commencing with Section 7200) of Division 2 of that code, less an allocation of the cost of the services of the State Board of Equalization in administering the sales and use tax ordinance related to the rate in excess of 1 percent, and on and after July 1, 2004, until the rate modifications in subdivision (a) of Section 7203.1 of the Revenue and Taxation Code cease to apply, to the rate in excess of three-quarters of 1 percent, and of the Director of Transportation and the Controller in administering the responsibilities assigned to him or her in Chapter 4 (commencing with Section 99200) of Part 11 of Division 10 of the Public Utilities Code.
- (b) Any interest or other income earned by investment or otherwise of the local transportation fund shall accrue to and be a part of the fund.

**GOV § 29530.2 - Contract Modification (State Board of Equalization & County Board of Supervisors)**

*(Added by Stats. 1997, Ch. 123, Sec. 1. Effective July 28, 1997. Section conditionally operative by its own provisions.)*

- (a) Notwithstanding any other provision of law, the board of supervisors for any county of the first class may, upon the adoption of a resolution approved by a majority of all of its members, modify, for one fiscal year, its contract with the State Board of Equalization, as described in Section 29530, to require that not more than sixty million dollars (\$60,000,000) of the county sales and use tax revenues described in Section 29530 be deposited in the county general fund. No deposit in a county general fund made under this subdivision shall exceed the total of a court-ordered refund of deposits in the county general fund made under Section 29530.3 and any interest accruing thereon. No portion of any amount deposited in the county general fund under this subdivision shall be subject to repayment under Section 2106.4 of the Streets and Highways Code or any other provision of law.
- (b) Funds deposited in the local transportation fund pursuant to the final determination specified in subdivision (d) shall be allocated exclusively to a county transportation authority created under Division 12 (commencing with Section 130000) of the Public Utilities Code, in addition to any other funds that would otherwise be allocated to that authority.

- (c) Any refund pursuant to the final determination specified in subdivision (d) that is made directly to a county transportation authority created under Division 12 (commencing with Section 130000) of the Public Utilities Code shall be expended in accordance with the requirements of Article 3 (commencing with Section 99230) of Chapter 4 of Part 11 of Division 10 of the Public Utilities Code.
- (d) This section shall become operative on the date that a court of appellate jurisdiction renders a final determination invalidating Chapter 518 of the Statutes of 1995 to the extent that the final determination requires repayment of the funds transferred under that chapter.

### **GOV § 29531 – Continuous Appropriation**

*(Added by Stats. 1971, Ch. 1400.)*

The board of supervisors shall continuously appropriate the money in such fund for expenditure for the purposes specified in this article and in Chapter 4 (commencing with Section 99200) of Part 11 of Division 10 of the Public Utilities Code.

### **GOV § 29532 – Eligibility for Allocation**

*(Amended by Stats. 1992, Ch. 1172, Sec. 1. Effective September 30, 1992.)*

From funds appropriated pursuant to Section 29531, the county auditor shall pay to public transportation entities the amounts allocated by the transportation planning agencies designated by the Director of Transportation as follows:

- (a) For a county included within the jurisdiction of a statutorily created regional transportation-planning agency, that agency.
- (b) For a county which is not included within the jurisdiction of a statutorily created regional transportation planning agency but for which there is a council of governments, and an election has not been made pursuant to Section 29536, that council. For a county which is not included within the jurisdiction of a statutorily created regional transportation planning agency but for which there is a council of governments for which an election has been made under Section 29536 to form a local transportation commission, the local transportation commission authorized in Section 29535.
- (c) For a county not within the jurisdiction of a statutorily created regional transportation planning agency or a council of governments, the local transportation commission authorized in Section 29535.
- (d) Upon the request of a county within the jurisdiction of the multicounty designated transportation planning agency, as defined in Section 130004 of the Public Utilities Code, that agency.

## **GOV § 29532.1 – Designated Transportation Planning Agencies**

*(Amended by Stats. 2002, Ch. 743, Sec. 2. Effective January 1, 2003.)*

Pursuant to subdivision (a) of Section 2953, each of the following entities is designated the transportation planning agency for its respective area:

- (a) The Metropolitan Transportation Commission created by Title 7.1 (commencing with Section 66500).
- (b) The Tahoe Regional Planning Agency created by interstate compact and ratified by Title 7.4 (commencing with Section 66800).
- (c) The Placer County Transportation Planning Agency created by Title 7.91 (commencing with Section 67910).
- (d) The Nevada County Transportation Planning Agency created by Title 7.92 (commencing with Section 67920).
- (e) The Transportation Agency of Monterey County created pursuant to Title 7.93 (commencing with Section 67930).
- (f) The Santa Cruz County Regional Transportation Commission created by Title 7.94 (commencing with Section 67940).
- (g) The El Dorado County Transportation Planning Agency created by Title 7.95 (commencing with Section 67950).
- (h) The consolidated agency created by Chapter 3 (commencing with Section 132350) of Division 12.7 of the Public Utilities Code.

## **GOV § 29532.4 – Designation of County Transportation Commissions**

*(Amended by Stats. 2012, Ch. 769, Sec. 3. (AB 2679) Effective January 1, 2013.)*

- (a) Notwithstanding subdivision (d) of Section 29532, the county transportation commission created in the Counties of Los Angeles, Orange, Riverside, and San Bernardino by Division 12 (commencing with Section 130000) of the Public Utilities Code shall not be designated by the Director of Transportation as the transportation planning agency for the area under its jurisdiction, and the Imperial Valley Association of Governments in Imperial County shall not be designated the transportation planning agency for the area under its jurisdiction.
- (b) Notwithstanding Section 29532, for the purposes of Chapter 4 (commencing with Section 99200) of Part 11 of Division 10 of the Public Utilities Code, “transportation planning agency” means the county transportation commission created in the Counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura by Division 12 (commencing with Section 130000) of the Public Utilities Code, and also includes the County Transportation Commission in Imperial County. The county auditor in each of those counties shall pay to the public transportation entities in the county the amounts allocated by the respective commissions or that association of governments, as the case may be.

## **GOV § 29533 – Bond Election**

*(Amended by Stats. 1972, Ch. 1408.)*

In the event that any allocation, if approved in accordance with Section 29532, would cause the county to incur any indebtedness or liability in any year in excess of the money in the local transportation fund for such year, the board of supervisors shall, upon notification from the transportation planning agency designated in Section 29532, call an election pursuant to Article 7 (commencing with Section 99320) of Chapter 4 of Part 11 of Division 10 of the Public Utilities Code. Such election may be consolidated with a general election or a direct primary election. The cost of such election shall, upon approval of the transportation planning agency designated in Section 29532, be paid from the transportation fund.

## **GOV § 29534 – Records and Reports by the County Auditor**

*(Repealed (in Sec. 2) and added by Stats. 1986, Ch. 988, Sec. 3. Section operative July 1, 1987, by its own provisions.)*

The county auditor shall keep records and make reports concerning the local transportation fund as the Director of Transportation or the Controller shall prescribe. This section shall become operative on July 1, 1987.

## **GOV § 29535 – Local Transportation Commission**

*(Amended by Stats. 1996, Ch. 10, Sec. 3. Effective February 9, 1996.)*

Within each county which is not within the jurisdiction of a statutorily created regional transportation planning agency or a council of governments, a local transportation commission shall be established and composed of three members appointed by the board of supervisors, three members appointed by the city selection committee of the county or by the city council in any county in which there is only one incorporated city, and, where applicable, three members appointed by a transit district and one member representing, collectively, the other transit operators in the county.

However, in a county in which there are no incorporated cities, five members may be appointed to the commission by the board of supervisors. The appointments to the commission may include members of the board of supervisors, the city councils, the transit district, and other local transit operators.

The appointing authority, for each regular member it appoints, may appoint an alternate member to serve in place of the regular member when the regular member is absent or disqualified from participating in a meeting of the commission.

A local transportation commission may employ staff, enter into contracts, and conduct other activities necessary to fulfill its responsibilities as a regional transportation planning agency and local transportation commission.

## **GOV § 29536 – Allocation by Local Transportation Commissions**

*(Amended by Stats. 1981, Ch. 799, Sec. 1.)*

A county that is not included within the jurisdiction of a statutorily created regional transportation agency but for which there is a council of governments may, pursuant to this section, elect, with the concurrence of a majority of the cities which include at least 50 percent of the incorporated population within the county, to form a local transportation commission pursuant to Section 29535. Applications for funds may be allocated by the local transportation commission only if the council of governments has not objected to the application. For those counties with a population of 500,000 or more, as determined under Section 28020 of the Government Code, as now or hereafter amended, but excluding counties with more than 4,500 miles of maintained county roads as of 1970, the members appointed by the city selection committee of the county from a city for which a transit service is provided and the members appointed by a transit district and the member representing other transit operators shall have no vote in the approval of the claims filed under Article 8 (commencing with Section 99400), Chapter 4, Part 11, Division 10 of the Public Utilities Code. For those counties with a population of less than 500,000, as determined under Section 28020 of the Government Code, as now and hereafter amended, and for counties with a population of 500,000 or more, as determined under Section 28020 of the Government Code, as now or hereafter amended, and with more than 4,500 miles of maintained county roads as of 1970, the members appointed by the city selection committee of the county from a city for which all of the proportion of the total revenues placed by the county in the local transportation fund that the city's population bears to the total of the county population is used to pay approved claims filed under Article 4 (commencing with Section 99260), Chapter 4, Part 11, Division 10 of the Public Utilities Code, and the members appointed by a transit district, and the member representing other transit operators shall have no vote in the approval of the claims filed under Article 8 (commencing with Section 99400), Chapter 4, Part 11, Division 10 of the Public Utilities Code.

Applications for funds shall be submitted to both the local transportation commission and the council of governments, which shall have 60 days after the receipt of applications to notify the local transportation commission and the county auditor of any objection. If neither the local transportation commission nor the county auditor receives notice of objection, the approval of the council of governments shall be presumed. Applications for funds to which the council of governments has objected shall not be paid by the county auditor until the objection has been removed.

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# **Public Utilities Code**





**PUBLIC UTILITIES CODE  
CHAPTER 4. TRANSPORTATION DEVELOPMENT**

**ARTICLE 1 – GENERAL PROVISIONS AND DEFINITIONS**

**PUC § 99200 – Citation (of the act)**

*(Added by Stats. 1971, Ch. 1400.)*

This chapter shall be known and may be cited as the "Mills-Alquist-Deddeh Act."

**PUC § 99201 – Construction of Chapter**

*(Added by Stats. 1971, Ch. 1400.)*

Unless the context otherwise requires, the definitions given in this article shall govern construction of this chapter.

**PUC § 99203 – Claimant**

*(Amended by Stats. 1979, Ch. 1120.)*

"Claimant" or any derivative term, such as "applicant," means an operator, city, county, or consolidated transportation service agency.

**PUC § 99204 – City**

*(Added by Stats. 1971, Ch. 1400.)*

"City" means a city within the county having the fund from which the disbursement will be made.

**PUC § 99204.3 – Commission**

*(Added by Stats. 1979, Ch. 161.)*

"Commission" means the California Transportation Commission.

**PUC § 99204.5 – Consolidated Transportation Service Agency**

*(Added by Stats. 1979, Ch. 1120.)*

"Consolidated transportation service agency" means an agency designated pursuant to subdivision (a) of Section 15975 of the Government Code.

### **PUC § 99204.6 – Controller**

*(Added by Stats. 1986, Ch. 988, Sec. 4.)*

“Controller” means the Controller of the State of California.

### **PUC § 99205 – County**

*(Added by Stats. 1971, Ch. 1400.)*

“County” included a city and county.

### **PUC § 99205.5 – Department**

*(Added by Stats. 1979, Ch. 161.)*

“Department” means the Department of Transportation.

### **PUC § 99205.6 – Director**

*(Added by Stats. 1984, Ch. 579, Sec. 10.)*

“Director” means the Director of Transportation.

### **PUC § 99205.7 – Fare Revenues**

*(Added by Stats. 1979, Ch. 1002.)*

"Fare revenues" means the revenue object classes 401, 402, and 403 as specified in Section 630.12 of Title 49 of the Code of Federal Regulations, as now or as may hereafter be amended.

### **PUC § 99206 – Fund**

*(Added by Stats. 1971, Ch. 1400.)*

"Fund" means the local transportation fund established by a county under Article 11 (commencing with Section 29530) of Chapter 2 of Division 3 of Title 3 of the Government Code.

### **PUC § 99206.5 – Disabled Person**

*(Amended by Stats. 2012, Ch. 769, Sec. 6. (AB 2679) Effective January 1, 2013.)*

"Disabled person" means any individual who by reason of illness, injury, age, congenital malfunction, or other permanent or temporary incapacity or disability, including, but not limited to, any individual confined to a wheelchair, is unable, without special facilities or special planning or design, to utilize public transportation facilities and services as effectively as a person who is not so affected. As used in this section, a temporary incapacity or disability is an incapacity or a disability, which lasts more than 90 days.

## **PUC § 99207 – Included Municipal Operator**

*(Amended by Stats. 2012, Ch. 769, Sec. 7. (AB 2679) Effective January 1, 2013.)*

(a) “Included municipal operator” means a city or county which is included, in whole or in part, within a transit district or which has been extended the authority to join a transit district by that district's enabling legislation, and in which city or county public transportation services have continuously been provided, since at least January 1, 1971, by the city or county, by a nonprofit corporation or other legal entity wholly owned by the city or county, or by the University of California.

(b) “Included municipal operator” also means the City and County of San Francisco and the Counties of Alameda and Contra Costa with respect to any portion of the unincorporated area thereof, and any city in those counties, which is outside the area of the Alameda-Contra Costa Transit District and which is not receiving adequate local public transportation services, as determined by the Metropolitan Transportation Commission, from any of the transit districts which includes the county or city, taking into consideration, among other things, the amount of such services needed in the county or city, the cost to provide such services, and the amount of such services provided in other areas of the transit district as compared to their needs.

(c) “Included municipal operator” also means any city within the County of Sacramento which (1) is outside the activated boundaries of the Sacramento Regional Transit District, (2) contracts with the district for transit services, and (3) provides local transit services within the city that the Sacramento Area Council of Governments annually determines can be better provided by the city than the district, taking into consideration, among other things, the amount and the nature of the services required in the city, the ability of the district to provide the services, the coordination of the services with district services, the remoteness of the city in relation to other district services, the cost of providing the services, the funds available to provide the services, and the amount of services provided in other areas of the district compared to their needs.

(d) “Included municipal operator” also means any city or unincorporated area within the County of Los Angeles (1) that is not receiving adequate local public transportation services, as determined by the Los Angeles County Metropolitan Transportation Authority, from either the Southern California Rapid Transit District or any currently “included municipal operator” as defined in this section, and (2) that meets the criteria established by the Los Angeles County Metropolitan Transportation Authority, taking into consideration, among other things, the cost to provide such services, the amount of such services needed in the county or city, the funds available to provide such services, and the amount of such services provided in other areas of the county as compared to their needs.

## **PUC § 99207.5 – Eligible Municipal Operator**

*(Added by Stats. 1996, Ch. 554, Sec. 1. Effective January 1, 1997.)*

In Los Angeles County, an "eligible municipal operator" is a transit operator that has been designated eligible to receive formula-equivalent funds allocable for transit operating purposes, other than funds specifically included in the formula allocation program.

## **PUC § 99208 – Included Transit District**

*(Amended by Stats. 1972, Ch. 1408.)*

“Included transit district” means any of the following which has operated a public transportation system since at least January 1, 1971:

- (a) A transit district whose boundaries are contained entirely within those of a larger transit district.
- (b) A district organized pursuant to Part 3 (commencing with Section 27000) of Division 16 of the Streets and Highways Code .

## **PUC § 99209 – Municipal Operator**

*(Amended by Stats. 1974, Ch. 545.)*

"Municipal operator" means a city or county, including any nonprofit corporation or other legal entity wholly owned or controlled by the city or county, which operates a public transportation system, or which on July 1, 1972, financially supported, in whole or in part, a privately owned public transportation system, and which is not included, in whole or in part, within an existing transit district.

## **PUC § 99209.1 – County as Municipal Operator**

*(Amended by Stats. 1979, Ch. 1002.)*

"Municipal operator" also means any county which is located in part within a transit district and which operates a public transportation system in the unincorporated area of the county not within the area of the district.

## **PUC § 99209.5 – Operates**

*(Amended by Stats. 1982, Ch. 544, Sec. 1.)*

"Operates" for purposes of Sections 99209 and 99215, and "operation" for purposes of paragraph (1) of subdivision (b) of Section 99289, mean that the operator owns or leases the equipment, establishes routes and frequency of service, regulates and collects fares, and otherwise controls the efficiency and quality of the operation of the system, but does not require that operators of rolling stock be employees of a public agency.

## **PUC § 99210 – Operator**

*(Amended by Stats. 1975, Ch. 1188.)*

"Operator" means any transit district, included transit district, municipal operator, included municipal operator, or transit development board.

## **PUC § 99210.1 – Operator**

*(Added by Stats. 2004, Ch. 615, Sec. 6. Effective January 1, 2005.)*

"Operator" also means the San Joaquin Regional Rail Commission for operation of commuter rail services.

## **PUC § 99211 – Public Transportation System**

*(Repealed and added by Stats. 1972, Ch. 1408.)*

"Public transportation system" means any system of an operator, which provides transportation services to the general public by any vehicle which operates on land or water, regardless of whether operated separated from or in conjunction with other vehicles.

## **PUC § 99211.5 – Ridesharing Services**

*(Added by Stats. 1986, Ch. 1143, Sec. 1.)*

"Ridesharing services" means a comprehensive organizational effort which is designed to reduce the number of vehicles on the highways during peak travel periods within a defined area by encouraging the planning and marketing of high-occupancy vehicle facilities, increases in the number of passengers per vehicle in vehicles used for ridesharing, alternative work schedules, and other transportation demand management strategies among employers and commuters.

## **PUC § 99212 – Secretary**

*(Amended by Stats. 2013, Ch. 352, Sec. 507. (AB 1317) Effective September 26, 2013. Operative July 1, 2013, by Sec. 543 of Ch. 352.)*

“Secretary” means the Secretary of Transportation.

## **PUC § 99213 – Transit District**

*(Added by Stats. 1971, Ch. 1400.)*

"Transit district" means a public district organized pursuant to state law and designated in the enabling legislation as a transit district or a rapid transit district.

## **PUC § 99214 – Transportation Planning Agency**

*(Amended by Stats. 2012, Ch. 769, Sec. 8. (AB 2679) Effective January 1, 2013.)*

- (a) “Transportation planning agency” means the entity designated in Section 29532 of the Government Code .
- (b) “Transportation planning agency” also includes, for purposes of this chapter, the county transportation commissions created in the Counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura pursuant to Division 12 (commencing with Section 130000 ).
- (c) “Transportation planning agency” also includes, for purposes of this chapter, the Imperial County Transportation Commission in Imperial County.

## **PUC § 99215 – Transit Development Board**

*(Amended by Stats. 1986, Ch. 864, Sec. 1.)*

"Transit development board" means a public entity created pursuant to state law and designated in the enabling legislation as a transit development board, including, solely for purposes of submission of claims, receipt of funds, separate annual reporting to the Controller, and provision of service as an operator under this chapter, any nonprofit corporation or other legal entity wholly owned or controlled by the transit development board which operates a public transportation system.

## **PUC § 99217 – Urbanized Area**

*(Added by Stats. 1979, Ch. 161.)*

"Urbanized area," means such an area as defined by Section 101 of Title 23 of the United States Code.

## ARTICLE 2 – FINDINGS AND DECLARATIONS

### PUC § 99220 – Legislative Findings and Declarations

*(Amended by Stats. 2012, Ch. 769, Sec. 9. (AB 2679) Effective January 1, 2013.)*

The Legislature finds and declares as follows:

(a) Public transportation is an essential component of the balanced transportation system which must be maintained and developed so as to permit the efficient and orderly movement of people and goods in the urban areas of the state. Because public transportation systems provide an essential public service, it is desirable that such systems be designed and operated in such a manner as to encourage maximum utilization of the efficiencies of the service for the benefit of the total transportation system of the state and all the people of the state, including the elderly, the disabled, the youth, and the citizens of limited means.

(b) The fostering, continuance, and development of public transportation systems are a matter of state concern. Excessive reliance on the private automobile for transportation has caused air pollution and traffic congestion in California's urban areas, and such pollution and congestion are not confined to single incorporated areas but affect entire regions. Furthermore, public transportation systems which are not designed so as to be usable by disabled persons foster increased welfare costs and the waste of human resources. Thus, the Legislature has elected to deal with the multiple problems caused by lack of adequate public transportation on a regional basis through the counties, with coordination of the programs being the responsibility of the state pursuant to contract with county governments.

(c) While providing county assistance to a particular transportation system may not be of primary interest and benefit to each and every taxpayer in a county, providing an integrated and coordinated system to meet the public transportation needs of an entire county will benefit the county as a whole. It is the purpose of this chapter to provide for such systems in those counties where they are needed.

(d) The local transportation funds authorized by Article 11 (commencing with Section 29530) of Chapter 2 of Division 3 of Title 3 of the Government Code are made possible by the imposition of the state's sales and use taxes on motor vehicle fuel, which allows for a reduction in state taxes without a corresponding loss in revenue. By authorizing counties to increase their sales and use taxes, an additional source of revenue has been made available for public transportation within such counties. Applicants for a disbursement from a local transportation fund shall only be eligible for an allocation from the fund of the county in which such transportation is provided.

### PUC § 99221 – Southern California Rapid Transit District

*(Amended by Stats. 2010, Ch. 491, Sec. 7. (SB 1318) Effective January 1, 2011.)*

It is the intent of the Legislature to improve existing public transportation services and encourage regional public transportation coordination. The Legislature recognizes that in the Southern California Rapid Transit District a unique factual situation exists where several municipal bus systems are providing essential local transportation services within the operating territory of the district, which was created by the Legislature to provide area wide coordinated public transportation services. Within the Southern California Rapid Transit District, as with all transportation service improvements in the County of Los Angeles, the Los Angeles County Metropolitan Transportation Authority shall be the governmental entity responsible to establish a unified or officially coordinated public transportation

system as part of the comprehensively planned development of the urban area. Both the Southern California Rapid Transit District and the included municipalities that operate bus systems within the jurisdiction of the district are permitted to file claims pursuant to this chapter upon the local transportation fund of the County of Los Angeles; provided, however, any approved claim shall not be allowed for the purpose of the establishment by the included municipal operator after January 1, 1980, of new transportation services that do not meet the criteria established by the Los Angeles County Metropolitan Transportation Authority for the development of new services. It is the intent of the Legislature that the Southern California Rapid Transit District should not be inhibited in its effort to improve transit services within the region by the expansion outside the reserved service areas of the several municipal bus systems of the involved municipalities. The policy of the Legislature is that new services to meet public transportation needs outside of the municipalities presently operating bus systems which do not compete with, or divert patronage from, an existing operating bus system of an included municipal applicant under Section 99280, shall be provided and controlled by the Southern California Rapid Transit District, in complete cooperation and coordination with the Los Angeles County Metropolitan Transportation Authority, in its role as the responsible public agency for providing public transportation systems and facilities within the region.

### **PUC § 99222 – Legislative Intent**

*(Added by Stats. 1976, Ch. 1348.)*

The Legislature hereby finds and declares that:

- (a) It is in the interest of the state that funds available for transit development be fully expended to meet the transit needs that exist in California.
- (b) Such funds be expended for physical improvement to improve the movement of transit vehicles, the comfort of the patrons, and the exchange of patrons from one transportation mode to another.



## ARTICLE 3 – LOCAL TRANSPORTATION FUNDS

### PUC § 99230 – Allocation Determination

*(Added by Stats. 1972, Ch. 1408.)*

The designated transportation planning agency shall, from an analysis and evaluation of the total amount anticipated to be available in the local transportation fund and the relative needs of each claimant for the purposes for which the fund is intended, and consistent with the provisions of this chapter, annually determine the amount to be allocated to each claimant.

### PUC § 99231 – Apportionment

*(Amended by Stats. 1996, Ch. 234, Sec. 2. Effective July 22, 1996.)*

All operators and city or county governments with responsibility for providing municipal services to a given area collectively may file claims for only those moneys that represent that area's apportionment.

The term “apportionment” has reference to that proportion of the total annual revenue anticipated to be received in the fund that the population of the area bears to the total population of the county.

The term “area” means:

- (a) With reference to a transit district, the entire area stated in its enabling legislation or franchise, excluding cities therein which have retained the right to join the district at a later time.
- (b) With reference to a transit development board, the entire area stated in its enabling legislation, including the municipalities therein which operated bus systems prior to the creation of the board and subsequently conveyed those systems to the board.
- (c) With reference to a county government, the unincorporated area of the county.
- (d) With reference to a city government, the corporate area of the city.
- (e) With reference to the City and County of San Francisco and the Counties of Alameda and Contra Costa, the unincorporated area thereof (and with reference to a city in those counties, the corporate area of the city) which is outside the area of the Alameda-Contra Costa Transit District and which is not receiving adequate local public transportation services, as determined by the Metropolitan Transportation Commission pursuant to subdivision (b) of Section 99207 .
- (f) Where a transit district, a transit development board, or a county or city, provides public transportation services beyond its boundaries, its area, for purposes of this section, shall also include:
  - (1) All of that area within one-half mile of any route which extends beyond its boundaries.
  - (2) All of the corporate area of a city to which it provides those services pursuant to contract or prior express authority of the secretary.

The transportation planning agency may rely, in its determination of populations, on estimates which are used by the Controller for distributing money to cities under Section 2107 of the Streets and Highways Code and to counties under Section 11005 of the Revenue and Taxation Code , and may contract with the Department of Finance or other appropriate state agency for an annual determination of those population estimates as may be necessary.

(g) With reference to the County of Riverside, the area within the jurisdiction of the transit operator established by the joint exercise of powers of one or more cities and the County of Riverside. The area within the jurisdiction of the transit operator shall be as it existed on January 1, 1981, as determined by the Riverside County Transportation Commission.

(h) With reference to the County of San Bernardino, the area within the jurisdiction of the transit operator established by the joint exercise of powers of one or more cities, including the most populous city, and the County of San Bernardino. The area within the jurisdiction of the transit operator shall be as it existed on January 1, 1985, as determined by the San Bernardino County Transportation Commission.

(i) With reference to the County of Monterey, the area including the Correctional Training Facility-Soledad even if annexed by the City of Soledad.

(j) With reference to the County of Del Norte, the area including the Pelican Bay State Prison, even if annexed by the City of Crescent City.

(k) With reference to the County of Imperial, the area including the Calipatria State Prison, even if annexed by the City of Calipatria.

(l) With reference to the County of Lassen, the area including the California Correctional Center, even if annexed by the City of Susanville.

(m) With reference to the County of Riverside, the area including the Chuckawalla Valley State Prison, even if annexed by the City of Blythe.

(n) With reference to the County of Imperial, the area including the California State Prison-Imperial County (South), even if annexed by either the City of El Centro or the City of Imperial.

(o) With reference to the County of Madera, the area including the Central California Women's Facility and the Valley State Prison for Women, even if annexed by the City of Chowchilla.

### **PUC § 99231.2 – Apportionments in Unincorporated Areas**

*(Added by Stats. 1976, Ch. 104.)*

Except in the County of Los Angeles, the transportation-planning agency, notwithstanding Section 99231, may approve the claim filed for an unincorporated area by an operator, which is serving that area pursuant to a contract with the county, even though the amount of the claim exceeds the apportionment for the area, if the amount is approved by the county.

## **PUC § 99232 – Apportionment Restriction**

*(Amended by Stats. 1981, Ch. 1055, Sec. 3.)*

For counties with a population of 500,000 or more, as determined by the 1970 federal decennial census, but excluding counties with more than 4,500 miles of maintained county roads as of 1970, the amount representing the apportionments of the areas of all operators shall be available solely for claims for Section 99234 purposes and for Article 4 (commencing with Section 99260) and Article 4.5 (commencing with Section 99275) purposes, and any of those moneys not allocated in any year shall be available for those claims in subsequent years.

### **PUC § 99232.1 – Apportionment Restriction of Newly-Urbanized Counties**

*(Added by Stats. 2009, Ch. 609, Sec. 1. (SB 716) Effective January 1, 2010.)*

(a) Notwithstanding Section 99232 , for each county with a population of less than 500,000 as of the 1970 federal decennial census, but with a population of 500,000 or more as of the 2000 federal decennial census, or a county whose population is 500,000 or more at a subsequent decennial census, the apportionment to the areas within the urbanized areas of the county, as defined for purposes of the 2000 federal decennial census and each census thereafter, shall be available solely for claims for Article 4 (commencing with Section 99260 ) and Article 4.5 (commencing with Section 99275 ) purposes. In a county subject to this section, the apportionment for areas outside of the urbanized area of the county may be used for claims for Article 4 (commencing with Section 99260 ), Article 4.5 (commencing with Section 99275 ), and Article 8 (commencing with Section 99400 ) purposes, providing that allocations under Article 8 (commencing with Section 99400 ) shall be subject to the unmet needs process as prescribed by Section 99401.5 .

(b) The apportionment attributable to the unincorporated area within an urbanized area shall be determined by the proportion that the urbanized area's unincorporated area population bears to the total unincorporated population times the total apportionment attributable to the unincorporated area.

(c) For a county that is subject to this section, this section shall not apply to that county until July 1, 2014.

### **PUC § 99232.2 – Unrestricted Cities within Newly-Urbanized Counties**

*(Added by Stats. 2009, Ch. 609, Sec. 2. (SB 716) Effective January 1, 2010. Section operative July 1, 2014, by its own provisions.)*

(a) Notwithstanding Section 99232.1 , a city with a population of 100,000 or fewer within an urbanized area in a county subject to Section 99232.1 is not required to expend all of its apportionment for Article 4 (commencing with Section 99260 ) and Article 4.5 (commencing with Section 99275 ) purposes.

(b) The population of cities within an urbanized area shall be based on the city and county population estimates published annually by the Department of Finance.

(c) Nothing in this section shall preclude a city with a population of 100,000 or fewer within an urbanized area in a county subject to Section 99232.1 from expending all of its apportionment for Article 4 (commencing with Section 99260 ) and Article 4.5 (commencing with Section 99275 ) purposes.

(d) This section shall become operative on July 1, 2014.

### **PUC § 99232.3 – Exclusion for Ventura County**

*(Repealed and added by Stats. 2013, Ch. 464, Sec. 2. (SB 203) Effective January 1, 2014. Repealed as of January 1, 2019, by its own provisions.)*

(a) On or before September 1, 2014, and for four years annually thereafter, the Ventura County Transportation Commission shall post on its Internet Web site a report on transit service within the County of Ventura. The report shall include, but not be limited to, a description of transit route changes, changes to service levels on transit routes, and ridership numbers for all transit routes operating within the county. The report shall include annual budget numbers for transit services provided by the commission, Gold Coast Transit, other multiagency operators, and individual municipal operators.

(b) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

### **PUC § 99232.4 – Apportionment Area for the Sacramento Regional Transit District**

*(Added by Stats. 1993, Ch. 250, Sec. 2. Effective January 1, 1994. Section operative July 1, 1994, by its own provisions.)*

(a) Notwithstanding Section 99231 , and subject to subdivision (a) of Section 99232.5 , the apportionment area for the Sacramento Regional Transit District includes all of the incorporated and unincorporated area of the County of Sacramento, excluding cities in the county that have retained the right to join the district at a later time. However, the apportionment restriction in Section 99232 only applies to the area of the Sacramento Regional Transit District described in subdivision (a) of Section 99231 .

(b)(1) The Sacramento Regional Transit District may file a claim under Article 8 (commencing with Section 99400 ), but not under Article 4 (commencing with Section 99260 ), for the apportionment not subject to Section 99232 and subdivision (a) of Section 99232.5 .

(2) The County of Sacramento may also file a claim under Article 8 (commencing with Section 99400 ) for the apportionment not subject to the restriction in Section 99232 . However, a claim for the purposes of subdivision (a) of Section 99400 shall not be approved unless it is determined by the Sacramento Area Council of Governments, at a public hearing for which 15 days' notice has been given pursuant to Section 6061 of the Government Code , that there are no unmet transit needs, as defined in Section 99401.5 , within the area of the Sacramento Regional Transit District described under subdivision (a) of Section 99231 .

(c) This section shall become operative on July 1, 1994.

### **PUC § 99232.5 –Apportionments in Sacramento County**

*(Amended by Stats. 1993, Ch. 250, Sec. 2.1. Effective January 1, 1994.)*

(a) Notwithstanding Section 99232 , cities within the County of Sacramento which are outside the activated boundaries of the Sacramento Regional Transit District, but which provide transit service or which contract with the district for transit service, may also file claims under Article 8 (commencing with Section 99400 ) if it is determined by the Sacramento Area Council of Governments, at a public

hearing for which 15 days' notice has been given pursuant to Section 6061 of the Government Code , that the transit needs of these cities can be met with use of an amount less than the total apportionment of these cities.

(b) With respect to such a city, not less than 25 percent of its apportionment shall be allocated for Article 4 (commencing with Section 99260 ) purposes.

### **PUC § 99232.6 – Apportionments in San Diego County**

*(Added by Stats. 1986, Ch. 903, Sec. 1.)*

Notwithstanding Section 99232 , the County of San Diego may also file claims under Article 8 (commencing with Section 99400 ) for an unincorporated area not served by the San Diego Metropolitan Transit Development Board or the North San Diego County Transit Development Board if all of the following conditions are met:

(a) The San Diego Association of Governments, at a public hearing for which 15 days' notice has been given pursuant to Section 6061 of the Government Code , finds that the transit needs of that unincorporated area can be met by using an amount less than the apportionment for that unincorporated area.

(b) The county board of supervisors concurs in that finding.

(c) An equal amount from the apportionment for the unincorporated area served by the San Diego Metropolitan Transit Development Board has been claimed for transit capital projects that are mutually agreed upon by the county and San Diego Metropolitan Transit Development Board.

A claim for a transit capital project pursuant to subdivision (c) may be made by the county or the San Diego Metropolitan Transit Development Board, or jointly, as specified by mutual agreement.

### **PUC § 99233 – Priorities in Allocating Funds**

*(Amended by Stats. 1997, Ch. 45, Sec. 1. Effective January 1, 1998.)*

Except as provided in Section 99233.11, the fund shall be allocated by the designated transportation planning agency for the purposes specified in Sections 99233.1 to 99233.9, inclusive, in the sequence provided in those sections.

### **PUC § 99233.1 – Administration Allocations**

*(Added by Stats. 1976, Ch. 1348.)*

There shall be allocated to the county and the transportation-planning agency such sums as are necessary to administer this chapter.

## **PUC § 99233.2 – Planning and Programming Allocations**

*(Amended (as added by Stats. 2009, Ch. 530, Sec. 2) by Stats. 2010, Ch. 328, Sec. 206. (SB 1330) Effective January 1, 2011. Section operative July 1, 2011, by its own provisions.)*

(a) Except as provided in subdivisions (b) and (c), there shall be allocated to the transportation planning agency, if it is statutorily created, such sums as it may approve, up to 3 percent of annual revenues, for the conduct of the transportation planning and programming process, unless a greater amount is approved by the director.

(b)(1) In those areas that have a county transportation commission created pursuant to Section 130050 , up to 1 percent of annual revenues shall be allocated to the commission in Los Angeles County, and up to 3 percent of the annual revenues shall be allocated to the commissions in Orange, Riverside, and San Bernardino Counties for the transportation planning and programming process. Of the funds allocated to the commission in Riverside County, one-half shall be allocated for planning studies within the Western Riverside County and the Coachella Valley areas, as determined by the commission.

(2) In the area of the multicounty designated transportation planning agency, as defined in Section 130004 , up to three-fourths of 1 percent of annual revenues shall be allocated by the appropriate entities, proportionately, on or before each July 1, to the multicounty designated transportation planning agency for the transportation planning and programming process. No operator shall grant any funds it receives under this chapter to the designated multicounty transportation planning agency for purposes of the agency carrying out its responsibilities under Division 12 (commencing with Section 130000 ).

(c) In Ventura County, up to 2 percent of the annual revenues shall be allocated to the Ventura County Transportation Commission for the transportation planning and programming process.

(d) This section shall become operative on July 1, 2011.

## **PUC § 99233.3 – Pedestrian and Bicycle Allocations**

*(Amended by Stats. 2015, Ch. 716, Sec. 1. (SB 508) Effective January 1, 2016.)*

Two percent of the remaining money in the fund shall be made available to counties and cities for facilities provided for the exclusive use of pedestrians and bicycles unless the transportation planning agency finds that the money could be used to better advantage for the purposes stated in Article 4 (commencing with Section 99260 ) and Article 4.5 (commencing with Section 99275 ), or for local street and road purposes in those areas where the money may be expended for those purposes, in the development of a balanced transportation system. Of the amount made available to a city or county pursuant to this section, 5 percent thereof may be expended to supplement moneys from other sources to fund bicycle and pedestrian safety education programs, but shall not be used to fully fund the salary of any one person.

## **PUC § 99233.4 – Rail Passenger Service**

*(Amended by Stats. 1991, Ch. 995, Sec. 6.)*

Allocations shall be made for rail passenger service operations and capital improvements pursuant to Section 99234.5, 99234.7, or 99234.9.

## **PUC § 99233.5 – Transit Development Board Area Allocations**

*(Amended by Stats. 2002, Ch. 743, Sec. 3. Effective January 1, 2003.)*

Up to 10 percent of the remaining money for the area under the jurisdiction of a transit development board created pursuant to Division 11 (commencing with Section 120000 ) shall be allocated to the transit development board and the transportation planning agency to carry out administrative and planning powers, duties, and functions and construction and acquisition programs in accordance with Article 4 ( commencing with Section 132353) of Chapter 3 of Division 12.7.

Thereafter, the remaining money for allocation in that area shall be allocated by the transportation planning agency to claimants.

## **PUC § 99233.7 – Community Transit Service Allocations**

*(Amended by Stats. 1982, Ch. 241, Sec. 1. Effective June 9, 1982.)*

Up to 5 percent of the remaining money in the fund shall be made available to cities, counties, and operators for claims filed pursuant to Article 4.5 (commencing with Section 99275) in those areas where claims may not be filed for those purposes specified in Article 8 (commencing with Section 99400), and may be made available to consolidated transportation service agencies, unless the transportation planning agency, or a county transportation commission created pursuant to Division 12 (commencing with Section 130000), having jurisdiction finds, after considering the claims pursuant to subdivision (c) of Section 99275.5, that the allocations of money could be used to better advantage for the purposes stated in Article 4 (commencing with Section 99260) in the development of a balanced transportation system.

The money may be allocated without respect to Section 99231 and shall not be included in determining the apportionment to a city or county for purposes of Sections 99233.8 and 99233.9.

## **PUC § 99233.8 – Public Transportation and Grade Separation Allocations**

*(Repealed and added by Stats. 1976, Ch. 1348.)*

There shall be allocated to operators such money as is approved by the transportation planning agency for claims presented pursuant to Article 4 (commencing with Section 99260) of this chapter.

## **PUC § 99233.9 – Miscellaneous Transportation Allocations**

*(Added by Stats. 1976, Ch. 1348.)*

There shall be allocated to counties and cities such money as is approved by the transportation planning agency for claims presented pursuant to Article 8 (commencing with Section 99400) of this chapter.

## **PUC § 99233.10 – Santa Barbara County Community Transit Service Allocations**

*(Added by Stats. 1989, Ch. 226, Sec. 1.)*

Notwithstanding Section 99233.7, funds made available in the County of Santa Barbara for claims filed pursuant to Article 4.5 (commencing with Section 99275) may be included in determining the apportionment to a city, county, or operator for purposes of Sections 99233.8 and 99233.9.

## **PUC § 99233.11 – Stanislaus Area Association of Governments TDA Funds Allocation**

*(Added by Stats. 1997, Ch. 45, Sec. 2. Effective January 1, 1998.)*

Funds made available to the County of Stanislaus and the cities in that county shall be allocated in the following order:

(a) To the Stanislaus Area Association of Governments, the County of Stanislaus, and the cities in that county, an amount deemed necessary for the administration of this chapter.

(b) To the Stanislaus Area Association of Governments, an amount approved by that association, but not more than 3 percent of annual revenues, to conduct the transportation planning and programming process, unless a greater amount is approved by the director.

(c) To pedestrian and bicycle facilities, not more than 2 percent of the funds remaining, in accordance with Section 99233.3 .

(d) To the Stanislaus Area Association of Governments, an amount deemed necessary for intracity, intercity, and interregional transit services and rail passenger services, when a claim is filed under Section 99234.9 , Article 4 (commencing with Section 99260 ), or Article 8 (commencing with Section 99400 ), consistent with the cost-sharing criteria approved by the association. Apportionments and allocations from those funds made by the association to the county and the cities in the county also shall be in accordance with the cost-sharing criteria approved by the association.

## **PUC § 99233.12 – Solano County TDA Funds Allocation**

*(Amended by Stats. 2012, Ch. 769, Sec. 10. (AB 2679) Effective January 1, 2013.)*

Notwithstanding anything in Sections 99233 to 99233.9, inclusive, to the contrary, the Solano Transportation Authority may file a claim, and the transportation planning agency may allocate, for the area representing the cumulative areas of the authority's member agencies, up to 2.7 percent of annual revenues for countywide transit planning and coordination purposes relative to Solano County. Funds allocated to the authority pursuant to this section shall be allocated after allocations are made pursuant to Sections 99233.1 and 99233.2 but prior to other allocations.

## **PUC § 99234 – Claims for Pedestrian and Bicycle Facilities**

*(Amended by Stats. 2015, Ch. 716, Sec. 2. (SB 508) Effective January 1, 2016.)*

(a) Claims for facilities provided for the exclusive use of pedestrians and bicycles or for bicycle and pedestrian safety education programs shall be filed according to the rules and regulations adopted by the transportation planning agency.



(b) The money shall be allocated for the construction, including related engineering expenses, of those facilities pursuant to procedures or criteria established by the transportation planning agency for the area within its jurisdiction, or for bicycle and pedestrian safety education programs.

(c) The money may be allocated for the maintenance of bicycling trails that are closed to motorized traffic pursuant to procedures or criteria established by the transportation planning agency for the area within its jurisdiction.

(d) The money may be allocated without respect to Section 99231 and shall not be included in determining the apportionments to a city or county for purposes of Sections 99233.7 to 99233.9 , inclusive.

(e) Facilities provided for the use of bicycles may include projects that serve the needs of commuting bicyclists, including, but not limited to, new trails serving major transportation corridors, secure bicycle parking at employment centers, park and ride lots, and transit terminals where other funds are unavailable.

(f) Notwithstanding any other provision of this section, a planning agency established in Title 7.1 (commencing with Section 66500) of the Government Code may allocate the money to the Association of Bay Area Governments for activities required by Chapter 11 (commencing with Section 5850 ) of Division 5 of the Public Resources Code.

(g) Notwithstanding any other provision of this section, the transportation planning agencies that allocate funds, pursuant to this section, to the cities and counties with jurisdiction or a sphere of influence within the delta, as defined in Section 5852 of the Public Resources Code , may allocate the money to the Delta Protection Commission for activities required by Chapter 12 (commencing with Section 5852 ) of Division 5 of the Public Resources Code.

(h) Within 30 days after receiving a request for a review from any city or county, the transportation planning agency shall review its allocations made pursuant to Section 99233.3 .

(i) In addition to the purposes authorized in this section, a portion of the amount available to a city or county pursuant to Section 99233.3 may be allocated to develop a comprehensive bicycle and pedestrian facilities plan, with an emphasis on bicycle projects intended to accommodate bicycle commuters rather than recreational bicycle users. An allocation under this subdivision may not be made more than once every five years.

(j) Up to 20 percent of the amount available each year to a city or county pursuant to Section 99233.3 may be allocated to restripe class II bicycle lanes.

### **PUC § 99234.1 – Orange County High-Occupancy Vehicle Lanes Allocation**

*(Added by Stats. 1987, Ch. 951, Sec. 1.)*

Notwithstanding any other provision of this article or Article 4 (commencing with Section 99260), the Orange County Transportation Commission may allocate funds from either the Orange County Unified Transportation Trust, as defined in Section 99301.6, or from the principal upon which the interest is accruing to the Department of Transportation for construction of high-occupancy vehicle lanes within freeways in the county. In the event high-occupancy vehicle lanes constructed with the funds are subsequently converted to mixed flow use, the local transportation fund shall be reimbursed through the

State Transportation Improvement Program process the amount of funds provided to the department for construction of the lanes pursuant to this section.

### **PUC § 99234.5 – San Bernardino, Riverside and Los Angeles Joint Powers Agreement**

*(Amended by Stats. 1989, Ch. 630, Sec. 3.)*

(a) The Counties of San Bernardino, Riverside, and Los Angeles may enter into a joint powers agreement pursuant to Article 1 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the Government Code, and the joint powers entity created pursuant to such agreement shall in accordance with Section 403 of the Rail Passenger Service Act of 1970 ( 45 U.S.C. 563 ), request the National Railroad Passenger Corporation to institute up to two additional trains a day in each direction between Los Angeles and San Bernardino to supplement the present level of service. The joint powers entity may request institution of more than two additional trains a day in each direction between Los Angeles and San Bernardino. Contributions shall be made from the fund of each of the three counties, as agreed by them, to the joint powers entity, as may be required by the National Railroad Passenger Corporation to meet a reasonable portion of any losses associated with such service. The joint powers entity may request that the additional trains shall be operated, to the extent practicable, during periods of peak traffic.

(b) If the funds available under this chapter are insufficient for purposes of subdivision (a), the board of supervisors of any one of the three counties may make contributions to the joint powers entity from any funds available to it.

### **PUC § 99234.7 – Peninsula Commute Service: Operating Contract Extension**

*(Added by Stats. 1989, Ch. 1283, Sec. 3.)*

(a) The Department of Transportation may negotiate and contract with the appropriate railroad corporation to provide passenger rail service between the City and County of San Francisco and the Counties of San Mateo and Santa Clara. In the process of negotiating the contract, the department shall take into consideration the funding available and the level of service as it has been recommended by the Metropolitan Transportation Commission. Notwithstanding Section 14035 of the Government Code , the contract shall not extend beyond June 30, 1993. The California Transportation Commission shall allocate no funds pursuant to Section 14031.6 of the Government Code for this rail passenger service after the 1992-93 fiscal year. If the department enters into a contract, it shall, on or before July 1, 1992, assign the contract to the Peninsula Corridor Study Joint Powers Board or to another local or regional agency designated by the board which is authorized to operate or contract for the operation of rail passenger service, if the board or designated agency determines that the rail passenger service shall be continued. The department shall assign its operating subsidies for the 1992-93 fiscal year for that service to the board or that designated agency. Within the area of jurisdiction of the board, the board or that designated agency may acquire from the department all property owned or leased by the department for that rail passenger service, including, but not limited to, stations, facilities, equipment, and rights-of-way, and this transfer shall be consistent with the process defined in Section 160006 . The California Transportation Commission shall not allocate state funds to purchase the San Francisco Peninsula commuter rail service right-of-way unless a local agency assumes operation and control of the commuter rail service on or before June 30, 1993. This section does not prohibit the commission from making a multiyear funding commitment to purchase the right-of-way subject to that assumption of operation and control occurring on or before that date.

(b) Notwithstanding subdivision (a), a transit district or county may negotiate and contract with the appropriate railroad corporation to provide passenger rail service which is to be primarily operated within its jurisdiction. Adjacent transit districts or counties may jointly negotiate and contract with the appropriate railroad corporation to provide passenger rail service which is to be primarily operated within their jurisdictions.

### **PUC § 99234.9 – Rail Passenger Service Projects**

*(Amended by Stats. 1993, Ch. 209, Sec. 1. Effective January 1, 1994.)*

Any county, city, county transportation commission, or operator may file claims with the transportation-planning agency for rail passenger service operation expenditures and capital improvement expenditures, including construction and maintenance of intermodal transportation facilities. These funds may be used as the entity's required contribution toward the cost of providing these services or capital improvements.

### **PUC § 99235 – Allocation Instructions**

*(Added by Stats. 1972, Ch. 1408.)*

Upon having determined the allocation of each claimant on the fund, the transportation planning agency shall convey such information to each claimant and the county auditor, together with one allocation instruction for each claimant advising the auditor as to the time and the nature of payment.

Such instruction may call for a single payment, for payment as moneys become available, or for payment by installments monthly, quarterly, or otherwise. The allocation and instruction may be rescinded and revised by the transportation planning agency only under one of the following circumstances:

- (a) An appeal has been filed.
- (b) The claimant is found to be spending, or unless enjoined to be about to spend, moneys otherwise than in accordance with the terms of the allocation.
- (c) An adjustment is proved to be necessary to reconcile the estimates on which the allocation was based with the actual figures when these are available.
- (d) The financial needs of the claimant differ from those at the time of the allocation due to changed circumstances.

### **PUC § 99236 – Projects Calling for Change in Passenger Train Stations or Loading Platforms Used by National Railroad Passenger Corporation**

*(Amended by Stats. 1984, Ch. 579, Sec. 13.)*

No funds from the fund shall be budgeted, allocated, or expended for any project which calls for any change in passenger train stations or loading platforms used by the National Railroad Passenger Corporation, unless the change has been submitted to the National Railroad Passenger Corporation for review and comment, which may include a recommendation for a modification in the change. If the agency submitting the change elects not to accept the recommendation of the National Railroad

Passenger Corporation, it shall submit the matter to the director who shall determine whether the disputed recommendation for a modification in the change shall be followed by the agency.

## **PUC § 99238 – Social Services Transportation Advisory Council**

*(Amended by Stats. 2012, Ch. 769, Sec. 11. (AB 2679) Effective January 1, 2013.)*

Each transportation planning agency shall provide for the establishment of a social services transportation advisory council for each county, or counties operating under a joint powers agreement, which is not subject to the apportionment restriction established in Section 99232 .

(a) The social services transportation advisory council shall consist of the following members:

- (1) One representative of potential transit users who is 60 years of age or older.
- (2) One representative of potential transit users who is disabled.
- (3) Two representatives of the local social service providers for seniors, including one representative of a social service transportation provider, if one exists.
- (4) Two representatives of local social service providers for the disabled, including one representative of a social service transportation provider, if one exists.
- (5) One representative of a local social service provider for persons of limited means.
- (6) Two representatives from the local consolidated transportation service agency, designated pursuant to subdivision (a) of Section 15975 of the Government Code , if one exists, including one representative from an operator, if one exists.
- (7) The transportation planning agency may appoint additional members in accordance with the procedure prescribed in subdivision (b).

(b) Members of the social services transportation advisory council shall be appointed by the transportation planning agency which shall recruit candidates for appointment from a broad representation of social service and transit providers representing the elderly, the disabled, and persons of limited means. In appointing council members, the transportation planning agency shall strive to attain geographic and minority representation among council members. Of the initial appointments to the council, one-third of them shall be for a one-year term, one-third shall be for a two-year term, and one-third shall be for a three-year term. Subsequent to the initial appointment, the term of appointment shall be for three years, which may be renewed for an additional three-year term. The transportation planning agency may, at its discretion, delegate its responsibilities for appointment pursuant to this subdivision to the board of supervisors.

(c) The social services transportation advisory council shall have the following responsibilities:

- (1) Annually participate in the identification of transit needs in the jurisdiction, including unmet transit needs that may exist within the jurisdiction of the council and that may be reasonable to meet by establishing or contracting for new public transportation or specialized transportation services or by expanding existing services.

(2) Annually review and recommend action by the transportation planning agency for the area within the jurisdiction of the council which finds, by resolution, that (A) there are no unmet transit needs, (B) there are no unmet transit needs that are reasonable to meet, or (C) there are unmet transit needs, including needs that are reasonable to meet.

(3) Advise the transportation planning agency on any other major transit issues, including the coordination and consolidation of specialized transportation services.

(d) It is the intent of the Legislature that duplicative advisory councils shall not be established where transit advisory councils currently exist and that those existing advisory councils shall, instead, become part of the social services transportation advisory council and shall assume any new responsibilities pursuant to this section.

### **PUC § 99238.5 – Citizen Participation Process**

*(Amended by Stats. 2012, Ch. 769, Sec. 12. (AB 2679) Effective January 1, 2013.)*

(a) The transportation planning agency shall ensure the establishment and implementation of a citizen participation process appropriate for each county, or counties if operating under a joint powers agreement, utilizing the social services transportation advisory council as a mechanism to solicit the input of transit dependent and transit disadvantaged persons, including the elderly, disabled, and persons of limited means. The process shall include provisions for at least one public hearing in the jurisdiction represented by the social services transportation advisory council. Hearings shall be scheduled to ensure broad community participation and, if possible, the location of the hearings shall be rotated among the various communities within the advisory council's jurisdiction. Notice of the hearing, including the date, place, and specific purpose of the hearing shall be given at least 30 days in advance through publication in a newspaper of general circulation. The transportation planning agency shall also send written notification to those persons and organizations which have indicated, through its citizen participation or any other source of information, an interest in the subject of the hearing.

(b) In addition to public hearings, the transportation planning agency shall consider other methods of obtaining public feedback on public transportation needs. Those methods may include, but are not limited to, teleconferencing, questionnaires, telecanvassing, and electronic mail.

### **PUC § 99241 – Rules and Regulations of Department**

*(Repealed (in Sec. 8) and added by Stats. 1986, Ch. 988, Sec. 9. Section operative July 1, 1987, by its own provisions.)*

(a) Except for allocations made for purposes of Section 99234 and subdivision (a) of Section 99400, which shall be subject to the rules and regulations adopted by the transportation planning agency, all matters necessary and convenient to the implementation of this chapter shall be subject to rules and regulations, consistent with statute, adopted by the department, with the advice and consent of the commission, and those rules and regulations may be revised from time to time.

(b) The rules and regulations shall specify the procedures by which evaluation and review by the transportation planning agency of public transportation claims shall be accomplished, and shall require submission of corresponding budgets or financial plans, certified financial statements, and other information required in connection therewith. The rules and regulations shall provide for the orderly and periodic distribution of moneys in the fund so that the areas served by the operator will be provided public transportation services on a continuing basis and so that there will be an orderly improvement

and maintenance of the system of the operator. The rules and regulations shall provide for the approval of sufficient moneys from the fund to accomplish the intent of the Legislature as expressed in the findings and declarations in Section 99220 .

(c) The rules and regulations may require that the transportation planning agency, in reviewing claims, give due consideration to the level of the operator's passenger fares and charges, the efficiency of the operator's operations and operating policies and practices, the extent to which the operator is meeting the transportation needs of the area served, and the extent to which the operator is making full use of other available revenues and funds, including federal transportation grants.

(d) The Controller shall annually review the rules and regulations adopted by the department with respect to reporting and auditing procedures and shall make written recommendations for revisions to the department. After consultation with the Controller, the director shall undertake to amend the rules and regulations in accordance with the recommendations.

(e) Rules and regulations adopted by the department with respect to reporting and auditing procedures shall apply to all expenditures of funds allocated pursuant to this chapter.

This section shall become operative on July 1, 1987.

### **PUC § 99241.5 – Prior Rules and Regulations of Secretary**

*(Added by Stats. 1984, Ch. 579, Sec. 15.)*

All rules and regulations adopted by the Secretary of the Business, Transportation and Housing Agency pursuant to Section 99241, as it read prior to its amendment by the act adding this section, and in effect on January 1, 1985, shall remain in effect and shall be fully enforceable unless and until amended or repealed by the department.

### **PUC § 99242 – Settlement of Disagreements**

*(Amended by Stats. 1972, Ch. 1408.)*

In the event that a claimant is not satisfied with his approved claim or other action taken by the transportation-planning agency, a notification with supporting documentation may be filed with the secretary, who shall conduct an investigation and evaluation of the disagreement between the claimant and the transportation-planning agency. The secretary shall notify the involved parties of his findings, which shall be a final settlement of the issue.

### **PUC § 99243 – Uniform System of Accounts and Records**

*(Amended by Stats. 2017, Ch. 86, Sec. 1. (AB 1113) Effective July 21, 2017.)*

(a) The Controller, in cooperation with the department and the operators, shall design and adopt a uniform system of accounts and records, from which the operators shall prepare and submit annual reports of their operation to the transportation planning agencies, county transportation commissions, or the San Diego Metropolitan Transit Development Board having jurisdiction over them and to the Controller within seven months after the end of the fiscal year. If the report is filed in electronic format as prescribed by the Controller, the report shall be furnished within 110 days after the close of each fiscal year. The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available. The report shall

specify (1) the amount of revenue generated from each source and its application for the prior fiscal year and (2) the data necessary to determine which section, with respect to Sections 99268.1, 99268.2, 99268.3 , 99268.4 , 99268.5 , and 99268.9 , the operator is required to be in compliance in order to be eligible for funds under this article.

(b)(1) For the purposes of the State Transit Assistance Program, which is governed by Section 99312 to 99314.9, inclusive, the Controller shall provide a mechanism for each transportation planning agency, county transportation commission, and the San Diego Metropolitan Transit Development Board to report to the Controller those operators within its jurisdiction that are STA-eligible operators, as defined in paragraph (2) of subdivision (b) of Section 99312.2.

(2) The mechanism shall require each transportation planning agency, county transportation commission, and the San Diego Metropolitan Transit Development Board to report to the Controller those STA-eligible operators within its jurisdiction that are both:

(A) Eligible to claim local transportation funds under either Article 4 (commencing with Section 99260) or Article 8 (commencing with Section 99400), or under both articles.

(B) A public transportation operator, as defined in paragraph (1) of subdivision (b) of Section 99312.2.

(3) The Controller shall rely upon that verification to determine whether or not an operator is an STA-eligible operator pursuant to paragraph (2) of subdivision (b) of Section 99312.2. The transportation planning agency, county transportation commission, and the San Diego Metropolitan Transit Development Board shall provide this information to the Controller within 60 days of the enactment of the act amending this section in the 2017-18 Regular Session, and by June 15 of each subsequent year.

(c) As a supplement to the annual report prepared pursuant to subdivision (a), each operator shall include an estimate of the amount of revenues to be generated from each source and its proposed application for the next fiscal years, and a report on the extent to which it has contracted with the Prison Industry Authority, including the nature and dollar amounts of all contracts entered into during the reporting period and proposed for the next reporting period.

(d) The Controller shall instruct the county auditor to withhold payments from the fund to an operator that has not submitted its annual report the Controller within the time specified by subdivision (a).

(e) In establishing the uniform system of accounts and records, the Controller shall include the date required by the United States Department of Transportation and the department.

(f) Notwithstanding any other law or any regulation, including any California Code of Regulations provision, the City of El Segundo, the City of Huntington Beach, the City of Inglewood, the City of Long Beach, or the City of South Lake Tahoe may select, for purposes of this chapter, on a one-time basis, a fiscal year that does not end on June 30. After the city has sent a written notice to the Secretary of Transportation and the Controller that the city has selected a fiscal year other than one ending on June 30, the fiscal year selected by the city shall be its fiscal year for all reports required by the state under this chapter.

## **PUC § 99243.5 – State Controller’s Annual Report**

*(Amended by Stats. 1983, Ch. 985, Sec. 2.)*

On the basis of data in the annual reports submitted pursuant to Section 99243 and the information submitted pursuant to Section 99406 to the Controller, the Controller shall submit, within three months of receiving such data and information, an annual report to the Legislature on the revenues available and expenditures made under this chapter.

The Controller shall take such steps, as he deems necessary to insure that such data and information submitted are adequate and accurate.

## **PUC § 99244 – Recommendations for Productivity Improvements of Operators**

*(Amended by Stats. 1988, Ch. 878, Sec. 1.)*

Each transportation planning agency shall annually identify, analyze, and recommend potential productivity improvements which could lower the operating costs of those operators who operate at least 50 percent of their vehicle service miles, as defined in subdivision (i) of Section 99247 , within the area under its jurisdiction. However, where a transit development board created pursuant to Division 11 (commencing with Section 120000 ) or a county transportation commission exists, the board or commission, as the case may be, shall have the responsibility of the transportation planning agency with respect to potential productivity improvements. The recommendations for improvements and productivity shall include, but not be limited to, those recommendations related to productivity made in the performance audit conducted pursuant to Section 99246 .

A committee for the purpose of providing advice on productivity improvements may be formed by the responsible entity. The membership of this committee shall consist of representatives from the management of the operators, organizations of employees of the operators, and users of the transportation services of the operators located within the area under the jurisdiction of the responsible entity.

Prior to determining the allocation to an operator for the next fiscal year, the responsible entity shall review and evaluate the efforts made by the operator to implement such recommended improvements.

If the responsible entity determines that the operator has not made a reasonable effort to implement the recommended improvements, the responsible entity shall not approve the allocation to the operator for the support of its public transportation system for the next fiscal year which exceeds the allocation to the operator for such purposes for the current fiscal year.

## **PUC § 99245 – Annual Fiscal Audit of All Claimants**

*(Amended by Stats. 1986, Ch. 988, Sec. 10.)*

Each transportation planning agency, transit development board created pursuant to Division 11 (commencing with Section 120000 ), and county transportation commission shall be responsible to ensure that all claimants to whom it directs the allocation of funds pursuant to this chapter shall submit to it an annual certified fiscal audit conducted by an entity other than the claimant.

A report on the audit shall be submitted to the transportation planning agency, transit development board, county transportation commission, and to the Controller within 180 days after the end of the



fiscal year. However, the responsible entity may grant an extension of up to 90 days as it deems necessary. The report shall include a certification that the funds allocated to the claimant pursuant to this chapter were expended in conformance with applicable laws and rules and regulations. Except for the first report, the report shall also include the audited amounts for the fiscal year prior to the fiscal year audited.

### **PUC § 99245.2 – Expanded Annual Fiscal Audit**

*(Added by Stats. 1992, Ch. 388, Sec. 1. Effective January 1, 1993.)*

(a) A transit district or other provider of public transportation services subject to an audit pursuant to Section 99245, that receives funds from other sources which also require a fiscal audit, may expand the scope of its audit performed pursuant to Section 99245 to include the conditions and purposes of those other funds.

(b) A transportation planning agency, transit development board, county transportation commission, air quality management district, air pollution control district, or local transportation authority shall not require any additional fiscal audit of an entity if that entity has completed an expanded audit pursuant to subdivision (a) that encompasses the scope, time period, and funding condition of the agency providing funding.

### **PUC § 99246 – Performance Audits of Planning Entities and Operators**

*(Amended by Stats. 2003, Ch. 354, Sec. 1. Effective January 1, 2004.)*

(a) The transportation planning agency shall designate entities other than itself, a county transportation commission, a transit development board, or an operator to make a performance audit of its activities and the activities of each operator to whom it allocates funds. The transportation planning agency shall consult with the entity to be audited prior to designating the entity to make the performance audit.

Where a transit development board created pursuant to Division 11 (commencing with Section 120000) or a county transportation commission exists, the board or commission, as the case may be, shall designate entities other than itself, a transportation planning agency, or an operator to make a performance audit of its activities and those of operators located in the area under its jurisdiction to whom it directs the allocation of funds. The board or commission shall consult with the entity to be audited prior to designating the entity to make the performance audit.

(b) The performance audit shall evaluate the efficiency, effectiveness, and economy of the operation of the entity being audited and shall be conducted in accordance with the efficiency, economy, and program results portions of the Comptroller General's "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions." Performance audits shall be conducted triennially pursuant to a schedule established by the transportation planning agency, transit development board, or county transportation commission having jurisdiction over the operator.

(c) The performance audit of the transportation planning agency, county transportation commission, or transit development board shall be submitted to the director. The transportation planning agency, county transportation commission, or transit development board, as the case may be, shall certify in writing to the director that the performance audit of operators located in the area under its jurisdiction has been completed.

(d) With respect to an operator providing public transportation services, the performance audit shall include, but not be limited to, a verification of the operator's operating cost per passenger, operating cost per vehicle service hour, passengers per vehicle service hour, passengers per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247 . The performance audit shall include, but not be limited to, consideration of the needs and types of the passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of Section 99260.2 .

The performance audit may include performance evaluations both for the entire system and for the system excluding special, new, or expanded services instituted to test public transportation service growth potential.

(e) The performance audit prepared pursuant to this section shall be made available to the public pursuant to the provisions of the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

### **PUC § 99247 – Performance Measure Definitions**

*(Amended by Stats. 2015, Ch. 716, Sec. 3. (SB 508) Effective January 1, 2016.)*

For purposes of Section 99246 , and as used elsewhere in this article:

(a) “Operating cost” means all costs in the operating expense object classes exclusive of the costs in the depreciation and amortization expense object class of the uniform system of accounts and records adopted by the Controller pursuant to Section 99243 . “Operating cost” excludes all subsidies for commuter rail services operated on railroad lines under the jurisdiction of the Federal Railroad Administration, all direct costs for providing charter services, all vehicle lease costs, and principal and interest payments on capital projects funded with certificates of participation.

(b) “Operating cost per passenger” means the operating cost divided by the total passengers.

(c) “Operating cost per vehicle service hour” means the operating cost divided by the vehicle service hours.

(d) “Passengers per vehicle service hour” means the total passengers divided by the vehicle service hours.

(e) “Passengers per vehicle service mile” means the total passengers divided by the vehicle service miles.

(f) “Total passengers” means the number of boarding passengers, whether revenue producing or not, carried by the public transportation system.

(g) “Transit vehicle” means a vehicle, including, but not limited to, one operated on rails or tracks, which is used for public transportation services funded, in whole or in part, under this chapter.

(h) “Vehicle service hours” means the total number of hours that each transit vehicle is in revenue service, including layover time.

(i) “Vehicle service miles” means the total number of miles that each transit vehicle is in revenue service.

(j) “Vehicle service hours per employee” means the vehicle service hours divided by the number of employees employed in connection with the public transportation system, based on the assumption that 2,000 person-hours of work in one year constitute one employee. The count of employees shall also include those individuals employed by the operator which provide services to the agency of the operator responsible for the operation of the public transportation system even though not employed in that agency.

### **PUC § 99248 – Transmittal of Performance Audit**

*(Amended by Stats. 1989, Ch. 630, Sec. 6.)*

No operator is eligible to receive an allocation under this chapter for any fiscal year until the transmittal of reports of its performance audit to the entity, which determines the allocation to the operator and the transportation-planning agency for the three-year period ending one year prior to the beginning of the fiscal year of the proposed allocation. The transportation planning agency, county transportation commission, or transit development board, as the case may be, shall make the reports available to interested parties.

In conformance with Section 99246, and prior to September 1 of each fiscal year, the transportation planning agency, county transportation commission, or metropolitan transit development board, as the case may be, shall provide to the director and Controller a schedule of performance audits to be submitted during that fiscal year and a list of all operators or claimants who operated or commenced operations during the prior fiscal year.

### **PUC § 99249 – Cost of Performance Audits**

*(Added by Stats. 1977, Ch. 1043.)*

The cost of making the performance audits may be deemed an administrative cost of the transportation planning agencies for purposes of Section 99233.1. However, the Legislature encourages the use of funds made available by the federal government to support such purposes.

### **PUC § 99250 – Charter Service**

*(Amended by Stats. 1983, Ch. 644, Sec. 1.)*

(a) All charter bus services authorized to be performed by a public transportation system receiving funding under this chapter shall contribute financially to the reduction of deficits incurred in the operation of scheduled route service. In addition, the charter bus service shall not interfere with regularly scheduled service to the public or compete unfairly with private operators where the private operators are willing and able to provide charter bus service.

(b) Except as provided in subdivision (d), charter bus service rates and minimums shall be established which are either of the following:

(1) At least equal to the average of the three lowest current rates charged by private charter bus carriers actually operating charters originating in the same service area of the public transportation system during the prior year.

(2) At least equal to the fully allocated cost of each charter operated. Fully allocated costs are those costs as approved by the federal Urban Mass Transportation Administrator pursuant to Section 604.18 of Title 49 of the Code of Federal Regulations . All terms and conditions, in addition to the base rate, shall be at least equal to the average of the three lowest current rates charged by private charter bus carriers actually operating a charter originating in the same service area of the public transportation system during the prior year.

(c) All charter bus service rates shall be reviewed and adjusted not less than semiannually to reflect variations in actual and assumed costs, as well as private charter bus carrier rates.

(d) If the operator of a public transportation system determines that there is a public need that cannot otherwise be met, the operator may provide charter bus services to charitable or public service organizations at direct cost, not to exceed ten thousand dollars (\$10,000) or a total of 40 charter buses per year, whichever occurs first.

(e) This section does not apply to charter bus services which are incidental to the holding of the Olympic Games in Los Angeles during the period of May 1, 1984, to September 30, 1984, if the public transportation system establishes charter bus rates for those services which are sufficient to pay all fully allocated costs related to those services, which are at least equal to the average of the lowest rates charged by the three largest private charter party carriers operating similar service within Los Angeles County, and which contribute financially to the reduction of deficits incurred by the system in the operation of scheduled route service.

#### **PUC § 99250.5 – New Transit Services Cost Comparison Analysis**

*(Added by Stats. 1995, Ch. 722, Sec. 1. Effective January 1, 1996.)*

(a)(1) At any publicly noticed meeting of the governing body of an operator, a representative of a private transportation service provider may request the operator to perform a cost comparison analysis of public transit service provided by vehicles equipped with rubber tires before the governing body acts on a route restructuring or service addition under consideration. The operator may agree to perform a cost comparison analysis pursuant to this section or alternatively, may so agree on the condition that the private transportation service provider that requested the cost comparison analysis agrees to pay the operator's actual cost of conducting the analysis. If the operator agrees to perform the cost comparison analysis, the private transportation service provider requesting the cost comparison analysis shall supply any information necessary and relevant to complete the analysis.

(2) Nothing in this section shall be construed to require operators to perform a cost comparison analysis. At its sole discretion, the operator's governing body may elect not to perform a cost comparison analysis. However, if the governing body determines not to perform a cost comparison analysis, it shall specify the reasons for that determination in a resolution adopted at a publicly noticed meeting.

(b) For purposes of this section, the following terms have the following meanings:

(1) “Cost comparison analysis” means a study of the route restructuring or service addition under consideration by the operator, that compares the cost to the operator of directly providing those services compared to the cost to the operator of procuring those services from private entities. The study shall utilize a full cost allocation method that is consistent with generally accepted cost allocation principles.

(2) “Route restructuring” means a permanent change in routing that decreases or increases the total number of daily transit revenue service miles or hours by 25 percent or more.

(3) “Service addition” means an increase in the total number of daily transit revenue service miles or hours on an existing route by 50 percent or more.

(c) If the governing body performs a cost comparison analysis pursuant to this section, the results of the analysis shall be fully disclosed at a publicly noticed meeting.

(d) This section does not apply to an operator in a county with less than 300,000 population or who operates less than 10 buses.

(e) The operator may adopt appropriate procedures to implement the purposes of this section.

### **PUC § 99251 – California Highway Patrol Certifications**

*(Added by Stats. 1987, Ch. 726, Sec. 1. Operative July 1, 1988, by Sec. 11 of Ch. 726.)*

No claim submitted by an operator pursuant to this chapter shall be approved unless it is accompanied by a certification completed within the last 13 months from the Department of the California Highway Patrol indicating that the operator is in compliance with Section 1808.1 of the Vehicle Code. The certification may be issued following a terminal inspection, or a terminal reinspection conducted within 60 days thereafter, by the Department of the California Highway Patrol.

## ARTICLE 4 – CLAIMS FOR FUNDS

### **PUC § 99260 – Claims for Public Transportation; Grade Separation**

*(Amended by Stats. 1979, Ch. 161.)*

Claims may be filed with the transportation planning agency by operators under this article for the following purposes:

- (a) The support of public transportation systems.
- (b) Aid to public transportation research and demonstration projects.
- (c) Contributions for the construction of grade separation projects specified in Section 99318.3 .

*(Editor's note: Though Section 99318.3 is referenced in Section 99260, it is no longer a valid section in the PUC)*

### **PUC § 99260.2 – Claims for Peak-Hour Service; Rail Ticket Purchases**

*(Amended by Stats. 1979, Ch. 161.)*

(a) Claims may be filed with the transportation planning agency by operators to contract with common carriers of persons operating under a franchise or license to provide transportation services during peak hours.

“Peak hours” means the period of time during a day which have a clearly greater-than-average level of patronage, typically the two periods of time which reflect the influx of home-work and work-home patronage on a transportation system.

(b) Claims may be filed with the transportation planning agency by a transit district to make bulk purchases of passenger tickets for passenger rail services, if it is authorized to make such purchases by its enabling legislation.

### **PUC § 99260.5 – Claims for Railroad Corporation**

*(Amended by Stats. 1977, Ch. 1216.)*

(a) Claims may also be filed with the transportation planning agency by a city and county or a transit district under this article for payments to be made to a railroad corporation subject to the jurisdiction of the Public Utilities Commission and engaged in the transportation of persons, as defined in Section 208 , for operating losses incurred in such transportation of persons between points within the city and county or the district, as the case may be, and for that portion of the operating losses incurred in such transportation of persons in the city and county or the district, as the case may be, whose origin or destination, or both, are outside the city and county or district.

(b) A city and county or a transit district receiving funds under a claim filed pursuant to subdivision (a) shall use those funds for the purposes specified in that subdivision.

## **PUC § 99260.6 – Claim for Rail Passenger Service**

*(Added by Stats. 1991, Ch. 995, Sec. 7.)*

Public agencies authorized to file claims pursuant to Section 99234.9 may file claims under this article.

## **PUC § 99260.7 – Claims for Separate Service to Elderly and Disabled Persons by Joint Powers Agency Members**

*(Amended by Stats. 2012, Ch. 769, Sec. 13. (AB 2679) Effective January 1, 2013.)*

In order to provide, or to contract to provide, transportation services using vehicles for the exclusive use of elderly or disabled persons, a city or a county, which is contributing funds it is eligible to receive under this article to a joint powers agency of which it is a member to operate a public transportation system, may also file a claim under this article and may also file a claim for funds made available pursuant to Section 99313.

## **PUC § 99261 – Transportation Planning Agency Regulations**

*(Amended by Stats. 1984, Ch. 579, Sec. 19.)*

The transportation-planning agency may adopt rules and regulations supplemental to, and consistent with, those of the department to further delineate procedures for the submission of claims and stating criteria by which they will be analyzed and evaluated.

The criteria may include a statement of intent to disallow any portion of an operator's claim which calls for moneys to finance unreasonable or arbitrary increases in executive level salaries based on consideration of executive level salaries in other public agencies and in the public transportation industry, both nationally and within the state.

To the extent necessary to perform its duties under this article, the transportation-planning agency has full access to the books, records, and accounts of claimant operators.

## **PUC § 99261.5 – San Diego Metropolitan Development Board Regulations**

*(Added by Stats. 1981, Ch. 1055, Sec. 6.)*

The San Diego Metropolitan Transit Development Board shall adopt rules and regulations for its area of jurisdiction.

The transportation planning agency may include in its rules and regulations any rule and regulation of the transit development board.

## **PUC § 99262 – Public Transportation System Claims**

*(Amended by Stats. 2012, Ch. 769, Sec. 14. (AB 2679) Effective January 1, 2013.)*

Claims for public transportation systems may include claims for money for all purposes necessary and convenient to the development and operation of the system, including planning and contributions to the transportation planning process, acquisition of real property, construction of facilities and buildings, purchase and replacement of vehicles (including those usable by disabled persons), and system

operation, maintenance, and repair, payment for any of which purposes may take the form of direct expenditures or payment of principal and interest on equipment trust certificates, bonded or other indebtedness, or any amounts in accomplishment of a defeasance of any outstanding revenue bond indenture.

### **PUC § 99262.5 – Reimbursement of Financial Support**

*(Added by Stats. 1972, Ch. 518.)*

Any transit district whose formation was approved in an election held in June 1972 may include in its claim an amount to reimburse any city in the district for financial support the city has provided to a regularly scheduled transportation service available to the public from July 1, 1972, through December 31, 1972.

### **PUC § 99263 – Payment of Principal and Interest on Bonds of Applicant**

*(Added by Stats. 1971, Ch. 1400.)*

An approved claim may include an amount to pay the principal and interest on bonds of the applicant for a public transportation system.

This section shall not be construed as an authorization to any applicant to pledge revenues received from the county's local transportation fund, unless approved by the voters of the county under Article 7 (commencing with Section 99320 ) of this chapter.

### **PUC § 99264 – Staffing on Vehicles**

*(Added by renumbering Section 99266.7 by Stats. 1979, Ch. 161.)*

An operator shall not be eligible for allocation under this article if it routinely staffs with two or more persons a vehicle for public transportation purposes designed to be operated by one person.

### **PUC § 99266 – Substantiation of Changes in Budget**

*(Amended by Stats. 1972, Ch. 1408.)*

No moneys may be allocated to an operator whose claim includes funds for an increase in operating budget in excess of 15 percent above the preceding year or substantial increase or decrease in scope of operations or capital budget provisions for major new fixed facilities, unless the operator's claim is accompanied by statements, reports, and such other supporting data as may be reasonably required to substantiate such change.

### **PUC § 99267 – Transfer of Operator's Capital Assets**

*(Added by Stats. 1989, Ch. 630, Sec. 7.)*

If an operator ceases operations, any capital acquisitions made by that operator from funds allocated to it pursuant to this article may be transferred to any claimant to provide transportation services under this chapter.



## **PUC § 99268 – 50-Percent Expenditure Limitation**

*(Amended by Stats. 1979, Ch. 161.)*

The expenditure of the funds received under this article by an operator may in no year exceed 50 percent of the amount required to meet operating, maintenance, and capital and debt service requirements of the system after deduction therefrom of approved federal grants estimated to be received and funds estimated to be allocated pursuant to Section 99314.5 .

Notwithstanding the 50-percent limitation, the amount budgeted for capital requirements in any year or other period up to five years, less the amount of federal and other state funds granted or approved therefor, may be allocated and expended for capital improvements to a grade-separated mass transit system, if construction of such facilities has been found to be not inconsistent with the regional transportation plan of the transportation planning agency. Within such five-year period, the transportation planning agency may order the amount of the allocation in any year to be set aside and accumulated for accomplishment of the particular project.

### **PUC § 99268.1 – Expenditure Limitation Applied to Older Operators**

*(Amended by Stats. 1980, Ch. 1124, Sec. 1.)*

Commencing with claims for the 1980-81 fiscal year, an operator that was in compliance with Section 99268 during the 1978-79 fiscal year in order to be eligible for funds under this article shall be eligible for such funds in any fiscal year, if it remains in compliance with that section during the fiscal year. The determination of compliance for any fiscal year shall be made in the same manner as the determination was made for the 1978-79 fiscal year, except for the exemption provided under Section 99267.5 . An allowance for depreciation shall be made in the same manner as provided in the 1978-79 fiscal year.

For purposes of this section, an operator granted a waiver from the requirements of Section 99268 pursuant to Section 99268.8 , as it read on January 1, 1979, shall not be deemed in compliance with that section.

### **PUC § 99268.2 – Alternative Revenue Ratios for Older Operators**

*(Amended by Stats. 2015, Ch. 716, Sec. 4. (SB 508) Effective January 1, 2016.)*

In the case of an operator required to be in compliance with Section 99268 under Section 99268.1 , the operator may be allocated additional funds that could not be allocated to it because of those requirements, if it maintains, for the fiscal year, a ratio of fare revenues to operating cost, as defined by subdivision (a) of Section 99247, at least equal to one-fifth if serving an urbanized area or one-tenth if serving a nonurbanized area.

### **PUC § 99268.3 – Revenue Ratios for Older Operators**

*(Amended by Stats. 2015, Ch. 716, Sec. 5. (SB 508) Effective January 1, 2016.)*

(a) In the case of an operator that is serving an urbanized area, and that was eligible for funds under this article during the 1978-79 fiscal year even though not required to be in compliance with Section 99268 or that commenced operation after that fiscal year, the operator shall be eligible for those funds in any fiscal year, commencing with claims for the 1980-81 fiscal year, if it maintains, for the fiscal

year, a ratio of fare revenues to operating cost, as defined by subdivision (a) of Section 99247 , at least equal to one-fifth.

(b) In the case of an operator that is serving an urbanized area, and that was in operation during the 1978-79 fiscal year even though not then eligible for funds under this article, but that has since become eligible for those funds, the operator shall be eligible for the funds in any fiscal year, commencing with the 1980-81 fiscal year, if it complies with either of the following:

(1) The requirements of Section 99268 .

(2) The requirements of subdivision (a).

#### **PUC § 99268.4 – Revenue Ratios for Newer Non-Urbanized Area Operators**

*(Amended by Stats. 2015, Ch. 716, Sec. 6. (SB 508) Effective January 1, 2016.)*

In the case of an operator that is serving a nonurbanized area, and that was eligible for funds under this article during the 1978-79 fiscal year even though not required to be in compliance with Section 99268 or that commenced operation after that fiscal year, the operator shall be eligible for those funds in any fiscal year, commencing with claims for the 1980-81 fiscal year, if it maintains, for the fiscal year, a ratio of fare revenues to operating cost, as defined by subdivision (a) of Section 99247 , at least equal to one-tenth.

#### **PUC § 99268.5 – Fare Ratio Requirements for Exclusive Services to Elderly and Disabled Persons**

*(Amended by Stats. 2012, Ch. 769, Sec. 15. (AB 2679) Effective January 1, 2013.)*

(a) Commencing with claims for the 1980-81 fiscal year, no funds shall be allocated under this article in any fiscal year to an operator providing services using vehicles for the exclusive use of elderly and disabled persons, unless the operator maintains, for the fiscal year, a ratio of fare revenues to operating cost, as defined by subdivision (a) of Section 99247 , for those services at least equal to one-tenth or to the ratio it had for those services during the 1978-79 fiscal year, whichever is greater.

(b) Notwithstanding subdivision (a), an operator which provides both exclusive transportation services for elderly and disabled persons and regular scheduled public transportation services may be allocated funds under this article for the exclusive service if the combined services qualify under Section 99268.1 , 99268.2 , 99268.3 , or 99268.4 , as the case may be, and the ratio of fare revenues to operating cost for the combined service shall not be less than the ratio required in order to make allocations to the operator for its regular scheduled services.

(c) In a county which had less than 500,000 population as determined by the 1970 federal decennial census and more than 500,000 in population as determined by the 1980 or 1990 federal decennial census, an operator in the county shall maintain a ratio of fare revenues to operating cost, as defined by subdivision (a) of Section 99247 , at least equal to one-fifth if serving an urbanized area or one-tenth if serving a nonurbanized area.

## **PUC § 99268.6 – Succession of Joint Powers Entities**

*(Amended by Stats. 1979, Ch. 1002.)*

(a) If a joint powers entity providing public transportation services was funded at any time under this article and is subsequently dissolved, any succeeding entity providing such services shall not be eligible for funding, unless it conforms to Section 99268.1 , 99268.2 , 99268.3 , 99268.4 , 99268.5 , or 99268.9 , as the case may be, which applied to its predecessor.

(b) Except a city or a county filing a claim pursuant to Section 99260.7 , no public agency providing public transportation services, after withdrawing from, or while remaining in, a joint powers entity providing public transportation services, shall be eligible for funding under this article, unless it conforms to Section 99268.1 , 99268.2 , 99268.3 , 99268.4 , or 99268.9 , as the case may be, that the joint powers entity is required to conform with in order to be eligible for such funding at the time the public agency commences its public transportation services. The public agency is an operator and shall be subject to Section 99268.9.

## **PUC § 99268.7 – Exemption for Capital-Intensive Improvements**

*(Amended by Stats. 1979, Ch. 161.)*

Any unallocated funds resulting from the limitations of Section 99268 may be used for capital intensive transit-related improvements. Every effort shall be made to obtain federal funds for the purposes of this section. Such improvements shall include, but not be limited to, park-and-ride lots, terminal facilities, bus waiting shelters, exclusive lanes for buses, and the acquisition of vehicles and rolling stock for replacement purposes.

## **PUC § 99268.8 – Exemption for Extension of Services**

*(Amended by Stats. 1986, Ch. 1399, Sec. 2. Operative July 1, 1987, by Sec. 6 of Ch. 1399.)*

The required ratios of fare revenues to operating cost prescribed by this article shall not apply to an extension of public transportation services until two years after the end of the fiscal year in which the extension of services was put into operation. As used in this section, “extension of public transportation services” includes additions of geographical areas or route miles, or improvements in service frequency or hours of service greater than 25 percent of the route total, or the addition of new days of service, and for transit service claimants also includes the addition of a new type of service, such as van, taxi, or bus.

Within 90 days after the end of the first year of implementation, the operator shall submit to the transportation planning agency, the county transportation commission, or the San Diego Metropolitan Transit Development Board having jurisdiction over it, a report on the extension of public transportation services, including, but not limited to, the area served, the revenues generated, and the cost to provide the extended services.

## **PUC § 99268.9 – Non-Compliance with Required Revenue Ratios**

*(Amended by Stats. 1986, Ch. 1399, Sec. 3. Operative July 1, 1987, by Sec. 6 of Ch. 1399.)*

(a) Except as otherwise provided in subdivision (b), if an operator was allocated funds under this article during a fiscal year in which it did not maintain the required ratio of fare revenues to operating

cost, the operator's eligibility to receive moneys from the local transportation fund and allocations pursuant to Sections 99313.3 and 99314.3 shall be reduced during a subsequent penalty year by the amount of the difference between the required fare revenues and the actual fare revenues for the fiscal year that the required ratio was not maintained. The penalty year shall be the fiscal year that begins one year after the end of the fiscal year during which the required ratio was not maintained.

An operator subject to this subdivision shall demonstrate to the transportation planning agency, the county transportation commission, or the San Diego Metropolitan Transit Development Board how it will achieve the required ratio of fare revenues during any penalty year.

(b) The first fiscal year for which an operator does not maintain the required ratio of fare revenues to operating cost is deemed a grace year, and shall not result in any penalty nor loss of eligibility for funds under this article.

### **PUC § 99268.11 – Waivers of Ratios for Labor Disputes**

*(Added by Stats. 1984, Ch. 115, Sec. 4. Effective May 10, 1984.)*

Sections 99268.3 , 99268.4 , and 99268.9 may be waived by the transportation planning agency with respect to an operator during any fiscal year in which both of the following occurred, if the waiver is necessary to enable the operator to provide vital public transportation services:

(a) The operator sustained two separate work stoppages for 15 days or longer due to labor disputes.

(b) At least one of the work stoppages was not related to a labor dispute with the operator.

### **PUC § 99268.12 – Reduced Ratios for Base Year Operations**

*(Amended by Stats. 1987, Ch. 56, Sec. 157.)*

Notwithstanding Sections 99268.2 and 99268.3 , the transportation planning agency or the county transportation commission may set the required ratio of fare revenue to operating cost at not less than three-twentieths for an operator in a county with a population of 500,000 or less and serving an urbanized area where funds may be allocated under Article 8 (commencing with Section 99400 ). Prior to setting the required ratio, the transportation planning agency or the county transportation commission shall make findings specifying the reasons for its action.

### **PUC § 99268.16 – Exclusion of Ridesharing Services Costs**

*(Added by Stats. 1986, Ch. 1143, Sec. 2.)*

Notwithstanding subdivision (a) of Section 99247 , the costs of providing ridesharing services are excluded from operating costs.

### **PUC § 99268.17 – Exclusion of Costs above CPI for Certain Operating Costs**

*(Amended by Stats. 2015, Ch. 716, Sec. 7. (SB 508) Effective January 1, 2016.)*

(a) Notwithstanding subdivision (a) of Section 99247, the following costs shall be excluded from the definition of “operating cost” for the purposes of calculating any required ratios of fare revenues to operating cost specified in this article:

(1) The additional operating costs required to provide comparable complementary paratransit service as required by Section 37.121 of Title 49 of the Code of Federal Regulations , pursuant to the federal Americans with Disabilities Act of 1990 ( 42 U.S.C. Sec. 12101 et seq. ), as identified in the operator's paratransit plan pursuant to Section 37.139 of Title 49 of the Code of Federal Regulations that exceed the operator's costs required to provide comparable complementary paratransit service in the prior year as adjusted by the Consumer Price Index.

(2) Cost increases beyond the change in the Consumer Price Index for all of the following:

(A) Fuel.

(B) Alternative fuel programs.

(C) Power, including electricity.

(D) Insurance premiums and payments in settlement of claims arising out of the operator's liability.

(E) State and federal mandates.

(3) Startup costs for new services for a period of not more than two years.

(b) The exclusion of costs from the definition of operating costs in subdivision (a) applies solely for the purpose of this article and does not authorize an operator to report an operating cost other than as defined in subdivision (a) of Section 99247 or a ratio of fare revenue to operating cost other than as that ratio is described elsewhere in this article, to any of the following entities:

(1) The Controller pursuant to Section 99243 .

(2) The entity conducting the fiscal audit pursuant to Section 99245 .

(3) The entity conducting the performance audit pursuant to Section 99246 .

### **PUC § 99268.18 – 50-Percent Expenditure Limitation Exclusion**

*(Amended by Stats. 1993, Ch. 800, Sec. 2. Effective January 1, 1994.)*

The exclusions contained in Sections 99268.10 , 99268.16 , and 99268.17 shall not be applicable for purposes of determining an operator's compliance with Section 99268 .

### **PUC § 99268.19 – Fare Box Revenues Supplementation**

*(Amended by Stats. 2015, Ch. 716, Sec. 8. (SB 508) Effective January 1, 2016.)*

If fare revenues are insufficient to meet the applicable ratio of fare revenues to operating cost required by this article, an operator may satisfy that requirement by supplementing its fare revenues with local funds. As used in this section, “local funds” means any nonfederal or nonstate grant funds or other revenues generated by, earned by, or distributed to an operator.

## **PUC § 99269 – Compliance by Group in San Diego Metro Transit Development Board Area**

*(Added by Stats. 1981, Ch. 1055, Sec. 8.)*

(a) Notwithstanding any other provision of this article, all operators providing service within the area under the jurisdiction of the San Diego Metropolitan Transit Development Board and filing claims pursuant to Section 99260 shall be considered a single operator. In order for all those operators to be eligible for funds under this article, an areawide ratio of fare revenues to operating cost, as defined by subdivision (a) of Section 99247, shall be determined on the basis of the total operating cost and total fare revenues of all the operators, which ratio shall not be less than the areawide ratio for the 1978-79 fiscal year.

(b) In calculating the areawide ratio for the 1978-79 fiscal year, only the fare revenues and the operating costs of those operators that are in compliance with Section 99268, 99268.1, 99268.2, or 99268.3, whichever section was applicable to the operator during the 1978-79 fiscal year, are to be used.

(c) During the period of the first two years of operation, a new operator subject to this section shall claim each year no more than 75 percent of its total operating cost for that year.

## **PUC § 99270 – Temporary Borrowing; Limitations**

*(Added by Stats. 1973, Ch. 812.)*

On or after the first day of any fiscal year, an operator may engage in temporary borrowing pursuant to Article 7.6 (commencing with Section 53850), Chapter 4, Part 1, Division 2, Title 5 of the Government Code and for such purposes “revenues” as defined in Sections 53856 and 53858 of that code may include the amount of any claim permitted under this article if a claim has been filed and approved. The amount of any claim for the purposes of this section shall be subject to the limitations on claims specified in this chapter; provided that the calculations of the limitations referred to herein may be based upon estimates of the operator.

The payments made for temporary borrowing authorized under this section shall not be deemed capital expenditures for purposes of Section 99267.

The power of an operator to levy taxes shall not be a prerequisite to its power to issue notes as general obligations pursuant to Article 7.6.

## **PUC § 99270.1 – Portion of Urbanized Services**

*(Amended by Stats. 1984, Ch. 579, Sec. 20.)*

If an operator serves urbanized and nonurbanized areas in the area of jurisdiction of a transportation planning agency, the transportation planning agency shall adopt rules and regulations to determine what portion of the public transportation services of the operator serves urbanized areas and what portion serves nonurbanized areas to determine its required ratio of fare revenues to operating cost, as defined by subdivision (a) of Section 99247, or its required ratio of the sum of fare revenues and local support to operating cost, or both.

The transportation planning agency shall submit the rules and regulations to the department for approval.

## **PUC § 99270.2 – New Urbanized Areas**

*(Amended by Stats. 1986, Ch. 1399, Sec. 5. Operative July 1, 1987, by Sec. 6 of Ch. 1399.)*

If an operator serves an area that was first designated as an urbanized area in the 1980 or a subsequent federal census, the transportation planning agency or the county transportation commission may grant the operator time, but not more than five years from July 1 of the year following the year of the census, to meet the ratio of fare revenues to operating cost required of an operator serving an urbanized area.

## **PUC § 99270.5 – Compliance by Group in BART District**

*(Added by renumbering Section 99270 (as added by Stats. 1979, Ch. 1002) by Stats. 1986, Ch. 248, Sec. 213.)*

In determining whether there is compliance with Section 99268.1 , 99268.2 , 99268.3 , 99268.4 , 99268.5 , or 99268.9 , as the case may be, by operators serving the area of the San Francisco Bay Area Rapid Transit District, excluding the City and County of San Francisco, the Metropolitan Transportation Commission may make that determination for all or some of the operators as a group, if the Metropolitan Transportation Commission finds that the public transportation services of the operators grouped are coordinated.

## **PUC § 99270.6 – Revenue Ratios for Sacramento Area Council of Governments**

*(Added by Stats. 2012, Ch. 229, Sec. 1. (AB 432) Effective January 1, 2013.)*

In determining whether there is compliance with Section 99268.1 , 99268.2 , 99268.3 , 99268.4 , 99268.5 , or 99268.9 , as the case may be, by operators serving the area of Sacramento County and the cities within the county, the Sacramento Area Council of Governments may make that determination for all or some of the operators as a group, if the Sacramento Area Council of Governments finds that the public transportation services of the operators grouped are coordinated. Notwithstanding any other provision of this article, the fare recovery ratio for the Sacramento Regional Transit District shall be no less than 23 percent.

## **PUC § 99270.8 – Revenue Ratios for Stanislaus Council of Governments**

*(Added by Stats. 2018, Ch. 107, Sec. 1. (SB 903) Effective July 16, 2018. Inoperative July 1, 2020. Repealed as of January 1, 2021, by its own provisions.)*

(a) This section shall only apply to an individual operator that both has its primary service area in the Stanislaus Council of Governments jurisdiction and files claims with the Stanislaus Council of Governments pursuant to Section 99260.

(b)(1) Notwithstanding any other provision of this article, in determining if an individual operator complies with Section 99268.1, 99268.2, 99268.3, 99268.4, 99268.5, or 99268.9, the Stanislaus Council of Governments may reduce the applicable ratio of fare revenues to operating cost for an individual operator by up to five percentage points from the ratio that was effective during the 2015-16 fiscal year.

(2) The Stanislaus Council of Governments may use the calculation method described in this section for calculations beginning with the 2018-19 fiscal year.

(c)(1) If the Stanislaus Council of Governments reduces an individual operator's ratio pursuant to this section, the Stanislaus Council of Governments, before January 1, 2020, shall submit a report to the

transportation policy committee of each house of the Legislature and to the department analyzing the options for organizing and supporting transit service in the county.

(2) The report shall include, but not be limited to, all of the following:

(A) A description of the transit routes operating within the county.

(B) The service levels on those transit routes, including any planning expansions or consolidations.

(C) The ridership numbers for those transit routes.

(D) The annual budget numbers from the transit services provided by each individual operator in the county, including its ratio of fare revenues to operating cost and any salary increases since the enactment of this section.

(3) A report to be submitted pursuant to this subdivision shall be submitted in compliance with Section 9795 of the Government Code.

(d) This section shall become inoperative on July 1, 2020, and, as of January 1, 2021, is repealed.

### **PUC § 99271 – Employee Retirement System**

*(Added by Stats. 1974, Ch. 1275.)*

(a) An operator shall be eligible for allocations under this article, on and after July 1, 1976, only if the current cost of its retirement system is fully funded with respect to the officers and employees of its public transportation system, or if the operator is implementing a plan approved by the transportation planning agency which will fully fund the retirement system for such officers and employees within 40 years.

(b) “Fully funded” with respect to the retirement system, means that the system, at any particular time, has assets determined to be sufficient to provide for the payment of all pension and other benefits to such officers and employees then entitled, or who may become entitled, under terms of the system to an immediate or deferred benefit in respect to service rendered by such officers and employees.

### **PUC § 99272 – Private Pension Plans**

*(Amended by Stats. 1986, Ch. 988, Sec. 12.)*

An operator that has a private pension plan shall be eligible for allocations under this article, on and after July 1, 1976, only if the operator does both of the following:

(a) Conducts periodic actuarial studies of its employee pension plans to determine the annual cost of future pension benefits.

(b) Sets aside and invests, on a current basis, funds sufficient to provide for the payment of future pension benefits.



## **PUC § 99273 – Private Pension Plan Reports**

*(Added by Stats. 1974, Ch. 1275.)*

An operator that has a private pension plan shall be eligible for allocations under this article, on and after July 1, 1976, only if the operator reports in its financial statements, at least annually, all of the following:

- (a) The actuarially determined amount of pension liability.
- (b) The amount of cash funds set aside and invested to meet the pension liability.
- (c) The amount of any deficit in the pension fund.
- (d) The financial plan adopted to eliminate the deficit in the pension fund.

## ARTICLE 4.5 – CLAIMS FOR COMMUNITY TRANSIT SERVICES

### PUC § 99275 – Community Transit Services Definition

*(Added by Stats. 1976, Ch. 1348.)*

(a) Claims may be filed with the transportation planning agency by claimants for community transit services, including such services for those, such as the disabled, who cannot use conventional transit services.

(b) For purposes of this article, “community transit services” means transportation services which link intracommunity origins and destinations.

### PUC § 99275.5 – Claim Evaluation Criteria; Required Findings

*(Amended by Stats. 1990, Ch. 1036, Sec. 3.)*

(a) Claims, for purposes of this article, shall be filed in the same manner as claims are filed for purposes of Article 4 (commencing with Section 99260 ).

(b) The transportation planning agencies shall adopt criteria, rules, and regulations for the evaluation of claims filed under this article and the determination of the cost effectiveness of the proposed community transit services to be provided under the claims.

(c) Prior to approving a claim filed under this article, the transportation planning agency shall make all of the following findings:

(1) That the proposed community transit service is responding to a transportation need currently not being met in the community of the claimant.

(2) That the service shall be integrated with existing transit services, if appropriate.

(3) That the claimant has prepared an estimate of revenues, operating costs, and patronage.

(4) That the claimant is in compliance with Section 99268.3 , 99268.4 , 99268.5 , or 99268.9 , whichever is applicable to it, or with regional, countywide, or county subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the transportation planning agency or the county transportation commission for any or all types of community transit services.

(A) In adopting the performance criteria, local match requirements, or fare recovery ratios, the transportation planning agency or the county transportation commission may adopt the criteria of Section 99268.3 , 99268.4 , 99268.5 , or 99268.9 , or any combination or all of them.

(B) If a transportation planning agency or county transportation commission has adopted performance criteria, local match requirements, or fare recovery ratios, the rules and regulations of the agency or commission apply, and Sections 99205.7 and 99241, subdivision (a) of Section 99247 , and Section 99268.8 do not apply.

(5) That the claimant is in compliance with Sections 99155 and 99155.5.

(d) A transportation planning agency or county transportation commission shall allocate no funds to a claimant not in compliance with Sections 99155 and 99155.5.

**PUC § 99276 – Annual Certified Fiscal Audit**

*(Amended by Stats. 1979, Ch. 1002.)*

Each claimant receiving funds allocated for purposes of this article shall submit an annual certified fiscal audit pursuant to Section 99245 .

**PUC § 99277 – Service Contracts**

*(Amended by Stats. 1986, Ch. 988, Sec. 13.)*

Claimants may contract on the basis of competitive bidding to provide community transit services.

## ARTICLE 5 – RELATIONSHIOS BETWEEN OPERATORS

### **PUC § 99280 – Adding or Extending Routes**

*(Amended by Stats. 1972, Ch. 1408.)*

An included municipal operator shall not establish a public transportation system either by adding new routes or extending existing routes, by acquisition or otherwise, outside of its boundaries and outside of the reserved service area consisting of the area that would be formed by joining all points that are distant three-quarters of one mile from any point of any of its regularly scheduled routes in existence and in operation on March 1, 1971. No point within such reserved service area shall be more than three-quarters of a mile from a point on one of such regularly scheduled routes, without first providing the governing board of the transit district with a 60-day advance written notice of its intention to add new routes or extend existing routes outside of the reserved service area. Within 30 days of receiving such written notice, the governing body of the transit district shall either (a) notify the included municipal operator that the transit district does not intend to add or extend the routes in question itself, in which case the included municipal operator may proceed with implementation of its plans; or (b) serve immediate notice upon the included municipal operator that the transit district desires to establish the proposed new service itself and is otherwise not precluded from doing so. In the event that the governing body of the transit district elects to provide the service in question, it shall institute such service within 60 days of the time proposed by the included municipal operator for initiation of such service.

The operation by included municipal operators of new or extended routes established pursuant to this section are subject to the condition whereby the transit district may assume operation of such new or extended routes, if it is not otherwise precluded from doing so, after a 60-day notification by the transit district to the included municipal operator. No route so assumed by the transit district may be abandoned by the transit district without first serving a 60-day written notice of intent to abandon on the included municipal operator which previously provided the service. Subsequent to the abandonment by the transit district, the included municipal operator may, at its option, resume service if it is not otherwise precluded from doing so.

Any included municipal operator, as a condition precedent to filing a claim under Article 4 (commencing with Section 99260 ) of this chapter, shall file with the transportation planning agency a certified route map showing those regularly scheduled routes in existence and in operation on March 1, 1971, outside of its boundaries. Such certified map shall also indicate by an appropriate legend the service area where the consent of the transit district is not required under the terms of this section.

The establishment of new routes, or the extension of existing routes, outside the boundaries of an included municipal operator, but within the reserved service area, as defined in this section, shall not be permitted where the operation or establishment of such routes will compete with or divert patronage from a route of the transit district as of the date the transit district is given the notice hereinafter required. Before any such new routes are established or existing routes are extended, the included municipal operator shall give the transit district an appropriate 60-day notice.

### **PUC § 99281 – Extension of Service by Transit District**

*(Amended by Stats. 1984, Ch. 579, Sec. 21.)*

The transit district may operate or establish new routes or extend existing routes in all or part of the area outside a municipal operator, except where the operation or establishment of that service will compete with or divert patronage from an existing service of any included municipal operator or service in a reserved service area under Section 99280 . However, this limitation upon the district does not apply with respect to services established outside a reserved service area by an included municipal operator under Section 99280 .

Unless both the department and the statutorily created regional transportation planning agency designate otherwise, the transit district has the sole prerogative of using funds available under this chapter for the purpose of constructing and operating a grade-separated mass transit system, regardless of whether the operation of the system competes with or diverts patronage from any services of an included municipal operator.

### **PUC § 99282 – Coordination of Services**

*(Amended by Stats. 1972, Ch. 1408.)*

All operators shall be encouraged to establish maximum coordination of public transportation services, fares, transfer privileges, and all other related matters for the overall improvement of public transportation service to the general public requiring such services within the affected areas.

### **PUC § 99282.5 – Transfers Between Operators**

*(Added by Stats. 1979, Ch. 1002.)*

Where there are two or more operators within its area of jurisdiction, the transportation planning agency, the county transportation commission, and the San Diego Metropolitan Transit Development Board, as the case may be, shall adopt, not later than July 1, 1980, rules and regulations to provide for transfers between the public transportation services of the operators so that such services will be coordinated.

### **PUC § 99283 – Interchange of Transfers**

*(Amended by Stats. 1972, Ch. 1408.)*

The consent of a transit district to the operation of a public transportation system by an included municipal operator pursuant to Section 99280 may include a requirement for interchange of transfers on an appropriate basis between the public transportation system of the included municipal operator and the public transportation system of the transit district, or any nominee of such transit district, in connection with the furnishing of services by such public transportation systems.

### **PUC § 99284 – Violations**

*(Amended by Stats. 1972, Ch. 1408.)*

The violation by a transit district or an included municipal operator of any provisions of this article, or of any agreement between them with regard to providing public transportation services, shall disqualify the violator from filing a public transportation claim pursuant to Article 4 (commencing with Section 99260 ) of this chapter, and the transportation planning agency shall take no further action in connection with the approval of any pending public transportation claim of such violator until it determines that such violation has ceased.

## **PUC § 99285 – Approval and Submission of Proposals by County Transportation Commissions**

*(Amended by Stats. 1996, Ch. 554, Sec. 2. Effective January 1, 1997.)*

(a) The county transportation commissions created pursuant to Division 12 (commencing with Section 130000 ), including those agencies in Los Angeles County created by statute that assume the same statutory obligations as county transportation commissions, shall submit to the transportation planning agency those claims to be funded, and the transportation planning agency shall approve only those claims submitted.

(b) Each commission shall adopt appropriate criteria by which claims shall be analyzed and evaluated, and shall approve only those claims which will provide for a coordinated public transportation system consistent with the adopted transportation improvement program and adopted regional transportation plan and which will not result in undesirable duplication of public transportation services.

(c) In considering proposals, the Los Angeles County Metropolitan Transportation Authority shall consider, among other things, the fare revenue to operating cost ratio and the public transit service mileage of each operator in the authority operating area, but under no circumstances shall the included municipal operators in existence and receiving formula allocation program funding on July 1, 1996, receive less than the percentage of state, federal, and local funds allocated in the 1995-96 fiscal year for bus services. An operator designated as an included municipal operator effective July 1, 1996, shall, under no circumstances, receive less than its percentage of state, federal, and local funds for eligible services pursuant to the formula specified in subdivision (d).

Under no circumstances shall included or eligible municipal operators, as defined in Sections 99207 and 99207.5, respectively, in existence on July 1, 1996, and receiving formula-equivalent funding from sources other than federal operating funds pursuant to Section 5307 of Title 49 of the United State Code, and funds claimed under Article 4 (commencing with Section 99260) and Article 6.5 (commencing with Section 99310) of this chapter receive less than the proportional share allocated during the 1995-96 fiscal year from the Proposition A 40 percent fund and other available funding sources.

(d) Commencing with the 1996-97 fiscal year, eligible and included municipal operators and the Los Angeles County Metropolitan Transportation Authority shall continue to be allocated not less than the amount that would be allocated to them under the formula allocation procedure in effect July 1, 1995, and under subdivision (i). Based upon audited transit performance data submitted for bus transit operations covering the most recent year for which audited data is available, each of those operator's share of the funds available for allocation shall be calculated as follows: 50 percent of the operator's vehicle service miles, and 50 percent of the operator's passenger revenues divided by its base cash fare.

(e) A three-fourths vote of the principal members of the Los Angeles County Metropolitan Transportation Authority shall be required to modify the formulas for allocating of funds available for bus service under this section to the authority operator and included and eligible municipal operators, as defined or described in Sections 99207 , 99207.5, and 130050.2.

(f)(1) A two-thirds vote of the members shall be required in order to establish or change the criteria for admitting new included municipal operators for eligibility for funds allocated under Article 4 (commencing with Section 99260 ).

(2) A two-thirds vote of the members shall be required, based on the criteria in effect under paragraph (1), to allocate funds under Article 4 (commencing with Section 99260 ) to any “included municipal operator,” as defined in subdivision (d) of Section 99207 , which has not previously received funds under this article.

(g) The Los Angeles County Metropolitan Transportation Authority shall give equal consideration to the capital projects of all operators in the county, and shall allocate regional federal bus transit capital funds based on the authority's capital allocation procedure existing on July 1, 1995, exclusive of funds specifically earmarked by federal law for other purposes.

(h) It is the intent of the Legislature that neither this section nor the creation of the Los Angeles County Metropolitan Transportation Authority and its operating organizational unit shall impact the allocation of funds pursuant to Article 8 (commencing with Section 99400 ) by local agencies currently eligible to receive these funds.

(i) As part of the formula allocation procedure used to distribute from a state transit assistance fund, the Mills-Deddeh Transportation Development Act (Division 11 (commencing with Section 120000) of the Public Utilities Code), Section 5307 of Title 49 of the United States Code, and Proposition A 40 percent funds pursuant to this chapter, and federal operating funds to Los Angeles County operators, eligible and included municipal operators designated on September 25, 1991, or July 1, 1992, who, since that time, have received annual allocations of local sales tax funding in lieu of specified formula funds, shall continue to receive those same formula-equivalent levels of funding from local discretionary sources. Included municipal operators who receive annual allocations of local sales tax funding for specified services or service levels shall continue to receive equivalent levels of funding allocated from local sources for these services in the 1995-96 fiscal year.

(j) Ninety percent of the Proposition C 5 percent security funds shall be allocated to the included and eligible municipal operators and the Los Angeles County Metropolitan Transportation Authority according to their proportionate number of transit passengers served. The funds shall be allocated only to those operators which have filed with the Los Angeles County Metropolitan Transportation Authority a cost-effective program to provide transit security services. Any unallocated funds shall revert to the remaining balance of security funds which shall be disbursed at the discretion of the Los Angeles County Metropolitan Transportation Authority.

(k) This section shall not impact or restrict the use of those portions of Mills-Deddeh Transportation Development Act, Proposition A, or Proposition C local return or other transportation funds allocated to cities or counties by population nor shall this section restrict the level or source of funding programmed by local jurisdiction to operators.

### **PUC § 99285.1 – Effects of Strikes, Civil Disorders or Acts of God**

*(Added by Stats. 1975, Ch. 698.)*

For any fiscal year commencing on and after July 1, 1975, in determining the allocation of any operator pursuant to Section 99285 , the public transit service mileage of any operator which has lost any days of operation due to strikes occurring prior to August 1, 1975, civil disorders, or acts of God shall equal its actual public transit service mileage times the number of days it would have been in operation but for such causes, divided by the number of days it was in actual operation.

## **PUC § 99285.2 – Approval of Claims by Resolution**

*(Amended by Stats. 2012, Ch. 769, Sec. 16. (AB 2679) Effective January 1, 2013.)*

Notwithstanding subdivision (a) of Section 99285 , any county transportation commission created pursuant to Division 12 (commencing with Section 130000 ) may adopt a resolution electing to approve the proposals to be funded and shall approve only those claims submitted for its approval.

## **PUC § 99286 – Contiguous Transit Districts**

*(Added by Stats. 1972, Ch. 1408.)*

Notwithstanding any other provision of law, no operator may plan or establish a public transportation system by adding or extending routes, by acquisition or otherwise, into the area of a contiguous transit district, nor may moneys be allocated from the fund of the county where such addition or extension is contemplated for such purposes, without the consent of the affected transit district.

## **PUC § 99287 – Bay Area Rapid Transit District**

*(Added by renumbering Section 99303 by Stats. 1972, Ch. 1408.)*

(a) No provision of this article shall preclude the San Francisco Bay Area Rapid Transit District from planning, acquiring, constructing, and operating its system within or without the territory of the district as provided for by Article 5 (commencing with Section 29030 ), Chapter 6, Part 2 of Division 10. Notwithstanding the provisions of subdivision (d) of Section 99220, in the event an extension is to be made into a county for which services have not been provided, the moneys within the fund of that county may be used to pay the costs of securing such services.

(b) Notwithstanding subdivision (a) or the limitations of Section 99231 , during a period of up to five years that the San Francisco Bay Area Rapid Transit District is planning any extension of its system into a county outside of the district but with a coterminous boundary with the district and which contains a major transportation facility belonging to another county or city and county, the Metropolitan Transportation Commission may order that any funds in the local transportation fund of such county that are not necessary to pay approved claims under Article 4 (commencing with Section 99260 ) of this chapter be retained.

## **PUC § 99288 – Extended Service by Contract or Authorization**

*(Amended by Stats. 1984, Ch. 579, Sec. 22.)*

(a) Any city, county, or transit district may enter into a contract with any operator, except with an included municipal operator unless specifically approved by the governing body of the transit district in whose area the included municipal operator is located, for the operator to provide public transportation service in the city, county, or transit district. In that case, the operator providing the service may include the claim of the city, county, or transit district, as the case may be, with its claim. The claim may include an amount for reimbursement of the actual costs incurred by the city, county, or transit district for the administration, review, and monitoring of the contract. The amount so claimed shall not exceed 5 percent of the total amount of the contract for public transportation service in the city, county, or transit district.



(b) With the prior express authorization of the department, a transit district may include in its claim a proportional amount for regularly scheduled services outside its boundaries even though the contract specified in subdivision (a) has not been executed.

### **PUC § 99289 – Included Municipal Operator Within a Transit District**

*(Added by Stats. 1976, Ch. 117.)*

(a) Funds received by a city or county designated as an included municipal operator pursuant to subdivision (b) of Section 99207 because it is not receiving adequate local public transportation service from any transit districts in which it is located may only be used by such a city or county to contract with an operator for public transportation services.

(b) If the Metropolitan Transportation Commission determines that it is not feasible on the basis of, among other things, cost to contract with an operator pursuant to subdivision (a), the city or county may use the funds for either or both of the following:

(1) The development and operation of a public transportation system.

(2) Public transportation service received under contract from an operator providing such service since at least July 1, 1972, or from a common carrier, as defined in Section 211, which is under the jurisdiction and control of the Public Utilities Commission and which is engaged in the transportation of persons, as defined in Section 208.

(c) The system or the service under the contract, as the case may be, shall be consistent, as determined by the Metropolitan Transportation Commission, with the regional transportation plan.

### **PUC § 99299 – Conflicts in Law**

*(Added by renumbering Section 99285 by Stats. 1972, Ch. 1408.)*

The provisions of this article shall control over the provisions of any other act or law applicable to a transit district to the extent of any conflict with such provisions.

## **ARTICLE 6 – MISCELLANEOUS**

### **PUC § 99301 – Expenditure of Earned Interest**

*(Added by Stats. 1976, Ch. 1348.)*

Interest earned on funds allocated pursuant to this chapter shall be expended only for those purposes for which the funds were allocated.

### **PUC § 99301.5 – Orange County Expenditure of Earned Interest**

*(Amended by Stats. 1991, Ch. 752, Sec. 4.)*

Notwithstanding Sections 99232 , 99233 , and 99301 , the Orange County Transportation Commission may direct the transportation planning agency to allocate interest accruing from money retained for the development of transit in the local transportation fund of the County of Orange, to the County of Orange, to cities within the county, to the Department of Transportation, to the Orange County Transit District, and to the Orange County Transportation Commission to expend for transportation purposes within the County of Orange, as determined by the Orange County Transportation Commission, including those which could be funded by motor vehicle fuel taxes pursuant to Section 1 of Article XIX of the California Constitution . The commission, when determining the purposes for which the money is to be expended, shall ensure that, to the extent possible, at least one-half of the money is allocated to local street and road projects.

### **PUC § 99301.6 – Orange County Unified Transportation Trust**

*(Added by Stats. 1987, Ch. 951, Sec. 3.)*

Interest accruing pursuant to Section 99301.5 shall continue to be allocated under that section for as long as there is a balance of money retained for the development of transit in the local transportation fund of the County of Orange. For this purpose, the amount of the balance retained for the development of transit in the local transportation fund shall be determined by the Orange County Transportation Commission with the concurrence of the Orange County Transit District prior to the beginning of each fiscal year.

After the allocation instructions have been received from the transportation planning agency, the interest accruing shall be deposited in a separate account maintained by the Orange County Treasurer, which shall be known as the Orange County Unified Transportation Trust. Thereafter, the Orange County Transportation Commission shall issue allocation instructions on the balance in the Orange County Unified Transportation Trust.

### **PUC § 99302 – Claims of Applicants in the Metropolitan Transportation Commission Area**

*(Added by Stats. 1971, Ch. 1400.)*

Notwithstanding the fact that the Metropolitan Transportation Commission is not required to adopt a regional transportation plan until June 30, 1973, for the region comprised of the City and County of San Francisco and the Counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano, and Sonoma, it may approve the claim of any applicant within the region.

The commission shall approve those claims which will not result in the undesirable duplication of public transportation services, and which will provide for a coordinated public transportation system, in the region.

The commission may, on its own motion, arbitrate differences (1) between the various applicants, (2) between an applicant and a city or county regarding the costs of the extension of services, and (3) between the various entities within the region regarding priorities and the order that various improvements are to be made.

### **PUC § 99302.5 – Orange County Expenditure Determination**

*(Added by Stats. 1976, Ch. 1333.)*

Before the Orange County Transit District may expend any of its allocation it has retained for the development of rapid transit for purposes other than such development, the Orange County Transportation Commission shall make a determination that the funds are not required for any exclusive public mass transit guideway purpose within the foreseeable future.

### **PUC § 99303 – Unallocated Apportionment in San Diego Metropolitan Transit Development Board Area**

*(Amended by Stats. 1984, Ch. 1124, Sec. 1.)*

Not less than 75 percent of the unallocated apportionment, as of June 30, 1978, and each June 30th thereafter, for the cities, and that portion of the County of San Diego, under the jurisdiction of the San Diego Metropolitan Transit Development Board shall be available to the board for exclusive public mass transit guideway purposes as specified in Article 4 (commencing with Section 120260 ) of Chapter 4 of Division 11.

On July 1 of the first fiscal year of implementation of Section 120265 , this section shall no longer be effective except as to the prior year's unallocated apportionment

### **PUC § 99304 – Interest Earned on Unallocated Apportionment in the Metropolitan Transportation Commission Area**

*(Amended by Stats. 1990, Ch. 1014, Sec. 3.)*

Notwithstanding Section 29530 of the Government Code , the Metropolitan Transportation Commission shall, if an unallocated apportionment has been set aside for an operator for specific future expenditures, also set aside annually the interest earned on the unallocated apportionment that has been set aside until the unallocated apportionment is allocated, and shall include the set-aside interest in the amount apportioned to that operator. The interest amount shall be determined by the Metropolitan Transportation Commission based on its estimate of the average rate of interest earned by the unallocated apportionment during the prior fiscal year.

## **ARTICLE 6.5 – TRANSPORTATION PLANNING & DEVELOPMENT ACCOUNT**

### **PUC § 99310 – Account Creation**

*(Amended by Stats. 1997, Ch. 622, Sec. 32. Effective January 1, 1998.)*

(a) The Transportation Planning and Development Account in the State Transportation Fund, hereafter referred to as the “account” in this article, is hereby continued in existence as the Public Transportation Account in the fund.

(b) Any reference in any law or regulation to the Transportation Planning and Development Account in the State Transportation Fund is a reference to the Public Transportation Account.

### **PUC § 99310.5 – Purposes**

*(Amended June 5, 1990, by initiative Proposition 116, Sec. 2.)*

(a) The account is hereby designated a trust fund.

(b) The funds in the account shall be available, when appropriated by the Legislature, only for transportation planning and mass transportation purposes, as specified by the Legislature.

(c) The Legislature may amend this section by statute passed in each house of the Legislature by rollcall vote entered in the journal, two-thirds of the membership concurring, if the statute is consistent with, and furthers the purposes of, this section

### **PUC § 99310.6 – Accounting and Reporting System**

*(Repealed and added by Stats. 2013, Ch. 35, Sec. 6. (SB 85) Effective June 27, 2013.)*

(a) Notwithstanding any other provision of law, upon order of the Department of Finance, all or some of the state agencies collecting revenue for, or spending from, the Public Transportation Account shall adjust budgeting, accounting, and reporting systems and documents so that unliquidated encumbrances, payables, and other accruals are not reflected in the fund balance in the Governor's Budget fund condition display or the fund balance in the financial statements submitted to the Controller for the budgetary-legal basis annual report.

(b) For the purposes of the Governor's Budget, the balance of cash advanced from the Public Transportation Account to the Transportation Revolving Account, as jointly determined by the Department of Finance and the state agencies referenced in subdivision (a), shall be deemed as resources and cash available to the Public Transportation Account for budgeting purposes.

(c) This method shall be effective with the 2013-14 Governor's Budget development process and may be applied to the 2011-12 data.

## **PUC § 99311 – Appropriations from Funds Transferred from the State Highway Account and Aeronautics Account**

*(Amended by Stats. 1992, Ch. 1172, Sec. 7. Effective September 30, 1992.)*

Upon appropriation by the Legislature, funds transferred, or scheduled as a reimbursement, to the account, pursuant to Section 21682.5 of this code and Section 194 of the Streets and Highways Code , shall be available for allocation by the director for the following purposes:

- (a) State transportation planning.
- (b) Regional transportation planning by transportation planning agencies designated pursuant to Section 29532 of the Government Code , but not those specified in subdivision (b) of Section 29532.4 of the Government Code.

### **PUC § 99311.1 – Allocation of Funds for Regional Transportation Planning Purposes**

*(Added by Stats. 1996, Ch. 436, Sec. 3. Effective January 1, 1997.)*

Upon appropriation by the Legislature, the director shall allocate, from the account or from other available state or federal sources, or from both state and federal sources, for the purposes of subdivision (b) of Section 99311 , an amount commensurate with the historical annual allocation to transportation planning agencies designated pursuant to Section 29532 of the Government Code that do not directly receive federal planning funds, as set forth in Section 134 of Title 23 of the United States Code .

### **PUC § 99311.5 – Match for Planning Subventions from the Account**

*(Amended by Stats. 1984, Ch. 579, Sec. 24.)*

The amount allocated to a transportation planning agency designated pursuant to Section 29532 of the Government Code , for the preparation or updating of a regional transportation plan pursuant to Chapter 2.5 (commencing with Section 65080) of Title 7 of that code, may be up to 70 percent of its nonfederally reimbursed costs for regional transportation planning.

For a transportation planning agency in a county with a population of less than 500,000 persons, the director may increase that percentage, if the director determines it to be in the best interests of regional and state transportation planning to do so.

### **PUC § 99312 – Appropriations of Revenues**

*(Amended by Stats. 2017, Ch. 86, Sec. 2. (AB 1113) Effective July 21, 2017.)*

Except as provided in Sections 99311 and 99311.5 , and Sections 6051.8 and 6201.8 of the Revenue and Taxation Code, the funds in the account shall be made available for the following purposes:

- (a) Fifty percent for purposes of Section 99315 , subject to appropriation by the Legislature.
- (b) To the Controller, 25 percent for allocation to transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board pursuant to Section 99314, for the purposes of the State Transit Assistance Program. These funds are hereby continuously appropriated for these purposes.

(c) To the Controller, 25 percent for allocation to transportation agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board pursuant to Section 99313, for the purposes of the State Transit Assistance Program. These funds are hereby continuously appropriated for these purposes.

### **PUC § 99312.1 – Revenues Transferred to the Public Transportation Account for State Controller Distribution**

*(Amended by Stats. 2017, Ch. 20, Sec. 10. (AB 115) Effective June 27, 2017.)*

*(Amended by Stats. 2017, Ch. 86, Sec. 3. (AB 1113) Effective July 21, 2017.)*

(a) Revenues transferred to the Public Transportation Account pursuant to Sections 6051.8 and 6201.8 of the Revenue and Taxation Code for the State Transit Assistance Program are hereby continuously appropriated to the Controller for allocation as follows:

(1) Fifty percent for allocation to transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board pursuant to Section 99314.

(2) Fifty percent for allocation to transportation agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board for purposes of Section 99313.

(b) For purposes of this chapter, the revenues allocated pursuant to this section shall be subject to the same requirements as revenues allocated pursuant to subdivisions (b) and (c), as applicable, of Section 99312.

(c) The revenues transferred to the Public Transportation Account for the State Transit Assistance Program that are attributable to subdivision (a) of Section 11053 of the Revenues and Taxation Code are hereby continuously appropriated to the Controller, and, upon allocation pursuant to Section 99313 and 99314, shall only be expended on the following:

(1) Transit capital projects or services to maintain or repair a transit operator's existing transit vehicle fleet or existing transit facilities, including rehabilitation or modernization of existing vehicles or facilities.

(2) The design, acquisition, and construction of new vehicles or facilities that improve existing transit services.

(3) Transit services that complement local efforts for repair and improvement of local transportation infrastructure.

(d)(1) Prior to receiving an apportionment of funds pursuant to subdivision (c) from the Controller in a fiscal year, a recipient transit agency shall submit to the Department of Transportation a list of projects proposed to be funded with these funds. The list of projects proposed to be funded with these funds shall include a description and location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement. The project list shall not limit the flexibility of a recipient transit agency to fund projects in accordance with local needs and priorities so long as the projects are consistent with subdivision (c).

(2) The department shall report to the Controller the recipient transit agencies that have submitted a list of projects as described in this subdivision and that are therefore eligible to receive an apportionment of

funds for the applicable fiscal year. The Controller, upon receipt of the report, shall apportion funds quarterly pursuant to Sections 99313 and 99314.

(e) For each fiscal year, each recipient transit agency receiving an apportionment of funds pursuant to subdivision (c) shall, upon expending those funds, submit documentation to the department that includes a description and location of each completed project, the amount of funds expended on the project, the completion date, and the estimated useful life of the improvement.

(f) The audit of transit operator finances required pursuant to Section 99245 shall verify that the revenues identified in subdivision (c) have been expended in conformance with these specific requirements and all other generally applicable requirements.

### **PUC § 99312.2 – Funds Transferred from the Public Transportation Account to the State Transit Assistance Fund**

*(Repealed and added by Stats. 2017, Ch. 86, Sec. 5. (AB 1113) Effective July 21, 2017.)*

(a) The State Transit Assistance Program, also known as the STA program, which provides for allocations of funds made available from the Public Transportation Account pursuant to Sections 99313 and 99314, and which is governed by Sections 99312 and 99314.9, inclusive, is hereby continued in existence. The purpose of the STA program is to provide a source of state funding to eligible public transportation operators and other transportation agencies in order to support their local and regional transit operating and capital needs.

(b) For purposes of the STA program, the following terms shall have the following meanings:

(1) “Public transportation operator” has the same meaning as “operator,” as defined in Section 99210, as long as that operator operates a “public transportation system,” as defined in Section 99211.

(2) “STA-eligible operator” means a public transportation operator eligible to claim local transportation funds under Article 4 (Commencing with Section 99260) or Article 8 (Commencing with Section 99400), or under both articles.

(c) The only entities eligible to receive direct allocations from the Controller under Sections 99313 and 99314 shall be transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board. The Controller shall distribute funds attributable to transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board to the applicable county treasurer’s office. Upon the request of a transportation planning agency, county transportation commission, or the San Diego Metropolitan Transit Development Board, the Controller shall instead distribute the applicable funds directly to the requesting agency.

(d) Only STA-eligible operators shall be eligible to receive STA program funds allocated by transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board pursuant to Section 99314. An STA-eligible operator, at its discretion, may further sub allocate funds it receives pursuant to Section 99314 to an entity operating local community transit services that is eligible to claim local transportation funds pursuant to Article 4.5 (commencing with Section 99275) but that is otherwise ineligible to directly receive funds allocated pursuant to Section 99314.

(e) An entity operating community transit services pursuant to Article 4.5 (commencing with Section 99275) may be allocated funds pursuant to Section 99313 as a subrecipient at the discretion of the transportation planning agency, the county transportation commission, or the San Diego Metropolitan Transit Development Board.

(f) The Los Angeles County Metropolitan Transportation Authority, which is both a county transportation commission for purposes of Sections 99313 and 99314, and an STA-eligible operator for purposes of Section 99314, may incorporate into its report pursuant to Section 99243 any operating costs for local community transit service under contract with the authority, including service provided by a consolidated transportation service agency pursuant to Section 99204.5 or by operators eligible to expend local transportation funds only under Article 4.5 (commencing with Section 99275).

### **PUC § 99312.3 – Revenues Transferred to the Public Transportation Account for Transportation Agency Distribution**

*(Added by Stats. 2017, Ch. 5, Sec. 20. (SB 1) Effective April 28, 2017.)*

Revenues transferred to the Public Transportation Account pursuant to paragraph (2) subdivision (c) of Section 6051.8 and paragraph (2) of subdivision (c) of Section 6201.8 of the Revenue and Taxation Code are hereby continuously appropriated to the Transportation Agency for distribution in the following manner:

(a)(1) Fifty percent of available annual revenues under this section shall be allocated by the Transportation Agency to the public agencies, including joint powers agencies, responsible for state-supported intercity rail services. A minimum of 25 percent of the funds available under this subdivision shall be allocated to each of the state's three intercity rail corridors that provide regularly scheduled intercity rail service.

(2) The Transportation Agency shall adopt guidelines governing the administration of the funds available under this subdivision, including provisions providing authority for loans of these funds by mutual agreement between intercity rail service corridors.

(b)(1) Fifty percent of available annual revenues under this section shall be allocated by the Transportation Agency to the public agencies, including joint powers agencies, responsible for commuter rail services. For the 2018-19 and 2019-20 fiscal years, 20 percent of the funds available under this subdivision shall be allocated to each of the state's five commuter rail service providers that provide regularly scheduled rail service. Commencing July 1, 2020, the funds available under this subdivision shall be allocated based on guidelines and a distribution formula adopted by the Transportation Agency.

(2) On or before July 1, 2019, the Transportation Agency shall prepare a draft of the proposed guidelines and distribution formula and make them available for public comment. In preparing the proposed guidelines and distribution formula, the agency shall consult with the state's five commuter rail service providers. The final guidelines and distribution formula shall be adopted on or before January 1, 2020. The guidelines shall include, but not be limited to, provisions providing authority for loans of these funds by mutual agreement between commuter rail service providers and providing for baseline allocations to each provider.

(c) The funds made available by this section may be used for operations and capital improvements.



## **PUC § 99312.4 – Transit and Intercity Rail Capital Program**

*(Added by Stats. 2017, Ch. 5, Sec. 21. (SB 1) Effective April 28, 2017.)*

Revenues transferred to the Public Transportation Account pursuant to subdivision (a) of Section 11053 of the Revenue and Taxation Code for the Transit and Intercity Rail Capital Program (Part 2 (commencing with Section 75220) of Division 44 of the Public Resources Code) shall be available for appropriation to that program pursuant to the annual Budget Act.

## **PUC § 99312.5 – State Transit Assistance Allocation Areas**

*(Added by Stats. 1982, Ch. 322, Sec. 3. Effective June 29, 1982. Operative July 1, 1982, by Sec. 6 of Ch. 322.)*

(a) In the case of a transportation planning agency with county transportation commissions within its area of jurisdiction, the allocations pursuant to Sections 99313 and 99314 to the transportation planning agency shall be determined by excluding the areas also under the jurisdiction of the county transportation commissions.

(b) In the case of the transportation planning agency with the San Diego Metropolitan Transit Development Board within its area of jurisdiction, the allocations pursuant to Sections 99313 and 99314 to the transportation planning agency shall be determined by excluding the area also under the jurisdiction of the transit development board.

## **PUC § 99312.7 – Controller’s Estimates**

*(Amended by Stats. 2017, Ch. 86, Sec. 6. (AB 1113) Effective July 21, 2017.)*

(a) Not later than each January 31st, for purposes of the State Transit Assistance Program, the Controller shall compute, publish, and send to each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board, an estimate of the amount of funds from subdivisions (b) and (c) of Section 99312 and Section 99312.1 to be allocated to it during the next fiscal year pursuant to Sections 99313 and 99314 .

(b) Not later than each August 1st, on the basis of the amounts continuously appropriated pursuant to subdivisions (b) and (c) of Section 99312 and Section 99312.1 for the applicable fiscal year for purposes of Sections 99313 and 99314, the Controller shall compute, publish, and send to each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board an estimate of the amount of funds to be allocated to it during the fiscal year. Notwithstanding any other law, for the 2017–18 fiscal year, the Controller shall compute, publish, and send the estimate within 90 days of the enactment of the act amending this section in the 2017–18 Regular Session.

(c) The Controller, along with the actions taken pursuant to subdivisions (a) and (b), with respect to the allocations under Section 99314, shall also compute, publish, and send to each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board the share of funds corresponding to each STA-eligible operator within the jurisdiction of each agency, commission, and board.

## **PUC § 99313 – State Transit Assistance; Population Formula Allocations**

*(Amended by Stats. 2017, Ch. 86, Sec. 7. (AB 1113) Effective July 21, 2017.)*

a) From the funds made available pursuant to subdivision (c) of Section 99312 and subdivision (b) of Section 99312.1, an amount shall be allocated by the Controller to each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board based on the ratio of the population of the area under its jurisdiction to the total population of the state. The Controller shall base these allocations on a report prepared by the Department of Transportation. On or before June 30 of each year, the Department of Transportation shall prepare and submit to the Controller a report detailing the population of each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board. For the purpose of this report, the Department of Transportation shall use the most recent population estimates of the Department of Finance and the information provided pursuant to subdivision (b).

(b) To assist the Department of Transportation in determining the populations of the San Diego Metropolitan Transit Development Board, the San Diego Association of Governments, the El Dorado County Transportation Commission, the Placer County Transportation Planning Agency, and the Tahoe Regional Planning Agency for the purpose of subdivision (c) of Section 99312 and subdivision (b) of Section 99312.1, each of those entities, on or before June 1st of each year, shall provide the department with the population of its respective jurisdiction using the most recent population estimates of the Department of Finance.

### **PUC § 99313.1 – State Transit Assistance Fund Transfers**

*(Amended by Stats. 2017, Ch. 86, Sec. 8. (AB 1113) Effective July 21, 2017.)*

(a) A transportation planning agency, a county transportation commission, or the San Diego Metropolitan Transit Development Board may transfer any funds that it receives pursuant to Section 99313 to another transportation planning agency, county transportation commission, or the San Diego Metropolitan Transit Development Board, as applicable. Any funds transferred pursuant to this section shall be used only for the purposes authorized by this chapter and are subject to all statutes and rules and regulations applicable to funds allocated pursuant to Section 99313 .

(b) If one transfer has been completed between a transportation planning agency, a county transportation commission, or the San Diego Metropolitan Transit Development Board, pursuant to this section, no other transfer may be made between the same parties.

(c) In the event of a transfer of funds to the Los Angeles County Metropolitan Transportation Authority pursuant to this section, the amount of that transfer, if any, which exceeds the amount of funds transferred at that time by the Los Angeles County Metropolitan Transportation Authority to the transferring transportation planning agency, county transportation commission, or the San Diego Metropolitan Transit Development Board, may not be used for the purpose of funding an exclusive public mass transit guideway system project. The Los Angeles County Metropolitan Transportation Authority shall report to the Senate Committee on Transportation and Housing and the Assembly Committee on Transportation on the expenditure of any funds received by it pursuant to a transfer made pursuant to this section.

### **PUC § 99313.3 – Use of Funds**

*(Amended by Stats. 2017, Ch. 86, Sec. 9. (AB 1113) Effective July 21, 2017.)*

The amount received by each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board, pursuant to Sections 99313 and 99314, shall be allocated for public transportation purposes. Pursuant to subdivision (d) of Section 99312.2, funds received pursuant to Section 99314 may be allocated only to STA-eligible operators. Funds

received pursuant to Section 99314 may be expended by STA-eligible operators for community transit services pursuant to Section 99275, including payments or allocations to entities eligible to claim local transportation funds under Article 4.5 (commencing with Section 99275). Notwithstanding anything to the contrary in this section, Section 99285 shall continue to apply in the County of Los Angeles.

### **PUC § 99313.6 – Creation and Purpose of State Transit Assistance Fund**

*(Amended by Stats. 2017, Ch. 86, Sec. 10. (AB 1113) Effective July 21, 2017.)*

(a) Each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board shall create a state transit assistance fund and deposit therein the funds allocated to it pursuant to Sections 99313 and 99314. The funds attributable to Section 99313 shall be allocated for public transportation purposes, including for community transit services pursuant to Section 99275. Pursuant to subdivision (d) of Section 99312.2, the funds attributable to Section 99314 shall be allocated only to STA-eligible operators for public transportation purposes.

(b) From funds allocated to it pursuant to Sections 99313 and 99314 , the Los Angeles County Metropolitan Transportation Authority may allocate funds to itself for the planning, design, and construction of an exclusive public mass transit guideway system.

(c) An allocation of funds from a state transit assistance fund for a transit capital project may be used for the payment of the principal of, and interest on, equipment trust certificates, bonded or other indebtedness, or in accomplishment of a defeasance of any outstanding revenue bond indenture issued for that project.

(d) From funds allocated to it pursuant to Section 99313, the Metropolitan Transportation Commission may allocate funds to itself for projects to achieve regional transit coordination objectives.

(e) From funds allocated to the Metropolitan Transportation Commission pursuant to Section 99313, upon a request of the Solano Transportation Authority, the commission may allocate an amount of funds to the authority for public transportation purposes, including countywide transit planning and coordination relative to Solano County.

### **PUC § 99313.7 – State Transit Assistance; Rail Services**

*(Amended by Stats. 2017, Ch. 86, Sec. 11. (AB 1113) Effective July 21, 2017.)*

A public agency authorized to file claims with the transportation planning agency and expend funds pursuant to Section 99234.5 , 99234.7 , or 99234.9 may also receive allocations and expend STA program funds made available pursuant to Sections 99313.

### **PUC § 99314 – State Transit Assistance; Revenue Formula Allocation**

*(Amended by Stats. 2017, Ch. 86, Sec. 12. (AB 1113) Effective July 21, 2017.)*

(a) From funds made available pursuant to subdivision (b) of Section 99312 and subdivision (a) of Section 99312.1, an amount shall be allocated by the Controller to each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board. The allocation shall include an amount corresponding to the STA-eligible operators within the jurisdiction of each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board. The amount allocated to a transportation planning

agency and county transportation commission, and the San Diego Metropolitan Transit Development Board shall be based on the ratio that the total qualifying revenue of all STA-eligible operators in the area under jurisdiction of the agency, commission, or board bears to the total qualifying revenue of all STA-eligible operators in the state.

(b) For purposes of this section and Section 99314.3, “qualifying revenue” means fare revenues, including fares generated for community transit services under contract with the STA-eligible operator, and any other funds used by the operator in the delivery of transit service, except federal and state funds. The revenue amount for each STA-eligible operator shall be determined from the annual report submitted to the Controller pursuant to Section 99243. Revenue used for capital expenditures or depreciation shall not constitute qualifying revenue. The revenue share for the Altamont Corridor Express and the Southern California Regional Rail Authority shall be determined by the qualifying revenues reported to the Controller in accordance with subdivision (b) of Section 99314.1 and subdivision (b) of Section 99314.2, respectively.

(c) An STA-eligible operator qualifies to receive STA funding from Section 99314 beginning on the date when it commences revenue passenger service. A new STA-eligible operator shall notify the Controller in writing that it has commenced revenue passenger service within 10 business days of beginning the service. A new STA-eligible operator that commences revenue passenger service before August 1 of a fiscal year shall be eligible to receive funds in that fiscal year based on the qualifying revenue reported to the Controller two years prior to that fiscal year, consistent with subdivision (e). If a new STA-eligible operator commences revenue passenger service on or after August 1 of a fiscal year, the Controller shall calculate the operator’s pro rata share of Section 99314 STA funds for that fiscal year based on the date the operator commenced revenue passenger service. That amount shall be added as an adjustment to an operator’s STA funding for the subsequent fiscal year, and the adjustment shall be drawn as an off-the-top reduction from the first quarter of Section 99314 STA funds.

(d) The Controller shall determine allocation amounts pursuant to this section based on the qualifying revenue reported two years prior to the fiscal year in which the funds are allocated.

(e) Qualifying revenue for a given fiscal year shall not exceed an STA-eligible operator’s annual operating expenses, as reported to the Controller. Operating expenses include, but are not limited to, the direct cost of operating transit service, payments by the STA-eligible operator for community transit service provided by entities that are not eligible to receive funds directly pursuant to subdivision (a) of Section 99314.3, administrative costs, and routine maintenance. Operating expenses do not include transfers from an operating budget to a capital account.

(f) For the purpose of allocating funds pursuant to this section, Section 99314.1, and 99314.2, “STA-eligible operator” includes the Altamont Corridor Express and the Southern California Regional Rail Authority. The revenue share for these operators shall be based on the qualifying revenue used to operate the systems consistent with subdivision (b), including fares and the amounts contributed by the parties to the cooperative service agreement in the case of the Altamont Corridor Express, and by the member agencies in the case of the Southern California Regional Rail Authority.

(g) Funds allocated by the Controller to a transportation planning agency or county transportation commission, or the San Diego Metropolitan Transit Development Board pursuant to this section shall be allocated by the agency, commission, or board to STA-eligible operators pursuant to Section 99314.3.

## **PUC § 99314.1 – The Altamont Commuter Express Authority Terms and Definitions**

*(Amended by Stats. 2017, Ch. 86, Sec. 13. (AB 1113) Effective July 21, 2017.)*

(a) For purposes of this section, the following terms have the following meanings:

(1) The “Altamont Commuter Express Authority” or the “authority” is the joint powers agency duly formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, by and between the Alameda Congestion Management Agency, the Santa Clara Valley Transportation Authority, and the San Joaquin Regional Rail Commission. Any reference to the “Altamont Commuter Express Authority” or the “authority” shall be construed to include a reference to any entity that is a successor to the authority.

(2) “Qualifying revenue” means revenue, as defined in subdivision (b) of Section 99314, that is derived from operating as a member agency of the authority.

(b) The authority shall report to the Controller, for each fiscal year, the ratio that the qualifying revenue of each member agency of the authority bears to the total qualifying revenue of the authority during that fiscal year. The authority shall provide the ratios within the timeframe specified by subdivision (a) of Section 99243.

(c)(1) From funds made available pursuant to subdivision (b) of Section 99312 and subdivision (a) of Section 99312, the Controller shall allocate to the transportation planning agencies in the jurisdiction of the parties to the cooperative service agreement an amount for each member agency of the authority that is based on the ratio provided under subdivision (b), for allocation pursuant to subdivision (c) of Section 99314.3.

(2) The allocation set forth in paragraph (1) shall be in addition to any other allocation provided under this article.

(3) Allocations made under this section shall be used only for STA program purposes authorized under this chapter.

## **PUC § 99314.2 – The Southern California Regional Rail Authority Terms and Definitions**

*(Amended by Stats. 2017, Ch. 86, Sec. 14. (AB 1113) Effective July 21, 2017.)*

(a) For purposes of this section, the following terms have the following meanings:

(1) The “Southern California Regional Rail Authority” or the “authority” is that joint powers authority described in Section 14072 of the Government Code and includes any additional agencies that may join the authority under Section 14072.2 of that code.

(2) “Qualifying revenue” means revenue, as defined in subdivision (b) of Section 99314, that is derived from operating as a member agency of the authority.

(b) The Southern California Regional Rail Authority shall report to the Controller, for each fiscal year, the ratio that the qualifying revenue of each member agency of the authority bears to the total qualifying revenue of the authority during that fiscal year. The authority shall provide the ratios within the timeframe specified by subdivision (a) of Section 99243.

(c)(1) From funds made available pursuant to subdivision (b) of Section 99312 and subdivision (a) of Section 99312.1, the Controller shall allocate to the county transportation commissions in the jurisdictions of the member agency's area an amount for each member agency of the authority that is based on the ratio provided under subdivision (b), for allocation pursuant to subdivision (c) of Section 99314.3.

(2) The allocation set forth in paragraph (1) shall be in addition to any other allocation provided under this article.

(3) Allocations made under this section shall be used only for STA program purposes authorized under this chapter.

### **PUC § 99314.3 – Allocations of Funds to Operators**

*(Amended by Stats. 2017, Ch. 86, Sec. 15. (AB 1113) Effective July 21, 2017.)*

(a) The amount allocated to each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board pursuant to Section 99314 shall be allocated by those entities to the STA-eligible operators in the area of their respective jurisdictions.

(b) The amount allocated by a transportation planning agency and county transportation commission, and the board to each STA-eligible operator pursuant to Section 99314 shall be based on the ratio that the operator's qualifying revenue bears to the total qualifying revenue of all STA-eligible operators within the area of jurisdiction of the transportation planning agency, county transportation commission, or board. The Controller shall publish the share of funds corresponding to each STA-eligible operator as well as the total amount to be allocated to each transportation planning agency, county transportation commission, or board.

(c) The amount allocated by the Controller to a transportation planning agency corresponding to the parties to the cooperative service agreement of the Altamont Corridor Express and the member agencies of the Southern California Regional Rail Authority, pursuant to Section 99314, shall be allocated by the transportation planning agency in the jurisdiction of the parties to the cooperative services agreement or the member agency's area for STA program purposes authorized in this chapter. The allocation shall be based on the ratio that the qualifying revenues bear to the qualifying revenue of all STA-eligible operators.

(d) For purposes of subdivision (a), the City and County of San Francisco with respect to its municipal railway system, the Alameda-Contra Costa Transit District, and the San Francisco Bay Area Rapid Transit District shall be considered one operator. The amount allocated to them as one operator shall be apportioned to each of them based on the ratio of its revenue to the sum of their revenues, excluding from the determination of that ratio the amount allocated to each of them pursuant to Section 29142.2.

### **PUC § 99314.4 – State Transit Assistance; Funding Exchange Program**

*(Amended by Stats. 2017, Ch. 86, Sec. 16. (AB 1113) Effective July 21, 2017.)*

(a) An operator in an urbanized area having a population of less than 200,000 persons may elect to participate in the funding exchange program authorized by this subdivision. An operator electing to participate in the funding exchange program shall give notice to the director and shall indicate the amount of funds which it wants allocated for the funding exchange program.

From funds that would otherwise be allocated to an operator under the State Transit Assistance Program, an amount so designated by the participating operator shall be allocated to the department for transfer pursuant to an agreement between the department and the State of Arizona whereby California can receive federal mass transportation funds originally apportioned to the State of Arizona.

The department shall allocate the federal mass transportation funds so received to each participating operator in the same proportion as the operator contributed to the funding exchange program. Funds so received shall be used only for the purposes of the State Transit Assistance Program and are subject to all statutes and rules and regulations applicable to funds allocated pursuant to Sections 99313 and 99314.

The Legislature finds and declares that the exchange of state funds for federal mass transportation funds authorized by this section will result in a net increase in the total amount of funds to be available to the participating operators.

(b) A transportation planning agency or county transportation commission, or the San Diego Metropolitan Transit Development Board may authorize an STA-eligible operator under its jurisdiction to exchange funds allocated to it pursuant to Section 99314 for funds made available pursuant to Section 99231. Any funds allocated pursuant to Section 99314 that are exchanged pursuant to this section shall only be available to other STA-eligible operators and shall be used for STA program purposes authorized by this chapter and are subject to all statutes and rules and regulations applicable to funds allocated pursuant to Section 99314. Exchanges pursuant to this section shall be on a dollar-for-dollar basis.

#### **PUC § 99314.5 – Eligibility for State Transit Assistance**

*(Amended by Stats. 2017, Ch. 86, Sec. 17. (AB 1113) Effective July 21, 2017.)*

(a) It is the intent of the Legislature that, in allocating the funds available pursuant to Section 99313, the transportation planning agencies and county transportation commissions, and the San Diego Metropolitan Transit Development Board give priority consideration to offsetting reductions in federal operating assistance and the unanticipated increase in the cost of fuel, to enhancing existing public transportation services, and to meeting high-priority regional, countywide, or areawide public transportation needs.

(b) Nothing in this section shall be construed to prohibit, or limit the ability of, a public transit operator to do the following:

(1) Contract with common carriers of persons operating under a franchise or license.

(2) Employ part-time drivers.

#### **PUC § 99314.6 – State Transit Assistance; Operators Qualifying Criteria**

*(Amended by Stats. 2017, Ch. 86, Sec. 18. (AB 1113) Effective July 21, 2017.)*

(a) Except as provided in Section 99314.7, the following eligibility standards apply:

(1) Except as provided in paragraph (3), funds shall be allocated for operating or capital purposes pursuant to Sections 99313 and 99314 to an operator if the operator meets either of the following efficiency standards:

(A) The operator shall receive its entire allocation, and any or all of this allocation may be used for operating purposes, if the operator's total operating cost per revenue vehicle hour in the latest year for which audited data are available does not exceed the sum of the preceding year's total operating cost per revenue vehicle hour and an amount equal to the product of the percentage change in the Consumer Price Index for the same period multiplied by the preceding year's total operating cost per revenue vehicle hour.

(B) The operator shall receive its entire allocation, and any or all of this allocation may be used for operating purposes, if the operator's average total operating cost per revenue vehicle hour in the latest three years for which audited data are available does not exceed the sum of the average of the total operating cost per revenue vehicle hour in the three years preceding the latest year for which audited data are available and an amount equal to the product of the average percentage change in the Consumer Price Index for the same period multiplied by the average total operating cost per revenue vehicle hour in the same three years.

(2) If an operator does not meet either efficiency standard under paragraph (1), the operator shall receive its entire allocation and the funds shall be allocated pursuant to this paragraph. The portion of the allocation that the operator may use for operations shall be the total allocation to the operator reduced by the lowest percentage by which the operator's total operating cost per revenue vehicle hour for the applicable year or three-year period calculated pursuant to subparagraph (A) or (B) of paragraph (1) exceeded the target amount necessary to meet the applicable efficiency standard. The remaining portion of the operator's allocation shall be used only for capital purposes.

(3) The transportation planning agency or county transportation commission, or the San Diego Metropolitan Transit Development Board, as the case may be, shall adjust the calculation of operating costs and revenue vehicle hours pursuant to paragraph (1) to account for either or both of the following factors:

(A) Exclusion of cost increases beyond the change in the Consumer Price Index for fuel; alternative fuel programs; power, including electricity; insurance premiums and payments in settlement of claims arising out of the operator's liability; or state or federal mandates, including the additional operating costs required to provide comparable complementary paratransit service as required by Section 37.121 of Title 49 of the Code of Federal Regulations, pursuant to the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), as identified in the operator's paratransit plan pursuant to Section 37.139 of Title 49 of the Code of Federal Regulations.

(B) Exclusion of startup costs for new services for a period of not more than two years.

(b) As used in this section, the following terms have the following meanings:

(1) "Operating cost" means the total operating cost as reported by the operator under the uniform system of accounts and records, pursuant to Section 99243 and subdivision (a) of Section 99247 .

(2) "Revenue vehicle hours" has the same meaning as "vehicle service hours," as defined in subdivision (h) of Section 99247 .

(3) "Consumer Price Index," as applied to an operator, is the regional Consumer Price Index for that operator's region, as published by the United States Bureau of Labor Statistics. If a regional index is not published, the index for the State of California applies.



(4) “New service” has the same meaning as “extension of public transportation services” as defined in Section 99268.8 .

(c) The restrictions in this section do not apply to allocations made for capital purposes.

(d) The exclusion of cost increases described in paragraph (3) of subdivision (a) applies solely for the purpose of calculating an operator's eligibility to claim funds pursuant to this section and does not authorize an operator to report an operating cost per revenue vehicle hour, other than as described in this section and in Section 99247, to any of the following entities:

(1) The Controller pursuant to Section 99243 .

(2) The entity conducting the fiscal audit pursuant to Section 99245 .

(3) The entity conducting the performance audit pursuant to Section 99246 .

(e) This section shall become operative on July 1, 2016.

### **PUC § 99314.7 – State Transit Assistance Operator’s Qualifying Criteria in the Metropolitan Transportation Commission’s Region**

*(Amended by Stats. 1996, Ch. 256, Sec. 4. Effective January 1, 1997.)*

(a) In allocating funds for operating purposes pursuant to Sections 99313 and 99314 , the Metropolitan Transportation Commission shall apply the following eligibility standards to the operators within the region subject to its jurisdiction:

(1) An operator is not eligible for its full allocation under this section unless the operator has been found to have made reasonable effort in implementing productivity improvements pursuant to Section 99244 . In determining whether a reasonable effort has been made, the Metropolitan Transportation Commission shall give consideration to whether the operator would qualify for funding under Section 99314.6 . The amount of funds allocated shall be reduced in an amount that the Metropolitan Transportation Commission deems proportionate to the failure of the operator to implement the recommended improvements. The Metropolitan Transportation Commission shall adopt rules and regulations, in cooperation with the affected operators, governing the allocation of any funds withheld under this paragraph, subject to paragraphs (2) and (3).

(2) Notwithstanding paragraph (1), an operator shall not receive any funds pursuant to Section 99313 or 99314 unless it has complied with the applicable rules, regulations, and recommendations adopted by the Metropolitan Transportation Commission pursuant to Sections 66516 and 66516.5 of the Government Code .

(3) Funds withheld from allocation to an operator pursuant to paragraph (1) shall be retained by the Metropolitan Transportation Commission for reallocation to that operator for two years following the year of ineligibility. With respect to the funds withheld from an operator pursuant to paragraph (1), the Metropolitan Transportation Commission shall reallocate those funds to the operator if the operator complies with that paragraph within two years. Funds not reallocated to the operator, and funds withheld pursuant to paragraph (2), shall be allocated to any eligible operator within the region subject to the jurisdiction of the Metropolitan Transportation Commission for the purpose of improving

coordination among the operators, or to any operator whose increase in total operating cost per revenue vehicle hour is less than the increase in the Consumer Price Index. Funds allocated for these purposes are exempt from subdivision (a).

(b) For purposes of this section, “operating cost,” “revenue vehicle hour,” and “Consumer Price Index” have the same meaning as defined in Section 99314.6 .

### **PUC § 99314.8 – State Transit Assistance; Publishing Transit Operator-Based Funds**

*(Amended by Stats. 2017, Ch. 86, Sec. 19. (AB 1113) Effective July 21, 2017.)*

(a) Notwithstanding any other law, for the third and fourth quarters of the 2015-16 fiscal year, and for all four quarters of the 2016-17 and 2017-18 fiscal years, the Controller shall calculate and publish the allocation of all funds made pursuant to Section 99314 to each transportation planning agency and county transportation commission, the San Diego Metropolitan Transit Development Board, the member agencies of the Altamont Commuter Express Authority, and the member agencies of the Southern California Regional Rail Authority based on the same list of operators and the same individual operator ratios published by the Controller in its original Fourth Quarter State Transit Assistance Allocation transmittal memo for the 2014-15 fiscal year, unless the Controller has subsequently published revisions or adjustments to its original Fourth Quarter State Transit Assistance Allocation transmittal memo for the 2014-15 fiscal year, in which case the revised or adjusted list of operators and individual operator ratios shall be used.

(b) Each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board may apply the individual operator ratios calculated for the third quarter of the 2015-16 fiscal year pursuant to this section to any undistributed funds remaining from the first and second quarters of the 2015-16 fiscal year.

(c) Upon allocation of funds pursuant to this section to each transportation planning agency and county transportation commission, the San Diego Metropolitan Transit Development Board, the member agencies of the Altamont Commuter Express Authority, and the member agencies of the Southern California Rail Authority, the Controller shall publish the amount of funding applicable to each operator.

### **PUC § 99314.9 – State Controller; Publishing Allocations for Eligible Recipients**

*(Amended by Stats. 2017, Ch. 20, Sec. 10. (AB 115) Effective June 27, 2017.)*

Commencing with the 2017-18 fiscal year, for the estimates described in Section 99312.7, the Controller shall publish the allocations for each eligible recipient agency, including one list applicable to revenues allocated pursuant to subdivision (c) of Section 99312.1 and another list for revenues allocated from all other revenues in the Public Transportation Account that are designated for the State Transit Assistance Program.

### **PUC § 99315 – State Transit Assistance Available for Other Purposes**

*(Amended by Stats. 2011, Ch. 6, Sec. 10. (AB 105) Effective March 24, 2011.)*

Funds made available pursuant to subdivision (a) of Section 99312 shall be available for all of the following purposes:

(a) To the department for bus and passenger rail services pursuant to Sections 14035 , 14035.5 , and 14038 of the Government Code .

(b) To the department for funding of public transit capital improvement projects in the state transportation improvement program, pursuant to Section 14529 of the Government Code .

(c) To the department for its planning activities not payable from the State Highway Account in the State Transportation Fund, its mass transportation responsibilities, and its assistance in regional transportation planning.

(d) To the department for allocation by the director to the Institute of Transportation Studies of the University of California for training and research in public transportation systems engineering and management and coordination with other transportation modes.

(e) To the commission for its activities not payable from the State Highway Account.

(f) To the Public Utilities Commission for its passenger rail safety responsibilities specified in statute on commuter rail, intercity rail, and urban rail transit lines.

(g) For transfer to the Transportation Debt Service Fund created by Section 16965 of the Government Code to reimburse the General Fund for current year debt service payments on rail and transit-related general obligation bonds other than those issued pursuant to the Clean Air and Transportation Improvement Act of 1990 (Part 11.5 (commencing with Section 99600 )), as follows:

(1) For the 2009-10 fiscal year, the Controller shall transfer up to one hundred forty-two million fifty-eight thousand dollars (\$142,058,000) to the fund upon order of the Director of Finance for debt service paid or payable within that fiscal year.

(2) For the 2010-11 fiscal year, the Controller shall transfer up to ninety million eight hundred eighty-six thousand dollars (\$90,886,000) in revenues collected before November 2, 2010, to the fund, as follows:

(A) By the 15th of every month, the Treasurer, in consultation with the Director of Finance, shall notify the Controller of the amount of debt service that will be paid on each transportation bond during that month.

(B) Within two business days following the 28th of every month, the Controller shall transfer from the account to the Transportation Debt Service Fund an amount equal to monthly debt service paid by the General Fund on any bonds issued pursuant to Proposition 108 (1990) and Proposition 1A (2008), and one-quarter of the monthly debt service paid by the General Fund on any bonds issued pursuant to Proposition 1B (2006).

(C) Any transfers made from the Public Transportation Account pursuant to this subdivision for any months after October 2010 shall be reversed and repaid to the account, and shall instead be made, to the extent authorized, from weight fee revenues in the State Highway Account as provided for in Section 9400.4 of the Vehicle Code.

### **PUC § 99315.7 – Funding for Fresno’s AMTRAK Projects**

*(Added by Stats. 1999, Ch. 1007, Sec. 8. Effective January 1, 2000.)*

All funds from the Public Transportation Account and the State Highway Account, State Transportation Fund, previously allocated by the commission or the department to the new Fresno Amtrak Station project shall also be available for expenditure on any form of Amtrak project in the Fresno downtown area, including, but not limited to, the rehabilitation of the former Santa Fe Railway station, as approved by the commission or the department or the commission and the department. The encumbering and expending of funds for this project is not subject to an additional allocation action or approval action, or both actions, by the commission.

### **PUC § 99315.8 – Track Repair and Rolling Stock Acquisitions**

*(Added by Stats. 2000, Ch. 860, Sec. 5. Effective January 1, 2001.)*

All funds from the Public Transportation Account and the State Highway Account, in the State Transportation Fund, previously allocated by the commission for specific track repair and rolling stock acquisitions through resolutions number MFP-95-05, MFP-95-10, MPFP-95-01, MFA-96-01, and MBFA-98-01 shall also be available for expenditure on any form of track improvement project, track rehabilitation project, or rolling stock acquisition project nominated by the North Coast Railroad Authority, as approved by the commission. Projects nominated by the North Coast Railroad Authority, for which funds in the State Highway Account in the State Transportation Fund are to be used, are also required to be eligible under Article XIX of the California Constitution. The encumbering and expending of funds for this project is not subject to an additional allocation action or approval action, or both actions, by the commission.

### **PUC § 99315.95 – Funds Allocated for the City of Seaside**

*(Added by Stats. 2002, Ch. 736, Sec. 1. Effective January 1, 2003.)*

All funds from the Public Transportation Account and the State Highway Account, in the State Transportation Fund, previously allocated by the California Transportation Commission to the City of Seaside for the acquisition of right-of-way for the Fort Ord rail station shall also be available for expenditure by the Transportation Agency for Monterey County for work at the Monterey Bay rail station. The commission shall oversee the timely use of these funds in accordance with the requirements specified in current law.

### **PUC § 99316 – Appropriations for Bus and Passenger Rail Services**

*(Amended by Stats. 1989, Ch. 105, Sec. 29. Effective July 10, 1989.)*

Funds made available pursuant to subdivision (a) of Section 99315 shall be appropriated to the department for allocation, as directed by the commission, for purposes of bus and passenger rail services pursuant to Sections 14035 , 14035.5 , and 14038 of the Government Code.

### **PUC § 99317 – Appropriations for Transit Capital Improvement Projects**

*(Amended by Stats. 1998, Ch. 53, Sec. 11. Effective June 1, 1998. Note: This section was amended on June 5, 1990, by initiative Prop. 116.)*

(a) Funds made available pursuant to subdivision (b) of Section 99315 shall be appropriated to the department for allocation, as directed by the commission, to fund public transit capital improvement projects that maintain or improve public transit service.

(b) Funds made available for capital outlay pursuant to subdivision (a) of Section 14031.6 of the Government Code and subdivision (a) of Section 99315 shall be appropriated to the department, as directed by the commission, solely for capital outlay improvements and rolling stock on intercity rail passenger routes.

(c) The Legislature may amend this section, by statute passed in each house of the Legislature by rollcall vote entered in the journal, two-thirds of the membership concurring, if the statute is consistent with, and furthers the purposes of, this section.

### **PUC § 99317.1 – Short-Line Railroad Rehabilitation Projects**

*(Amended by Stats. 2001, Ch. 597, Sec. 9. Effective January 1, 2002.)*

(a) Funds appropriated pursuant to subdivision (a) of Section 99317 shall, in addition to the purposes specified in that section, be available for short-line railroad rehabilitation projects, through the state transportation improvement program.

(1) Projects eligible for funding pursuant to this subdivision shall be limited to railroad rehabilitation projects.

(2) To be eligible for funding pursuant to this subdivision, a project proposal shall be submitted by a public entity. The public entity shall submit a project proposal only if it has made a finding, following a public hearing, that rail service on the affected railroad would be in imminent danger of being discontinued without the expenditure of public funds, and that continuation of the service serves a public purpose.

(b) As used in this section, “short-line railroad” means any standard gauge railroad which is being, or is planned to be, used for passenger service, other than a class I railroad, as that term is used and applied in federal law.

### **PUC § 99317.8 – Intermodal Transfer Stations Maintenance**

*(Amended by Stats. 2001, Ch. 597, Sec. 11. Effective January 1, 2002.)*

(a) A public agency that has received an allocation for funding of an intermodal transfer station pursuant to subdivision (a) of Section 99317 shall provide for maintaining the station and its appurtenances, including, but not limited to, restroom facilities, in good condition and repair, and in accordance with high standards of cleanliness. As part of its duties in monitoring state-funded rail and bus services, the department shall, at least annually, conduct an unannounced inspection of each facility and make recommendations, if any, to the operating agency. Results of the department's inspections shall be included in the passenger rail element of the State Rail Plan required pursuant to Section 14036 of the Government Code. If appropriate remedial action is not taken, the department may recommend to the commission that future applications for transit capital funding be denied.

(b) The Legislature finds and declares that regular inspections of intermodal stations are necessary to protect the state's capital investment in these essential transportation facilities and to avoid the problems resulting from deferred maintenance.

## **PUC § 99317.9 – Intermodal Transfer Stations Allocations**

*(Amended by Stats. 2001, Ch. 597, Sec. 12. Effective January 1, 2002.)*

The department and the commission shall give reasonable priority to allocations pursuant to subdivision (a) of Section 99317 to station projects that improve access for visitors to state prisons.

## **PUC § 99317.10 – Use of Intermodal Transfer Stations**

*(Amended by Stats. 2001, Ch. 597, Sec. 13. Effective January 1, 2002.)*

(a) A public entity which has received an allocation for funding of an intermodal transfer station pursuant to subdivision (a) of Section 99317 shall, upon request of the department, authorize state-funded bus service to use the station without any charge to the department or its contractors, and shall assist the department in the placement of signs and informational material designed to alert the public to the availability of the state-funded bus service.

(b) A public entity shall not be eligible to receive an allocation for funding of an intermodal transfer station pursuant to subdivision (a) of Section 99317 unless it first agrees that, upon any future request of the department, it will authorize a state-funded bus service to use the station without any charge to the department or its contractors and it will assist the department in the placement of signs and informational material designed to alert the public to the availability of the state-funded bus service.

(c) For the purpose of this section, “state-funded bus service” means any bus service funded pursuant to Section 99316.

## **PUC § 99318.1 – Intercity Rail Project Nomination**

*(Amended by Stats. 2001, Ch. 597, Sec. 14. Effective January 1, 2002.)*

An intercity rail project nominated by the department shall be eligible to compete for funding pursuant to Section 99317 if it is recommended in the passenger rail element of the State Rail Plan prepared pursuant to Section 14036 of the Government Code , or an update to that plan.

## **PUC § 99319 – Rail Passenger Service Boarding Platform**

*(Amended by Stats. 2001, Ch. 597, Sec. 16. Effective January 1, 2002.)*

(a) If a rail capital improvement project proposed for funding by the department or a local agency includes as an element the addition or improvement of rail passenger service boarding platforms, those platforms shall be constructed in conformity with applicable rules and orders of the Public Utilities Commission and in such a manner that the top of each platform is not less than eight inches above the adjacent rails, unless the department makes a finding that the circumstances in a particular case warrant otherwise and obtains approval from the Public Utilities Commission for any deviation from its applicable rules and orders.

(b) The requirements of this section apply to all passenger service boarding platforms constructed with funds made available pursuant to Section 14031.6 of the Government Code , Sections 99234.5 , 99234.9 and 99317 of this code, Section 164 of the Streets and Highways Code , and funds made available from the proceeds of state general obligation bonds issued for the purposes of rail capital improvements.

## ARTICLE 7 – LIMITED OBLIGATION BONDS

### **PUC § 99320 – Limited Applicability**

*(Added by Stats. 1971, Ch. 1400.)*

This article is not applicable in a county where the transit district has been provided bonding authority by statute.

### **PUC § 99320.5 – Election**

*(Added by Stats. 1971, Ch. 1400.)*

If the transportation planning agency determines that the cost of an approved claim for capital expenditures for public transportation purposes, excluding highways, within a county is, together with all other approved claims to be paid from the local transportation fund of such county, in excess of the money in such fund for the fiscal year, the board of supervisors of such county shall be notified to call an election in conformity with the provisions of this article.

### **PUC § 99321 – Limited Obligation Bonds**

*(Added by Stats. 1971, Ch. 1400.)*

For purposes of this article, “limited obligation bonds” are bonds payable solely from the local transportation fund of the county. The money, or portion thereof, designated by the transportation planning agency in such fund to pay interest and redemption charges shall hereafter be referred to as “revenues.”

### **PUC § 99322 – Amount of Bonds Issued**

*(Added by Stats. 1971, Ch. 1400.)*

In determining the amount of bonds to be issued, the transportation planning agency may include:

- (a) All costs and estimated costs incidental to or connected with the acquisition, construction, improving or financing of the improvements.
- (b) All engineering, inspection, legal and fiscal agent's fees, costs of the bond election and of the issuance of such limited obligation bonds, bond reserve funds and working capital and bond interest estimated to accrue during the construction period and for a period of not to exceed 12 months after completion of construction.
- (c) All costs for equipment.

### **PUC § 99323 – Statement in Bond and Resolution**

*(Added by Stats. 1971, Ch. 1400.)*

The bonds and the resolution providing for their issuance shall state that they are limited obligation bonds payable solely from the revenues.

## **PUC § 99324 – Terms of Bonds**

*(Added by Stats. 1971, Ch. 1400.)*

The term of bonds issued shall not exceed 31 years.

## **PUC § 99325 – Bond Price**

*(Added by Stats. 1971, Ch. 1400.)*

The bonds shall be sold as the transportation planning agency shall determine but for not less than a price which will produce a net interest cost that will not exceed an average of 7 percent a year as determined by standard tables of bond values.

## **PUC § 99326 – Special Obligation**

*(Added by Stats. 1971, Ch. 1400.)*

The bonds are special obligations of the county and shall be a charge against and are secured by a lien upon and shall be payable, as to the principal thereof and interest thereon, and any premiums upon the redemption thereof, solely from the revenues and such funds as are described in the resolution authorizing the issuance of the bonds.

## **PUC § 99327 – Bond Security**

*(Added by Stats. 1971, Ch. 1400.)*

By resolution, the board of supervisors shall pledge, place a charge upon, and assign all or any part of the revenues for the security of the bonds.

## **PUC § 99328 – Payment of Interest and Principal**

*(Added by Stats. 1971, Ch. 1400.)*

The payment of interest on and principal of the bonds and any premiums upon the redemption of any thereof are secured by an exclusive pledge, charge, and lien upon all or the designated portion of the revenues.

## **PUC § 99329 – Trust Fund**

*(Added by Stats. 1971, Ch. 1400.)*

The revenues and any interest earned on the revenues constitute a trust fund for the security and payment of the interest on and principal of the bonds.

## **PUC § 99330 – Revenues**

*(Added by Stats. 1971, Ch. 1400.)*

So long as any bonds or interest thereon are unpaid following their maturity, the revenues or the designated portion and interest thereon shall not be used for any other purpose.



## **PUC § 99331 – Other Use of Revenues**

*(Added by Stats. 1971, Ch. 1400.)*

If the interest and principal of the bonds and all charges to protect or secure them are paid when due, an amount or amounts for other purposes may be apportioned from the revenues or the designated portion thereof.

## **PUC § 99332 – Bonds of Same Issue or Different Issue**

*(Added by Stats. 1971, Ch. 1400.)*

Bonds of the same issue shall be equally secured by a pledge, charge, and lien upon the revenues specified in the resolution authorizing the issuance of the bonds, without priority for number, or date of bonds, of sale, of execution, or of delivery pursuant to this chapter and the resolution authorizing the issuance of the bonds; except that any county, with the consent of the transportation planning agency, may authorize the issuance of bonds of different series and may provide that the bonds in any series shall, to the extent and in the manner prescribed in the resolution, be subordinated and be junior in standing, with respect to the payment of principal and interest and the security thereof, to such other bonds as may be specified in the resolution.

## **PUC § 99333 – General Fund not Liable**

*(Added by Stats. 1971, Ch. 1400.)*

The general fund or any other fund of the county shall not be liable for the payment of the bonds or their interest.

## **PUC § 99334 – General Credit or Taxing Power**

*(Added by Stats. 1971, Ch. 1400.)*

The general credit or taxing power of the county, other than the sales and use tax as herein provided, shall not be liable for the payment of the bonds or their interest.

## **PUC § 99335 – Compelling Exercise of Taxing Power**

*(Added by Stats. 1971, Ch. 1400.)*

The holder of the bonds or coupons shall not compel the exercise of the taxing power by the county, other than the sales and use tax as herein provided, or the forfeiture of its property.

## **PUC § 99336 – Not a Debt**

*(Added by Stats. 1971, Ch. 1400.)*

The principal of and interest on the bonds and any premiums upon the redemption of any thereof are not a debt of the county, nor a legal or equitable pledge, charge, lien, or encumbrance upon any of its property, or upon any of its income, receipts, or revenues, except the revenues that may be legally applied, pledged, or otherwise made available to their payment.

## **PUC § 99337 – Recital in Bond**

*(Added by Stats. 1971, Ch. 1400.)*

Every bond shall recite in substance that the principal of and interest on the bond are payable solely from the revenues pledged to its payment and that the county is not obligated to pay it, except from the revenues.

## **PUC § 99338 – Exemption from Taxation**

*(Added by Stats. 1971, Ch. 1400.)*

The bonds and interest or income from the bonds are exempt from taxation in this state, except from gift, inheritance, and estate taxes.

## **PUC § 99339 – Provisions in Bond Resolution**

*(Added by Stats. 1971, Ch. 1400.)*

In the resolution authorizing the bonds, the board of supervisors may, with the consent of the transportation planning agency, insert any of the provisions authorized by this article, which shall become a part of the contract with the bondholders.

## **PUC § 99340 – Limitations**

*(Added by Stats. 1971, Ch. 1400.)*

The transportation planning agency may provide for limitations on:

- (a) The purpose to which the proceeds of sale of any issue of bonds may be applied.
- (b) The issuance of additional bonds for the same purpose and the lien of additional bonds.

## **PUC § 99341 – Bond Terms**

*(Added by Stats. 1971, Ch. 1400.)*

The transportation planning agency may provide for events of default and terms upon which the bonds may be declared due before maturity and the terms upon which the declaration and its consequences may be waived.

## **UC § 99342 – Breach**

*(Added by Stats. 1971, Ch. 1400.)*

The transportation planning agency may provide for the rights, liabilities, powers, and duties arising upon the county's breach of any covenants, conditions, or obligations.

### **PUC § 99343 – Enforcement by Trustee**

*(Added by Stats. 1971, Ch. 1400.)*

The transportation planning agency may provide for the vesting in a trustee of the right to enforce covenants to secure payment of or in relation to the bonds, and the trustee's powers and duties and the limitation of his liabilities.

### **PUC § 99344 – Enforcement by Bondholders**

*(Added by Stats. 1971, Ch. 1400.)*

The transportation planning agency may provide for the terms upon which the bondholders or any percentage of them may enforce covenants or duties imposed by this article.

### **PUC § 99345 – Amending Resolution**

*(Added by Stats. 1971, Ch. 1400.)*

The transportation planning agency may require the board of supervisors to provide in the resolution for a procedure for amending or abrogating the terms of the resolution with the consent of the holders of a specified number of the bonds.

### **PUC § 99346 – Meetings of Bondholders**

*(Added by Stats. 1971, Ch. 1400.)*

Any resolution containing such a procedure may also provide for meetings of bondholders or for their written assent without a meeting and the manner of consenting, with or without a meeting.

### **PUC § 99347 – Rights of Bondholders**

*(Added by Stats. 1971, Ch. 1400.)*

The resolution shall specifically state the effect of amendment upon the rights of the holders of all of the bonds and attached or detached interest coupons and shall be binding upon the holders of all of the bonds and coupons issued pursuant to the resolution.

### **PUC § 99348 – Other Actions**

*(Added by Stats. 1971, Ch. 1400.)*

The transportation planning agency may provide for any other acts and things necessary, convenient or desirable to secure the bonds or tending to make them more marketable.

### **PUC § 99349 – Payment of Principal and Interest**

*(Added by Stats. 1971, Ch. 1400.)*

The county shall pay or cause to be paid the principal and interest of the bonds on the date, at the place, and in the manner mentioned in the bonds and coupons and in accordance with the resolution authorizing their issuance.

## **PUC § 99350 – Collection of Taxes**

*(Added by Stats. 1971, Ch. 1400.)*

During the period that any of the bonds and the interest thereon are unpaid, the county shall prescribe, revise and collect taxes in the manner provided by Part 1.5 (commencing with Section 7200 ) of Division 2 of the Revenue and Taxation Code.

## **PUC § 99351 – Taxes**

*(Added by Stats. 1971, Ch. 1400.)*

After making allowances for contingencies and error in the estimates, the taxes, for the respective purposes hereinafter set forth, shall be at least sufficient to pay the following amounts in the order set forth:

- (a) The interest on and principal of the bonds as they become due and payable.
- (b) All payments required for compliance with the resolution authorizing the issuance of the bonds or any other contract with the bondholders, including the creation of sinking and reserve funds.
- (c) All payments to meet any other obligations of the county which are charges, liens, or encumbrances upon the revenues.

## **PUC § 99352 – Special Account**

*(Added by Stats. 1971, Ch. 1400.)*

A separate, distinct and special account shall be created at or before the issuance of the bonds, which shall be maintained continuously in the local transportation fund during the time that any of the bonds or the interest thereon are outstanding and unpaid.

## **PUC § 99353 – Deposits and Payment**

*(Added by Stats. 1971, Ch. 1400.)*

All designated revenues shall be deposited in the special account and payments shall be made therefrom as provided in Section 99351.

## **PUC § 99354 – Duty of County**

*(Added by Stats. 1971, Ch. 1400.)*

The county shall preserve and protect the security of the bonds and the rights of the bondholders and warrant and defend their rights against all claims and demands of all persons.

## **PUC § 99355 – Discharge of Claims**

*(Added by Stats. 1971, Ch. 1400.)*

In order to fully preserve and protect the priority and security of the bonds, the county shall pay from the special account in the local transportation fund and discharge all lawful claims for labor, materials

and supplies, which if unpaid may become a lien or charge upon the designated revenues prior or superior to the lien of the bonds or impair the security of the bonds.

### **PUC § 99356 – Revenues Held in Trust**

*(Added by Stats. 1971, Ch. 1400.)*

The county shall hold in trust the revenues pledged to the payment of the principal of and interest on the bonds for the benefit of the bondholders and shall apply the same pursuant to the resolution authorizing the issuance of the bonds or to the resolution as modified.

### **PUC § 99357 – Investment of Funds**

*(Added by Stats. 1971, Ch. 1400.)*

The county may invest funds held in reserve, or in any sinking fund, or funds not required for immediate disbursement, in property or securities in which counties may legally invest funds subject to their control. No such investment shall be made in contravention of any covenant or agreement in any resolution authorizing the issuance of any outstanding bonds.

### **PUC § 99358 – Records and Accounts**

*(Added by Stats. 1971, Ch. 1400.)*

The county shall keep proper books of record and accounts of the revenues, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the revenues.

### **PUC § 99359 – Inspection of Books**

*(Added by Stats. 1971, Ch. 1400.)*

At all times the books shall be subject to the inspection of the holders of not less than 10 percent of the outstanding bonds or their representatives authorized in writing.

### **PUC § 99360 – Publication of Statement**

*(Added by Stats. 1971, Ch. 1400.)*

The county shall cause to be published a summary statement showing the amount of revenues deposited which are required as security for payment of the principal of and interest on the bonds, the disbursements from such revenues in reasonable detail, and a general financial statement.

### **PUC § 99361 – Annual Publication**

*(Added by Stats. 1971, Ch. 1400.)*

The statement shall be published annually, not more than 120 days after the close of each fiscal year. The county shall furnish a copy of the statement to any bondholder upon request.

## **PUC § 99362 – Audit of Statement**

*(Added by Stats. 1971, Ch. 1400.)*

In the resolution authorizing the bonds, the county may agree that the statement shall be prepared or audited by an independent certified public accountant and shall be in the form and contain the detail specified in the resolution.

## **PUC § 99363 – Expenditure of Other Funds**

*(Added by Stats. 1971, Ch. 1400.)*

The duties set forth in this article do not require the county to expend any funds other than revenues pledged to secure payment of the principal of or interest on bonds as provided in this article.

## **PUC § 99364 – Fiscal Agent**

*(Added by Stats. 1971, Ch. 1400.)*

A fiscal or paying agent may be appointed as now or as may hereafter be provided in Article 7 (commencing with Section 54550), Chapter 6, Part 1, Division 2, Title 5 of the Government Code.

## **PUC § 99365 – Legal Action on Validity of Bonds**

*(Added by Stats. 1971, Ch. 1400.)*

An action to determine the validity of bonds may be brought pursuant to Chapter 9 (commencing with Section 860 ) of Title 10 of Part 2 of the Code of Civil Procedure.

## **PUC § 99366 – Remedies of Bondholders**

*(Added by Stats. 1971, Ch. 1400.)*

Bondholders shall have the remedies as now or as may hereafter be provided in Article 10 (commencing with Section 54640), Chapter 6, Part 1, Division 2, Title 5 of the Government Code.

## **PUC § 99367 – Refunding of Bonds**

*(Added by Stats. 1971, Ch. 1400.)*

The bonds may be refunded in the manner now or as may hereafter be provided in Article 11 (commencing with Section 54660), Chapter 6, Part 1, Division 2, Title 5 of the Government Code.

## **PUC § 99368 –Bonds Issued Under Another Law: Payment**

*(Added by Stats. 1971, Ch. 1400.)*

Without the issuance of bonds hereunder, a pledge or allocation from revenues for the payment of bonds and interest issued or to be issued under any other law, may be made upon the approval thereof in the manner provided for the issuance of bonds hereunder.

## **PUC § 99369 – Regulatory of Proceedings; Conclusive Evidence**

*(Added by Stats. 1971, Ch. 1400.)*

All bonds issued in pursuance of the provisions of this article shall by their issuance be conclusive evidence of the regularity, validity and legal sufficiency of all proceedings, acts and determinations in any wise pertaining thereto, had or made hereunder; and, after the same have been issued, no sales tax levied or collected for the purpose of paying the principal or interest on the bonds shall be held to be invalid or illegal, or set aside by reason of any error, informality, irregularity, omission or defect in any of the proceedings, acts or determinations in any wise pertaining to the issuance or payment of the bonds, and not amounting to a want of due process of law under the Constitution.

## **PUC § 99370 – Issuance of Bonds; Regularity of Proceedings; Conclusive Evidence**

*(Added by Stats. 1971, Ch. 1400.)*

All bonds by their issuance in pursuance of the provisions of this article shall by their issuance be conclusive evidence of the regularity, validity and sufficiency of all proceedings, acts and determinations in any wise pertaining thereto, had or made hereunder.

## **PUC § 99371 – Validity of Proceedings; Action; Limitations**

*(Added by Stats. 1971, Ch. 1400.)*

Any action, suit or proceeding of any kind or nature in which the validity of any of the proceedings taken under the provisions of this article is questioned or attacked, shall be filed within 30 days after the day of the adoption of the resolution providing for the issuance of the bonds and in case such action is not brought raising such issue within such period, then thereafter all persons whatsoever shall be barred in any action, suit or proceeding from pleading, asserting or claiming that any of the proceedings or other actions herein specified, were defective, faulty or invalid in any respect.

## **PUC § 99372 – Liberal Construction; Severability**

*(Added by Stats. 1971, Ch. 1400.)*

This article and all of its provisions shall be liberally construed to the end that the purposes hereof may be effective. If any section, subsection, sentence, clause or phrase of this article is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portion of this article. It is hereby declared that this article would have been passed irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional.

## **PUC § 99373 – Resolution to Issue Bonds**

*(Added by Stats. 1971, Ch. 1400.)*

Proceedings are initiated to issue bonds within the meaning of this article when the board of supervisors, by majority vote, adopts a resolution in conformity with the notification from the director.

## **PUC § 99374 – Submission to Voters**

*(Added by Stats. 1971, Ch. 1400.)*

At its next subsequent meeting, the board of supervisors shall pass an ordinance ordering the submission of the proposition of incurring a bonded debt for the purposes set forth in the resolution to the qualified voters of the county at an election held for that purpose.

## **PUC § 99375 – Several Propositions**

*(Added by Stats. 1971, Ch. 1400.)*

Propositions for more than one object or purpose may be submitted at the same election.

## **PUC § 99376 – Contents of Ordinances**

*(Added by Stats. 1971, Ch. 1400.)*

The ordinance shall recite:

- (a) The object and purpose of incurring the indebtedness.
- (b) The estimated cost of the public improvements.
- (c) The amount of the principal of the indebtedness.
- (d) The rate or maximum rate of interest on the indebtedness, which shall not exceed 7 percent, and need not be recited if it does not exceed 4 1/2 percent. Such interest shall be payable semiannually, except that interest for the first year after the date of the bonds may be made payable at the end of such year.
- (e) The date of the election.
- (f) The manner of holding the election and the procedure for voting for or against the proposition.



## **PUC § 99377 – Special Provisions in Ordinance**

*(Added by Stats. 1971, Ch. 1400.)*

The ordinance may provide that the estimated cost stated therein of the public improvements includes any or all of the following:

- (a) Legal or other fees incidental to or connected with the authorization, issuance and sale of the bonds.
- (b) The costs of printing the bonds and other costs and expenses incidental to or connected with the authorization, issuance and sale of the bonds.
- (c) If the public improvements are revenue-producing public works, bond interest estimated to accrue during the construction period and for a period of not to exceed 12 months after completion of construction.

If such statement is made, the proceeds of the sale of the bonds may be used to pay such of the foregoing as are stated in the ordinance.

This section shall not be construed to authorize a city to use the proceeds of the sale of bonds for a purpose for which it could not use its general fund.

## **PUC § 99378 – Publication of Ordinance**

*(Added by Stats. 1971, Ch. 1400.)*

The ordinance shall be published once a day for at least seven days in a newspaper published at least six days a week in the county, or once a week for two weeks in a newspaper published less than six days a week in the county.

If there are no such newspapers, it shall be posted in three public places in the county for two succeeding weeks.

No other notice need be given.

## **PUC § 99379 – Consolidated Election**

*(Added by Stats. 1971, Ch. 1400.)*

If an election called pursuant to this article is consolidated with any other election, the ordinance calling the bond election need not set forth the election precincts, polling places and officers of election, but may provide that the precincts, polling places and officers of election shall be the same as those set forth in the ordinance, order, resolution or notice calling or providing for or listing or designating the precincts, polling places and election officers for the election with which the election called pursuant to this article is consolidated, and shall refer to such ordinance, order, resolution or notice by number and title or date of adoption, or by date or proposed date of publication and the name of the newspaper in which publication has been or will be made, or by any other definite description.

### **PUC § 99380 – Conduct of Election**

*(Added by Stats. 1971, Ch. 1400.)*

Except as otherwise provided in the ordinance, the election shall be conducted as other county elections.

### **PUC § 99381 – Two-thirds Vote**

*(Added by Stats. 1971, Ch. 1400.)*

If two-thirds of the electors voting on the proposition vote for it, the bond shall be issued.

### **PUC § 99382 – Separate Counting**

*(Added by Stats. 1971, Ch. 1400.)*

When two or more propositions for incurring indebtedness are submitted at the same election, the votes cast for and against each proposition shall be counted separately.

### **PUC § 99383 – Reconsideration**

*(Added by Stats. 1971, Ch. 1400.)*

If any proposition is defeated, the transportation planning agency shall reconsider the application pertaining thereto. Another election on a substantially similar proposition shall not be called within the county pursuant to this article within six months after the prior election.

## ARTICLE 8 – OTHER CLAIMS FOR FUNDS

### PUC § 99400 – Claim Purpose

*(Amended by Stats. 2009, Ch. 609, Sec. 4. (SB 716) Effective January 1, 2010.)*

Claims may be filed under this article with the transportation planning agency by counties and cities for the following purposes and by transit districts for the purposes specified in subdivisions (c) to (f), inclusive:

- (a) Local streets and roads, and projects which are provided for use by pedestrians and bicycles.
- (b) Passenger rail service operations and capital improvements.
- (c) Payment to any entity which is under contract with a county, city, or transit district for public transportation or for transportation services for any group, as determined by the transportation planning agency, requiring special transportation assistance.

If the county, city, or transit district is being served by an operator, the contract entered into by the county, city, or transit district shall specify the level of service to be provided, the operating plan to implement that service, and how that service is to be coordinated with the public transportation service provided by the operator. Prior to approving any claim filed under this section, the transportation planning agency, or the county transportation commission in a county with such a commission, shall make a finding that the transportation services contracted for under subdivision (c) are responding to a transportation need not otherwise being met within the community or jurisdiction of the claimant and that, where appropriate, the services are coordinated with the existing transportation service.

- (d) Payments to counties, cities, and transit districts for their administrative and planning cost with respect to transportation services under subdivision (c).
- (e) Notwithstanding any other provision of this chapter, a claimant for funds pursuant to subdivision (c) may also receive payments for capital expenditures to acquire vehicles and related equipment, bus shelters, bus benches, and communication equipment for the transportation services.
- (f) Acquisition or lease of vans and related equipment for a farmworker vanpool program for purposes of farmworker transportation to and from work, provided the farmworker vanpool program shall use vans or related equipment for a commuter vanpool as defined by Section 37.3 of Title 49 of the Code of Federal Regulations and the regional transportation planning agency conforms with the planning requirements of Section 5306 of Title 49 of the United States Code and Part 613 (commencing with Section 613.100) of Chapter VI of Title 49 of the Code of Federal Regulations.

### PUC § 99400.5 – Multi-modal Transportation Terminals

*(Amended by Stats. 1989, Ch. 630, Sec. 10.)*

Notwithstanding Section 99232, a county or a city in a county in which there is no countywide transit district may file a claim under this article with the transportation planning agency to finance the construction and maintenance of multimodal transportation terminals. The terminals may be located anywhere in the county or city, as the case may be.

## **PUC § 99400.6 – San Diego Express Bus and Vanpool Service**

*(Amended by Stats. 1984, Ch. 808, Sec. 1.)*

Notwithstanding Section 99232 , the County of San Diego may file a claim under this article with the transportation planning agency to provide express bus service or vanpool service for the purpose of serving work commute trips and for providing accessibility between residential areas and major activity centers.

The express bus service may be located anywhere in the county, but shall be consistent with the plans of the San Diego Metropolitan Transit Development Board and the North San Diego County Transit Development Board, and may be provided by contract with operators, private entities operating under a franchise or license, or nonprofit corporations organized pursuant to Division 2 (commencing with Section 9000) of Title 1 of the Corporations Code .

The vanpool service shall be operated by the county with county-owned vans and any claims submitted pursuant to this section for such service shall be approved subject to all of the following conditions:

- (a) The amount of the claim to be limited to the actual cost of acquiring the vans.
- (b) The local transportation fund to be reimbursed for the amount of the claim within the passenger service life of the vans.

## **PUC § 99400.7 – Commuter Ferry Service**

*(Amended by Stats. 2000, Ch. 655, Sec. 1. Effective January 1, 2001.)*

Notwithstanding Sections 99232 , 99268.3, and 99405, cities within the County of San Diego may file a claim under this article with the transportation planning agency to provide commuter ferry service on San Diego Bay for the purpose of serving peak period commute trips for pedestrians and bicycles. The commuter ferry service may be located anywhere on San Diego Bay, but shall be consistent with the regional transportation plan, shall serve employment centers and high volume activity centers, and may be provided by contract with operators, private entities operating under a franchise or license, or nonprofit corporations organized pursuant to Division 2 (commencing with Section 5000) of Title 1 of the Corporations Code.

## **PUC § 99401 – Transportation Planning Agency Authority**

*(Amended by Stats. 1974, Ch. 786.)*

- (a) The transportation planning agency shall adopt rules and regulations delineating procedures for the submission of claims under Section 99234 and subdivision (a) of Section 99400 and stating criteria by which they will be analyzed and evaluated. Such rules and regulations shall provide for orderly and periodic distributions of moneys.
- (b) The criteria applicable to analyzing and evaluating claims for nonmotorized transportation facilities shall be the general design criteria for such facilities established pursuant to Section 156.4 of the Streets and Highways Code . [FN1]
- (c) To the extent necessary to perform its duties under this article, the transportation planning agency shall have full access to the books, records, and accounts of the claimant cities and counties.

## **PUC § 99401.5 – Unmet Transit Needs Finding**

*(Amended by Stats. 2012, Ch. 769, Sec. 17. (AB 2679) Effective January 1, 2013.)*

Prior to making any allocation not directly related to public transportation services, specialized transportation services, or facilities provided for the exclusive use of pedestrians and bicycles, or any allocation for purposes of subdivision (f) of Section 99400 , the transportation planning agency shall annually do all of the following:

(a) Consult with the social services transportation advisory council established pursuant to Section 99238 .

(b) Identify the transit needs of the jurisdiction which have been considered as part of the transportation planning process, including the following:

(1) An annual assessment of the size and location of identifiable groups likely to be transit dependent or transit disadvantaged, including, but not limited to, the elderly, the disabled, including individuals eligible for paratransit and other special transportation services pursuant to Section 12143 of Title 42 of the United States Code , the federal Americans with Disabilities Act of 1990 ( 42 U.S.C. Sec. 12101 et seq.), and persons of limited means, including, but not limited to, recipients under the CalWORKs program.

(2) An analysis of the adequacy of existing public transportation services and specialized transportation services, including privately and publicly provided services necessary to implement the plan prepared pursuant to Section 12143(c)(7) of Title 42 of the United States Code , in meeting the transit demand identified pursuant to paragraph (1).

(3) An analysis of the potential alternative public transportation and specialized transportation services and service improvements that would meet all or part of the transit demand.

(4) An analysis of the need to acquire or lease vans and related equipment for a farmworker vanpool program pursuant to subdivision (f) of Section 99400 . This analysis is only required, however, upon receipt by the transportation planning agency of a request of an interested party identifying a potential need.

(c) Identify the unmet transit needs of the jurisdiction and those needs that are reasonable to meet. The transportation planning agency shall hold at least one public hearing pursuant to Section 99238.5 for the purpose of soliciting comments on the unmet transit needs that may exist within the jurisdiction and that might be reasonable to meet by establishing or contracting for new public transportation or specialized transportation services or by expanding existing services. The definition adopted by the transportation planning agency for the terms “unmet transit needs” and “reasonable to meet” shall be documented by resolution or in the minutes of the agency. The fact that an identified transit need cannot be fully met based on available resources shall not be the sole reason for finding that a transit need is not reasonable to meet. An agency's determination of needs that are reasonable to meet shall not be made by comparing unmet transit needs with the need for streets and roads.

(d) Adopt by resolution a finding for the jurisdiction, after consideration of all available information compiled pursuant to subdivisions (a), (b), and (c). The finding shall be that (1) there are no unmet transit needs, (2) there are no unmet transit needs that are reasonable to meet, or (3) there are unmet

transit needs, including needs that are reasonable to meet. The resolution shall include information developed pursuant to subdivisions (a), (b), and (c) which provides the basis for the finding.

(e) If the transportation planning agency adopts a finding that there are unmet transit needs, including needs that are reasonable to meet, then the unmet transit needs shall be funded before any allocation is made for streets and roads within the jurisdiction.

(f) The transportation planning agency shall not allocate funds for purposes of subdivision (f) of Section 99400 until all of the capital and operating funds necessary to meet unmet transit needs that are reasonable to meet are allocated. The transportation planning agency shall not reduce funding to existing public transportation services, specialized transportation services, or facilities for the exclusive use of pedestrians and bicycles in order to allocate funds for purposes of subdivision (f) of Section 99400. The transportation planning agency shall not allocate funds under subdivision (f) of Section 99400 if the allocation replaces other federal, state, or local funds used to fund commuter vanpools by a county, city, transportation planning agency, or transit district.

### **PUC § 99401.6 – Unmet Transit Needs Finding Documentation**

*(Added by Stats. 1987, Ch. 673, Sec. 4.)*

Upon adoption of a finding, pursuant to subdivision (d) of Section 99401.5 that there are no unmet transit needs or that there are no unmet transit needs that are reasonable to meet, the transportation planning agency may allocate funds for local streets and roads. The allocation shall not become effective until 20 days after acknowledgment of receipt by the Department of Transportation of documents of the agency's finding. The transportation planning agency shall, in any case, submit the documentation before August 15 of the fiscal year of the allocation or within 10 days after the adoption of the finding, whichever is later. The documentation shall include all of the following:

(a) A copy of the notice of hearing and proof of publication and a description of the actions taken to solicit citizen participation pursuant to Section 99238.5 .

(b) A copy of the resolution or minutes documenting the transportation planning agency's definitions of “unmet transit needs” and “reasonable to meet,” as determined pursuant to subdivision (c) of Section 99401.5 .

(c) A copy of the resolution adopting the unmet needs finding described in subdivision (d) of Section 99401.5.

### **PUC § 99402 – Streets and Roads Claims**

*(Amended by Stats. 1979, Ch. 161.)*

Claims for streets and roads may include those purposes necessary and convenient to the development, construction, and maintenance of the city or county's streets and highways network, including planning and contributions to the transportation planning process, acquisition of real property, and construction of facilities and buildings.

## **PUC § 99403 – Streets and Roads Claims: Tuolumne County**

*(Added by Stats. 1986, Ch. 272, Sec. 1. Effective July 11, 1986.)*

In the County of Tuolumne, claims by the county or by a city within the county for streets and roads may also include contributions to the state for the construction and development of State Highway Route 108 from Lime Kiln Road to Phoenix Lake Road, if the county transportation commission determines that it is in the best interest of the county or the city and serves the public interest of the county or city to contribute local transportation funds for the construction and development of that portion of Route 108. The Legislature recognizes that under Section 73 of the Streets and Highways Code that portion of Route 108 is required to be relinquished to local control upon completion of the Sonora Bypass and bypass extension.

## **PUC § 99405 – Allocation Limitation, Farebox, or Other Eligibility Requirements**

*(Amended by Stats. 1991, Ch. 995, Sec. 12.)*

- (a) Except as otherwise provided in this section, the allocation for any purpose specified in Section 99400 may in no year exceed 50 percent of the amount required to meet the city's or county's total proposed expenditures for that purpose.
- (b) With respect to budgeted capital requirements for major new facilities, the transportation planning agency, notwithstanding the 50-percent limitation, may allocate up to the amount so budgeted, if the construction of the facilities has been found to be not inconsistent with the transportation planning agency's regional transportation plan.
- (c) The 50-percent limitation shall not apply to the allocation to a city, county, or transit district for services under contract pursuant to subdivision (c) or (d) of Section 99400 . The city, county, or transit district shall be subject to Section 99268.3 , 99268.4 , 99268.5 , or 99268.9 , as the case may be, and shall be deemed an operator for purposes of those sections, or shall be subject to regional, countywide, or county subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the transportation planning agency or the county transportation commission for those services.
- (1) In adopting the performance criteria, local match requirements, or fare recovery ratios, the transportation planning agency or the county transportation commission may adopt the criteria of Section 99268.3 , 99268.4 , 99268.5 , or 99268.9 , or any combination or all of them.
- (2) If a transportation planning agency or county transportation commission has adopted performance criteria, local match requirements, or fare recovery ratios, the rules and regulations of the agency or commission shall apply, and Sections 99205.7 and 99241, subdivision (a) of Section 99247 , and Section 99268.8 shall not apply.
- (d) The 50-percent limitation shall not apply to funds allocated under this article to a city or county with a population of less than 5,000, and, notwithstanding Section 99400, the city or county may claim funds under this article for transportation services, including associated capital, planning, and administrative costs, without contracting with another entity.
- (e) The 50-percent limitation shall not apply to funds allocated under this article for local street and road purposes.

## **PUC § 99406 – Report of Expenditure**

*(Amended by Stats. 1987, Ch. 673, Sec. 5.)*

Expenditures of moneys received for streets and highways purposes under this article shall be reported to the Controller by way of inclusion of information regarding those expenditures in the report prepared pursuant to Chapter 4 (commencing with Section 2150) of Division 3 of the Streets and Highways Code .

The Controller shall also prepare a summary of those expenditures, which shall include a list of the jurisdictions for which funds have been allocated for streets and roads under this article, the amount of the allocations, and the total funds made available to each jurisdiction pursuant to Article 3 (commencing with Section 99230 ). The Controller shall submit the report annually to the Legislature commencing January 1, 1989.

## **PUC § 99407 – Pedestrian and Bicycle Facility Claims**

*(Amended by Stats. 1986, Ch. 988, Sec. 24.)*

Notwithstanding any other provision of this chapter, the transportation planning agency may approve claims filed by a city for the construction of facilities for the exclusive use of pedestrians and bicycles, if the city is not expected to be served by public transportation within three years of the filing of the claims.

## **PUC § 99408 – Review of Unmet Transit Needs Finding**

*(Amended by Stats. 1987, Ch. 673, Sec. 4.)*

Any action to review, set aside, void, or annul the decision of a transportation planning agency made pursuant to Section 99401.5 shall be filed within 30 days after the agency makes its decision, or after the secretary has reviewed the decision pursuant to Section 99242 , whichever is later. However, the action need not be filed until September 15 if the action is with respect to a decision made prior to August 15 for the fiscal year which commenced on the July 1 immediately preceding such August 15.



## ARTICLE 9 – JOINT DEVELOPMENT AUTHORITY

### PUC § 99420 – Joint Development Authority

*(Added by Stats. 2002, Ch. 270, Sec. 1. Effective January 1, 2003.)*

(a) Notwithstanding any other provision of law, a transit operator may enter into agreements with a public agency, public utility, or person or entity, to be performed within the district, or a transportation corridor or land that shall be acquired by the transit operator, for the joint use or joint development of any property or rights of the transit operator or of the public agency, public utility, or person or entity for the establishment of through routes, joint fares, transfer of passengers, pooling rights, sales or leasing, or for any other purpose necessary for, incidental to, or convenient for, the full exercise of the powers granted to transit operators.

(b) As used in this section, the following terms have the following meanings:

(1) “Joint development” or “jointly develop” means the joint planning, financing, construction, operation, or use of any land, building, facility, or equipment other than vehicles, or interest therein, either of the transit operator or adjacent to, physically related to, or functionally related to transit facilities of the transit operator. Joint development may be for public, commercial, residential, or mixed uses.

(2) “Transit operator” means an entity that qualifies as a claimant under Section 99203 and is eligible to receive allocations under this chapter, and includes a joint powers authority formed to operate a public transportation system.

(c) The purpose of any joint development project entered into in accordance with this section shall be to foster transit use, enhance the transit service, or foster the integration of land use and transportation.

(d) For purposes of this section, a transit operator is prohibited from engaging in agreements unrelated to the transportation purposes and mission of the transit operator.

(e) Any transit oriented joint development project undertaken pursuant to this section shall comply with the land use and zoning regulations of the city, county, or city and county in which the project is located in accordance with the Planning and Zoning Law (Chapter 1 (commencing with Section 65000) of Division 1 of Title 7 of the Government Code ) relating to zoning.

(f) This section shall not supersede any existing authority of a transit operator for joint development.

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# **California Code of Regulations**



**CALIFORNIA CODE OF REGULATIONS**  
**Title 21. Public Works**  
**Division 3. California State Transportation Agency**  
**Chapter 2. Transportation Development**

**Article 1 – PURPOSE AND AUTHORITY**

**CCR § 6600 – Purpose and Intent**

The rules and regulations of this Subchapter are intended to interpret, make specific, and implement provisions of the Mills-Alquist-Deddeh Act, also known as the Transportation Development Act, as contained in Chapter 4 (commencing with Section 99200) of Part 11 of Division 10 of the Public Utilities Code. They are not intended to establish any inconsistency with the Act. Any rule or regulation which in general or uniform application would be inconsistent with any provision of the Act establishing a separate rule for a limited area of the state or for a limited class of governmental entities applies only to the extent that it does not conflict with such provision.

Rules and regulations establishing times within which certain actions are to take place are intended to be administrative and not to cause an incapacity to perform the same actions at a later time, unless the context specifies otherwise.

Terms which are used but not defined in this Subchapter are intended to carry the identical meaning assigned them in the Act.

**CCR § 6602 – Application**

References to “operator” or “public transportation system” or “transit service claimant”, under Article 4 (commencing with section 6630), are not applicable to claims filed or allocations made for local streets and roads or for facilities provided for use by pedestrians and bicycles or bicycle safety education programs pursuant to Public Utilities Code sections 99234 and 99400(a).

The rules and regulations of this Subchapter are applicable to claims filed pursuant to Public Utilities Code section 99400(b) for payments of passenger rail service operations and capital improvements; section 99400(c) for payments to any entity which is under contract with a county, city or transit district for public transportation or for transportation services for any group as determined by the transportation planning agency, or county transportation commission requiring special transportation assistance; section 99400(d) for payments to counties, cities and transit districts for administrative and planning costs for transportation services provided under section 99400(c); section 99400(e) for payment of capital expenditures to acquire vehicles and related equipment; section 99400.5 to finance the construction and maintenance of multimodal transportation terminals; section 99400.6 for the County of San Diego to provide express bus service or van pool service; section 99405(d) for payment to cities and counties with populations of less than 5,000 for transportation services and section 99234.9 for payments of construction and maintenance of intermodal transportation facilities. It is the responsibility of the claimant to assure that such claims comply with all applicable laws, rules and regulations.

## Article 2 – DEFINITIONS

### CCR § 6610 – Act

The term “Act” has reference to the legislative act described in Section 6600.

### CCR § 6611 – Fiscal Year

The term “fiscal year” has reference to the year commencing July 1 and ending June 30 of the following year unless a different time period is authorized by the Director or a different period is selected, as allowed for the City of South Lake Tahoe and the City of Huntington Beach, pursuant to Public Utilities Code Section 99243(e).

### CCR § 6611.1 – Operating Cost

The term “operating cost” has the same meaning assigned to it in Public Utilities Code Section 99247(a). In the case of a transit service claimant that is allocated funds for payment to an entity which is under contract with it to provide transportation services, “operating cost” also includes the amount of the fare revenues that are received by the entity providing the services and not transferred to the claimant.

*\*Note – CCR 6611.1 is undergoing revisions and is subject to change.*

### CCR § 6611.2 – Fare Revenues

The term “fare revenues” means all revenues in the following revenue account classes of the uniform system of accounts and records adopted by the State Controller pursuant to Public Utilities Code Section 99243:

401.000 Passenger Fares for Transit Service

402.000 Special Transit Fares

403.000 School Bus Service Revenues

In the case of a claimant that is allocated funds for payment to an entity which is under contract with it to provide transportation services, “fare revenues” includes the amount of fare revenues that are received by the entity providing the services and not transferred to the claimant.

“Fare revenues” includes revenues earned under contractual arrangements with public or private entities, either (1) for transit fares for a specified group of employees, members, or clients, or (2) to guarantee a minimum revenue on a line operated especially for the benefit of the paying entity (e.g. an employer, shopping center, university, etc.). “Fare revenues” may also include revenues from cash donations made by individual passengers in lieu of a prescribed fare. However, “fare revenues” does not include other donations or general operating assistance, whether from public or private sources.

### **CCR § 6611.3 – Local Support**

The term “local support” means all revenues in the following revenue account classes of the uniform system of accounts and records adopted by the State Controller pursuant to Public Utilities Code Section 99243:

- 406.000 - Auxiliary Transportation Revenues
- 408.000 - Taxes Levied Directly by Transit System
- 409.010 - Local Cash Grants & Reimbursements – General Operating Assistance
- 410.000 - Local Special Fare Assistance
- 440.000 - Subsidy from other Sectors of Operation

### **CCR § 6611.4 – Capital Requirements**

The term “capital requirements” means, for a fiscal year, the amount of all funds expended during the fiscal year by an operator for its public transportation system for those purposes specified in Public Utilities Code Section 99262, exclusive of all costs in the operating expense accounts of the uniform system of account and records adopted by the State Controller pursuant to Public Utilities Code Section 99243.

### **CCR § 6611.5 – Debt Service Requirements**

The term “debt service requirements” means, for a fiscal year, the amount of all funds expended during the fiscal year for payment of the principal and interest on bonds of an operator for its public transportation system, in accordance with Public Utilities Code Section 99263, exclusive of any such amount included in the operator's operating cost.

### **CCR § 6611.6 – Independent Auditor**

The term “independent auditor” means the State Controller or a certified public accountant or public accountant who is not an officer or employee of the claimant. The county auditor is not an “independent auditor” with reference to the county or to an operator for which the county auditor serves as a financial officer.

### **CCR § 6612 – Transit Claimant**

The term “transit service claimant” means:

- (a) A claimant that files a claim for community transit services pursuant to article 4.5 of the Act.
- (b) A claimant that files a claim for contract payments pursuant to Public Utilities Code section 99400(c).
- (c) A city or county that is a member of a joint powers agency and that files a claim to provide or contract for services to elderly and disabled persons pursuant to Public Utilities Code section 99260.7.
- (d) The County of San Diego if it files a claim for express bus service or vanpool service pursuant to Public Utilities Code section 99400.6.

- (e) A county, city, or county transportation commission that files a claim for rail passenger service operation and capital improvement expenditures.
- (f) A city or county with a population of less than 5,000 that files a claim pursuant to section 99405(d). A transit service claimant that is also an operator shall meet all requirements of the Act and these regulations for its service provided as a transit service claimant and for its other service as if the services were provided by separate claimants.

### **CCR § 6613 – Privately Owned Public Transportation System**

The term “privately owned public transportation system” as used in Section 99209 of the Public Utilities Code has reference to that entity defined as a “Passenger Stage Corporation” in Section 226, Chapter 1, Part 1, Division 1 of the Public Utilities Code and which is operating pursuant to the provisions of Article 2 (commencing with Section 1031), Chapter 5, Part 1, Division 1 of the Public Utilities Code or is specifically exempted from such provisions by virtue of operating 98 percent or more of its system's total route mileage exclusively within the limits of a single city.

The claimant for such an operation, when otherwise qualified to receive financial support under this Act, shall be subject to all restrictions placed on claims and these rules and regulations.

### **CCR § 6613.1 – Serving an Urbanized Area**

The term “operator which is serving an urbanized area” as that term is used in Section 99268.3 of the Public Utilities Code means an operator or transit service claimant if 50 percent or more of the population of its area is located within the boundaries of an urbanized area. The application of this term, however, may be modified under the rules and regulations of the transportation planning agency, as specified in Section 6645.

For the purpose of this section, if an operator serves an area that was first designated as an urbanized area in the 1980 or subsequent federal census, the transportation planning agency or the county transportation commission may grant the operator up to five (5) years from July 1 of the year following the year of the census to meet the ratio of fare revenues to operating cost required of an operator serving an urbanized area.

The area of the operator or transit service claimant, for this purpose, is the area defined in Public Utilities Code Section 99231, with the following exceptions:

- (a) The claimant’s area does not include areas to which it provides services beyond its boundaries, as described in subdivision (f) of Section 99231.
- (b) For a joint powers entity by a county and more or more cities, the area includes the corporate areas of the cities and excludes the unincorporated area of the county.
- (c) For a county that is located in part within a transit district or transit development board and that is claiming funds to provide or contract for services to, from, and between points outside the boundaries of the district or board, the area is the unincorporated area of the county not within the district or board.



- (d) For the Golden Gate Bridge, Highway and Transportation District, the area includes the corporate areas of the cities and the unincorporated areas of the counties to which the district provides public transportation services.
- (e) For a county that is claiming funds to provide or contract for services to, from, or between points within a local transportation zone established under guidelines adopted by a county transportation commission pursuant to Public Utilities Code Section 130259, the area includes only the unincorporated area within the local transportation zone.

#### **CCR § 6613.2 – Serving a Non-urbanized Area**

The term “operator which is serving a nonurbanized area” as that term is used in Section 99268.4 of the Public Utilities Code means an operator or transit service claimant that is not an “operator which is serving an urbanized area,” as defined in Section 6613.1.

#### **CCR § 6613.3 – Services to Elderly and Disabled Persons**

The term “services to elderly and disabled persons” means transportation services provided using vehicles for the exclusive use of elderly and disabled persons.

#### **CCR § 6613.4 – Services to the General Public**

The term “services to the general public” means transportation services other than services provided using vehicles for the exclusive use of elderly and disabled persons.

#### **CCR § 6614 – Transportation Planning Process**

The term “transportation planning process” has reference to that joint effort of all governmental agencies with transportation responsibilities within a given region or metropolitan area by which plans are developed in a continuing and coordinated manner and which is documented annually by the adoption of an annual work program evidencing the respective contributions in monies and staff time of the respective agencies to that effort.

#### **CCR § 6615 – Regional Transportation Plan**

The term “Regional Transportation Plan” means the adopted transportation plan of the transportation planning agency for the area under its jurisdiction required in Chapter 2.5 (commencing with Section 65080) of Division 1 of Title 7 of the Government Code.

#### **CCR § 6616 – County Transportation Commission**

The term “county transportation commission” means a commission created by Division 12 (commencing with Section 130000) of the Public Utilities Code.

#### **CCR § 6616.1 – Local Transportation Commission**

The term “local transportation commission” means a commission created pursuant to Section 29535 or Section 29536 of the Government Code.

## **CCR § 6616.2 – Metropolitan Transit Development Board**

The term “metropolitan transit development board” means a transit development board created by Division 11 (commencing with Section 120000) of the Public Utilities Code.

## **CCR § 6617 – Administer**

The term “administer” as that term is used in Section 99233.1 of the Public Utilities Code means to perform those procedural and ministerial responsibilities assigned to the transportation planning agency in the Act and does not include the performance of activities included in the annual work program for the transportation planning process.

## **CCR § 6617.1 – Local Transportation Fund**

The term “local transportation fund” means the fund established by a county under Article 11 (commencing with Section 29530) of Chapter 2 of Division 3 of Title 3 of the Government Code.

## **CCR § 6617.2 – State Transit Assistance Fund**

The term “state transit assistance fund” means the fund created by a transportation planning agency, a county transportation commission, or the San Diego Metropolitan Transit Development Board pursuant to Section 99313.6 of the Public Utilities Code.

## **CCR § 6618 – Allocation**

The term “allocation” means:

- (a) The claim approval or other action by a transportation planning agency setting apart moneys in the local transportation fund for a claimant, the transportation planning agency, the county transportation commission, or the metropolitan transit development board for a purpose authorized under the Act. An allocation takes effect only by allocation instruction pursuant to Section 6659 and is subject to such terms and conditions as may be specified by the transportation planning agency in accordance with the Act and these rules and regulations.
- (b) The amount set apart by an allocation instruction pursuant to Section 6659.

## **CCR § 6619 – Franchise or License**

The term “operating under a franchise or license” as that term is used in the Act means operation under a certificate or permit granted by the California Public Utilities Commission pursuant to Article 2 (commencing with Section 1031) of Chapter 5, Part 1, Division 1 or Chapter 8 (commencing with Section 5351), Division 2 of the Public Utilities Code or if said operation does not require a certificate or permit, then as a licensed or regulated operation for transportation of persons by a city or county pursuant to an ordinance or resolution.

## **CCR § 6619.1 – Extension of Public Transportation Services**

The term “extension of public transportation services” as that term is used in Public Utilities Code Section 99268.8, applies collectively to any services that are eligible for funding from the local transportation fund and the State Transit Assistance Fund, including services provided by a new operator or transit service claimant, and means:

- (a) Service established on a fixed route, including route deviation service, if over 50 percent of the route mileage, excluding mileage along freeway or express bus routes where passengers are neither received nor discharged, is on streets or other rights-of-way that did not have such service provided and funded under the Act at any time during the three-year period before the service was established.
- (b) Service established on a new portion of an older fixed route if the new portion is on streets or other rights-of-way that did not have such service provided and funded under the Act at any time during the three-year period before the service was established.
- (c) Demand responsive service established to, from, or within an area that did not have such service provided and funded under the Act at any time during the three-year period before the service was established.

## **Article 3 – RESPONSIBILITIES OF THE COUNTY AUDITOR**

### **CCR § 6620 – Estimate of Fund by County Auditor**

Prior to February 1 of each year, each county auditor shall furnish to the transportation planning agency an estimate of moneys to be available for apportionment and allocation during the ensuing fiscal year. The estimate shall include those moneys anticipated to be deposited in the fund during the ensuing fiscal year and the unrestricted balance anticipated to be available in the fund at the end of the current fiscal year. The unrestricted balance is the balance that is neither allocated, reserved, nor retained in the fund as an unallocated apportionment pursuant to Section 6655.1. The county auditor shall make his estimate from such data as he may have including those which may be furnished by the State Board of Equalization. The county auditor shall furnish a revised or updated estimate of funds available whenever requested to do so by the transportation planning agency.

For a county for which there is more than one transportation planning agency, the county auditor shall report to each transportation planning agency only that portion of the fund which the population within the jurisdiction of the transportation planning agency bears to the total population of the county.

### **CCR § 6621 – Payment by County Auditor**

The county auditor shall make payments from the local transportation fund balance -available solely in accordance with allocation instructions received from the designated transportation planning agency. The county auditor, in the event of uncertainty, shall immediately refer the matter to the transportation planning agency, unless the designation of the transportation planning agency is in doubt, in which case the auditor shall refer the matter to the Director for clarification. The county auditor shall make no payment for those allocation instructions which he finds to be in conflict with the law but shall refer such matters to the transportation planning agency for resolution. If the auditor is unable to resolve the matter with the transportation planning agency, he may refer the matter to the Secretary for an advisory opinion. The county auditor shall make no payments while in receipt of a notice from the Director of rescission of designation as a transportation planning agency until the Director delivers a further designation to the auditor.

### **CCR § 6622 – Records by County Auditor**

The county auditor shall maintain accounting records of the fund in accordance with the State Controller's Manual of Accounting Standards and Procedures for Counties. At quarterly intervals, the county auditor shall report the status of the fund to the transportation planning agency and, where applicable, to the county transportation commission or the metropolitan transit development board. The report of the status of the fund shall include a statement that shows the beginning fund balance, the amount and source of revenues received, the amount and recipient of payments made identified by allocation instruction, the ending fund balance and any other information specified by the transportation planning agency. Portions of the fund balance held in reserve shall be identified by amount and purpose.

## **CCR § 6623 – Fund Interest, Income, and Investments**

The county auditor as fund trustee shall arrange with the county treasurer for investment of moneys in the local transportation fund of the county at the highest rate of return consistent with prudent fund management and the need to permit disbursement of funds in accordance with allocation instructions issued by the transportation planning agency.

Interest earned will be reported to the transportation planning agency and disbursed only in accordance with allocation instructions issued by the transportation planning agency. Such instructions shall be consistent with section 29530 of the Government Code and sections 99234.1, 99301, 99301.5, 99301.6, and 99304 of the Public Utilities Code.

## **Article 4 – RESPONSIBILITIES OF OPERATORS**

### **CCR § 6630 – Annual Claim Filed**

A claimant wishing to receive an allocation from a county's local transportation fund for any transit-related purpose shall file an annual claim with the transportation planning agency in accordance with the rules and regulations established by the transportation planning agency, pursuant to Public Utilities Code section 99261, or in the absence of such rules and regulations at least 90 days prior to the beginning of the fiscal year. Claims on the funds of different counties shall be filed separately, except that a multicounty transportation planning agency may permit a multicounty operator to file a single claim identifying and evidencing the operator's claim for each county separately.

The claim shall be filed in the form prescribed by the transportation planning agency and shall include the amount claimed, the fiscal year for which funds are claimed, and the purpose for which the claim is made, identified by the article and section of the Act which authorizes such claims.

For services to be provided by an operator outside its boundaries or for services to be provided by an entity under contract with the claimant, the transportation planning agency may evaluate and process the claim, but shall not authorize payment of moneys unless furnished with a copy of an executed contract pursuant to Public Utilities Code sections 99231.2, 99260.2, 99260.5, 99260.6, 99277, 99285.2, 99288, 99400 (b), 99400 (c), or 99400.6 or a copy of the Department's authorization pursuant to section 99288.

### **CCR § 6631 – Proposed Commitment**

An operator may, as part of its claim, propose that the transportation planning agency make a commitment to allocate moneys annually for up to five years for installments on a long-term capital outlay. A commitment is neither an allocation nor a pledge of the security of anticipated allocations, and an operator shall not execute any document which purports to evidence such an encumbrance. However, a commitment approved by the transportation planning agency may thereafter be cited as available local matching moneys for the purpose of applying for federal transportation grants.

### **CCR § 6632 – Supplementary Information Required**

An operator or transit service claimant shall accompany its claim with the following statements, together with a statement signed by the chief financial officer of the claimant attesting to their reasonableness and accuracy:

- (a) A budget or proposed budget for the fiscal year of the claim.
- (b) A statement identifying and substantiating the reason or need for an increase in operating budget in excess of 15 percent above the preceding year or a substantial increase or decrease in scope of operations or capital budget provisions for major new fixed facilities.
- (c) A certification by the Department of the California Highway Patrol verifying that the operator is in compliance with Section 1808.1 of the Vehicle Code, as required in Public Utilities Code Section 99251. The certification shall have been completed within the last 13 months, prior to filing claims.
- (d) A statement of projected or estimated revenues and expenditures for the prior fiscal year.

The items in each statement shall be consistent with the uniform system of accounts and records adopted by the State Controller pursuant to Public Utilities Code Section 99243. The statement shall specifically identify the estimated amount of the claimant's maximum eligibility for moneys from the local transportation fund and the state transit assistance fund, as defined in Section 6634.

The claimant shall also accompany its claim with such other documents, operating statistics, and information as may be required by the transportation planning agency.

### **CCR § 6633 – Revenue Qualification**

Beginning with the 1980-81 fiscal year, each operator and transit service claimant shall qualify for funding during the fiscal year as specified in this section and in sections 6633.1 to 6633.9.

- (a) An operator that began operation before July 1, 1974, may qualify under either Public Utilities Code section 99268.1 (the 50-percent expenditure limitation) or 99268.2 (the fare and local support ratios), unless the operator was granted a waiver from the 50-percent expenditure limitation for 1978-79. The following operators were granted such a waiver: South Coast Area Transit (Ventura County), City of Banning, City of Auburn, and City of Napa.
- (b) A transit service claimant that is filing a claim for community transit services pursuant to Article 4.5 of the Act or for contract services pursuant to Public Utilities Code section 99400(c) or a city or county with a population of less than 5,000 which provides transportation services may qualify in accordance with the performance criteria, local match requirements, or fare recovery ratios adopted by the transportation planning agency or county transportation commission pursuant to Public Utilities Code sections 99275.5(c)(4) and 99405(c).
- (c) Except as specified in subdivisions (a) and (b), an operator or transit service claimant with services to the general public shall qualify under Public Utilities Code sections 99268.3 and 99268.4 or 99268.12 (the fare and local support ratios).
- (d) In addition, an operator or transit service claimant that qualifies under Public Utilities Code sections 99268.2, 99268.3, or 99268.4, and that provides services to elderly and disabled persons, shall meet the fare ratio specified in section 6633.5.

### **CCR § 6633.1 – 50-Percent Expenditure Limitation**

- (a) For an operator qualifying under Public Utilities Code Section 99268.1, the funds received from the local transportation fund under Article 4 of the Act shall not, except as provided in subdivisions (b), (c), and (d), exceed 50 percent of the amount that is the sum of the operator's operating cost, capital requirements, and debt service requirements less the sum of the operator's revenues from federal grants and the state transit assistance fund. For this purpose, the operator's revenues from federal grants and the state transit assistance fund shall be the amounts formally recognized in the operator's accounts during the fiscal year in conformity with the uniform system of accounts and records.
- (b) The operator may receive from the local transportation fund up to 100 percent, rather than 50 percent, of the amount representing its capital requirements for projects in one of the following categories:

- (1) Capital improvements to a grade-separated mass transit system, in accordance with the conditions of Public Utilities Code Sections 99268 and 99281
  - (2) Capital intensive transit-related improvements, as specified in Public Utilities Code Section 99268.7, if the transportation planning agency finds that every effort has been made by the operator to obtain federal funds for such improvements.
- (c) The operator may receive from the local transportation fund up to 100 percent, rather than 50 percent, of the amount representing the operating cost of an extension of its public transportation system if the extension is within the definition of Section 6619.1 and if all the conditions of Section 6633.8 are met.

### **CCR § 6633.2 – Fare and Local Support Ratios**

To qualify under Public Utilities Code section 99268.2, 99268.3, or 99268.4, an operator or transit service claimant shall meet each of the conditions contained in subdivision (a) and (b) for its services to the general public. To qualify under Public Utilities Code section 99268.5(c) or 99268.12 or 99405(c), an operator or transit service claimant shall meet the conditions contained in subdivision(c), (d) or (e) respectively.

- (a) The ratio of fare revenues to operating cost shall be at least the greater of the following ratios:
- (1) Twenty percent if the claimant is serving an urbanized area, ten percent if the claimant is serving a nonurbanized area, or an intermediate percentage if determined by the transportation planning agency pursuant to its rules and regulations as adopted pursuant to section 6645. In a newly designated urbanized area, the transportation planning agency or county transportation commission may grant an operator up to 5 years from the July 1 of the year following the year of the census to meet the new farebox requirements.
  - (2) The ratio of fare revenues to operating cost that the claimant had for such services during the 1978-79 fiscal year.
- (b) The ratio of the sum of fare revenues and local support to operating cost shall be at least the ratio that the claimant had for its services to the general public during the 1978-79 fiscal year, unless the 1978-79 ratio was less than the ratio described in paragraph (a)(1) of this section.
- (c) For a claimant in the Counties of Fresno, Riverside, and Ventura, the ratios described in paragraph (a) (2) and subdivision (b) of this section shall not apply. A claimant in one of these counties shall qualify as provided under Public Utilities Code section 99268.5(c) if it meets the ratio described in paragraph (a) (1) of this section.
- (d) The ratio of fare revenues to operating cost of not less than fifteen (15%) percent may be set by the transportation planning agency or county transportation commission for an operator which operates in a county with a population of 500,000 or less and serving an urbanized area where funds may be allocated under section 99400 of the Public Utilities Code.
- (e) Local guidelines for transit service claimants may be adopted to supersede this section by the transportation planning agency or county transportation commission pursuant to Public Utilities Code section 99405(c).



- (f) In calculating the fare revenue to operating cost ratio, the following modifications pursuant to Public Utilities Code sections 99268.16 and 99268.17 should be used:
- (1) The additional operating costs to a transit operator of providing comparable complementary paratransit services, pursuant to the Americans with Disabilities Act, that exceed operator's prior year costs as adjusted by the Consumer Price Index are excluded from operating costs.
  - (2) The costs of providing ridesharing services are excluded from operating costs.
- (g) An operator may supplement its fare revenues with local funds pursuant to Public Utilities Code section 99268.19.

*\*Note – CCR 6633.2 is currently not consistent with current PUC. Updated language will be reflected in updated versions.*

### **CCR § 6633.5 – Fare Ratio for Service to Elderly and Disabled Persons**

- (a) For a claimant that provides only services to elderly and disabled persons, the ratio of fare revenues to operating cost shall be at least 10 percent or the ratio that the claimant had for the services in 1978-79, whichever is greater.
- (b) For a claimant that provides both services to elderly and disabled persons, and services to the general public, either
- (1) its services to elderly and disabled persons shall meet the fare ratio specified in subdivision (a),  
or
  - (2) its services combined shall meet the fare ratio specified in Section 6633.2(a)

### **CCR § 6633.6 – Base Year Ratios**

For the purpose of calculating the year ratios in Sections 6633.2 and 6633.5, the fare revenues and operating cost that a transit service claimant had in 1978-79 shall not include the amount of the fare revenues that were received by an entity which was under contract with the claimant to provide transportation services and that were not transferred to the claimant.

*\*Note – CCR 6633.6 is currently not consistent with current PUC. Updated language will be reflected in updated versions.*

### **CCR § 6633.8 – Extension of Service Excluded**

In determining a claimant's compliance with the fare and local support ratios in Sections 6633.2, 6633.5 and 6633.9, the fare revenues and operating cost attributable to an extension of public transportation services, as defined in Section 6619.1, shall be excluded if all of the following conditions are met:

- (a) The extension of services has been in operation for less than two full fiscal years. The two-year extension of services exclusion applies until two years after the end of the fiscal year in which the extension of services was put into operation.
- (b) The claimant submits a report on the extension of services to the transportation planning agency and, where applicable, to the county transportation commission or metropolitan transit development board, within 90 days after the end of the fiscal year. The report shall include, but not be limited to, the following information:
  - (1) A description of the area served and the routes included.
  - (2) The amount of fare revenues generated by the extension and the method used to derive that amount.
  - (3) The amount of the operating cost for the extension and the method used to allocate costs between the extension of services and the claimant's other services.

**CCR § 6633.9 – Non-compliance with Required Ratio**

- (a) If an operator or transit service claimant fails to maintain, for a fiscal year, the ratio of fare revenues to operating cost it is required to maintain in accordance with Section 6633.2 and 6633.5, and if it is not the first year for which the claimant has failed to maintain that ratio which is considered the one time grace year, the claimant's eligibility to receive Transportation Development Act funds would be determined as follows:
  - (1) In the fiscal year that the claimant fails to maintain the required ratio which is the noncompliance year, there is no change in its eligibility.
  - (2) In the subsequent fiscal year or determination year there is no change in eligibility, however the audited amount of the difference between the required and actual fare revenue to operating cost ratio as reported in the claimant's fiscal and compliance audit for the fiscal year for which the required ratio was not met must be determined.
  - (3) In the third or penalty year, the operator's or transit service claimant's eligibility to receive monies from the local transportation and state transit assistance funds shall be reduced, for one year only, by the amount of the difference between the required fare revenues and the actual fare revenues for the fiscal year that the required ratio was not maintained.
  - (4) A claimant subject to the penalty in this section shall demonstrate to the transportation planning agency, the county transportation commission or the San Diego Metropolitan Transit Development Board how it will achieve the required ratio during any penalty year.
- (b) Any increase in fare revenue to operating cost ratio as a result of this section prior to July 1, 1987 is no longer applicable.
- (c) An example of the penalty process which is calculated in accordance with Section 6634 is as follows:

### 3-Year Penalty Cycle

	<i>One-Time Grace Year</i>	<i>Non-Compliance Year</i>	<i>Determination Year</i>	<i>Penalty Year for Non-Compliance Year</i>
<i>Operating Cost</i>	\$100,000	\$100,000	\$100,000	\$100,000
<i>Required Fares at 20%:</i>	\$20,000	\$20,000	\$20,000	\$20,000
<i>Actual Fares:</i>	\$15,000	\$18,000	\$23,000	\$28,000
<i>Reduced Eligibility</i>	\$0	\$0	\$0	(\$2,000)
<i>TDA/STA Claimant's Eligibility:</i>	\$85,000	\$82,000	\$77,000	\$70,000

### **CCR § 6634 – Eligibility for Funds**

- (a) No operator or transit service claimant shall be eligible to receive moneys during the fiscal year from the local transportation fund and the state transit assistance fund for operating costs in an amount that exceeds its actual operating cost (including payments for disposition of claims arising out of the operator's liability) in the fiscal year less the sum of the following amounts:
- (1) The actual amount of fare revenues received during the fiscal year.
  - (2) The amount of local support required to meet the ratios specified in section 6633.2.
  - (3) The amount of federal operating assistance received during the fiscal year.
  - (4) The amount received during the fiscal year from a city or county to which the operator provides service beyond its boundaries.
  - (5) The amount received during the fiscal year for operating costs from
    - (A) toll bridge revenues allocated by the Metropolitan Transportation Commission pursuant to Streets and Highways Code section 30892,
    - (B) local sales tax revenues allocated within the San Francisco Bay Area Rapid Transit District by the Metropolitan Transportation Commission pursuant to Public Utilities Code section 29142.2(b),
    - (C) local sales tax revenues made available by the Los Angeles County Metropolitan Transportation Authority pursuant to Public Utilities Code section 130354; and
    - (D) local sales tax revenues made available for transit purposes by the Fresno County Transportation Authority pursuant to Public Utilities Code section 142257.
  - (6) The amount of any reduced eligibility under section 6633.9 applied to the current fiscal year.

- (b) No operator shall be eligible to receive moneys during the fiscal year from the local transportation fund and the state transit assistance fund for capital and debt service purposes in an amount that exceeds the operator's actual capital requirements and actual debt service requirements during the fiscal year less the operator's revenues during the fiscal year for such purposes from other sources.
- (c) No transit service claimant shall be eligible to receive monies during the fiscal year from the local transportation fund or the state transit assistance fund for the cost of vehicle and related equipment, bus shelters, bus benches and communication equipment for transportation services, in an amount that exceeds the claimant's actual costs during the fiscal year less the claimant's revenues during the fiscal year for such purposes from other sources.
- (d) No claimant shall be eligible to receive moneys during the fiscal year from the local transportation fund and the state transit assistance fund for rail passenger service purposes, pursuant to Public Utilities Code sections 99233.4, 99233.6, 99260.2(b), 99260.5, 99260.6 and 99400(b), in an amount that exceeds the claimant's expenditures for such purposes during the fiscal year less the claimant's revenues during the fiscal year for such purposes from other sources.
- (e) No claimant under Public Utilities Code sections 99260.7, 99275, or 99400.6 shall be eligible to receive moneys during the fiscal year from the local transportation fund for purposes other than operating costs in an amount that exceeds its actual expenditures for the purchase of buses or vans, and, in the case of a consolidated transportation service agency, for the purchase of communications and data processing equipment essential to providing, consolidating, and coordinating social service transportation. For a claimant under Public Utilities Code section 99260.7 or 99275, this also includes monies received from the state transit assistance fund. Expenditures for the purchase of buses or vans include expenditures for equipment, parts, and accessories for the vehicles and for capitalized administrative and planning costs directly related to the purchase of the vehicles.

**CCR § 6636 – Revising Allocation Instructions**

The operator or transit service claimant shall spend moneys received from the local transportation fund or the state transit assistance fund only in accordance with the terms and conditions of the allocations, as set forth in the allocation instruction for the local transportation fund and the allocation resolution for the state transit assistance fund. If unforeseen situations develop during the year such that the operator or transit service claimant cannot comply with the terms and conditions of the allocations, the operator or transit service claimant shall request the transportation planning agency, county transportation commission, or metropolitan transit development board to consider a revised allocation instruction or allocation resolution.

**CCR § 6637 – Records and Reports**

- (a) Each operator and transit service claimant shall keep and maintain accurate and complete records and shall prepare an annual report of its operations in accordance with the uniform system of accounts and records adopted by the State Controller pursuant to Public Utilities Code Section 99243. The report shall be submitted to the transportation planning agency, to the State Controller and, where applicable, to the county transportation commission or the metropolitan transit development board within 90 days after the close of the fiscal year. The report shall specify (1) the amount of revenue generated from each source and its application for the preceding fiscal year and (2) the data necessary to determine whether the operator or transit service claimant is in compliance with Public Utilities Code Sections 99268.1, 99268.2, 99268.3, 99268.4, 99268.5, and

99268.9. The report shall contain the financial data reporting forms specified by the State Controller for that purpose. The report shall also include the nonfinancial operating data described in the federal "Uniform System of Accounts and Records and Reporting System," January 1977. The nonfinancial operating data shall be reported on the forms specified by the State Controller.

- (b) In accordance with the instructions of the State Controller, the operator or transit service claimant shall file, with the report prepared pursuant to subdivision (a), a letter or statement signed by an auditor or financial officer attesting to the conformity, in all material respects, of the financial data reporting forms in the report with the uniform system of accounts and records adopted by the State Controller pursuant to Public Utilities Code Section 99243. The letter or statement shall also specify which, if any, of the reporting forms do not conform to the requirements of the uniform system and shall describe the discrepancies that exist.
- (c) As a supplement to the annual report prepared pursuant to subdivision (a), each operator and transit service claimant shall include an estimate of revenues to be generated from each source and its proposed application for the next fiscal year.
- (d) All fiscal and accounting records and other supporting papers shall be retained for a minimum of four years following the close of the fiscal year of expenditure.

## **Article 5 – RESPONSIBILITIES OF TRANSPORTATION PLANNING AGENCY**

### **CCR § 6640 – Designation**

The term “transportation planning agency” has reference to that entity or policy committee thereof responsible for the development of a regional transportation plan. It may derive such responsibility by statute or by delegation from local government together with delegation of accompanying responsibility for implementation of the transportation planning process in cooperation with the State pursuant to memorandum of understanding.

The term “transportation planning agency” also applies to county transportation commissions created pursuant to Division 12 (commencing with section 130000 of the Public Utilities Code) for the purpose of administering Chapter 4 (commencing with section 99200) part 11, Division 10 of the Public Utilities Code.

For a county included entirely within the jurisdiction of a statutorily created regional comprehensive or transportation planning agency, it is such agency. Where only a portion of the county is subject to such a jurisdiction, it is also such agency, but only for such portion of the fund as the population within the agency's jurisdiction bears to the population of the county.

For every other county, and for a county partially subject to the jurisdiction of a statutory agency for such portion of the fund as the population outside such agency bears to the population of the county, it is such regional comprehensive planning agency as is established pursuant to any of the following authorities, and references in the Act to a “Council of Government” means such agency:

- (a) An agency organized pursuant to Chapter 5 (commencing with section 6500) of Division 7, Title 1 of the Government Code; or
- (b) A regional planning district formed pursuant to Chapter 2 (commencing with section 65060) of Title 7 of the Government Code; or
- (c) An area planning commission formed pursuant to Article 11 (commencing with section 65600) of Chapter 3 of Title 7 of the Government Code; or
- (d) A planning district formed pursuant to Chapter 5 (commencing with section 66100) of Title 7 of the Government Code.

No moneys shall be allocated from the fund by the county or any other governmental entity except the one designated by the Director. In the event the county and the cities therein are neither subject to the jurisdiction of a statutorily created regional comprehensive or transportation planning agency nor within the area of or members of a locally created regional comprehensive planning agency, one must be established if moneys in the fund are to be disseminated, unless an option is made to establish only a single purpose local transportation commission pursuant to the Act.

### **CCR § 6641 – Designation of Local Transportation Commission**

The fact that the county may be within the area or a member of a locally created multicounty regional comprehensive planning agency shall not be construed as precluding its right additionally to form a local transportation commission pursuant to the Act, except that the Department shall designate such commission as the transportation planning agency only after its existence is ratified by action of the board of supervisors and the legislative bodies of at least 50 percent of the cities in the county

including at least 50 percent of the county's incorporated population and it is signatory to the memorandum of understanding for transportation planning for the area or to a like memorandum with the regional agency stating an agreed upon division of transportation planning responsibilities for the area.

In a county where a commission is serving as the transportation planning agency, the regional agency shall notify the commission and the county auditor of any objection it may have to a claim. If the commission has not received such notice within 60 days of filing, the approval of the regional agency shall be conclusively presumed. The commission may allocate funds only if the regional agency has not objected to such allocation. Claims to which the regional agency has objected shall not be paid by the county auditor until the objection has been removed.

### **CCR § 6642 – Manner of Designation**

The Director's designation of an agency or commission as a transportation planning agency shall take the form of a registered letter addressed to the executive director of the planning agency and an identical letter to the county auditor. Rescission of designation shall be served in like manner, and an agency's authority to serve as the transportation planning agency shall terminate on receipt of a rescission notice.

### **CCR § 6643 – Local Review and Comment Responsibility**

A multicounty regional comprehensive planning agency may delegate to any given subregional policy committee or agency of its choice the responsibility to review and comment on claims against the fund in that respective county.

### **CCR § 6644 – Report of Apportionments**

(a) Prior to March 1, the transportation planning agency shall determine and advise all prospective claimants of the amounts of all area apportionments from the local transportation fund for the following fiscal year. The transportation planning agency shall make this determination using the estimate of funds available for apportionment and allocation furnished by the county auditor pursuant to section 6620. The transportation planning agency shall determine the amount subject to apportionment by determining the anticipated amounts to be allocated or made available for allocation pursuant to Public Utilities Code sections 99233.1, 99233.2, and 99233.3 and subtracting that amount from the county auditor's estimate.

Wherever the areas of two or more prospective claimants overlap, the transportation planning agency shall identify and determine the apportionments for the overlapping and non-overlapping areas separately so that the sum of the amounts of all area apportionments identified and reported does not exceed the total amount subject to apportionment.

(b) For the counties of Alameda, Contra Costa, Orange, San Diego, San Francisco, San Mateo, and Santa Clara, the transportation planning agency shall determine the maximum amount which may be made available for claims filed pursuant to article 4.5 of the Act. That amount, which shall be included in the report of apportionments, is five percent of the sum of the apportionments of the areas of all operators after subtracting any amounts allocated for those areas pursuant to Public Utilities Code sections 99233.4 and 99233.5. The amount made available for claims filed pursuant to article 4.5 shall be subtracted from the amounts of the apportionments of the areas of all operators in equal proportion after subtracting any amounts allocated for purposes of higher priority. For the purpose of claims filed pursuant to article 4 of the Act, the amount of the

apportionment of the area of an operator is the amount remaining after the adjustment for the proportion made available for article 4.5 allocations.

- (c) For the Counties of Los Angeles and Sacramento, the transportation planning agency shall determine the maximum amount that may be made available for claims filed by cities, counties, and operators pursuant to article 4.5. That amount, which shall be included in the report of apportionments, is five percent of the sum of the apportionments of the areas where claims may not be filed pursuant to article B of the Act after subtracting any amounts allocated for rail services pursuant to Public Utilities Code sections 99233.4. The transportation planning agency may also make funds available for claims filed by consolidated transportation service agencies pursuant to article 4.5. The amount made available for claims filed by consolidated transportation service agencies shall be subtracted from the amounts of the apportionments of all areas in the county in equal proportion after subtracting any amounts allocated for purposes of higher priority. The amount made available for claims filed by cities, counties, and operators pursuant to article 4.5 shall be subtracted from the amounts of the apportionments of the areas of all operators in equal proportion after subtracting any amounts allocated for purposes of higher priority. For the purpose of claims filed pursuant to articles 4 and 8 of the Act, the amount of the apportionment of the area of a claimant is the amount remaining after the adjustment for the proportion made available for article 4.5 allocations. In no case shall that adjustment exceed five percent for any area.
- (d) For every county not named in subdivisions(b) and (c), the transportation planning agency may make funds available for claims filed by consolidated transportation service agencies pursuant to article 4.5. The maximum amount that may be made available for such claims is five percent of the sum of the apportionments of all areas after subtracting any amounts allocated for rail services pursuant to Public Utilities Code sections 99233.4. The amount made available for claims filed by consolidated transportation service agencies shall be subtracted from the amounts of the apportionments of all areas in the county in equal proportion after subtracting any amounts allocated for purposes of higher priority, except in Santa Barbara County where pursuant to Public Utilities Code section 99233.10, these funds may be included in determining the apportionment to a city, county or operator. For the purpose of claims filed pursuant to articles 4 and 8 of the Act, the amount of the apportionment of the area of a claimant is the amount remaining after the adjustment for the proportion made available for article 4.5 allocations.

### **CCR § 6645 – Urbanized and Nonurbanized Area**

If there is an operator which is serving an urbanized area, as defined in Section 6613.1, within the area of a transportation planning agency, the transportation agency shall adopt rules and regulations in accordance with Public Utilities Code Section 99270.1. The transportation planning agency shall submit the rules and regulations to the Department for approval no later than the April 1 preceding the fiscal year for which they will take effect. The transportation planning agency may adopt amendments to the rules and regulations, and it shall submit amendments to the Department for approval no later than the April 1 preceding the fiscal year for which they shall take effect.

- (a) The rules and regulations may incorporate the definitions of Sections 6613.1 and 6613.2, which classify each claimant either as serving an urbanized area or as serving a nonurbanized area.
- (b) If the rules and regulations do not incorporate the definitions of Sections 6613.1 and 6613.2, they shall prescribe a method to determine what portion of each claimant's services to the general public serves urbanized areas and what portion serves nonurbanized areas. The rules and regulations shall provide that those portions be the basis for determining a single intermediate percentage to be



applied, pursuant to Section 6633.2, in determining the ratios the claimant is required to maintain to comply with Public Utilities Code Sections 99268.2, 99268.3, 99268.4 and 99268.12.

- (c) The rules and regulations shall provide that the determination of each claimant's required ratios for a fiscal year be made by the transportation planning agency prior to the beginning of the fiscal year and not be subject to change after that time.
- (d) The Department shall approve or reject the proposed rules and regulations within 60 days after receiving them. If rules and regulations of the transportation planning agency are not approved by the Department before the beginning of a fiscal year, the definitions of Sections 6613.1 and 6613.2 shall be used to determine the required ratios for the fiscal year.

#### **CCR § 6645.1 – Small Urbanized Areas**

If there is an operator which is serving an urbanized area in a county with population less than 500,000, the transportation planning agency or county transportation commission may establish for that operator a required ratio of fare revenue to operating cost of no less than 15%. Prior to setting the required ratio, the transportation planning agency or county transportation commission shall make findings specifying the reasons for its actions. The transportation planning agency or county transportation commission shall ensure that the following factors, for the jurisdiction of the claimant, have been considered in the transportation planning process:

- (a) The size and density of the urban area in which the services to the general public are provided.
- (b) The proportion of the operator's ridership which is transit dependent, including elderly, disabled, and low income patrons, as appropriate.

#### **CCR § 6646 – Claims for Transportation Planning Process**

The transportation planning agency may allocate funds for implementation of the annual work program of the transportation planning process by such governmental agencies as the claimant designates. The transportation planning agency may authorize the county auditor to pay funds from the claimant's allocation directly to such governmental agencies.

#### **CCR § 6647 – Approval of Proposed Commitment**

The transportation planning agency may approve by resolution a proposed commitment to allocate moneys annually for up to five years, if it is consistent with the required federal transportation planning elements and the adopted Regional Transportation Plan.

#### **CCR § 6648 – Allocations Reserved in the Fund**

The transportation planning agency may specify that moneys allocated to a claimant be reserved in the local transportation fund for future payment to the claimant for a specific capital project. No allocation shall be reserved by the transportation planning agency except in response to a claim for a specific capital project. However, unallocated moneys in the fund shall be retained for areas of apportionment as specified in Section 6655.1 and may be reserved for a general purpose as specified in Sections 6655.2 and 6655.3.

An allocation shall be reserved in the fund only by allocation instruction pursuant to Section 6659, and moneys that are reserved in the fund pursuant to an allocation made for a prior fiscal year shall be authorized for payment only by a separate allocation instruction. The transportation planning agency

may authorize the payment of moneys that are reserved in the fund pursuant to an allocation made for a prior fiscal year only to the claimant to which they were allocated and only for the specific capital project for which they were reserved. However, moneys that are reserved in the fund pursuant to an allocation made for the current fiscal year may be reallocated and authorized for payment for any eligible expenditure in the same fiscal year by amending the allocation instruction.

Any moneys allocated and reserved in the local transportation fund and not authorized for payment within three years after the date of allocation shall cease to be allocated or reserved and shall become and be treated as an unallocated apportionment retained in the fund in accordance with Section 6655.1. Such moneys may be reallocated to the same claimant for the same project, to the same claimant for a different purpose, or to another claimant in the same area of apportionment pursuant to Section 6655.1. At least 30 days before the end of any three-year reserve period, the transportation planning agency shall give written notification to the claimant specifying the date on which the moneys cease to be allocated or reserved, and the transportation planning agency shall not reallocate any such moneys to any other claimant until 30 days after such notification. At any time within three years after the date of allocation, the transportation planning agency, with the consent of the claimant, may rescind or revise an allocation of moneys reserved in the fund. Any such moneys that cease to be allocated shall then become and be treated as an unallocated apportionment retained in the fund in accordance with Section 6655.1.

The transportation planning agency shall not authorize any payment to a claimant from an allocation reserved in the fund if the claimant is holding in its own accounts sufficient moneys originally allocated in a previous fiscal year from the local transportation fund and reserved for the specific capital project or reserved for unspecified capital outlay.

#### **CCR § 6649 – Payments Limited to Claimant Eligibility**

The transportation planning agency, county transportation commission, or metropolitan transit development board shall not authorize the payment of moneys from the local transportation fund or the state transit assistance fund in excess of the amount that the claimant is eligible to receive during the fiscal year for which an allocation is made, as evidenced by the claim filed, the budgets and financial statements of the claimant, the audits of the claimant, and any other information available to the agency, commission, or board.

Any amount paid to a claimant in excess of the amount that the claimant actually was eligible to receive in accordance with Sections 6633.1 and 6634 and the allocation instructions or allocation resolution shall be recovered by the agency, commission, or board in either of the following ways:

- (a) The agency, commission, or board may demand repayment of the amount. In that case, the claimant shall repay the amount on demand.
- (b) The agency, commission, or board may deduct the amount from the amount the claimant is eligible to receive during the following fiscal year.

The transportation planning agency shall promptly authorize the payment of moneys allocated and reserved for a claimant pursuant to Section 6648 whenever the claimant demonstrates that such moneys are needed for the specific capital project, as evidenced by a claim or amended claim filed, the budgets and financial statements of the claimant, the audits of the claimant, and any other information available to the transportation planning agency.

### **CCR § 6651 – Conformity with Plan**

The transportation planning agency shall allocate funds only in accordance with a finding that the proposed expenditures are in conformity with the Regional Transportation Plan.

### **CCR § 6655 – Limitation of Allocation to Apportionment**

The transportation planning agency shall allocate to all claimants for a given area collectively only such moneys as represent that area's apportionment.

The transportation planning agency shall allocate to a claimant no moneys in excess of the apportionment of the claimant's area, except that the transportation planning agency, with the approval of the county, may allocate moneys from the apportionment of the county's area to an operator which is serving an unincorporated area pursuant to a contract with the county, even if the amount so allocated exceeds the apportionment of the overlapping area within one-half mile of any route which extends beyond the operator's boundaries. This exception does not apply in the County of Los Angeles.

### **CCR § 6655.1 – Unallocated Apportionments Retained in Fund**

The transportation planning agency may allocate to claimants in an area an amount less than the apportionment of the area. However, the amount of the apportionment which is not allocated shall be retained in the local transportation fund for later allocation only to claimants in the same area on such terms and conditions as the transportation planning agency may determine.

In a county with a population of 500,000 or more but excluding counties with more than 4,500 miles of maintained county roads:

- (1) An unallocated apportionment for the area of a single operator shall be retained in the fund for later allocation only to the same operator or to a succeeding operator in the same area on such terms and conditions as the transportation planning agency may determine.
- (2) An unallocated apportionment for the overlapping area of two or more operators shall be retained in the fund for later allocation only to the same operators or to succeeding operators in the same area in such division among the operators and on such terms and conditions as the transportation planning agency may determine, except that the Southern California Rapid Transit District shall be allocated no more than 85 percent of the apportionment of its area.

### **CCR § 6655.2 – Funds Reserved for Pedestrian and Bicycle Facilities**

The transportation planning agency may reserve moneys in the fund for later allocation to claimants for pedestrian and bicycle facilities or bicycle safety education programs pursuant to Public Utilities Code Section 99233.3 without designating the claimants to receive allocations from the amount. Such moneys may be allocated to claimants on such terms and conditions as the transportation planning agency may determine in accordance with Public Utilities Code Section 99234. Whenever the transportation planning agency finds that the amount, or any portion of the amount, so reserved could be used to better advantage for other purposes, that amount shall be added to the apportionments determined in accordance with Section 6644.

### **CCR § 6655.3 – Funds Reserved for Community Transit Services**

The transportation planning agency may reserve moneys in the fund for claims filed pursuant to Article 4.5 of the Act without designating the claimants to receive allocations from the amount. However, any amount so reserved which either the transportation planning agency, the county transportation commission or the metropolitan transit development board later finds may be used to better advantage for Article 4 purposes shall cease to be available for Article 4.5 purposes and shall be restored to the apportionments determined in accordance with Section 6644.

### **CCR § 6655.5 – Revised Determination of Apportionments**

The transportation planning agency may, at any time before the close of the fiscal year, issue a revised determination of apportionments based on a revised or updated estimate furnished by the county auditor pursuant to Section 6620. The transportation planning agency may, at any time, request a revised or updated estimate from the county auditor.

Any revenues to the fund for the fiscal year in excess of all moneys allocated, reserved, or retained in the fund as unallocated apportionments pursuant to Section 6655.1 shall be carried over and be available for apportionment and allocation in the following fiscal year.

The transportation planning agency may, at any time before the conveyance of initial allocation instructions pursuant to Section 6659, issue a revised determination of apportionments based on a revised determination of populations.

### **CCR § 6656 – Notification of an Appeal**

Upon receipt of notice of an appeal filed by a claimant pursuant to Public Utilities Code Section 99242, the transportation planning agency shall immediately transmit to the Secretary a copy of its rules and regulations along with any staff reports and other data considered by the transportation planning agency in taking its action. The transportation planning agency may request a public hearing before the Secretary or his designated representative to hear additional evidence concerning the appeal.

### **CCR § 6657 – Restriction to County of Origin**

The transportation planning agency shall allocate moneys for a claim only insofar as it evidences benefit to each of the several counties in the operator's service area commensurate with the extent of service provided therein, appropriate consideration having been given to administrative, maintenance and other costs which serve to benefit the transit system as a whole.

### **CCR § 6659 – Allocation Instruction**

The transportation planning agency shall convey allocation instructions to the county auditor by written memorandum of its executive director accompanied by a certified copy of the resolution authorizing the action. No allocation is made or shall take effect except by such allocation instruction.

The transportation planning agency shall convey at least one allocation instruction annually and prior to the beginning of the fiscal year for each operator and transit service claimant which has filed an annual claim pursuant to Section 6630. The transportation planning agency may, however, delay an allocation instruction until after the beginning of the fiscal year with the consent of the operator or transit service claimant.

Each allocation instruction shall be numbered or otherwise identified for record keeping and reporting purposes. Allocations made to the same claimant for purposes authorized under different sections of the Act shall be identified separately. Each allocation instruction shall include the date of the instruction and shall designate the fiscal year for which the allocation is made, the section of the Act under which the allocation is authorized, the amount allocated, and the terms and conditions of the allocation. If an allocation is authorized for payment, the allocation instruction may call for a single payment, for payment as moneys become available, or for payment by installments, monthly, quarterly, or otherwise. If an allocation is to be reserved in the fund, the allocation instruction shall also designate the specific capital project for which moneys are reserved.

Once an allocation instruction has been made, it may be rescinded and revised by the transportation planning agency only under one of the following circumstances:

- (a) An appeal affecting the allocation has been filed;
- (b) The claimant is found to be spending, or unless enjoined to be about to spend, moneys otherwise than in accordance with the terms of the allocation instruction;
- (c) An adjustment is proved to be necessary to reconcile the estimates on which the allocation was based with actual figures or revised estimates, including a revised determination of apportionments issued in accordance with Section 6655.5; or
- (d) The financial needs of the claimant differ from those at the time of the allocation due to changed circumstances.

#### **CCR § 6660 – Report to the Controller**

Each transportation planning agency, county transportation commission and the San Diego Metropolitan Transit development Board shall submit, within 90 days after the end of the fiscal year an annual financial transactions report to the Controller pursuant to Public Utilities Code Section 99406. The report shall include:

- (a) A summary of the local transportation fund pursuant to Article 3 commencing with Public Utilities Code Section 99230 and the state transit assistance fund pursuant to Article 6.5 including:
  - (1) The apportionment of each area as determined pursuant to Section 6644.
  - (2) A listing of final allocations identified by claimant and purpose, for the local transportation and state transit assistance funds.
  - (3) The beginning fund balances, the amounts and sources of revenues, the amount of expenditures from the funds, including the expenditure of earned interest transferred out of the fund and the analysis of the ending fund balances.
  - (4) The report shall contain the financial data in the time, manner and form prescribed by the Controller for this purpose.
- (b) The Controller shall compile the information contained in these reports into an annual report to the Legislature as required in Public Utilities Code Section 99406.

- (1) This annual report in subdivision (b) may be combined with the State Controller's annual report pursuant to Public Utilities Code Section 99243.5.

### **CCR § 6661 – Audit of Local Transportation Fund**

Annually and within 180 days after the end of the fiscal year, the county auditor shall submit a report of a fiscal and compliance audit of the financial statements of the county local transportation fund to the transportation planning agency, to the State Controller and, where applicable, to the county transportation commission or the metropolitan transit development board. The audit shall be conducted in accordance with generally accepted auditing standards by the State Controller or by a certified public accountant or public accountant who is not an officer or employee of the transportation planning agency or of any city, county, operator, or county transportation commission within the area of the transportation planning agency and shall include a determination of compliance with the Act and the Administrative rules and regulations. If the county auditor and the regional entity responsible for submitting the audit report for the state transit assistance fund (pursuant to Section 6751) so agree, the audits of the local transportation fund and the state transit assistance fund may be conducted by the same auditor and may be submitted together in one audit report to the State Controller and to the transportation planning agency.

The financial statements shall be prepared by the county auditor in accordance with generally accepted accounting principles. The statements shall include, but not be limited to, (a) a balance sheet, (b) a statement of revenues and expenditures during the fiscal year, (c) a statement of changes in the fund balance, and (d) supplementary schedules as necessary to list or identify (1) the net amounts allocated and the net amounts disbursed during the fiscal year for each of the allocation purposes specified in the Act, (2) any portion of the fund balance that is allocated or reserved, and (3) any interest or other income earned by investment of the fund during the fiscal year. In the financial statements, the local transportation fund shall not be commingled with state transit assistance fund, nor with planning subventions from the Transportation Planning and Development Account, nor with any other revenues or funds of the transportation planning agency or of any city, county, or other agency.

All fiscal and accounting records and other supporting papers related to the local transportation fund shall be maintained for a minimum of four fiscal years following the close of the fiscal year and shall be available for inspection and audit by the State Controller.

## **Article 5.5 – AUDIT AND EXPENDITURE REPORTS**

### **CCR § 6662 – Fiscal Audits of Transportation Planning and Programming Entities**

Each transportation planning agency, county transportation commission, and metropolitan transit development board shall transmit to the State Controller, annually and within 12 months of the end of the fiscal year, a report of an audit of its accounts and records by the appropriate county auditor, a certified public accountant, or a public accountant pursuant to Sections 6505 and 26909 of the Government Code. The audit shall be performed in accordance with the Basic Audit Program and Reporting Guidelines for California Special Districts prescribed by the State Controller pursuant to Section 26909 of the Government Code and shall include a determination of compliance with the Act and the administrative rules and regulations. In the financial statements, of the transportation planning agency, county transportation commission and metropolitan transit development board, the local transportation fund, the state transit assistance fund, and other revenues or funds of any city, county or other agency shall not be commingled.

All fiscal and accounting records and other supporting papers shall be maintained for a minimum of four years following the close of the fiscal year of expenditure and shall be available for inspection and audit by the State Controller.

### **CCR § 6662.5 – Performance Audits of Transportation Planning and Programming Entities**

- (a) Each transportation planning agency, county transportation commission and metropolitan transit development board shall designate an independent entity to make a performance audit of its activities with respect to the Act pursuant to Public Utilities Code section 99246. The performance audit shall be submitted to the Director by July 1 triennially, in accordance with a schedule established by the transportation planning agency, county transportation commission and metropolitan transit development board.
- (b) If the transportation planning agency or county transportation commission, or metropolitan transit development board fails to transmit a performance audit report of its activities within one year after the date on which the report was due, the agency, commission, or board shall not be eligible to receive funds allocated for administration or planning until the audit report is transmitted or unless prior approval is granted by the Director.
- (c) The performance audit prepared pursuant to this section shall be made available to the public pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code.)

### **CCR § 6663 –Entities Responsible for Fiscal and Performance Audits of Claimants**

- (a) The transportation planning agency, county transportation commission or metropolitan transit development board shall be responsible to ensure that each claimant under its jurisdiction receiving an allocation submits to it the annual certified fiscal audit described in section 6664. Each claimant shall also transmit a copy of the audit report to the State Controller.
- (b) The transportation planning agency, county transportation commission or metropolitan transit development board, after consultation with the operator, shall designate an entity other than itself to conduct the triennial performance audit described in section 6664.5. The performance audit shall be submitted to the transportation planning agency, county transportation commission or metropolitan transit development board as the case may be.

- (1) Each transportation planning agency, county transportation commission and metropolitan transit development board shall certify, in writing to the Director, that any performance audits of operators under its jurisdiction due that fiscal year have been completed.
- (2) The performance audit prepared pursuant to this section shall be made available to the public pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code.)

### **CCR § 6664 –Fiscal and Compliance Audits of All Claimants**

In accordance with Public Utilities Code Section 99245, a report of a fiscal and compliance audit made by an independent auditor shall be submitted by each claimant within 180 days after the end of the fiscal year, except that the responsible entity, as defined in Section 6663, may grant an extension of up to 90 days as it deems necessary. No allocation shall be made to any claimant that is delinquent in its submission of a fiscal and compliance audit report. The audit shall be conducted in accordance with generally accepted auditing standards of the claimant's financial statements for the fiscal year which shall be prepared in accordance with generally accepted accounting principles. The audit shall also be directed toward obtaining knowledge of the claimant's compliance or noncompliance with the Act, and the auditor shall perform the tasks specified in Section 6666 or 6667, whichever is appropriate.

The audit report shall include, with the financial statements for the fiscal year that is the subject of the audit, the corresponding amounts from the claimant's audited financial statements for the fiscal year prior to the year that is the subject of the audit.

The audit report shall include a certification of compliance with the Act. The certification shall take the form of a statement that the funds allocated to and received by the claimant pursuant to the Act were, with any exceptions specifically noted, expended in conformance with the applicable statutes, rules and regulations of the Act and the allocation instructions and resolutions of the transportation planning agency and, where applicable, the county transportation commission or metropolitan transit development board. An unqualified negative statement (e.g., “no violation of the law was brought to our attention”) shall not be accepted. The certification may take the form of negative assurance, however, if it makes reference to the performance by the independent auditor of each of the tasks specified in Section 6666 or 6667.

The transportation planning agency shall provide to the independent auditor, or specify the means by which the auditor may obtain, such information and documents, other than the financial records of the claimant, as may be required to conduct the compliance portion of the audit. The documents shall include, but not be limited to, (a) the allocation instructions or resolutions stating the purposes for which the funds were allocated, (b) the text of the Act and the administrative rules and regulations, (c) the rules, regulations, and procedures of the transportation planning agency, and (d) in the case of transit claimants, the uniform system of accounts and records adopted by the State Controller pursuant to Public Utilities Code Section 99243 including, as necessary, the detailed definitions included in the federal “Uniform System of Accounts and Records and Reporting System,” January 1977.

### **CCR § 6664.1 – Expanded Fiscal Audits of All Claimants**

A transit district, transit operator, transit service claimant or other provider may expand the scope of its audit pursuant to Public Utilities Code section 99245.2 to meet the audit requirements of other funding sources. An audit done pursuant to the Federal Single Audit Act of 1984 may be used to meet



the requirements of Public Utilities Code section 99245 providing it meets the requirements of section 99245 including a certification of compliance with the Act.

### **CCR § 6664.5 – Performance Audits of Operators**

- (a) A performance audit shall be conducted triennially pursuant to Public Utilities Code section 99246, on a schedule determined by the transportation planning agency, county transportation commission or metropolitan transit development board having jurisdiction over the operator, for each operator that has operated its public transportation system for one year or longer. The transportation planning agency, county transportation commission or the metropolitan transit development board, as appropriate, shall provide to the Director and the Controller prior to September 1 of each fiscal year:
  - (1) A schedule of performance audit reports to be submitted during that fiscal year.
  - (2) A list of all entities which are subject to performance audits pursuant to Public Utilities Code section 99246.
- (b) Each transportation planning agency, county transportation commission, or metropolitan transit development board, as appropriate, shall provide a written certification to the director that the scheduled performance audit of operators located in the area under its jurisdiction has been completed.
- (c) No operator shall be eligible to receive an allocation under article 4 of the Act until the entity which determines the allocation to the operator has received the operator's performance audit pursuant to Public Utilities Code section 99248.
- (d) The City of South Lake Tahoe's performance audit shall be completed 12 months after the end of the fiscal year selected pursuant to Public Utilities Code Section 99243(e) triennially on a schedule determined by its planning agency.

### **CCR § 6664.6 – Operators Performance Audit Certification**

- (a) The transportation planning agency, county transportation commission or transit development board, as the case may be, shall certify in writing to the Director that a triennial performance audit of an operator pursuant to Public Utilities Code section 99246 has been completed.
- (b) The certification shall include:
  - (1) the name of the audited operator,
  - (2) the time and period covered by the performance audit, and
  - (3) the name of the auditor conducting the audit.

### **CCR § 6665 – State Controller Reports**

Expenditures of moneys received for streets and roads purposes under Section 99400(a) of the Public Utilities Code shall be reported to the State Controller on or before October 1 or within 90 days after the close of the fiscal year pursuant to Section 99406 of the Public Utilities Code. Expenditures of

moneys received under Sections 99233.3, 99233.4, 99233.5, 99400(b), and 99400.5 shall be reported to the State Controller within 90 days after the close of the fiscal year pursuant to Section 12463 of the Government Code.

### **CCR § 6666 – Compliance Audit Tasks-Nontransit Claimants**

In conducting the compliance portion of the audit specified in section 6664 for a nontransit claimant, the independent auditor shall perform at least the following tasks:

- (a) Determine whether the funds received by the claimant pursuant to the Act were expended in conformance with those sections of the Act specifying the qualifying purposes, including Public Utilities Code section 99402 for streets and roads claimants and section 99233.3 for claimants under that section for pedestrian and bicycle facilities and bicycle safety education programs.
- (b) Determine whether the funds received by the claimant pursuant to the Act were expended in conformance with the applicable rules, regulations, and procedures of the transportation planning agency and in compliance with the allocation instructions.
- (c) Determine whether interest earned on funds received by the claimant pursuant to the Act were expended only for those purposes for which the funds were allocated, in accordance with Public Utilities Code sections 99301 and 99301.5.

### **CCR § 6667 – Compliance Audit Tasks-Transit Claimants**

In conducting the compliance portion of the audit specified in section 6664 for an operator or transit service claimant, the independent auditor shall perform at least the following tasks:

- (a) Determine whether the claimant was an entity eligible to receive the funds allocated to it. This determination should be made with reference to the section of the Act under which the funds were allocated and to the definitions in article 1 of the Act.
- (b) Determine whether the claimant is maintaining its accounts and records on an enterprise fund basis and is otherwise in compliance with the uniform system of accounts and records adopted by the State Controller pursuant to Public Utilities Code section 99243.
- (c) Determine whether the funds received by the claimant pursuant to the Act were expended in conformance with those sections of the Act specifying the qualifying purposes, including Public Utilities Code sections 99262 and 99263 for operators receiving funds under article 4, sections 99275, 99275.5 and 99277 for article 4.5 claimants, and section 99400(c), (d) and (e) for article 8 claimants for service provided under contract, and section 99405(d) for transportation services provided by cities and counties with populations of less than 5,000.
- (d) Determine whether the funds received by the claimant pursuant to the Act were expended in conformance with the applicable rules, regulations, and procedures of the transportation planning agency and in compliance with the allocation instructions and resolutions.
- (e) Determine whether interest earned on funds received by the claimant pursuant to the Act were expended only for those purposes for which the funds were allocated, in accordance with Public Utilities Code sections 99234.1, 99301, 99301.5 and 99301.6.
- (f) Verify the amount of the claimant's operating cost (as defined by section 6611.1) for the fiscal year, the amount of fare revenues required to meet the ratios specified in sections 6633.2 and

6633.5 and the amount of the sum of fare revenues and local support required to meet the ratios specified in section 6633.2.

- (g) Verify the amount of the claimant's actual fare revenues (as defined by section 6611.2 and by Public Utilities Code section 99205.7) for the fiscal year.
- (h) Verify the amount of the claimant's actual local support (as defined by section 6611.3) for the fiscal year.
- (i) Verify the maximum amount the claimant was eligible to receive under the Act during the fiscal year in accordance with sections 6634 and 6649.
- (j) Verify, if applicable, the amount of the operator's expenditure limitation in accordance with section 6633.1.
- (k) In the case of an operator, determine whether the operator's employee retirement system or private pension plan is in conformance with the provisions of Public Utilities Code sections 99271, 99272, and 99273.
- (l) In the case of an operator, determine whether the operator has had a certification by the Department of the California Highway Patrol verifying that the operator is in compliance with section 1808.1 of the Vehicle Code, as required in Public Utilities Code section 99251.
- (m) In the case of an operator, verify, if applicable, its State Transit Assistance eligibility pursuant to Public Utilities Code section 99314.6 or 99314.7.
- (n) In the case of a claimant for community transit services, determine whether it is in compliance with Public Utilities Code sections 99155 and 99155.5.

*\*Note – CCR 6667 is currently not consistent with current PUC. Updated language will be reflected in updated versions.*

## **Article 6 – RESPONSIBILITIES OF APPELLANTS**

### **CCR § 6670 – Appeal by Claimants**

A claimant is an eligible appellant under this section whether it has filed a claim or not.

In the event that a claimant is not satisfied with its allocation or other action taken by the transportation planning agency, the claimant may within sixty days thereafter file an appeal to the Secretary.

The appeal shall take the form of a registered letter addressed to the Secretary with a registered copy to the transportation planning agency. The appeal may be for an amount over and above the allocation but no more than the claimant's maximum allocation as prescribed by Sections 99231 and 99231.2 of the Public Utilities Code. At the time of filing an appeal the appellant may request or the Secretary, upon his own motion, may set a public hearing before the Secretary or his designated representative to hear additional evidence concerning the appeal.

The appeal shall be accompanied by the disputed claim or claims and accompanying information and data as required by the transportation planning agency and any other supporting information submitted with the claim or subsequently to the transportation planning agency for its consideration.

## **Article 7 – CONSOLIDATED TRANSPORTATION SERVICE AGENCIES**

### **CCR § 6680 – Designation of Consolidated Transportation Service Agency (CTSA)**

Consolidated transportation service agencies shall be designated by the transportation planning agency, except that within the area of the Southern California Association of Governments, they shall be designated by the county transportation commissions. The consolidated transportation service agencies shall be designated in accordance with the action plan adopted pursuant to section 15975 of the Government Code.

Each consolidated transportation service agency shall be an entity other than the transportation planning agency and shall be one of the following:

- (a) A public agency, including a city, county, operator, any state department or agency, public corporation, or public district, or a joint powers entity created pursuant to Chapter 5 (commencing with section 5000) of division 7, title 1 of the Government Code.
- (b) A common carrier of persons as defined in section 211 of the Public Utilities Code, engaged in the transportation of persons, as defined in section 208.
- (c) A private entity operating under a franchise or license.
- (d) A nonprofit corporation organized pursuant to division 2 (commencing with section 5000) of title 1 of the Corporations Code.

The transportation planning agency or other designating agency may designate one or more consolidated transportation service agencies. The geographic areas of consolidated transportation service agencies may be overlapping. For the purpose of filing claims, the division of responsibility between designated consolidated transportation service agencies shall be by the transportation service provided (i.e., by geographic area, route, time, clientele, etc.) and not by service function (i.e., operation, maintenance, marketing, etc.). This does not preclude a consolidated transportation service agency from contracting with various contractors to perform different service functions.

The transportation planning agency or other designating agency may rescind the designation of a consolidated transportation service agency if it finds that the agency has failed substantially to comply with the terms of its allocations, with the Act or with the action plan. The rescission of the designation of the consolidated transportation service agency may be appealed pursuant to Public Utilities Code section 99242 by any claimant, including the consolidated transportation service agency, even where the designating agency is not the transportation planning agency.

Whenever the designation of a consolidated transportation service agency is rescinded or a new agency is designated, other than in the text of the action plan originally submitted, the transportation planning agency or other designating agency shall notify the Department within ten (10) days.

### **CCR § 6681 – Claimant Eligibility**

A consolidated transportation service agency may file claims under article 4.5 of the Act for its operating costs, to the extent specified in section 6634(a), and for its costs in purchasing vehicles and communications and data processing equipment, to the extent specified in section 6634(f). Claims may

also be filed by a consolidated transportation service agency for state transit assistance funds as specified in section 6731.1.

A consolidated transportation service agency may provide transportation services itself or contract with one or more other entities to provide service in accordance with section 6683. In either case, the consolidated transportation service agency alone is the claimant for funds under the Act and bears all the responsibilities of a claimant under the Act. These include, but are not limited to, the filing of claims, the maintaining of complete and accurate records in accordance with the uniform system of accounts and records, complying with fare revenue requirements, and the submittal of fiscal and compliance audit reports. The consolidated transportation service agency shall meet all requirements of the Act and these regulations as a single claimant, even where it is responsible for services provided by more than one contractor. For example, the fare revenue requirements shall apply to all of the agency's transportation services jointly, not separately. The consolidated transportation service agency's responsibilities as a claimant may not be delegated or assigned to its contract services providers.

### **CCR § 6682 – Vehicles and Equipment**

The consolidated transportation service agency may be allocated funds to purchase vehicles and equipment to be used either for transportation services that the agency provides itself or for transportation services provided by a service contractor. In either case, legal title to the vehicles and equipment (other than equipment included in operating cost) shall be vested in the consolidated transportation service agency, if it is a public agency, or in a public agency specified by the transportation planning agency.

The consolidated transportation service agency may also be allocated funds to be used as the local match for a grant made for the purchase of vehicles under Section 16(b)(2) of the Urban Mass Transportation Act of 1964, as amended, provided that the grant is to the consolidated transportation service agency or to an organization under contract to the agency to provide transportation services. Legal title to the vehicles shall be vested in accordance with the requirements of the grant program.

Vehicles and equipment purchased with funds allocated to a consolidated transportation service agency shall be used only for transportation services provided by or under contract to a consolidated transportation service agency.

### **CCR § 6683 – Contract Service Providers**

The consolidated transportation service agency may contract with any entity to provide service. The contract shall be awarded on the basis of competitive bidding.

### **CCR § 6684 – Competitive Bidding**

The award of a service contract pursuant to Section 6683 shall be made on the basis of the procurement procedures of the county or other competitive bidding procedures approved by the transportation planning agency.

At a minimum, the opportunity to submit a bid shall be afforded to any entity that has made its availability and interest known to the consolidated transportation service agency.

**CALIFORNIA CODE OF REGULATIONS**  
**Title 21. Public Works**  
**Division 3. California State Transportation Agency**  
**Chapter 2.5 State Transit Assistance Program**

**Article 1 – PURPOSE AND AUTHORITY**

**CCR § 6700 – Applicability of General Regulations**

Claimants receiving funding under the State Transit Assistance Program shall also be subject to the provisions of Subchapter 2 (commencing with Section 6600), except for Article 3 (commencing with Section 6620) and those other provisions that are, by their terms, applicable only to local transportation funds or are superseded by the provisions of this subchapter. All terms defined in the Act or in Subchapter 2 have the same meaning when used in this subchapter.

**Article 2 – DEFINITIONS**

**CCR § 6710 – Account**

“Account” means the Transportation Planning and Development Account in the State Transportation Fund, as created pursuant to Section 99310 of the Public Utilities Code.

**CCR § 6711 – Regional Entity**

“Regional entity” means each transportation planning agency designated by the Director pursuant to Section 29532 of the Government Code, each county transportation commission created by Division 12 (commencing with Section 130000) of the Public Utilities Code, and the San Diego Metropolitan Transit Development Board.

**CCR § 6712 – Area of Regional Entity**

The “area” of a regional entity means:

- (a) For a county transportation commission, all of the area within the county in which the commission is created, pursuant to Public Utilities Code Section 130050.
- (b) For the San Diego Metropolitan Transit Development Board, the area within the jurisdiction of the board, as that area is defined by Public Utilities Code Sections 120052 and 120054.
- (c) For a transportation planning agency, the area for which it is the designated agency pursuant to Government Code Section 29532, but excluding those areas also under the jurisdiction of the county transportation commissions or the San Diego Metropolitan Transit Development Board.

### **CCR § 6713 – State Transit Assistance Program**

“State Transit Assistance Program” means the provisions of the Act related directly to the state transit assistance funds, including Public Utilities Code sections 99312 to 99314.7, inclusive.

### **CCR § 6714 – Allocation**

“Allocation,” with respect to the State Transit Assistance Program, means:

- (a) An action by the State Controller setting apart moneys in the Account for a regional entity pursuant to Public Utilities Code Sections 99313 and 99314.
- (b) An action by a regional entity setting apart moneys in its state transit assistance fund for a claimant for a purpose authorized in the Act and taking effect by resolution, pursuant to Section 6753.

## **Article 3 – ALLOCATIONS TO REGIONAL ENTITIES**

### **CCR § 6720 – Population Basis for Allocations**

For the purpose of allocating funds appropriated in each fiscal year pursuant to Public Utilities Code Section 99313, the State Controller shall rely on the annual population estimates prepared prior to the beginning of the fiscal year by the Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code. The funds shall be allocated quarterly.

### **CCR § 6721 – Operator Apportionments**

From the funds appropriated pursuant to Public Utilities Code section 99314, the State Controller shall make quarterly allocations to each regional entity for the operators that operate primarily in the area under its jurisdiction. The amount or proportion for each operator shall be identified separately by the State Controller, and that amount or proportion shall constitute an apportionment for each operator within the regional entity's state transit assistance fund. The amount of an operator's apportionment shall be allocated to that operator upon the filing of a claim unless the regional entity finds that the operator does not qualify, pursuant to Public Utilities Code section 99314.6 or 99314.7, or section 6634, to receive the funds, or that the operator is otherwise not in compliance with the Act. Any amount of an operator's apportionment that is not allocated to that operator shall be retained in the state transit assistance fund for later allocation to the same operator or to a succeeding operator on such terms and conditions as the regional entity may determine, except for funds not allocated pursuant to sections 99314.6 or 99314.7, which shall be reallocated in accordance with the provisions in those sections.

### **CCR § 6722 – Revenue Basis for Allocations**

- (a) For the purpose of allocating funds appropriated in each fiscal year pursuant to section 99314, an operator's revenue for the prior fiscal year shall be determined by the State Controller from the annual report submitted to the Legislature by the State Controller pursuant to Section 99243.5 of the Public Utilities Code. Allocations made before the State Controller's report becomes available shall be made on the basis of estimates as deemed most appropriate by the State Controller. Subsequent allocations shall be adjusted accordingly.
- (b) For the purpose of this section:



- (1) “Qualifying revenues” means revenues in the following or like revenues classes, as included in the annual report submitted by the State Controller pursuant to Public Utilities Code section 99243.5:

- Passenger Fares
- Special Transit Fares
- School Bus Service Revenue
- Auxiliary Transportation Revenue
- Non-transportation Revenue
- Property Tax
- Sales Tax Revenue
- Local General Operating Assistance
- Special Districts Augmentation Fund
- Local Special Fare Assistance
- Homeowner Property Tax Relief
- Special Supplemental Subvention
- Local Sales Tax
- Subsidy-Other Sectors of Operations
- Income From Other Activities

- (2) “Nonqualifying revenues” means all other revenues, as included in the State Controller's annual report.
- (3) “Operating Cost” means the sum of the operator's operating expenses less depreciation and amortization, as included in the State Controller's annual report.

(c) An operator's revenue, for this purpose, shall be determined:

- (1) As the operator's operating cost less the sum of its non-qualifying revenues; or, at a minimum, as the sum of the operator's fare revenues; or, at a maximum, as the sum of the operator's qualifying revenues.

*\*Note – CCR 6722 is currently not consistent with current PUC. Updated language will be reflected in updated versions.*

## **Article 4 – ROLE OF CLAIMANTS**

### **CCR § 6730 – Claims of Operators**

Claims may be filed for allocations from the state transit assistance fund by an operator for the following purposes:

- (a) The operating cost of the operator's public transportation system.
- (b) The capital requirements of the operator's public transportation system.
- (c) Subsidy of passenger rail services, either by bulk purchases of passenger tickets or by direct payments to a railroad corporation, pursuant to Public Utilities Code sections 99260.2(b) and 99260.5, or for rail passenger service operation and capital improvement expenditures pursuant to

Public Utilities Code section 99260.6 and construction and maintenance of intermodal transportation facilities pursuant to Public Utilities Code section 99234.9.

(d) Community transit service purposes pursuant to Public Utilities Code section 99275.

### **CCR § 6731 – Claims of Cities, Counties or Transit Districts**

Claims may be filed for allocations from the state transit assistance fund by a city or county, or transit district for the following purposes, if it is eligible for allocations from the local transportation fund for such purposes:

- (a) Payments for passenger rail service operations and capital improvements pursuant to Public Utilities Code section 99400(b) and construction and maintenance of intermodal transportation facilities pursuant to Public Utilities Code section 99234.9.
- (b) Payment to an entity under contract with the city, county or transit district, for transportation services or payment for the claimant's related administrative and planning cost, pursuant to Public Utilities Code sections 99400(c) and 99400(d).
- (c) To provide or contract for transportation services to elderly and disabled persons, if the city, county, or transit district is a member of a joint powers entity operating a public transportation system, pursuant to Public Utilities Code section 99260.7.
- (d) Community transit service purposes pursuant to Public Utilities Code section 99275.
- (e) Transportation services provided by cities or counties with populations of less than 5,000 pursuant to Public Utilities Code section 99405(d).

### **CCR § 6731.1 – Claims of Consolidated Transportation Service Agencies**

Claims may be filed for allocations from the state transit assistance fund by consolidated transportation service agencies for purposes specified in Public Utilities Code section 99275.

### **CCR § 6732 – Claim Filing**

A claimant wishing to receive an allocation from a regional entity's state transit assistance fund at the beginning of the fiscal year shall file an annual claim with the regional entity, in accordance with the rules and regulations established by the transportation planning agency, or in the absence of such rules and regulations at least 90 days prior to the beginning of the fiscal year. Claims may also be filed at any time before the close of the fiscal year. However, claims that are not filed 90 days prior to the beginning of the fiscal year shall be considered only for such moneys as may remain unallocated and available in the state transit assistance fund after action is taken on claims earlier submitted.

If the regional entity is the San Diego Metropolitan Transit Development Board, the claimant shall also file a copy of the claim on the same day with the transportation planning agency. If the regional entity is a local transportation commission within the area of a multicounty regional agency, the claimant shall file a copy of the claim on the same day with the regional agency. Claims on the funds of different regional entities shall be filed separately.

The claim shall be filed in the form prescribed by the regional entity and shall include the fiscal year for which funds are claimed and the amounts claimed for the purposes identified in each of the subdivisions of sections 6730 and 6731.

### **CCR § 6733 – Delinquent Reports**

The regional entity shall take no action on a claim at any time that the claimant is delinquent in submitting to the regional entity either the annual report of its operation required pursuant to Public Utilities Code Section 99243 or the annual certified fiscal audit report required pursuant to Public Utilities Code Section 99245.

### **CCR § 6734 – Supplementary Information Required**

A claimant shall accompany its claim with the following statements, together with a statement signed by the chief financial officer of the claimant attesting to their reasonableness and accuracy:

- (a) A budget or proposed budget for the fiscal year of the claim.
- (b) A statement of projected or estimated revenues and expenditures for the prior fiscal year.
- (c) A certification by the Department of the California Highway Patrol verifying that the operator is in compliance with section 1808.1 of the Vehicle Code, as required in Public Utilities Code section 99251. The certification shall have been completed within the last 13 months, prior to filing claims.
- (d) Additional information required to determine the operator's eligibility pursuant to Public Utilities Code section 99314.6 or 99314.7.

The items in each statement shall be consistent with the uniform system of accounts and records adopted by the State Controller pursuant to Public Utilities Code section 99243. The statements shall specifically identify the estimated amount of the claimant's maximum eligibility for moneys from the local transportation fund and the state transit assistance fund, as defined in section 6634.

### **CCR § 6735 – Reversion of Excess Funds**

Whenever the regional entity finds that the claimant has received more from the state transit assistance fund than it is eligible to receive, the claimant shall repay the excess amount to the state transit assistance fund upon demand by the regional entity.

## **Article 5 – ROLE OF REGIONAL ENTITIES**

### **CCR § 6750 – State Transit Assistance Fund**

- (a) Each regional entity shall create a state transit assistance fund and shall deposit in such fund all moneys allocated and transmitted to it by the State Controller pursuant to Sections 99313 and 99314 of the Public Utilities Code.
- (b) The state transit assistance fund shall be established as a trust fund in the county treasury. In the case of a multicounty regional entity, the regional entity's former designation of a county treasurer to be the depository of the state transit assistance fund shall not be changed without the agreement of the State Controller.

- (c) The regional entity shall arrange with the county treasurer for investment of moneys in the state transit assistance fund at the highest rate of return consistent with prudent fund management and the need to permit disbursement of funds allocated to claimants.
- (d) Any interest or other income earned by investment of the state transit assistance fund shall accrue to and be a part of the fund. Interest earned during a fiscal year shall be treated in the same manner as funds allocated to the regional entity by the State Controller during that fiscal year.
- (e) The state transit assistance fund shall not be commingled with the local transportation fund, nor with planning subventions from the Account, nor with any other revenues or funds of the regional entity or of any city, county, or operator. Where there are two regional entities in the same county, their state transit assistance funds shall not be commingled with each other.

### **CCR § 6751 – Audit of State Transit Assistance Fund**

Each regional entity shall submit to the State Controller, annually and within 180 days after the end of the fiscal year, a report of a fiscal and compliance audit of the financial statements of its state transit assistance fund. If the regional entity is a county transportation commission or the San Diego Metropolitan Transit Development Board, a copy of the audit report shall be transmitted at the same time to the transportation planning agency. The audit shall be conducted in accordance with generally accepted auditing standards by the State Controller or by a certified public accountant or public accountant who is not an officer or employee of the regional entity or of any city, county, or operator within the area of the regional entity and shall include a determination of compliance with the Act and the administrative rules and regulations. If the regional entity and the county auditor so agree, the audits of the local transportation fund (pursuant to Section 6661) and the state transit assistance fund may be conducted by the same auditor and may be submitted together in one audit report to the State Controller and to the transportation planning agency. The State Controller shall not authorize the payment of any allocation to a regional entity that is delinquent in its submission of a fiscal audit report.

The financial statements shall be prepared in accordance with generally accepted accounting principles. The statements shall include, but not be limited to:

- (a) a balance sheet,
- (b) a statement of the revenues and expenditures during the fiscal year,
- (c) a statement of changes in the fund balance, and
- (d) supplemental schedules as necessary to list or identify
  - (1) the net amounts allocated and net amounts disbursed during the fiscal year for each of the allocation purposes specified in Sections 6730 and 6731,
  - (2) any portion of the fund balance that is allocated or reserved,
  - (3) any interest or other income earned by investment of the fund during the fiscal year,
  - (4) any amounts included in the fund balance that are apportioned to an operator pursuant to Section 6721, and

- (5) any amounts that have been transferred or that have been received as a result of a transfer as authorized by Section 99313.1.

All fiscal and accounting records and other supporting papers related to the state transit assistance fund shall be maintained for a minimum of four fiscal years following the close of the fiscal year and shall be available for inspection and audit by the State Controller.

### **CCR § 6752 – Allocation to Claimants**

Prior to the beginning of the fiscal year, the regional entity shall take action on all claims submitted at least 90 days prior to the beginning of the fiscal year in accordance with section 6732, and such allocations shall take effect on the first day of the fiscal year. The regional entity may allocate to all claimants in its area collectively an amount not to exceed the sum of the State Controller's most recent estimate of the amount to be allocated to the regional entity during the fiscal year and the balance available from the State Controller's allocations to the regional entity in the prior two fiscal years.

### **CCR § 6753 – Allocation Resolution and Instruction**

Allocations to claimants shall be made and take effect by resolution adopted by the governing board of the regional entity. Each allocation shall be numbered or otherwise identified for record keeping and reporting purposes. Allocations made to the same claimant for different purposes, as defined in Sections 6730 and 6731, shall be identified separately. Each allocation instruction shall designate (1) the fiscal year for which the allocation is made, (2) the amount allocated to the claimant for each of the purposes defined in Sections 6730 and 6731, and (3) any other terms and conditions of the allocation. The allocation instruction shall also specify conditions of payment and may call for a single payment, for payments as moneys become available, or for payment by installments monthly, quarterly, or otherwise. The transportation-planning agency shall convey allocation instructions to the county auditor by written memorandum of its executive director accompanied by a certified copy of the resolution authorizing the action. No allocation is made or shall take effect except by such allocation instruction. The transportation-planning agency shall convey at least one allocation instruction annually and prior to the beginning of the fiscal year for each operator or city, county or transit district, which has filed an annual claim pursuant to Sections 6730 and 6731. The transportation-planning agency may, however, delay an allocation instruction until after the beginning of the fiscal year with the consent of the claimant.

The amount of a regional entity's allocation for a fiscal year that is not allocated to claimants for that fiscal year shall be available to the regional entity for allocation in the following fiscal year.

### **CCR § 6754 – Required Findings**

- (a) The regional entity may allocate funds to an operator or a transit service claimant only if, in the resolution allocating the funds, it finds all of the following:
  - (1) The claimant's proposed expenditures are in conformity with the Regional Transportation Plan.
  - (2) The level of passenger fares and charges is sufficient to enable the operator or transit service claimant to meet the fare revenue requirements of Public Utilities Code sections 99268.2, 99268.3, 99268.4, 99268.5, and 99268.9, as they may be applicable to the claimant.
  - (3) The claimant is making full use of federal funds available under the Urban Mass Transportation Act of 1964, as amended.

- (4) The sum of the claimant's allocations from the state transit assistance fund and from the local transportation fund does not exceed the amount the claimant is eligible to receive during the fiscal year.
  - (5) Priority consideration has been given to claims to offset reductions in federal operating assistance and the unanticipated increase in the cost of fuel, to enhance existing public transportation services, and to meet high priority regional, countywide, or area-wide public transportation needs.
- (b) The regional entity may allocate funds to an operator for the purposes specified in section 6730 only if, in the resolution allocating the funds, it also finds the following:
- (1) The operator has made a reasonable effort to implement the productivity improvements recommended pursuant to Public Utilities Code section 99244. This finding shall make specific reference to the improvements recommended and to the efforts made by the operator to implement them.
  - (2) A certification by the Department of the California Highway Patrol verifying that the operator is in compliance with section 1808.1 of the Vehicle Code, as required in Public Utilities Code section 99251. The certification shall have been completed within the last 13 months, prior to filing claims.
  - (3) The operator is in compliance with the eligibility requirements of Public Utilities Code section 99314.6 or 99314.7.
- (c) The regional entity may authorize an operator to exchange funds pursuant to Public Utilities Code section 99314.4(b) only if, in the resolution allocating the funds made available pursuant to Public Utilities Code section 99231, it finds that the operator is eligible to receive state transit assistance funds.

*\*Note – CCR 6754 is currently not consistent with current PUC. Updated language will be reflected in updated versions.*

### **CCR § 6756 – Revised Allocations**

Once an allocation has been made to a claimant by the regional entity, it may be rescinded or revised only under one of the following circumstances:

- (a) A revised claim has been filed by the claimant or an appeal affecting the allocation has been filed.
- (b) The claimant is found to be spending, or unless enjoined to be about to spend, moneys otherwise than in accordance with the terms of the allocation.
- (c) An adjustment is proved to be necessary to reconcile the estimates on which the allocation was based with the actual figures or revised estimates.
- (d) The financial needs of the claimant differ from those at the time of the allocation due to changed circumstances.

# **Non-TDA Transit Related Codes**





**Non-TDA Transit Related Codes  
Public Utilities Code  
Division 10. Part 11, Chapter 3 - Miscellaneous**

**PUC § 99150 – Planning Requirements for Transit Facilities**

*(Added by Stats. 1976, Ch. 501.)*

In locating its bus stops, park and ride service facilities, and special service terminal points and stations, a transit district shall consult with, and consider the recommendations of, the city if such transit facilities are to be located therein, or the county if such transit facilities are to be located in the unincorporated area thereof, on the proposed locations.

The city or county, as the case may be, in making its recommendations to the transit district on the proposed location of any such transit facilities, shall consider whether the proposed location is consistent with the circulation element of its general plan.

**PUC § 99154 – Contract Requirements for Prospective Bidders**

*(Added by Stats. 1982, Ch. 177, Sec. 2.)*

Any transit district or operator may require from prospective bidders for any contract answers to questions contained in a standard questionnaire and financial statement, including a complete statement of the prospective bidder's financial ability and experience in performing public contracts. When completed, the questionnaire and financial statement shall be verified under oath by the bidder in the manner in which pleadings are verified in civil actions.

The questionnaires and financial statements are not public records and shall not be open to public inspection.

**PUC § 99155 – Reduced Transit Fares**

*(Amended by Stats. 2012, Ch. 769, Sec. 4. (AB 2679) Effective January 1, 2013.)*

(a) Each transit operator, whether publicly or privately funded all or in part, nonprofit or for profit, which offers reduced fares to senior citizens shall honor the federal Medicare identification card as sufficient identification to receive reduced fares. A transit operator which offers reduced fares to those senior citizens who are less than 65 years old shall also honor the senior citizen identification card issued pursuant to subdivision (b) of Section 13000 of the Vehicle Code .

(b) Each transit operator, whether publicly or privately funded, in whole or in part, nonprofit or for profit, which offers reduced fares pursuant to subdivision (a) shall also offer reduced fares to disabled persons, as defined by Section 99206.5 , disabled persons, as defined by Section 295.5 of the Vehicle Code , and disabled veterans, as defined by Section 295.7 of the Vehicle Code , at the same rate established for senior citizens. A transit operator shall honor the disabled person or disabled veteran placard identification card issued pursuant to Section 22511.55 of the Vehicle Code .

(c) Every transit operator that offers reduced fares to disabled persons shall honor any current identification card that is valid for the type of transportation service or discount requested and that has been issued to an individual with a disability by another transit operator.

(d) This section also applies to any dial-a-ride, paratransit, or nonfixed route operator which serves the disabled, but does not apply to a private nonprofit entity which serves the disabled or elderly.

(e) Nothing in this section prohibits a transit operator from issuing its own identification card, except that no such card shall be required to be presented in addition to either a federal Medicare card or a card issued pursuant to Section 22511.55 of the Vehicle Code .

(f) A transit operator, as defined in subdivision (b), which receives funds pursuant to the Mills-Alquist-Deddeh Act (Chapter 4 (commencing with Section 99200 )), shall not require that a person requesting transportation be a resident of that transit operator's service area.

### **PUC § 99155.1 – Transit Providers Coordination with County Welfare Departments**

*(Amended by Stats. 1998, Ch. 877, Sec. 4. Effective January 1, 1999.)*

(a) There shall be close coordination between local transit providers and county welfare departments in order to ensure that transportation moneys available for purposes of assisting recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code are expended efficiently for the benefit of that population.

(1) In areas where public transit service is available, local transit providers shall give priority, in the use of funds allocated under the CalWORKs program and made available by the county, to the enhancement of public transportation services for welfare-to-work purposes.

(2) In areas where public transit services are unavailable, local transit providers shall give priority, in the use of funds allocated under the CalWORKs program and made available by the county, to the enhancement of transportation alternatives, such as, but not limited to, subsidies or vouchers, van pools, and contract paratransit operations, in order to promote welfare-to-work purposes.

(b) In areas where public transit service is available, local transit providers shall consider giving priority in the use of transit funds to the enhancement of public transportation services for welfare-to-work purposes.

### **PUC § 99155.5 – Dial-A-Ride and Paratransit Services**

*(Amended by Stats. 2012, Ch. 769, Sec. 5. (AB 2679) Effective January 1, 2013.)*

(a) The Legislature intends that dial-a-ride and paratransit services be accessible to disabled persons, as defined in Section 99206.5. It is intended that transportation service be provided for employment, education, medical, and personal reasons.

Transportation for individuals with disabilities is a necessity, and allows these persons to fully participate in our society.

The Legislature finds and declares that the term “paratransit,” as used in the federal Americans with Disabilities Act of 1990 ( Public Law 101-336 ) [FN1], refers to transportation services with specific criteria of quality and quantity, and which are required to be made available to limited classes of

persons based on eligibility categories; this is often referred to as “ADA paratransit” or “complementary paratransit.”

The Legislature finds and declares that the terms “paratransit” and “dial-a-ride,” as used in the laws of this state, apply to a broader range of transportation services and that not all individuals with disabilities under the laws of this state are eligible for “ADA paratransit” under the federal law.

(b) Each transit operator, for profit or nonprofit, which provides, or contracts for the provision of, dial-a-ride or paratransit service for individuals with disabilities and which receives public funding pursuant to the Mills-Alquist-Deddeh Act (Chapter 4 (commencing with Section 99200 )) for that service shall provide the service without regard to either of the following:

(1) Whether the person is a member of a household which owns a motor vehicle.

(2) Whether the place of residence of the person who requests transportation service is within the service area of the provider. To the extent that they are eligible for the specified service requested, all persons requesting transportation service in the service area of the provider shall be provided service on the same terms and at the same price that service is provided to other persons residing within the service area of the provider.

(c) Subdivision (b) does not preclude a provider from offering a subscription service, and does not require a reduction in the amount the provider charges other public or private agencies.

(d) Except as required by the federal Americans with Disabilities Act of 1990 ( Public Law 101-336 ) and federal regulations adopted pursuant thereto or by higher standards prescribed by the laws of this state, nothing in this section requires any transit operator which provides service to individuals with disabilities in a manner consistent with subdivision (b) to make those services available outside the operator's established operating service area, or requires the operator to make the presentation of identification a condition to using the service.

(e) A transit operator shall honor any current identification card which is valid for the type of transportation service or discount requested and which has been issued to an individual with disabilities by another transit operator.

(f) Any person who believes an operator has violated Section 99155 or 99155.5 may file a report of the alleged violation with the transportation planning agency or county transportation commission. Any individual with disabilities may request the Attorney General to resolve any dispute as to compliance with Section 99155 or this section.

### **PUC § 99163 – Ticket Vending Machines; Requirements for Audio Instructions**

*(Added by Stats. 2003, Ch. 141, Sec. 1. Effective January 1, 2004.)*

On and after January 1, 2005, whenever a transit operator improves or replaces a ticket vending machine at a public transit station to include video instructions, the transit operator shall also equip the ticket vending machine with audio instructions that will enable visually impaired persons to follow the visual prompts. State funds made available to the operator through the State Transportation Assistance Program under Section 99312 shall be available for the purposes of this section.

## **PUC § 99164 – Transit Agency Requirements for Installing New Security Systems**

*(Amended by Stats. 2015, Ch. 451, Sec. 8. (SB 491) Effective January 1, 2016.)*

(a) When installing new security systems, a transit agency operated by an operator as defined in Section 99210 shall only purchase and install equipment capable of storing recorded images for at least one year, unless all of the following conditions apply:

(1) The transit agency has made a diligent effort to identify a security system that is capable of storing recorded data for one year.

(2) The transit agency determines that the technology to store recorded data in an economically and technologically feasible manner for one year is not available.

(3) The transit agency purchases and installs the best available technology with respect to storage capacity that is both economically and technologically feasible at that time.

(b) Notwithstanding any other provision of law, videotapes or recordings made by security systems operated as part of a public transit system shall be retained for one year, unless one of the following conditions applies:

(1) The videotapes or recordings are evidence in any claim filed or any pending litigation, in which case the videotapes or recordings shall be preserved until the claim or the pending litigation is resolved.

(2) The videotapes or recordings recorded an event that was or is the subject of an incident report, in which case the videotapes or recordings shall be preserved until the incident is resolved.

(3) The transit agency utilizes a security system that was purchased or installed prior to January 1, 2004, or that meets the requirements of subdivision (a), in which case the videotapes or recordings shall be preserved for as long as the installed technology allows.

(c) Installation of a security system by a transit agency pursuant to this section shall not create a duty to contemporaneously monitor the live video or other data collected by the system.

**Non-TDA Transit Related Codes  
Public Utilities Code  
Division 12. County Transportation Commissions  
Chapter 1. General Provisions, Findings, and Definitions**

**PUC § 130000 – County Transportation Commissions Act**

*(Added by Stats. 1976, Ch. 1333.)*

This division shall be known and may be cities as the County Transportation Commission Act.

**PUC § 130001 – Transportation Policy of the Southern California Region**

*(Added by Stats. 1976, Ch. 1333.)*

The Legislature hereby finds and declares that:

(a) Public demand for an efficient public transportation system in the southern California region resulting from population sprawl, the concentration of many transit dependent citizens in the large urban areas, and increasing mobility requirements indicates a need for improved, as well as more innovative, policy and decisionmaking institutions to resolve these problems.

(b) A basic purpose of transportation policy within the region should be to avoid undesirable duplication of transportation services, achieve the operation of a coordinated and integrated transportation system which will reduce automobile usage and dependency, reduce the consumption of scarce and expensive energy fuels, and reduce the levels of automobile-related air pollution.

(c) Recognizing the scarcity of resources available for all transportation development, the commissions shall give priority to low-cost highway and transit improvements, and shall work toward maximizing the effectiveness of existing resources available to the commissions.

(d) Recognizing the importance of the state highway system in the Los Angeles metropolitan area to bus, automobile, and freight transportation, it is necessary to maintain this highway system at least at its present operating standards and to increase the person-moving capability of this system by such methods as carpooling, improved traffic operations, exclusive busways, and fringe parking facilities.

(e) The transportation system should offer adequate public transportation to all citizens, including those immobilized by poverty, age, physical handicaps, or other reasons.

(f) The cities and local communities acting singly or jointly should be given more responsibilities for designing and providing local transit services to improve the responsiveness of public transit to public needs.

(g) The transportation decisionmaking process should be responsive to public values, and provide for the continuing involvement of the public in the preparation, revision, and discussion of transportation plans and services.

(h) Transportation planning should recognize that transportation systems have significant effect on the physical and socioeconomic characteristics of the areas served, and emphasis should be given to the protection and enhancement of the environment and the restoration of blighted neighborhoods near community centers. Los Angeles County, in particular, is a multicentered area with diverse socioeconomic levels and travel patterns, and a majority of the trips in the county are four miles or less.

### **PUC § 130002 – Commission**

*(Added by Stats. 1976, Ch. 1333.)*

As used in this division, “commission” means a county transportation commission created pursuant to Chapter 2 (commencing with Section 130050).

### **PUC § 130003 – Local Transportation Zones**

*(Added by Stats. 1976, Ch. 1333.)*

As used in this division, “local transportation zones” means cities or unincorporated areas which contain at least one economic center or major trip generator in which there is a large percentage of short- and medium-length transit trips. Local transportation zones shall be coordinated with regional transit operations as appropriate relative to consumer need and efficient operations.

### **PUC § 130004 – Multi-county Designated Transportation Planning Agency**

*(Added by Stats. 1976, Ch. 1333.)*

As used in this division, “multicounty designated transportation planning agency” means the Southern California Association of Governments.

### **PUC § 130005 – Meeting Rules**

*(Added by Stats. 1976, Ch. 1333.)*

The multicounty designated transportation planning agency shall conduct its meetings in the manner prescribed by the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950), Part 1, Division 2, Title 5 of the Government Code).

A majority of the members of the executive committee of the agency shall constitute a quorum for the transaction of business. All official acts of the executive committee shall require the affirmative vote of a majority of the members of the executive committee present, with not less than a quorum present.

### **PUC § 130010 – Orange County Transit District and the Orange County Transportation Authority**

*(Added by Stats. 1991, Ch. 752, Sec. 5.)*

Except as otherwise provided in subdivision (c) of Section 130109, all provisions of the Orange County Transit District Act of 1965 (Part 4 (commencing with Section 40000) of Division 10), regarding employer-employee relations, employee benefits, and conditions of employment for the Orange County Transit District are equally applicable to the Orange County Transportation Authority as if set forth in this division, and govern employer-employee relations, employee benefits, and conditions of employment for the Orange County Transportation Authority.

**Non-TDA Transit Related Codes  
California Vehicle Code  
Division 2 – Administration  
Chapter 1. The Department of Motor Vehicles  
Article 3. Records of Department**

**VEH § 1800 – The Department’s Requirements for Vehicle Registration**

*(Amended by Stats. 2003, Ch. 594, Sec. 14. Effective January 1, 2004.)*

- (a) The department shall file each application received for the registration of a vehicle and shall keep a record of each as follows:
- (1) Under a distinctive registration number assigned to the vehicle.
  - (2) Alphabetically, under the name of the owner.
  - (3) Under the motor or a permanent identifying number of the vehicle as may be determined by the department.
  - (4) In the discretion of the department, in any other manner it may deem desirable.
- (b) The department shall file every application for a license to operate a motor vehicle received by it and maintain all of the following:
- (1) A suitable index containing, in alphabetical order, all applications denied. On the applications shall be noted the reasons for the denial.
  - (2) A suitable index containing, in alphabetical order, all applications granted.
  - (3) A suitable index containing, in alphabetical order, the name of every licensee whose license has been suspended or revoked by the department or by a court and after each name notes the reasons for the action and the period of revocation or suspension.

**VEH § 1803.5 – Court Clerks Requirement to Certify Abstracts for Complaint Dismissals**

*(Repealed (in Sec. 1.5) and added by Stats. 2010, Ch. 599, Sec. 1.7. (AB 2499) Effective January 1, 2011. Section operative July 1, 2011, by its own provisions.)*

- (a) In accordance with Section 41501 or 42005, the clerk of a court or hearing officer, when a person who receives a notice to appear at a court or board proceeding for a violation of any statute relating to the safe operation of vehicles is granted a continuance of the proceeding in consideration for completion of a program at a school for traffic violators, that results in a designation of the conviction as confidential in consideration for that completion, shall prepare an abstract of the record of the court or board proceeding that indicates that the person was convicted of the violation and ordered to complete a traffic violator program, certify the abstract to be true and correct, and cause the abstract to be forwarded to the department at its office at Sacramento within five days

after receiving proof that the program was completed or the due date to which the proceeding was continued, whichever comes first.

(b) This section shall become operative on July 1, 2011.

### **VEH § 1804 – Abstract Requirements**

*(Amended by Stats. 2007, Ch. 630, Sec. 1. Effective January 1, 2008.)*

- (a) The abstract shall be made upon a form furnished or approved by the department and shall contain all necessary information to identify the defendant, including, but not limited to, the person's driver's license number, name, and date of birth, the date and nature of the offense, the vessel number, if any, of the vessel involved in the offense, the license plate number of the vehicle involved in the offense, the date of hearing, and the judgment, except that in the case of infractions where the court has not directed the department to suspend or restrict the defendant's driver's license, only the conviction and not the judgment need be set forth in the abstract. The abstract shall also indicate whether the vehicle involved in the offense is a commercial motor vehicle, as defined in subdivision (b) of Section 15210, whether the vehicle was of a type requiring the driver to have a certificate issued pursuant to Section 2512, 12517, 12519, 12523, or 12523.5 or any endorsement issued pursuant to paragraph (2) or (5) of subdivision (a) of Section 15278, and whether the vehicle was transporting hazardous material at the time of the offense, or whether the vessel involved in the offense was a recreational vessel, as defined in subdivision (bb) of Section 651 of the Harbors and Navigation Code.
- (b) As to any abstract for which the original arrest and final conviction was for a violation of subdivision (b), (c), (d), (e), or (f) of Section 655 of the Harbors and Navigation Code or Section 23152 or 23153 of this code, the abstract shall contain a statement indicating the percentage of alcohol, by weight, in the person's blood whenever that percentage was determined by a chemical test.

The information regarding the chemical test shall be compiled if it is available to the clerk of the court. All information required to be compiled pursuant to this subdivision shall be kept confidential in the records of the department pursuant to Section 1808.5. The department may use the information for research and statistical purposes and for determining the eligibility of any person to operate a motor vehicle on the highways of this state. The information shall not be released to any other public or private agency, except for research and statistical summary purposes and, for those purposes, the name and address of the person and any other identifying information shall not be disclosed.

- (c) The Legislature finds and declares that blood-alcohol percentages have valuable research potential in providing statistical summary information on impaired drivers but that a specific blood-alcohol percentage is only an item of evidence for purposes of criminal and licensing sanctions imposed by law. The Legislature recognizes that the accuracy of the determination of a specific blood-alcohol percentage is not the critical determination in a conviction for driving under the influence of an alcoholic beverage if the blood-alcohol percentage exceeds the statutory amount.



## **VEH § 1806 – The Department’s Responsibilities for Accident Reports and Conviction Records**

*(Amended by Stats. 1999, Ch. 885, Sec. 9. Effective January 1, 2000.)*

- (a) The department shall file all accident reports and abstracts of court records of convictions received under this code, and in connection therewith, shall maintain convenient records or make suitable notations in order that an individual record of each license showing the convictions of the licensee and all traffic accidents in which the individual was involved, except those where, in the opinion of a reporting officer, another individual was at fault, are readily ascertainable. At its discretion the department may file and maintain these accident reports and abstracts by electronic recording and storage media and after transcribing electronically all available data from the accident reports and abstracts of conviction may destroy the original documents. Notwithstanding any other provisions of law, the recorded facts from any electronic recording and storage device maintained by the department shall constitute evidence of the facts in any administrative actions instituted by the department.
- (b) When the department receives notification pursuant to subdivision (c) of Section 1872.45 of the Insurance Code, the department shall remove from the license record of each victim any record of his or her involvement in the accident which is the subject of the criminal complaint.

## **VEH § 1808 – Public Inspection of Registration Records**

*(Amended by Stats. 2015, Ch. 451, Sec. 21. (SB 491) Effective January 1, 2016.)*

- (a) Except where a specific provision of law prohibits the disclosure of records or information or provides for confidentiality, all records of the department relating to the registration of vehicles, other information contained on an application for a driver’s license, abstracts of convictions, and abstracts of accident reports required to be sent to the department in Sacramento, except for abstracts of accidents where, in the opinion of a reporting officer, another individual was at fault, shall be open to public inspection during office hours. All abstracts of accident reports shall be available to law enforcement agencies and courts of competent jurisdiction.
- (b) The department shall make available or disclose abstracts of convictions and abstracts of accident reports required to be sent to the department in Sacramento, as described in subdivision (a), if the date of the occurrence is not later than the following:
  - (1) Ten years for a violation pursuant to Section 23140, 23152, or 23153.
  - (2) Seven years for a violation designated as two points pursuant to Section 12810, except as provided in paragraph (1) of this subdivision.
  - (3) Three years for accidents and all other violations.
- (c) The department shall make available or disclose suspensions and revocations of the driving privilege while the suspension or revocation is in effect and for three years following termination of the action or reinstatement of the privilege, except that driver’s license suspension actions taken pursuant to Sections 13202.6 and 13202.7, Section 17520 of the Family Code, or Section 256 or former Section 11350.6 of the Welfare and Institutions Code shall be disclosed only during the actual time period in which the suspension is in effect.

- (d) The department shall not make available or disclose a suspension or revocation that has been judicially set aside or stayed.
- (e) The department shall not make available or disclose personal information about a person unless the disclosure is in compliance with the Driver's Privacy Protection Act of 1994 (18 U.S.C. Sec. 2721 et seq.). However, a disclosure is subject to the prohibition in paragraph (2) of subdivision (a) of Section 12800.5.
- (f) The department shall make available or disclose to the courts and law enforcement agencies a conviction of Section 23103, as specified in Section 23103.5, or a conviction of Section 23140, 23152, or 23153, or Section 655 of the Harbors and Navigation Code, or paragraph (1) of subdivision (c) of Section 192 of the Penal Code for a period of 10 years from the date of the offense for the purpose of imposing penalties mandated by this code, or by other applicable provisions of California law.
- (g) The department shall make available or disclose to the courts and law enforcement agencies a conviction of Section 191.5, or subdivision (a) of Section 192.5 of the Penal Code, punished as a felony, for the purpose of imposing penalties mandated by Section 23550.5, or by other applicable provisions of California law.

### **VEH § 1808.1 – Drivers Pull Notice Participation**

*(Amended by Stats. 2017, Ch. 753, Sec. 7. (AB 1069) Effective January 1, 2018.)*

- (a) The prospective employer of a driver who drives a vehicle specified in subdivision (k) shall obtain a report showing the driver's current public record as recorded by the department. For purposes of this subdivision, a report is current if it was issued less than 30 days prior to the date the employer employs the driver. The report shall be reviewed, signed, and dated by the employer and maintained at the employer's place of business until receipt of the pull-notice system report pursuant to subdivisions (b) and (c). These reports shall be presented upon request to an authorized representative of the Department of the California Highway Patrol during regular business hours.
- (b) The employer of a driver who drives a vehicle specified in subdivision (k) shall participate in a pull-notice system, which is a process for the purpose of providing the employer with a report showing the driver's current public record as recorded by the department, and any subsequent convictions, failures to appear, accidents, driver's license suspensions, driver's license revocations, or any other actions taken against the driving privilege or certificate, added to the driver's record while the employer's notification request remains valid and uncanceled. As used in this section, participation in the pull-notice system means obtaining a requester code and enrolling all employed drivers who drive a vehicle specified in subdivision (k) under that requester code.
- (c) The employer of a driver of a vehicle specified in subdivision (k) shall, additionally, obtain a periodic report from the department at least every 12 months. The employer shall verify that each employee's driver's license has not been suspended or revoked, the employee's traffic violation point count, and whether the employee has been convicted of a violation of Section 23152 or 23153. The report shall be signed and dated by the employer and maintained at the employer's principal place of business. The report shall be presented upon demand to an authorized representative of the Department of the California Highway Patrol during regular business hours.
- (d) Upon the termination of a driver's employment, the employer shall notify the department to discontinue the driver's enrollment in the pull-notice system.

- (e) For the purposes of the pull-notice system and periodic report process required by subdivisions (b) and (c), an owner, other than an owner-operator as defined in Section 34624, and an employer who drives a vehicle described in subdivision (k) shall be enrolled as if he or she were an employee. A family member and a volunteer driver who drives a vehicle described in subdivision (k) shall also be enrolled as if he or she were an employee.
- (f) An employer who, after receiving a driving record pursuant to this section, employs or continues to employ as a driver a person against whom a disqualifying action has been taken regarding his or her driving privilege or required driver's certificate, is guilty of a public offense, and upon conviction thereof, shall be punished by confinement in a county jail for not more than six months, by a fine of not more than one thousand dollars (\$1,000), or by both that confinement and fine.
- (g) As part of its inspection of bus maintenance facilities and terminals required at least once every 13 months pursuant to subdivision (c) of Section 34501, the Department of the California Highway Patrol shall determine whether each transit operator, as defined in Section 99210 of the Public Utilities Code, is then in compliance with this section and Section 12804.6, and shall certify each operator found to be in compliance. Funds shall not be allocated pursuant to Chapter 4 (commencing with Section 99200) of Part 11 of Division 10 of the Public Utilities Code to a transit operator that the Department of the California Highway Patrol has not certified pursuant to this section.
- (h)
  - (1) A request to participate in the pull-notice system established by this section shall be accompanied by a fee determined by the department to be sufficient to defray the entire actual cost to the department for the notification service. For the receipt of subsequent reports, the employer shall also be charged a fee established by the department pursuant to Section 1811. An employer who qualifies pursuant to Section 1812 shall be exempt from any fee required pursuant to this section. Failure to pay the fee shall result in automatic cancellation of the employer's participation in the notification services.
  - (2) A regularly organized fire department, having official recognition of the city, county, city and county, or district in which the department is located, shall participate in the pull-notice program and shall not be subject to the fee established pursuant to this subdivision.
  - (3) The Board of Pilot Commissioners for Monterey Bay and the Bays of San Francisco, San Pablo, and Suisun, and its port agent shall participate in the pull-notice system established by this section, subject to Section 1178.5 of the Harbors and Navigation Code, and shall not be subject to the fees established pursuant to this subdivision.
- (i) The department, as soon as feasible, may establish an automatic procedure to provide the periodic reports to an employer by mail or via an electronic delivery method, as required by subdivision (c), on a regular basis without the need for individual requests.
- (j)
  - (1) The employer of a driver who is employed as a casual driver is not required to enter that driver's name in the pull-notice system, as otherwise required by subdivision (a). However, the employer of a casual driver shall be in possession of a report of the driver's current public record as recorded by the department, prior to allowing a casual driver to drive a vehicle

specified in subdivision (k). A report is current if it was issued less than six months prior to the date the employer employs the driver.

- (2) For the purposes of this subdivision, a driver is employed as a casual driver when the employer has employed the driver less than 30 days during the preceding six months. “Casual driver” does not include a driver who operates a vehicle that requires a passenger transportation endorsement.
- (k) This section applies to a vehicle for the operation of which the driver is required to have a class A or class B driver’s license, a class C license with any endorsement issued pursuant to Section 15278, a class C license issued pursuant to Section 12814.7, or a certificate issued pursuant to Section 12517, 12519, 12520, 12523, 12523.5, or 12527, a passenger vehicle having a seating capacity of not more than 10 persons, including the driver, operated for compensation by a charter-party carrier of passengers or passenger stage corporation pursuant to a certificate of public convenience and necessity or a permit issued by the Public Utilities Commission, or a permitted taxicab company as described in Section 53075.51 of the Government Code.
- (l) This section shall not be construed to change the definition of “employer,” “employee,” or “independent contractor” for any purpose.
- (m) A motor carrier who contracts with a person to drive a vehicle described in subdivision (k) that is owned by, or leased to, that motor carrier, shall be subject to subdivisions (a), (b), (c), (d), (f), (j), (k), and (l) and the employer obligations in those subdivisions.
- (n) Reports issued pursuant to this section, but only those for a driver of a taxicab engaged in transportation services as described in subdivision (a) of Section 53075.5 of the Government Code, shall be presented upon request, during regular business hours, to an authorized representative of the administrative agency responsible for issuing permits to taxicab transportation services pursuant to Section 53075.5 of the Government Code.

### **VEH § 1808.2 – Confidential Home Addresses of Inspectors or Investigators**

*(Added by Stats. 1980, Ch. 616, Sec. 2. Operative July 1, 1981, by Sec. 4 of Ch. 616.)*

In addition to those specified in Section 1808.4, the home address of any inspector or investigator regularly employed and paid as such in the office of a district attorney or any peace officer employee of the Board of Prison Terms appearing in any record of the department is confidential.

### **VEH § 1808.5 – Confidentiality Records of Persons with Convictions Involving Controlled Substances**

*(Amended by Stats. 1998, Ch. 828, Sec. 11. Effective January 1, 1999.)*

Except as provided in Section 22511.58, all records of the department relating to the physical or mental condition of any person, and convictions of any offense involving the use or possession of controlled substances under Division 10 (commencing with Section 11000) of the Health and Safety Code not arising from circumstances involving a motor vehicle, are confidential and not open to public inspection.

## **VEH § 1822 – Database of People Prosecuted for Driving under the Influence of Alcohol or Drugs**

*(Added by Stats. 1996, Ch. 224, Sec. 1. Effective January 1, 1997.)*

The Legislature finds that driving under the influence of alcohol or drugs continues to be a primary safety issue on the state's highways, and the major cause of traffic deaths. It is imperative that violators who drive while under the influence of alcohol or drugs be fully prosecuted under the law. The Legislature also finds that too often violators have not had their driving records at the Department of Motor Vehicles appropriately updated.

Therefore, it is the intent of the Legislature that the department, working with the courts, establish and maintain a data and monitoring system to track violations of driving under the influence of alcohol or drugs, including, but not limited to, violations of Article 1.3 (commencing with Section 23136), Article 1.5 (commencing with Section 23140), and Article 2 (commencing with Section 23152), of Chapter 12 of Division 11. The system shall match arrests for driving under the influence of alcohol or drug violations with convictions reported to the department.

**Non-TDA Transit Related Codes  
California Vehicle Code  
Division 6 – Drivers’ Licenses  
Chapter 1. Issuance of Licenses, Expiration, and Renewal  
Article 3. Issuance and Renewal of Licenses**

**VEH § 12804.6 – Transit Bus drivers; Required Certification; Qualifications; Employee Records**

*(Amended by Stats. 2006, Ch. 574, Sec. 9. Effective January 1, 2007.)*

- (a) A person shall not operate a transit bus transporting passengers unless that person has received from the department a certificate to operate a transit bus or is certified to drive a schoolbus or school pupil activity bus pursuant to Section 12517.
- (b) All transit busdrivers shall comply with standards established in Section 40083 of the Education Code. The Department of Motor Vehicles shall establish an implementation program for transit busdrivers to meet these requirements. A transit busdriver who was employed as a busdriver on or before July 1, 1990, shall comply with Section 40085.5 of the Education Code instead of Section 40083 of that code in order to receive his or her original certificate.
- (c) Implementation procedures for the issuance of transit busdrivers’ certificates may be established by the Department of Motor Vehicles as necessary to implement an orderly transit busdriver training program.
- (d) The department shall issue a transit busdriver certificate to a person who provides either of the following:
  - (1) Proof that he or she has complied with Section 40083 of the Education Code.
  - (2) Proof that he or she has complied with Section 40085.5 of the Education Code.
- (e) The department may charge a fee of ten dollars (\$10) to an applicant for an original or a duplicate or renewal certificate under this section.
- (f) The department shall issue a certificate to the applicant. The status of the certificate shall also become part of the pull notice and periodic reports issued pursuant to Section 1808.1. The certificate or the pull notice or periodic reports shall become part of, the person’s employee records for the purpose of inspection pursuant to Sections 1808.1 and 34501. It shall be unlawful for the employer to permit a person to drive a transit bus who does not have a valid certificate.
- (g) The term of a certificate shall be a period not to exceed five years, and shall expire with the driver’s license.

**Non-TDA Transit Related Codes  
Revenue and Taxation Code  
Division 2. Other Taxes  
Chapter 9. Disposition of Proceeds**

**RTC § 7102 – Retail Sales Tax Fund; Withdrawal and Transfer of Funds**

*(Amended by Stats. 2017, Ch. 25, Sec. 9. (SB 90) Effective June 27, 2017. Note: Section 7102 was amended on June 5, 1990, by initiative Prop. 116.)*

The money in the fund shall, upon order of the Controller, be drawn therefrom for refunds under this part, credits or refunds pursuant to Section 60202, and refunds pursuant to Section 1793.25 of the Civil Code, or be transferred in the following manner:

(a)

(1) All revenues, less refunds, derived under this part at the  $4\frac{3}{4}$ -percent rate, including the imposition of sales and use taxes with respect to the sale, storage, use, or other consumption of motor vehicle fuel which would not have been received if the sales and use tax rate had been 5 percent and if motor vehicle fuel, as defined for purposes of the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301)), had been exempt from sales and use taxes, shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be transferred quarterly to the Public Transportation Account, a trust fund in the State Transportation Fund, except as modified as follows:

(A) For the 2001–02 fiscal year, those transfers may not be more than eighty-one million dollars (\$81,000,000) plus one-half of the amount computed pursuant to this paragraph that exceeds eighty-one million dollars (\$81,000,000).

(B) For the 2002–03 fiscal year, those transfers may not be more than thirty-seven million dollars (\$37,000,000) plus one-half of the amount computed pursuant to this paragraph that exceeds thirty-seven million dollars (\$37,000,000).

(C) For the 2003–04 fiscal year, no transfers shall be made pursuant to this paragraph, except that if the amount to be otherwise transferred pursuant to this paragraph is in excess of eighty-seven million four hundred fifty thousand dollars (\$87,450,000), then the amount of that excess shall be transferred.

(D) For the 2004–05 fiscal year, no transfers shall be made pursuant to this paragraph, and of the amount that would otherwise have been transferred, one hundred forty million dollars (\$140,000,000) shall instead be transferred to the Traffic Congestion Relief Fund as partial repayment of amounts owed by the General Fund pursuant to Item 2600-011-3007 of the Budget Act of 2002 (Chapter 379 of the Statutes of 2002).

(E) For the 2005–06 fiscal year, no transfers shall be made pursuant to this paragraph.

- (F) For the 2006–07 fiscal year, the revenues estimated pursuant to this paragraph shall, notwithstanding any other provision of this paragraph or any other provision of law, be transferred and allocated as follows:
- i. The first two hundred million dollars (\$200,000,000) shall be transferred to the Transportation Deferred Investment Fund as partial repayment of the amounts owed by the General Fund to that fund pursuant to Section 7106.
  - ii. The next one hundred twenty-five million dollars (\$125,000,000) shall be transferred to the Bay Area Toll Account for expenditure pursuant to Section 188.6 of the Streets and Highways Code.
  - iii. Of the remaining revenues, thirty-three million dollars (\$33,000,000) shall be transferred to the Public Transportation Account to support appropriations from that account in the Budget Act of 2006.
  - iv. The remaining revenues shall be transferred to the Public Transportation Account for allocation as follows:
    1. Twenty percent to the Department of Transportation for purposes of Section 99315 of the Public Utilities Code.
    2. Forty percent to the Controller, for allocation pursuant to Section 99314 of the Public Utilities Code.
    3. Forty percent to the Controller, for allocation pursuant to Section 99313 of the Public Utilities Code.
- (G) For the 2007–08 fiscal year, the first one hundred fifty-five million four hundred ninety-one thousand eight hundred thirty-seven dollars (\$155,491,837) in revenue estimated pursuant to this paragraph each quarter shall, notwithstanding any other provision of this paragraph or any other provision of law, be transferred quarterly to the Mass Transportation Fund. If revenue in any quarter is less than that amount, the transfer in the subsequent quarter or quarters shall be increased so that the total transferred for the fiscal year is six hundred twenty-one million nine hundred sixty-seven thousand three hundred forty-eight dollars (\$621,967,348).
- (H) For the 2008–09 fiscal year and every fiscal year thereafter, 50 percent of the revenue estimated pursuant to this paragraph each quarter shall, notwithstanding any other provision of this paragraph or any other provision of law, and except as provided in subparagraph (I), be transferred to the Mass Transportation Fund. Notwithstanding this requirement, for the 2008–09 fiscal year, the amount of three hundred eight million seven hundred thirty-five thousand dollars (\$308,735,000) for each of the first three quarters, and the amount of one hundred fifteen million twenty-nine thousand dollars (\$115,029,000) for the fourth quarter, shall be transferred to the Mass Transportation Fund. If revenue for any quarter is less than the specified amount, the transfer in the subsequent quarter or quarters shall be increased so that the total transfer for the fiscal year is one billion forty-one million two hundred thirty-four thousand dollars (\$1,041,234,000).



- (I) For the 2009–10 to 2012–13 fiscal years, inclusive, all revenue estimated pursuant to this paragraph shall, notwithstanding any other provision of this paragraph or any other provision of law, be transferred quarterly to the Mass Transportation Fund.
- (2) All revenues, less refunds, derived under this part at the  $4\frac{3}{4}$ -percent rate, resulting from increasing, after December 31, 1989, the rate of tax imposed pursuant to the Motor Vehicle Fuel License Tax Law on motor vehicle fuel, as defined for purposes of that law, shall be transferred quarterly to the Public Transportation Account, a trust fund in the State Transportation Fund.
- (3) All revenues, less refunds, derived under this part at the  $4\frac{3}{4}$ -percent rate from the imposition of sales and use taxes on fuel, as defined for purposes of the Use Fuel Tax Law (Part 3 (commencing with Section 8601)) and the Diesel Fuel Tax Law (Part 31 (commencing with Section 60001)), shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be transferred quarterly to the Public Transportation Account, a trust fund in the State Transportation Fund.
- (4) (A) All revenues, less refunds, derived under this part from the taxes imposed pursuant to Sections 6051.2 and 6201.2 shall be transferred to the Sales Tax Account of the Local Revenue Fund for allocation to cities and counties as prescribed by statute.
- (B) Notwithstanding subparagraph (A), if the Director of Finance determines that the State Board of Equalization has allocated more revenue to the Local Revenue Fund for taxable sales that occurred during the period of July 1, 2011, through June 30, 2016, than required by subparagraph (A), the total amount of revenue credited to the Local Revenue Fund for taxable sales that occurred during the period of July 1, 2011, through June 30, 2016, for allocation to cities and counties as prescribed by statute shall be considered to have fulfilled the requirements of subparagraph (A), and no allocation adjustment for this period shall be made.
- (5) All revenues, less refunds, derived from the taxes imposed pursuant to Section 35 of Article XIII of the California Constitution shall be transferred to the Public Safety Account in the Local Public Safety Fund created in Section 30051 of the Government Code for allocation to counties as prescribed by statute.
- (6) Notwithstanding paragraph (5), if the Director of Finance determines that the State Board of Equalization has allocated more revenue to the Public Safety Account for taxable sales that occurred during the period of July 1, 2011, through June 30, 2016, than required by paragraph (5), the total amount of revenue credited to the Public Safety Account for taxable sales that occurred during the period of July 1, 2011, through June 30, 2016, shall be considered to have fulfilled the requirements of paragraph (5), and no allocation adjustment for this period shall be made.
- (b) The balance shall be transferred to the General Fund.
- (c) The estimates required by subdivision (a) shall be based on taxable transactions occurring during a calendar year, and the transfers required by subdivision (a) shall be made during the fiscal year that commences during that same calendar year. Transfers required by paragraphs (1), (2), and (3) of subdivision (a) shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be made quarterly.

- (d) Notwithstanding the designation of the Public Transportation Account as a trust fund pursuant to subdivision (a), the Controller may use the Public Transportation Account for loans to the General Fund as provided in Sections 16310 and 16381 of the Government Code. The loans shall be repaid with interest from the General Fund at the Pooled Money Investment Account rate.
- (e) The Legislature may amend this section, by statute passed in each house of the Legislature by rollcall vote entered in the journal, two-thirds of the membership concurring, if the statute is consistent with, and furthers the purposes of this section.

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# Appendix



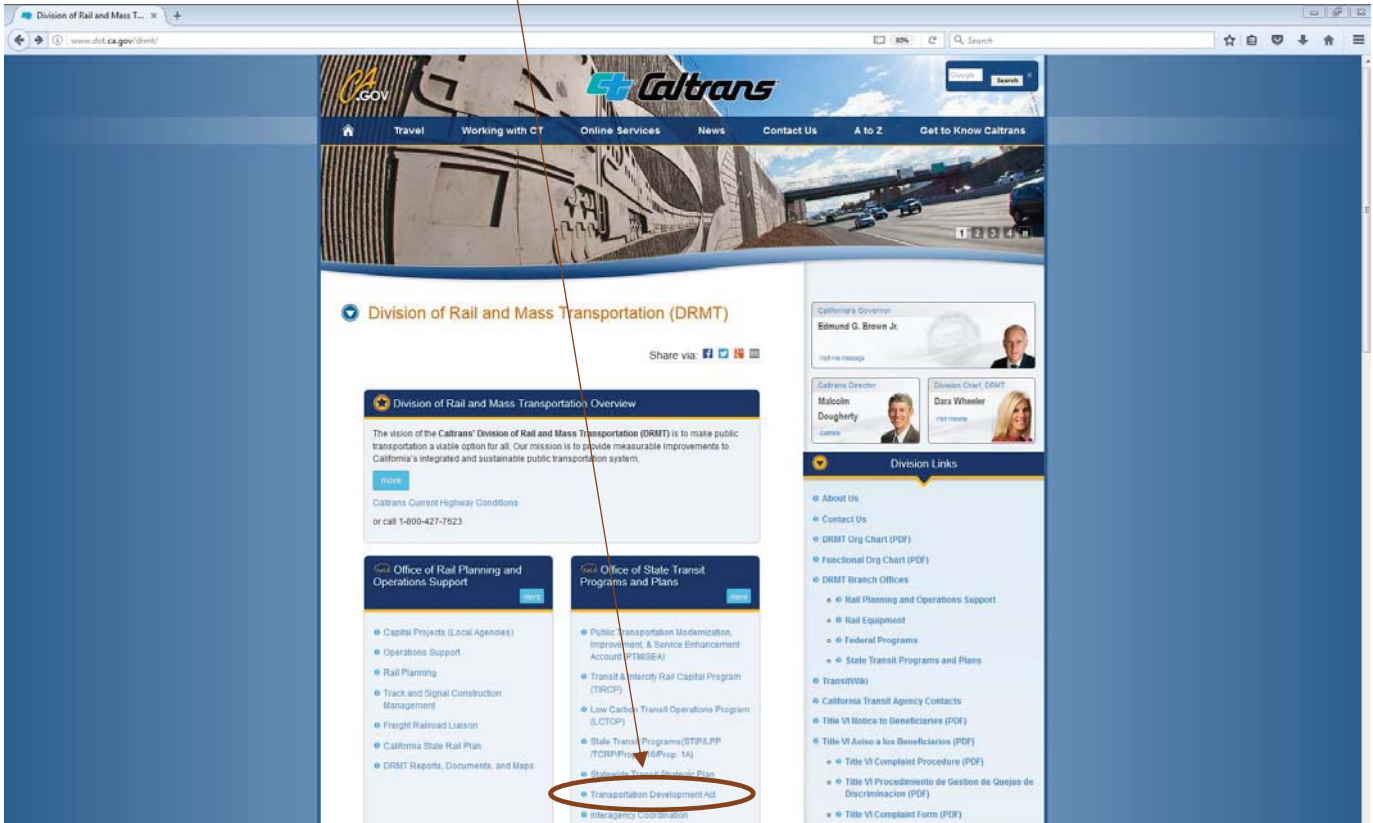
## APPENDIX 1. TDA ONLINE

### Where Can I Find Additional Information?

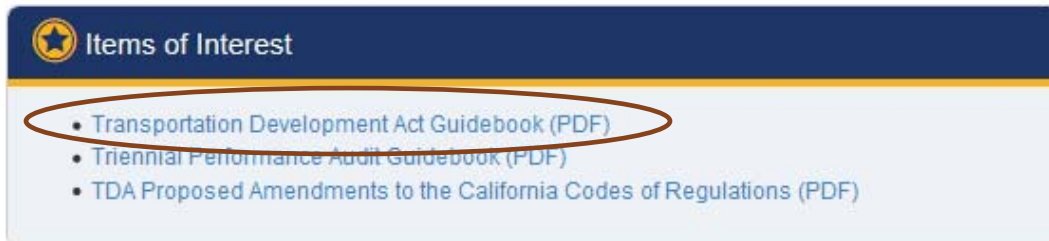
Enter the following web address

<http://www.dot.ca.gov/drmt/>

Place cursor on “Transportation Development Act” and click on link



Under “Items of Interest”, click on the first selection ‘Transportation Development Act Guidebook’.  
This will link you to the TDA Guidebook.



## APPENDIX 2. LIST OF ACRONYMS

**APTA** – American Public Transportation Association  
National organization that represents the interests of all transit providers.

**CalACT** – California Association for Coordinated Transportation  
Represents the interests of small transit and paratransit providers.

**CTA** – California Transit Association  
Represents the interests of large urban transit providers.

**CTC** – California Transportation Commission

**FTA** – Federal Transit Administration

**FTA** – Fund Transfer Agreement

**FSTIP** – Federal State Transportation Improvement Program

**LTF** – Local Transportation Fund

**MPO** – Metropolitan Planning Organization  
A federal designation for planning areas with a population of over 50,000.

**MTDB** – Metropolitan Transit Development Board

**OTS** – Office of Traffic Safety

**RTPA** – Regional Transportation Planning Agency  
A California designation, RTPAs program transportation funds.

### **Section**

**5307** – Federal grants for small-urbanized transit providers

### **Section**

**5310** – Federal grants for elderly and disabled transportation providers

### **Section**

**5311** – Federal grants for non-urban transit providers

**STA** – State Transit Assistance

**TCRP** – Transportation Congestion Relief Program  
\$2.6 billion of the TCRP is for transit projects.

**TDA** – Transportation Development Act

**TPA** – Transportation Planning Agency



## APPENDIX 3. GLOSSARY OF TERMS

### **Actual Vehicle Revenue Hours**

The hours that vehicles travel while in revenue service. Vehicle revenue hours include layover/recovery time but exclude deadhead, training operators prior to revenue service and road tests, as well as school bus and charter services.

### **Actual Vehicle Revenue Miles**

The miles that vehicles travel while in revenue service. Vehicle revenue miles exclude deadhead, training operators prior to revenue service and road as well as school bus and charter services.

### **Americans with Disabilities Act (ADA) Complementary Paratransit Service**

The ADA requires that public transportation operators supply complementary paratransit service to disabled customers who are within  $\frac{3}{4}$  miles of a regular transit route but unable to access the route. Many transit operators purchase demand response transportation to supply the needs of the disabled. Under ADA, the complementary paratransit service fare may be up to twice the cash fare as the regular public transportation fare.

The Americans with Disabilities Act has transformed the way in which transit is provided to all riders, including those with disabilities. Fixed-route operators must provide fully accessible services, ranging from on-board announcements and accessible signage to maintenance of operable wheelchair lifts. Fixed-route services are forever linked to paratransit, challenging operators to provide demand-responsive service that is cost-efficient, meets the ADA requirements and meets the needs of disabled riders.

### **Commuter rail**

Urban passenger train service for short-distance travel between a central city and adjacent suburb. Does not include rapid rail transit or light rail transit service.

### **Controller**

The State of California Controller.

### **Council of Governments (COG)**

General purpose regional agencies that can undertake any action in which their member cities and counties share in common. Although many COGs are formed to focus on transportation planning and programming, some COGs have been tasked by their local governments to address homelessness, water infrastructure, energy efficiency, earthquake safety, and more.

### **County Transportation Commission (CTC)**

Regional Transportation Planning Agency (RTPA) created pursuant to Title 7.88 of the State of California Government Code, Section 67920.

### **Demand Response**

Transit service provided without a fixed-route and without a fixed schedule that operates in response to calls from passengers or their agents to the transit operator or dispatcher. Service is usually provided using cars, vans, or buses with fewer than 25 seats.

**Department**

The California Department of Transportation (Caltrans).

**Director**

Director of the California Department of Transportation.

**Exclusive right-of-way**

Lanes reserved at all times for transit use and other high occupancy vehicles (HOVs).

**Ferryboat (transit)**

Vessels that carry passengers and/or vehicles over a body of water. Generally steam or diesel-powered, ferryboats may also be hovercraft, hydrofoil, and other high-speed vessels. The vessel is limited in its use to the carriage of deck passengers or vehicles or both, operates on a short run on a frequent schedule between two points over the most direct water routes other than in ocean or coastwise service, and is offered as a public service of a type normally attributed to a bridge or tunnel.

**Heavy rail**

A railway with the capacity to transport a heavy volume of passenger traffic and characterized by exclusive rights-of-way, multi-car trains, high-speed, rapid acceleration, sophisticated signaling, and high-platform loading. Also known as “subway,” “elevated (railway),” “urban” or “metropolitan railway (metro).”

**Incident**

Safety and security incidents (e.g. accidents and crimes) as reported to the Federal Transit Administration to be included in the National Transit Database.

**Light rail**

A streetcar-type vehicle operated on city streets, semi-exclusive rights-of-way, or exclusive rights-of-way. Service may be provided by step-entry vehicles or by level boarding.

**Local Transportation Commission**

Regional Transportation Planning Agency (RTPA) created pursuant to Title 7.88 of the State of California Government Code, Section 67920.

**Metropolitan Planning Organization**

An MPO is a designation under federal law that encourages large urbanized areas to engage in regional transportation planning. California has 18 MPOs, four of which are multi-county MPOs that coordinate planning in three or more counties.

**Metropolitan Transportation Development Board (MTDB)**

Created in 1975 by the passage of California Senate Bill 101 and came into existence on January 1, 1976. In 2002, Senate Bill 1703 merged MTDB’s long-range planning, financial programming, project development and construction functions into the regional metropolitan planning organization, the San Diego Association of Governments (SANDAG). In 2005, MTDB changed its name to the Metropolitan Transit System (MTS).

**Minor arterial**

In rural areas, roads that link cities to larger towns. In urban areas, roads that distribute trips to small geographic areas, but not penetrating identifiable neighborhoods.

**Minor collector highway**

In rural areas, routes that serve intra-county rather than statewide travel. In urban areas, streets that provide direct access to neighborhoods and arterials.

**Mixed right-of-way**

Lanes used for general automobile traffic.

**Motor bus**

A rubber-tired, self-propelled, manually steered bus with fuel supplies onboard the vehicle. Motor bus types include intercity, school, and transit.

**Passenger miles**

The total number of miles traveled by transit passengers (e.g. a bus that carries 5 passengers for a distance of 3 miles incurs 15 passenger miles).

**Principle arterial highway**

Major streets or highways, many have multilane or freeway design, serving high-volume traffic corridor movements that connect major generators of travel.

**Regional Entity**

TPA, CTC, LTC, COG, and MTDB

**Revenue Vehicle Miles**

A mile a transit vehicle travels while in service.

**Secretary**

The Secretary of the California State Transportation Agency

**Transportation Planning Agency (TPA)**

Regional Transportation Planning Agency (RTPA) created pursuant to Title 7.88 of the State of California Government Code, Section 67920.

**Trolley bus**

Rubber-tired, electric transit vehicle, operated on city streets drawing power from overhead lines with trolleys.

**Unlinked passenger trips**

The number of passengers who board public transportation vehicles. Passengers are counted each time they board the transit vehicle.

**Urbanized area**

Comprises an incorporated place and adjacent densely settled surrounding area that together have a minimum population of 50,000.

**Vanpool**

Public-sponsored commuter service operating under prearranged schedules for previously formed groups of rider in 8 to 10 seat vehicles. Drivers are also commuters who receive little or no compensation besides the free ride.

**Vehicle-miles traveled (highway)**

Miles of travel by all types of motor vehicles as determined by the states on the basis of actual traffic counts and established estimating procedures.

## APPENDIX 4. FAREBOX RECOVERY

Summary of What's Included  
(Public Utilities Code Section 99243 & 99247)

### REVENUE – (6611.2 & 6611.3)

#### Fare Revenues

401: *Passenger Fares for Transit Services*

Full adult, senior, student, child, disabled, park & ride lot revenue (must be operated by transit operator), special and reduced fares collected from passengers.

402: *Special Transit Fares*

Includes guaranteed revenues collected by an organization rather than a rider for rides given along special routes.

403: *School Bus Service*

Revenues collected from schools for providing service to children to and from school.

#### Local Funds

406: *Auxiliary Transportation Revenues*

Advertising revenues from displaying advertising materials on transit system vehicles and property.

408: *Taxes Levied Directly by the Transit System*

409: *Local Cash Grants and Reimbursements*

Funds obtained from local government units to assist in paying the cost of operating transit services.

#### Specialized Service

410: *Local Special Fare Assistance*

Subsidies collected from local governments to help offset the difference between full adult fares and special reduced fares.

440: *Subsidy from Other Sector of Operation*

Funds collected from non-transit sectors to help cover the cost of operating a transit system.

### EXPENSE – (6611.1)

501: Labor – Operator Salaries & Wages (501.010), Other Salaries & Wages (501.020)

502: Fringe Benefits

503: Services

504: Materials & Supplies – Fuels & Lubricants (504.010), Tires & Tubes (504.020), Other 504.990)

505: Utilities

506: Casualty & Liability Costs

507: Taxes

508: Purchased Transportation Service

509: Miscellaneous Expense

510: Expense Transfers

511: Interest Expense

512: Leases & Rentals – Vehicles (512.040), Other Capital Assets (512.990)

**APPENDIX 5. TRANSPORTATION DEVELOPMENT ACT ALLOCATIONS  
(California Totals: 1971 – 2018)**

<b>FY</b>	<b>LTF</b>	<b>STA</b>
<i>1972/1973</i>	\$137,885,000	N/A
<i>1973/1974</i>	\$158,086,952	N/A
<i>1974/1975</i>	\$172,343,452	N/A
<i>1975/1976</i>	\$190,350,018	N/A
<i>1976/1977</i>	\$219,315,598	N/A
<i>1977/1978</i>	\$241,1554,689	N/A
<i>1978/1979</i>	\$309,241,666	N/A
<i>1979/1980</i>	\$340,921,559	\$43,072,187
<i>1980/1981</i>	\$288,400,437	\$75,864,568
<i>1981/1982</i>	\$392,755,547	\$65,212,234
<i>1982/1983</i>	\$391,367,435	\$69,902,779
<i>1983/1984</i>	\$447,670,862	\$87,898,420
<i>1984/1985</i>	\$500,230,330	\$78,630,000
<i>1985/1986</i>	\$535,271,552	\$69,339,830
<i>1986/1987</i>	\$557,862,682	\$5,942,000
<i>1987/1988</i>	\$604,476,706	\$1,881,500
<i>1988/1989</i>	\$645,804,571	\$1,881,500
<i>1989/1990</i>	\$704,781,401	\$5,589,750
<i>1990/1991</i>	\$717,814,203	\$43,177,500
<i>1991/1992</i>	\$666,357,529	\$57,336,000
<i>1992/1993</i>	\$690,039,768	\$54,922,000
<i>1993/1994</i>	\$694,918,294	\$55,224,750
<i>1994/1995</i>	\$727,435,456	\$61,572,125
<i>1995/1996</i>	\$775,984,306	\$70,920,479
<i>1996/1997</i>	\$814,176,933	\$76,020,479
<i>1997/1998</i>	\$870,584,164	\$84,720,479
<i>1998/1999</i>	\$917,197,484	\$100,176,088
<i>1999/2000</i>	\$1,024,042,874	\$100,176,088
<i>2000/2001</i>	\$1,127,749,788	\$100,910,613
<i>2001/2002</i>	\$1,095,008,457	\$170,909,613
<i>2002/2003</i>	\$1,084,000,000	\$97,927,613
<i>2003/2004</i>	\$1,200,042,239	\$104,439,432
<i>2004/2005</i>	\$1,284,596,911	\$117,253,507
<i>2005/2006</i>	\$1,381,853,454	\$200,615,657
<i>2006/2007</i>	\$1,413,205,060	\$623,567,744
<i>2007/2008</i>	\$1,396,036,000	\$315,744,000
<i>2008/2009</i>	\$1,381,897,000	\$153,069,000
<i>2009/2010</i>	\$1,141,840,723	\$199,992,000
<i>2010/2011</i>	\$1,212,204,546	\$199,992,000
<i>2011/2012</i>	\$1,323,391,504	\$416,254,131
<i>2012/2013</i>	\$1,405,038,698	\$468,599,000
<i>2013/2014</i>	\$1,484,169,945	\$393,746,000
<i>2014/2015</i>	\$1,547,942,989	\$373,091,000
<i>2015/2016</i>	\$1,601,286,327.75	\$292, 397,500
<i>2016/2017</i>	\$1,625,755,299.48	\$269,059,500

## APPENDIX 6. LOCAL TRANSPORTATION FUND ALLOCATIONS

(Source: State Board of Equalization)

Regional Entity	Total Allocation 2015-2016	Total Allocation 2016-2017
<i>ALAMEDA</i>	\$75,476,254.44	\$78,400,202.62
<i>ALPINE</i>	\$117,029.86	\$135,216.46
<i>AMADOR</i>	\$1,138,731.80	\$1,117,500.05
<i>BUTTE</i>	\$7,803,985.79	\$8,119,040.82
<i>CALAVERAS</i>	\$883,405.22	\$972,253.53
<i>COLUSA</i>	\$959,242.15	\$877,271.34
<i>CONTRA COSTA</i>	\$39,316,499.69	\$40,478,904.69
<i>DEL NORTE</i>	\$585,990.28	\$612,219.00
<i>EL DORADO</i>	\$5,233,343.50	\$5,554,099.42
<i>FRESNO</i>	\$35,837,578.50	\$35,241,910.12
<i>GLENN</i>	\$924,658.75	\$1,001,788.40
<i>HUMBOLDT</i>	\$5,069,193.99	\$5,410,138.11
<i>IMPERIAL</i>	\$6,767,576.72	\$6,092,290.47
<i>INYO</i>	\$859,263.77	\$869,472.83
<i>KERN</i>	\$35,500,335.46	\$34,149,851.87
<i>KINGS</i>	\$4,525,735.05	\$4,046,607.10
<i>LAKE</i>	\$1,457,517.91	\$1,474,534.66
<i>LASSEN</i>	\$737,505.03	\$820,008.60
<i>LOS ANGELES</i>	\$381,652,839.74	\$388,496,571.43
<i>MADERA</i>	\$3,802,381.69	\$3,882,097.37
<i>MARIN</i>	\$12,691,304.03	\$12,785,951.76
<i>MARIPOSA</i>	\$495,609.29	\$494,356.82
<i>MENDOCINO</i>	\$3,373,826.31	\$3,523,893.00
<i>MERCED</i>	\$7,398,951.55	\$6,955,729.60
<i>MODOC</i>	\$229,116.22	\$237,633.99
<i>MONO</i>	\$674,053.55	\$721,394.15
<i>MONTEREY</i>	\$16,213,682.96	\$16,770,316.03
<i>NAPA</i>	\$8,303,166.20	\$8,441,426.60
<i>NEVADA</i>	\$3,245,125.69	\$3,369,727.06
<i>ORANGE</i>	\$155,108,270.45	\$151,033,550.66
<i>PLACER</i>	\$21,872,611.89	\$22,694,734.52
<i>PLUMAS</i>	\$518,745.62	\$569,288.01
<i>RIVERSIDE</i>	\$83,324,436.34	\$86,185,488.45
<i>SACRAMENTO</i>	\$56,162,242.64	\$58,639,953.90
<i>SAN BENITO</i>	\$1,543,949.53	\$1,670,234.69
<i>SAN BERNARDINO</i>	\$90,924,711.06	\$91,451,990.09
<i>SAN DIEGO</i>	\$136,355,183.09	\$140,009,150.88
<i>SAN FRANCISCO</i>	\$47,124,816.45	\$48,379,044.94
<i>SAN JOAQUIN</i>	\$26,773,178.18	\$28,102,632.59

**APPENDIX 6. LOCAL TRANSPORTATION FUND ALLOCATIONS**  
(Continued)

<b>Regional Entity</b>	<b>Total Allocation 2015-2016</b>	<b>Total Allocation 2016-2017</b>
<i>SAN LUIS OBISPO</i>	\$12,548,469.30	\$12,410,508.75
<i>SAN MATEO</i>	\$38,960,064.72	\$39,836,191.88
<i>SANTA BARBARA</i>	\$17,031,549.23	\$17,443,176.50
<i>SANTA CLARA</i>	\$104,674,202.04	\$104,622,482.54
<i>SANTA CRUZ</i>	\$8,970,055.86	\$9,101,315.39
<i>SHASTA</i>	\$7,154,853.65	\$7,444,487.35
<i>SIERRA</i>	\$45,092.90	\$53,276.12
<i>SISKIYOU</i>	\$1,476,444.77	\$1,447,420.59
<i>SOLANO</i>	\$17,580,855.52	\$18,325,779.80
<i>SONOMA</i>	\$21,939,397.34	\$22,693,422.59
<i>STANISLAUS</i>	\$20,619,286.11	\$22,053,304.86
<i>SUTTER</i>	\$4,046,369.19	\$4,027,118.25
<i>TEHAMA</i>	\$1,924,601.37	\$1,982,180.47
<i>TRINITY</i>	\$278,785.65	\$279,723.36
<i>TULARE</i>	\$15,897,737.05	\$17,249,703.40
<i>TUOLUMNE</i>	\$1,628,348.75	\$1,763,081.45
<i>VENTURA</i>	\$34,413,312.87	\$33,995,678.93
<i>YOLO</i>	\$9,876,651.93	\$9,876,020.39
<i>YUBA</i>	\$1,238,199.11	\$1,361,950.23
<b>State Total</b>	<b>\$1,601,286,327.75</b>	<b>\$1,625,755,299.48</b>



## APPENDIX 7. STATE TRANSIT ASSISTANCE FUND ALLOCATIONS

(Source: California State Controller's Office)

Regional Entity	Total Allocation 2015-2016	Total Allocation 2016-2017
<i>MTC</i>	\$112,276,400	\$101,167,760
<i>SACOG</i>	\$10,428,429	\$9,530,233
<i>SANDAG</i>	\$4,481,602	\$4,213,157
<i>SAN DIEGO MTS</i>	\$13,736,221	\$13,182,613
<i>TRPA</i>	\$411,287	370,909
<i>ALPINE</i>	\$4,498	\$4,270
<i>AMADOR</i>	\$145,163	\$136,804
<i>BUTTE</i>	\$900,562	\$818,647
<i>CALAVERAS</i>	\$174,073	\$154,924
<i>COLUSA</i>	\$85,509	\$78,735
<i>DEL NORTE</i>	\$112,982	\$99,205
<i>EL DORADO</i>	\$664,925	\$613,331
<i>FRESNO</i>	\$4,321,166	\$3,788,153
<i>GLENN</i>	\$110,455	\$98,245
<i>HUMBOLDT</i>	\$591,597	\$546,237
<i>IMPERIAL</i>	\$755,928	\$693,563
<i>INYO</i>	\$70,142	\$63,914
<i>KERN</i>	\$3,556,765	\$3,297,131
<i>KINGS</i>	\$674,312	\$518,379
<i>LAKE</i>	\$263,996	\$239,213
<i>LASSEN</i>	\$128,760	\$113,099
<i>LOS ANGELES</i>	\$78,686,194	\$74,026,751
<i>MADERA</i>	\$593,177	\$532,381
<i>MARIPOSA</i>	\$67,299	\$62,436
<i>MENDOCINO</i>	\$372,496	\$325,422
<i>MERCED</i>	\$1,065,538	\$978,511
<i>MODOC</i>	\$37,184	\$33,029
<i>MONO</i>	\$147,106	\$139,629
<i>MONTEREY</i>	\$1,855,782	\$1,740,454
<i>NEVADA</i>	\$397,006	\$349,846
<i>ORANGE</i>	\$15,935,716	\$14,669,283
<i>PLACER</i>	\$1,297,291	\$1,192,694
<i>PLUMAS</i>	\$75,986	\$68,125
<i>RIVERSIDE</i>	\$10,202,814	\$9,587,944
<i>SAN BENITO</i>	\$223,027	\$194,132
<i>SAN BERNARDINO</i>	\$9,563,602	\$8,967,721
<i>SAN JOAQUIN</i>	\$3,364,546	\$3,090,860
<i>SAN LUIS OBISPO</i>	\$1,193,113	\$1,044,525
<i>SANTA BARBARA</i>	\$2,202,442	\$2,061,732

**APPENDIX 7. STATE TRANSIT ASSISTANCE FUND ALLOCATIONS**  
**(Continued)**

<b>Regional Entity</b>	<b>Total Allocation 2015-2016</b>	<b>Total Allocation 2016-2017</b>
<i>SANTA CRUZ</i>	\$1,943,824	\$1,890,820
<i>SHASTA</i>	\$725,312	\$663,922
<i>SIERRA</i>	\$11,904	\$10,978
<i>SISKIYOU</i>	\$180,968	\$163,908
<i>STANISLAUS</i>	\$2,146,546	\$1,988,113
<i>TEHAMA</i>	\$245,098	\$219,102
<i>TRINITY</i>	\$54,300	\$49,821
<i>TULARE</i>	\$1,957,364	\$1,785,331
<i>TUOLUMNE</i>	\$213,821	\$188,142
<i>VENTURA</i>	\$3,743,272	\$3,305,366
<b>State Total</b>	<b>\$292,397,500</b>	<b>\$269,059,500</b>

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**LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY**

**TRANSPORTATION DEVELOPMENT ACT ARTICLE 3  
BICYCLE AND PEDESTRIAN FUNDS**

**FUNDING AND ALLOCATION GUIDELINES**

**Effective Date: February 1, 2022**



## **CLAIMING TDA ARTICLE 3 LOCAL FUNDS**

### **ELIGIBILITY**

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Transportation Development Act (TDA) Article 3 bicycle and pedestrian funds are available to local agencies in Los Angeles County (all cities and the County) on an annual basis. The final amount is subject to revision based on actual receipts. These funds may be used for operations, maintenance, design, and construction of pedestrian and bicycle facilities and amenities (including wheelchair ramps).

#### **Formula Allocation**

TDA Article 3 local funds are allocated to local agencies on a per-capita basis. The amount of each agency's allocation is detailed in Metro's Funding Allocation Procedure (FAP). Fifteen (15) percent of the total annual allocation amount will be designated to the City and the County of Los Angeles, with 30 percent going to the City and 70 percent going to the County, to cover their maintenance costs on seven pre-determined regionally significant Class I bicycle facilities. These percentages were Metro Board approved and are based on previous maintenance expenditures on these facilities by the City and the County.

#### **Eligible Expenses**

TDA Article 3 funds may be used for the following activities relating to pedestrian and bicycle facilities (including sidewalk wheelchair ramps):

- Engineering expenses leading to construction.
- Maintenance of bicycling trails
- Right-of-way acquisition.
- Construction and reconstruction.
- Retrofitting existing bicycle and pedestrian facilities, including installation of signage, to comply with the Americans with Disabilities Act (ADA).
- Route improvements such as signal controls for cyclists, bicycle loop detectors, rubberized rail crossings and bicycle-friendly drainage grates.
- Purchase and installation of bicycle facilities such as secure bicycle parking, benches, drinking fountains, changing rooms, rest rooms and showers which are adjacent to bicycle trails, employment centers, park-and-ride lots, and/or transit terminals and are accessible to the general public.

Up to 5 percent of total TDA Article 3 apportionment may be used to supplement other funding sources used for bicycle and safety education programs. TDA Article 3 funds,



however, may not be used to fully fund the salary of any one person working on these programs.

A portion of each agency's local allocation, in addition to the eligible uses listed above, may be used to develop comprehensive bicycle and pedestrian plans. These plans must emphasize the development of bicycle and pedestrian facilities intended to support utilitarian bicycle and pedestrian travel rather than solely recreational activities. A maximum of one entire allocation every five years may be used for plan development.

### ***Maintenance Eligibility***

The 15 percent maintenance funds allocated to the City and the County of Los Angeles's local allocations may be used by the two agencies for any eligible TDA Article 3 projects. Their use is not restricted solely to maintenance activities. Both the City and the County of Los Angeles must maintain sweeping and regular maintenance activities of the seven specified regionally significant Class I bike paths at FY 1990-91 levels (with the exception of the Sepulveda Basin Regional Trail for which sweeping is recommended to be limited to three times per week), at a minimum, in order to continue receiving this additional maintenance funding.

Allowable maintenance activities for the locally allocated TDA Article 3 funds are limited to maintenance and repair of Class I off-street bicycle facilities only. Maintenance of all TDA Article 3-funded bicycle facilities is the sole responsibility of the local agency.

### ***GENERAL GUIDELINES***

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Local agency may only draw down local funds that will be fully spent or encumbered on eligible projects before the end of the fiscal year (by May 31) in which they were drawn down. Metro will forward local funds designated for drawdown to the agencies upon receipt of their TDA3 claim form through Metro's Local Return Management System (LRMS). Each agency must request that all remaining funds not identified for drawdown be placed on reserve in County Auditor-Controller's TDA Article 3 reserve account every year through a claim form submittal by **May 31st**. A claim form may be submitted at any time before May 31<sup>st</sup> of the fiscal year to Metro after the local allocations have been placed on reserve. Only funding designated for specific projects by an agency may be drawn down. **Note: claim forms not submitted by May 31 may be subject to an audit finding or lapsing of that year's funds.**

All new bicycle facility design and construction projects must satisfy the design parameters outlined in the Caltrans Highway Design Manual, Chapter 1000 (established in accordance with Section 2374 of the Streets and Highways Code).

Bikeway projects submitted for approval must be consistent with an agency's adopted general plan or bicycle master plan. Agencies must therefore submit appropriate plans to Metro, to be kept on file, and forward subsequent plan amendments as appropriate. Projects must also comply with the Regional Transportation Plan prepared by Southern California Association of Governments (SCAG), and Metro's Sub Regional Bikeway

Master Plans. Metro will determine a project's consistency with the plans. Allocations for approved projects may be made for up to 100 percent of the project cost. Agencies are encouraged to consider projects involving multiple governmental agencies.

### ***Filing Claims***

Article 3 funds are not automatically distributed to agencies or placed on reserve. Each agency must designate the disposition of its TDA Article 3 allocation by completing the TDA3 Claim Form in the LRMS by **May 31st**. Agencies must use this form to identify which project(s) will be funded or for which funds will be reserved. Funds may either be drawn down (distributed for use) or placed on reserve for future use. State guidelines require that agencies specify the project(s) for which these funds are to be used. Metro will not process claims, neither for reserve nor draw-down, which do not specify the project(s) for which funding is designated.

### ***Funding, Lapsing, and Accounting***

Agencies may only draw down the funds that they can spend during the fiscal year in which they were allocated. Agencies are not allowed to have a fund balance at the end of the fiscal year. Any funds drawn down and that remain unspent after the end of the fiscal year must be returned to Metro by October 15<sup>th</sup> of the following fiscal year to be placed on reserve for the agency under the fiscal year in which they were originally allocated. Agencies must also fully spend any interest accumulated by these funds by the end of the fiscal year in which the funds were allocated. It is Metro's policy to retain any interest generated TDA Article 3 funds that are placed on reserve, or go unspent during the fiscal year in which they were allocated. This interest income is added to a future year's total allocation and reallocated to local agencies.

TDA Article 3 local funds may be placed on reserve for up to three years (i.e. no longer than the fourth fiscal year after they were made available by Metro Board action). Agencies may accumulate three years worth of reserved TDA Article 3 local funds before being required to obligate them or return them to the TDA Article 3 fund. Any funds left on reserve by the local agency longer than three years are subject to lapse and future reallocation. Exceptions to this lapsing policy may be made by Metro on a case-by-case basis for agencies accumulating their annual allocations for future use on specific eligible projects. Any extension request for Metro Project Manager's approval consideration should be submitted to Metro by June 30<sup>th</sup> of the fiscal year.

Metro's processing of a local agency's allocation is contingent on the amount of available TDA Article 3 funds since these funds are allocated to Metro by the State on a monthly basis. Local claims will be held by Metro if the amount being claimed exceeds the amount of available TDA Article 3 funds. The claims will be processed, as sufficient funds are made available to Metro. Metro will then fill all claims on a monthly basis until the amount of the annual claim and/or previous year's reserved claim are fully paid.

### ***Other References***

Agencies should refer to the following instructions along with the TDA Statutes and California Code of Regulations for 2009.

# TDA ARTICLE 3 LOCAL CLAIM FORM INSTRUCTIONS

Access the TDA3 Claim Form through the TDA3 Portal in the LRMS on smartsheet.com. Only preapproved administrators may fill out and submit a claim form by May 31<sup>st</sup> of each fiscal year. To become an administrator your jurisdiction will need to fill out Metro’s TDA 3 Designee Authorization Form. Each jurisdiction may only have one administrator.

Administrators should submit one complete claim form for each project that will be funded with TDA3 funds for the year.

## Claim Form Instructions:

Click “Enter TDA3 Claim” link on the TDA3 LRMS portal and then fill out the following information:

### Claim Requests - TDA3

Fiscal Year *	<input type="text" value="2022"/>	<i>Fiscal Year → Current Fiscal Year is the default</i>
City *	<input type="text" value="Avalon"/>	<i>City → Your City Name is the default</i>
Fund Source *	<input type="text" value="TDA 3"/>	<i>Fund Source → TDA3 is the default</i>
Project Type *	<input type="text" value="Select"/>	<i>Project Type → CAP or OPS</i>
Project Title *	<input type="text"/>	<i>Project Title → Enter Project Title by which the Project is identified</i>
Project Description *	<input type="text"/>	<i>Project Description → Enter detailed Description</i>
Payment Amount Requested	<input type="text"/>	<i>Payment Amount Requested → IMPORTANT: enter the amount that you are requesting to be paid out of your TDA 3 funds for the year for this project. DO NOT include the total project budget or any funding amounts that are not TDA 3. The amount entered here will be the amount that you will be paid</i>
Submit for Approval *	<input checked="" type="checkbox"/>	<i>Reserve Curr. Yr. Balance → Make sure you click this checkbox to ensure any unused funds are transferred into your reserve balance</i>
Reserve Curr. Yr Balance *	<input checked="" type="checkbox"/>	<i>File Upload → Attachment Upload</i>
File Upload	<input type="text" value="Drag and drop files here or browse files"/>	<i>Submit for Approval → Click the “Check Box” each time to submit for approval</i>
<input type="checkbox"/> Send me a copy of my responses		<i>Reserve Curr. Yr. Balance →</i>
<input type="button" value="Submit"/>		<input type="button" value="Submit the Form"/>

TDA 3 Claims are all processed once a month (usually around the 19th of the month). Once your TDA3 claims have been processed and approved, your jurisdiction will no longer be able to submit additional claims for the year. If you request a payment in your claim form, the funds will automatically be drawn down from your oldest reserve funds first to help agencies avoid lapsing funds.

**ARTICLE 3 BICYCLE AND PEDESTRIAN FUNDS  
FISCAL YEAR 2021 LOCAL ALLOCATION FORM-CLAIM**

Claim Requested By:  
Jamie Murguia  
18747 Clarkdale Ave  
Artesia, 90701  
jmurguia@cityofartesia.us

**Total Payment Requested \$0.00**  
**Total amount to transfer to reserve \$9447.00**

**PART IV. PROJECTS TO BE FUNDED BY TDA ARTICLE 3 FUNDS:**

<b>Project Title</b>	<b>Total Payment Requested</b>
reserves	\$0.00
<b>Totals</b>	

**CONDITION OF APPROVAL:** Approval of this claim and payment by the County Auditor to this claimant are subject to the monies being available and to the provisions that such monies will be used only in accordance with the Allocation Instructions.

X Jamie Murguia 01/25/22  
Agency's Chief Administrative Officer, Date  
City Manager, or approved designee

The LACMTA project manager Chelsea Meister on 01/25/22 (date) has received and approved the above city's FY 2019-2020 TDA Article 3 Bicycle & Pedestrian Funds Claim Form

TDA3 Drawdown and Reserves Summary  
01/25/22

To: Diana Estrada

**Subject: FY2021 TDA Article 3 Claim Form for City of Artesia**

Claim Requested By:

Jamie Murguia  
18747 Clarkdale Ave  
Artesia, 90701  
jmurguia@cityofartesia.us

Claim Details:

**Total Payment Requested \$0.00**

**Total amount to transfer to reserve \$9447.00**

<b>Fiscal Year</b>	<b>Reserves: pre claim</b>	<b>Reserves: post claim</b>	<b>Actual Drawdowns</b>
2015	\$0.00	\$0.00	\$0.00
2016	\$0.00	\$0.00	\$0.00
2017	\$6458.60	\$6458.60	\$0.00
2018	\$11008.00	\$11008.00	\$0.00
2019	\$11412.00	\$11412.00	\$0.00
2020	\$12140.00	\$12140.00	\$0.00
2021	\$9447.00	\$9447.00	\$0.00
<b>Totals:</b>	<b>\$62555.02</b>	<b>\$62555.02</b>	<b>\$0.00</b>

I have reviewed these claim forms and accompanying documentation and found them in order. Please disburse and/or reserve the TDA Article 3 funds as requested.

Thank you,

Chelsea Meister  
x25638  
Local Returns  
TDA3 Drawdown Summary



**Metro**

Los Angeles County  
Metropolitan Transportation Authority

One Gateway Plaza  
Los Angeles, CA 90012-2952

213.922.2000 Tel  
metro.net

**TDA Article 3 Claimant Designee Authorization**

<b>AGENCY:</b>	City of Artesia
<b>Agency's Chief Administrative Officer, City Manager, or approved designee Name:</b> Jamie Murguia	
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY TDA 3 CLAIMANT AUTHORIZING POINT OF CONTACT TO CLAIM, RESERVE, AND DRAWDOWN ALL TDA3 FUNDS	
I understand that approval of all claims and payments by the County Auditor are subject to the monies being available and to the provisions that such monies will only be used in accordance with the Allocations Instructions	
The below contact person is authorized to process all TDA Article 3 Payment requests for this agency. I confirm that all payments shall be processed in accordance with the below contact information:	
Authorized Contact Persons Name:	Jamie Murguia, Acting Finance Manager
Contact Person's Email:	<a href="mailto:jmurguia@cityofartesia.us">jmurguia@cityofartesia.us</a>
Contact Person's Phone Number:	562-865-6262, ext. 244
Payment Address:	18747 Clarkdale Ave., Artesia Ca 90701

Signature: /S/ Jamie Murguia

Date: 3/1/2021

(Agency's Chief Administrative Officer, City Manager, or approved designee)

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Return to Chelsea Meister, localreturn@metro.net;  
One Gateway Plaza, M.S. 99-4-3, Los Angeles, CA 90012

June 16, 2022

**MEMO TO:** BUS OPERATIONS SUBCOMMITTEE

**FROM:** Dr. Rufus E. Cayetano – Director, Budget; Local Programming

**SUBJECT:** FY 2023 TRANSPORTATION DEVELOPMENT ACT (LTF & STAF)  
CLAIM FORMS

Attached are the guidelines for preparing the Fiscal Year 2023 TDA claim forms for Local Transportation Funds (LTF - Article 4) and State Transportation Assistance Funds (STA - Article 6.5) to include SB1 STA and SGR.

Please call me at (213) 922-2379 or email at [cayetanor@metro.net](mailto:cayetanor@metro.net) if you need any help.

Attachment

**FY 2023 TDA/STA CLAIM INSTRUCTIONS**  
**Page I.**

**FISCAL YEAR 2023**

**TRANSPORTATION DEVELOPMENT ACT PROGRAM**  
**INSTRUCTIONS FOR PREPARING PUBLIC TRANSPORTATION CLAIMS**

**General Information**

These guidelines pertain to claims filed for public transportation purposes under the following categories:

**Local Transportation Fund (LTF)**

Article 4, PUC Section 99260(a), for support of public transportation systems; and

**State Transit Assistance Fund (STAF)**

Article 6.5, PUC Section 99315, for operators, cities and counties eligible to receive Article 4, 4.5 or 8c in meeting public transportation needs.

When filling out claim forms, claimants should refer to sections of Caltrans' TDA Statutes and California Codes of Regulations, April 2013

**When and Where to File**

The attached claim forms are required to file claims for Local Transportation Funds and/or State Transit Assistance Funds as follows:

**Local Transportation Funds (LTF)**

Claimants in Los Angeles County should submit a claim with an original signature to the attention of Rufus E. Cayetano at Los Angeles County Metropolitan Transportation Authority, One Gateway Plaza Los Angeles, CA 90012-2952 (Mail Stop 99-21-3), no later than September 30, 2023. Claims will be processed in the order in which they are received.

**State Transit Assistance Funds (STAF)**

Claimants should submit claim forms for STA funds to the address noted above.



## FY 2023 TDA/STA CLAIM INSTRUCTIONS

Page ii.

### **ITEMS TO BE FILED**

#### 1. **STATEMENT OF ASSURANCES**

Each claim must include a copy of the "Standard Assurances for Applicants". Applicable paragraphs should be initialed and signed by the authorizing party.

#### 2. **CLAIM FORM**

A claim form (Pages 1 and 2, LTF and STAF) is required for each request of Local Transportation Funds and State Transit Assistance Funds. Information should be provided as follows:

**Claimant:** Enter the name of the jurisdiction or transit operator filing the claim.

**Contact Person:** The name and phone number of the person to be contacted regarding information contained in the claim.

**Date:** Enter the month, day and year the claim is signed.

**Payment Recipient:** Enter the address and to whose attention the County Auditor should transmit payments.

**Purpose:** All TDA claims will be Article 4, PUC Section 99260(a). For STA claims, check the applicable regulation. Refer to Caltrans' TDA Statutes and California Codes of Regulations for appropriate statute or regulation.

**Detail of Requested Payment:** Enter the amounts requested for operating, capital, and capital reserves after completion of table 2.

**Authorizing Signature:** The claim must contain an original signature of the claimant's Chief Financial Officer or Chief Administrative Officer. Please include name and title. Enter the name of the jurisdiction or transit operator and the transit mode (e.g., fixed route, dial-a-ride) on each table.

#### 3. **HISTORICAL AND PROJECTED FINANCIAL STATUS- TABLE L- 1**

These financial statements are applicable to LTF and STAF claims and must be included with all requests for funds.

## FY 2023 TDA/STA CLAIM INSTRUCTIONS

Page iii.

All line items on the statements are consistent with the State Controller's Uniform System of Accounts for Public Transit Operators, and claimants should refer to the State Controller's system for definitions.

**Figures entered in the "Audited" column (FY 2021) must correlate to the FY 2021 Fiscal and Compliance Audit figures.** Figures for the "Actual" column must be an annualized estimate of FY 2022, based on claimant's records up to the time the statement is prepared, or upon audited figures for the claim year, if available.

**INSTRUCTIONS FOR SELECTED LINE ITEMS ON TABLE 1 ARE LISTED BELOW. PLEASE NOTE THAT ALL CLAIMANTS ARE REQUIRED TO SUBMIT TABLE L-1 FOR EACH MODE OF TRANSIT SERVICE AND FOR THE SYSTEM TOTAL.**

**SOURCES OF FUNDS FOR CAPITAL:** This part of Table L-1 depicts sources of funds made available for capital purposes only.

**OPERATORS ARE NOT PERMITTED TO HOLD CAPITAL FUNDS IN THEIR OWN ACCOUNTS; ANY EXCESS ALLOCATIONS SHOULD BE RETURNED TO THE COUNTY AUDITOR AND REPROGRAMMED OR RE-RESERVED AS AUTHORIZED BY MTA. OPERATORS ARE REQUIRED TO MAINTAIN DETAILED ACCOUNTING BY PROGRAM YEAR FOR ALL CAPITAL PROJECTS.**

**TDA/STA CLAIM FORMS:** Operators may apply TDA Art 4 funds to operating and/or capital. The amount of the allocation applied to operating should correspond with Payment from Unallocated -Operations (item #1 on the claim form). Item #2 is the amount that the operator requests to place in capital reserve from the current years allocation and should correspond with the total capital funds reserved for future payment in Table 2. Item #3 is the Total FY 2023 fund mark and is the sum of #1 and #2.

**TDA/STA CAPITAL ALLOCATION Table L-1:** The top portion of this form represents the TDA/STA, Proposition A and C funds that the operator annually decides to allocate to capital. MTA administrative practice requires that all TDA capital funds be placed in reserve until the operator submits a written request to MTA for drawdown. Secondly, operators must meet the annual eligibility test to apply STA funds to operating, however they may apply these funds to capital projects for that year. The amount entered on Table L- 1 (Source of Capital Funds for TDA/STA) as the FY 2024 planned capital allocation, should correspond with the amount entered on line 2 of the TDA/STA Claim form and the amount reserved for future payment on Table 2. (sum of columns A &B). Only Prop A Discretionary funds that are carried over from a prior year are allowed to be applied to capital expenses.

## FY 2023 TDA/STA CLAIM INSTRUCTIONS

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**TDA/STA TABLE 2.** Operators are required to identify the capital projects that are to be reserved for payment in FY 2024 or future years. Enter the name of the capital project and the amount of the anticipated expenditure. This should also be supported with documentation in the operators Short Range Transit Plan and Transit Improvement Program (TIP). Identify the planned expenditure in FY 2024 and the amount planned for expenditure in future years. **Prop A & C Discretionary Capital projects should be separately identified in the TIP sheet and Short Range Transit Plan.**

**SB1 STA/SGR:** The Road Repair and Accountability Act, Senate Bill (SB) 1 (Chapter 5, Statutes of 2017) provides additional STA Funds as well as the State of Good Repair (SGR) program that provides revenue for transit infrastructure repair and service improvements. These SB1 funds need to be shown on your claim form. Since SGR funds are to be used for capital expenditure, operators need to indicate these on the applicable Table 2. The projects identified must be consistent with those that were approved by Caltrans for use of SB1 Funds.

### **SOURCES OF FUNDS FOR OPERATING:**

**SOURCES OF FUNDS FOR OPERATING:** This part of Table L-1 depicts sources of funds made available for operating purposes only, some of which are explained below.

**TDA CARRYOVER - PRIOR YEAR:** This represents unspent TDA funds received in prior years for operations. Because Proposition A Discretionary funds are to be the last funds spent, this line should always be zero. **ONLY CLAIMANTS WHO DID NOT RECEIVE PROPOSITION A DISCRETIONARY FUNDS (LINE 30) SHOULD HAVE TDA CARRYOVER, AS MTA POLICY ALLOWS EXPENDITURE OF DISCRETIONARY FUNDS ONLY AFTER THE EXPENDITURE OF ALL OTHER SUBSIDIES.**

**TDA CURRENT FROM UNALLOCATED:** Amounts entered on this line represent total LTF operating payments received or requested by the claimant for each year. The amount entered on Table 1 should correspond to the TDA claim form Item #1.

**STA CURRENT FROM UNALLOCATED:** Amounts entered on this line represent STA payments received or requested for claims filed in a particular fiscal year. (*Operators must have passed the annual eligibility test to apply STA funds to operating*). The amount entered on Table L- 1 should correspond to the STA claim form Item #1.

**PASSENGER FARES:** Passenger fares include farebox revenues and those Proposition A Local Return Special Fare Assistance monies received on a

## FY 2023 TDA/STA CLAIM INSTRUCTIONS

Page v.

per-passenger basis that qualify as fare revenue. Proposition A Local Return funds included in this category should be noted at the bottom of Table 1.

**PROPOSITION A DISCRETIONARY GRANT:** Amounts entered on this line represent Prop. A monies received by Article 4 operators from MTA under a Memorandum of Understanding (MOU). If funds are shown in FY 2021 complete the Proposition A Discretionary Worksheet supplement enclosed in this package (Table 4).

**PROPOSITION A LOCAL RETURN:** Amounts entered on this line represent Prop. A monies received by any operator from a municipality under the Local Return Program, exclusive of those that qualify as fare revenues.

**PROPOSITION A INCENTIVE FUND:** Amounts entered on this line represent Prop. A monies received by any operator from a municipality under the Incentive Program.

**OTHER LOCAL - PROP. A EXCHANGES:** Profit earned or funds lost as a result of Proposition A Local Return fund exchanges should be noted here, as well as any other local subsidies not covered by one of the above categories.

**PROPOSITION C LOCAL RETURN:** Amounts entered on this line reflect estimates of Prop. C funds in Operators' budget during FY 2023.

**PROPOSITION C DISCRETIONARY GRANT:** Amounts entered on this line represent Prop. C monies received by any operator from a municipality under the Local Return Program.

**SUBTOTAL OPERATING REVENUES:** Operators should enter the sum of Lines 16 through 35.

**TOTAL OPERATING EXPENSES:** This amount reflects total operating expenses, excluding depreciation and amortization, and must correlate to the fiscal audit for FY 2021. Any excess of expenses over revenues will have the net effect of reducing eligibility for funds for the following fiscal year(s). FY 2023 planned operating expenses must equal Line 36 - Subtotal Operating Revenues. Multimodal operators should use a separate Table 1 to show operating expenses for each mode, and should include an additional Table 1 to summarize Total System Expenses. Indicate the mode at the top of each table.

## **FY 2023 TDA/STA CLAIM INSTRUCTIONS**

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### **4. GOVERNING BODY AUTHORIZATION**

Each claim must include a copy of a resolution or minute order in which the claimant's governing body authorizes the claim and approves the basic purpose for which it is being filed.

### **5. JUSTIFICATION STATEMENTS**

Justification statements must accompany the claim when either: a) the operating budget indicates an increase of over 15 percent from the preceding fiscal year; or b) a major capital project (e.g., over \$100,000) is to be funded without federal funds.

### **6. PROPOSED COMMITMENT STATEMENT**

When it is requested that funds be reserved for long-term capital projects, the claimant must submit a description of the project. The S RTP description will suffice for this requirement.

### **7. EMPLOYEE RETIREMENT STATEMENT (Article 4 only)**

A statement must accompany the claim, signed by the claimant's Chief Financial Officer or a Certified Public Accountant, certifying that the current cost of the operator's retirement system is fully funded.

### **8. PROOF OF FUNDING OBLIGATION (Article 4 only)**

When requesting drawdown of funds reserved for major capital projects, tangible evidence of a legal commitment to expend these funds (invoice, purchase order or contract, or schedule of projects with Board resolution) must be submitted. This may be done quarterly.

### **9. COOPERATIVE AGREEMENT OR CONTRACT**

Claims filed through cooperative agreements and joint powers agreements by a local agency or operator must be accompanied by an executed copy of the agreement, unless a copy is already on file with the MTA.

### **10. TDA RESERVE FUNDS HELD BY COUNTY AUDITOR**

Operators who have TDA (LTF) reserve accounts with the County Auditor must separately complete and submit their drawdown request on a quarterly basis to their respective Project Manager. The request should identify the name of the project, the TIP project identifying number, the amount of the drawdown, the Fiscal Year the funds were programmed

## FY 2023 TDA/STA CLAIM INSTRUCTIONS

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and any remaining balance in the project account. The MTA shall pay the request utilizing the first in first out rule. However, operators are responsible to maintain fund balances by project, by Fiscal Year and with identifying number which corresponds to the project in the TIP.

### 11. **TDA RESERVE FUNDS HELD BY OPERATOR**

Operators who are, for any reason, holding TDA capital reserves in their own account must complete a form and submit it with their claim to comply with requirements in the Conformance Auditing Guide. UNEXPENDED TDA CAPITAL FUNDS MUST BE RETURNED TO MTA AND MAY BE RE-RESERVED OR REALLOCATED AT MTA'S DISCRETION.

### 12. **CALIFORNIA HIGHWAY PATROL CERTIFICATION (Pull Notice)**

Operators are required to have their buses inspected by a representative of the California Highway patrol within the past 13 months. A copy of this certificate **must** be submitted with the claim

### 12. **PROPOSITION A DISCRETIONARY GRANT WORKSHEET (Table 4)**

This table is required to be completed in order to receive Proposition A Discretionary Grant funds. However, only Lines 28 to 33 need to be completed if Table 1 is completed and submitted simultaneously. Instructions for completing Lines 28 to 33 are as follows:

**LINE 28 - VEHICLE SERVICE HOURS (VSH):** This figure should be consistent with National Transit Data (NTD) and TPM data for the transit mode for which financial statistics are being reported.

**LINE 29 - COST PER VSH:** This figure is calculated by dividing Line 27 by Line 28.

**LINE 30 - PERCENT CHANGE IN COST PER VSH:** This figure is calculated by subtracting Line 29 for FY 2021 from Line 29 for FY 2022. The difference is then divided by Line 29 for FY 2022, which will equal the percentage change. If this change is greater than CPI then the claimant should attach an explanation of why the cost per hour is increasing over the CPI.

**LINE 32 - 5% OF OPERATING EXPENSES:** Line 27 (Total Operating Expenses) multiplied by five percent (.05).

**LINE 33 - 25% OF LOCAL RETURN FUNDS:** Calculate 25% of the city's Prop. A Local Return allocation for the fiscal year.

**THE "MAINTENANCE OF EFFORT" REQUIREMENT IS THE LESSER OF LINES 32**

**FY 2023 TDA/STA CLAIM INSTRUCTIONS**

**Page viii.**

**AND 33. LINE 20 (PROPOSITION A LOCAL RETURN) SHOULD BE GREATER THAN OR EQUAL TO THIS AMOUNT.**

## Public Transportation System Claim

### CHECKLIST OF ITEMS FILED

**FISCAL YEAR:**

CLAIMANT: \_\_\_\_\_ DATE:

The items checked below are enclosed in connection with the claim filed herein:

- \_\_\_ 1. **Pages 1 and 2 for TDA and STA**  
(See instructions for completing the form in the instruction package).
- \_\_\_ 2. **Financial Statement (Table L-1)**  
(A separate table must be completed for each mode. The table should be consistent with the table included in the SRTP.)
- \_\_\_ 3. **Standard Assurances for Claimants**
- \_\_\_ 4. **Governing Body Authorization**  
Submit a certified copy of a resolution or minute order.
- \_\_\_ 5. **Justification Statements**
- \_\_\_ 6. **Proposed Commitment Statement(s)**  
Complete when requesting long-term capital reserves.
- \_\_\_ 7. **Employee Retirement System Certification Statement**
- \_\_\_ 8. **Proof of Funding Obligation**  
Submit tangible evidence of imminent need for capital reserve drawdowns.
- \_\_\_ 9. **Cooperative Agreement or Contract**  
Submit copies if applicable
- \_\_\_ 10. **TDA Reserves Held by County Auditor (Table 2)**
- \_\_\_ 11. **California Highway Patrol Certification (Pull Notice)**  
Current within 13 months.



**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY**

**PUBLIC TRANSPORTATION CLAIM**

**STANDARD ASSURANCES FOR APPLICANTS  
FOR LOCAL TRANSPORTATION FUNDS (LTF) AND  
STATE TRANSIT ASSISTANCE FUNDS (STAF)**

**Claimant:** \_\_\_\_\_ **Fiscal Year:**

PLEASE INITIAL ALL APPLICABLE PARAGRAPHS PURSUANT TO WHICH THE CLAIM IS BEING SUBMITTED.

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1. **CERTIFIED FISCAL AND COMPLIANCE AUDIT**  
Claimant certifies that it has submitted a  
1.8.1 satisfactory, independent fiscal and compliance  
1.8.3 audit, with required certification statement, to SCAG, MTA, and the  
Department of Transportation, pursuant to PUC Section 99245 and  
CAC Section 6664 for the prior fiscal year (project year minus two).  
Claimant assures that this audit requirement will be completed for the  
current fiscal year (project year minus one), and submitted to MTA no  
later than 120 days after the close of the fiscal year.
  
2. **90-DAY ANNUAL REPORT (STATE CONTROLLER'S REPORT)**  
Claimant certifies that it has submitted a State Controller's Report  
1.8.2 in conformance with the Uniform System of Accounts and Records,  
1.8.3 to SCAG, MTA, and the State Controller, pursuant to PUC Section  
99243, for the prior year (project year minus two). Claimant assures  
that this report will be completed for the current fiscal year (project  
year minus one), and submitted no later than 90 days after the close  
of the fiscal year.
  
3. **PART-TIME EMPLOYEES\***  
Claimant certifies that it is not precluded, by any contract entered  
5.6.2b into on or after June 28, 1979, from employing part-time drivers or  
contracting with common carriers of persons operating under a  
franchise or license. Claimant further certifies that no person who  
was a full-time employee on June 28, 1979, shall have his or her  
employment, excluding overtime, reduced as a result of it employing  
part-time drivers or contracting with those common carriers. (PUC  
Section 99314.5c)

# STANDARD ASSURANCES FOR APPLICANTS

Page 2.

## MTA TDA GUIDE SECTION

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4. **FIFTY PERCENT EXPENDITURE LIMITATION**
  - 2.2.1 Claimant filing a claim pursuant to PUC Section 99268.1 certifies that it was in compliance with PUC Section 99268 during the 1978-79 fiscal year, and further certifies that it will remain in compliance with that section during the project year.
  
5. **REVENUE RATIOS FOR OLDER OPERATORS**
  - 2.2.2 Claimant filing a claim pursuant to PUC Section 99268.2 certifies that it will maintain for the project year that ratio of fare revenues and local support to operating cost which was maintained during the 1978-79 fiscal year, and further assures for the project year that it reasonably anticipates achieving the ratio of fare revenues to operating cost at least equal to the ratio maintained in FY 1978-79, or (a) 20 percent if serving an urbanized area, and (b) 10 percent if serving a nonurbanized area, whichever is greater.
  
6. **REVENUE RATIOS FOR NEWER URBANIZED AREA OPERATORS**
  - 2.2.2 Claimant filing a claim pursuant to PUC Section 99268.3 certifies that it will maintain for the project year at least that ratio of fare revenues and local support to operating cost which was maintained during FY 1978-79 if that ratio was greater than 20 percent; claimant further assures, for the project year, that it reasonably anticipates achieving a ratio of fare revenues to operating cost equal to or greater than 20 percent for the project year.
  
7. **REVENUE RATIOS FOR NEWER NON-URBANIZED AREA OPERATORS**
  - 2.2.2 Claimant filing a claim pursuant to PUC Section 99268.4 certifies that it will maintain for the project year at least that ratio of fare revenues and local support to operating cost which was maintained during FY 1978-79 if that ratio was greater than 10 percent; claimant further assures, for the project year, that it reasonably anticipates achieving a ratio of fare revenues to operating cost equal to or greater than 10 percent.
  
- 8a. **REVENUE RATIOS FOR EXCLUSIVE SERVICES TO ELDERLY AND HANDICAPPED**
  - 2.2.3 Claimant filing a claim pursuant to PUC Section 99268.5 certifies that, for the purpose of the claim, it provides services using vehicles for the exclusive use of elderly and handicapped persons.

## STANDARD ASSURANCES FOR APPLICANTS

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- 8b. **REVENUE RATIOS FOR PARATRANSIT SERVICES**  
2.2.3 Claimant filing a claim pursuant to PUC Section 99275.5c (Article 4.5) further certifies that, for the project year, it reasonably anticipates achieving the performance criteria, local match requirements, or fare recovery ratios adopted by MTA.
9. **EXTENSION OF SERVICE**  
1.8.4 Claimant that received an allocation of Local Transportation  
2.2.5 Funds for an extension of service pursuant to PUC Section 99268.8 certifies that it will file a report of these services pursuant to CAC Section 6633.8b within 90 days after the close of the fiscal year in which that allocation was granted.
10. **RETIREMENT SERVICE**  
2.1.7 Claimant filing a claim pursuant to PUC Section 99260 certifies that: (a) the current cost of its retirement system is fully funded with respect to the officers and employees of its public transportation system; or (b) the operator is implementing a plan approved by the transportation planning agency which will fully fund the retirement system for such officers and employees within 40 years; or (c) the operator has a private pension plan which sets aside and invests, or on a current basis, funds sufficient to provide for the payment of future benefits, and which is fully compliant with the requirements stated in PUC Sections 99272 and 99273.
- 11a. **USE OF FEDERAL FUNDS**  
2.2.1 Claimant filing a claim for TDA funds for capital intensive projects  
2.2.8 pursuant to PUC Sec. 99268.7 certifies that it has made every effort to obtain federal funding for any project which is funded pursuant to PUC Sec. 99268.7.
- 11b. Claimant qualifying for funds pursuant to PUC Sec. 99268.1 and  
2.2.1d filing a claim for TDA funds in excess of the amount allowed under PUC Sec. 99268 certifies that such funds are required in order to obtain maximum federal operating funds in the year such funds are claimed, pursuant to PUC Sec. 99267.5 and CAC Sec. 6633.1.

**STANDARD ASSURANCES FOR APPLICANTS**

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12. **CHP CERTIFICATION**  
2.2.9 Claimant filing a claim for Local Transportation Funds has included in the claim a certification completed within the last 13 months by the California Highway Patrol indicating compliance with Vehicle Code Section 1808.1, indicating that the operator has participated in a "pull notice system" to examine driver's records, as specified in PUC Sec. 99251.
13. **STA EFFICIENCY STANDARDS\***  
Beginning in FY 1992, claimant filing a claim for State Transit Assistance Funds for operating purposes certifies that it has met the efficiency standards which limit cost per hour increases, pursuant to PUC Sec. 99314.6.
14. **REDUCED TRANSIT FARES**  
Claimants of TDA funds who offer reduced fares to senior citizens certify that: (a) The Federal Medicare Identification Card is sufficient identification to receive senior citizen reduced fares if such fares are available; and (b) A disabled person or disabled veteran identification card issued pursuant to subdivision (d) of Vehicle Code Sections 22511.5 or 22511.9 (whichever is applicable) is sufficient identification to receive disabled person reduced fares if such reduced fares are available.

**\*STAP Claimants Only.**

(Legal Name of Applicant/Claimant)

(Authorizing Signature)

(Print Name & Title)

**CLAIM FORM**

TDA CLAIM FORM  
LTF PUBLIC TRANSPORTATION - ARTICLE 4

CLAIMANT:

CONTACT PERSON: \_\_\_\_\_ TELEPHONE:

DATE: \_\_\_\_\_ FISCAL YEAR: \_\_\_\_\_ COUNTY STAFF: Los Angeles

PAYMENT RECIPIENT:

ADDRESS:

ATTENTION:

(Name and Title)

<b>PURPOSE</b>	<b>REQUESTED PAYMENT AND RESERVES</b>	<b>AMOUNT</b>
Article 4 PUC 99260(a)	1. Payment from FY Allocation - Operations	\$ _____
	2. Amount placed in Capital Reserve from current year allocation (Complete Table 2)	\$ _____
	3. Total FY 2023 funding mark (1+2)	\$ _____

Authorized Signature:

(Claimant's Chief Administrator or Finance Officer)

(Print name and title)

**CONDITION OF APPROVAL:**

Approval of this claim and payment by the County Auditor to this claimant are subject to funds being available and to the provisions that such monies will be used only in accordance with the terms and conditions set forth by this claim.

**CLAIM FORM**

STATE TRANSIT ASSISTANCE FUND

Pursuant to Sections 6730-6735 of the California Administrative Code

CLAIMANT:

CONTACT PERSON: \_\_\_\_\_

TELEPHONE:

DATE: \_\_\_\_\_ FISCAL YEAR: \_\_\_\_\_

COUNTY LTF: Los Angeles

ADDRESS:

ATTENTION:

(Name and Title)

<b>PURPOSE</b>	<b>REQUESTED PAYMENT AND RESERVES</b>	<b>AMOUNT</b>
( ) CAC, Section 6730 (a)	1. Payment from Unallocated-Operations	\$ _____
( ) CAC, Section 6730 (b)		
( ) CAC, Section 6730 (c)	2. Amount placed in Capital Reserve from current year allocation (Complete Table 2)	\$ _____
( ) CAC, Section 6731 (a)		
( ) CAC, Section 6731 (b)		
( ) CAC, Section 6731 (c)	3. SB1 SGR Funds (Complete Table 2)	\$ _____
	4. Total FY 2023 Fund Mark (1+2+3)	\$ _____

\_\_\_\_\_

Authorized Signature:

(Claimant's Chief Administrator or Finance Officer)

(Print name and title)

CONDITION OF APPROVAL:

Approval of this claim and payment by the County Auditor to this claimant are subject to monies being available and to the provisions that such monies will be used only in accordance with the terms and conditions set forth by this claim and SCAG Allocation Instructions.

**Table L-1 (A)**  
**HISTORICAL AND PROJECTED FINANCIAL STATUS**  
**SOURCE AND APPLICATION OF CAPITAL FUNDS**  
**BY YEAR OF EXPENDITURE (\$ 000)**

MODE:

<b><i>SOURCE OF CAPITAL FUNDS:</i></b>	2021 Audited	2022 Actual	2023 Planned
<b>FEDERAL CAPITAL GRANTS</b>			
FTA Sec. 5309 (Sec. 3)			
FAU Grants			
FTA Sec. 5307(Sec. 9)			
Other Federal (Assume 80/20 match) (Specify source)			
<b>STATE CAPITAL GRANTS AND SUBVENTIONS</b>			
TDA (ART 4) current from unallocated			
TDA from prior years reserves			
TDA (ART 8)			
STA current from unallocated			
STA from prior years reserve			
SBI SGR			
Other State (Specify)			
<b>LOCAL CAPITAL GRANTS</b>			
System Generated			
General Fund			
Prop. A Local Return			
Prop. A Discretionary Carry Over			
Prop. C Discretionary			
Prop. C Local Return			
Prop. C 5% Security			
Measure R Clean Fuel Bus Capital			
Measure R 15% Local Return			
Prop 1B PTMISEA Bridge Funds			
Prop 1B Transit Security Bridge Funds			
Other Local (Specify)			
TOTAL CAPITAL REVENUE			
TOTAL CAPITAL EXPENSES			

**Table L-1 (B)**  
**HISTORICAL AND PROJECTED FINANCIAL STATUS**  
**SOURCE AND APPLICATION OF OPERATING FUNDS**  
 BY YEAR OF EXPENDITURE (\$ 000)

<b>SOURCE OF OPERATING FUNDS:</b>	2021 Audited	2022 Actual	2023 Planned
-----------------------------------	-----------------	----------------	-----------------

<b>FEDERAL CASH GRANTS AND REIMBURSEMENTS</b>			
FTA Sec. 5307 (Sec. 9) Operating			
CMAQ (Operating)			

<b>STATE CASH GRANTS AND REIMBURSEMENTS</b>			
TDA Current from unallocated			
STA Current from unallocated			
Other State (Specify)			

<b>LOCAL CASH GRANTS AND REIMBURSEMENTS</b>			
Passenger Fares			
Special Transit Service			
Charter Service Revenues			
Auxiliary Transportation Revenues			
Non-transportation Revenues			
Prop. A %40 Discretionary			
Prop. A %25 Local Return			
Prop. A Incentive fund			
Prop. A Interest			
BSIP			
TSE			
Base			
MOSIP			
Prop. C %40 Discretionary			
Prop. C %20 Local Return			
Prop. C %5 Security			
Prop. C Other (Interest)			
Other Local (Specify)			

<b>TOTAL OPERATING REVENUES</b>			
<b>TOTAL OPERATING EXPENSES</b>			



TABLE 2  
TDA

Total Capital Funds Reserved  
for Future Payment (Total A & B) : \$ \_\_\_\_\_

<u>PROJECT</u> <u>DESCRIPTION</u>	(A) ANTICIPATED EXPENDITURE <u>FY 2024</u>	( B ) ANTICIPATED EXPENDITURE <u>FUTURE YEARS</u>
--------------------------------------	---	--

TABLE 2 (B)  
STA

Total Capital Funds Reserved  
for Future Payment: \$ \_\_\_\_\_

<u>PROJECT</u> <u>DESCRIPTION</u>	( A ) ANTICIPATED EXPENDITURE <u>FY 2024</u>	( B ) EXPENDITURE <u>FUTURE YEARS</u>
--------------------------------------	---	---

MTA BOARD APPROVED FY99

**LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY**

**GUIDELINES TO THE  
ADMINISTRATION OF  
TRANSPORTATION DEVELOPMENT  
ACT (TDA) ARTICLE 8**

## INTRODUCTION

Transportation Development Act (TDA) Article 8 funds are intended to fund unmet transit needs in areas outside the MTA service area, i.e., North Los Angeles County and Santa Catalina Island. However, if there are no unmet transit needs in these areas that are reasonable to meet, the Article 8 funds can be used for streets and roads expenditures. A public hearing must be held each year in each of the eligible areas to determine whether there are unmet transit needs and whether they are reasonable to meet using an allocation of Article 8 funds.

The following guidelines apply to TDA Article 8 funds. Citations from the California State Public Utilities Code (PUC) governing each process are provided following each relevant section of the guidelines text for further reference. The proposed FY 2002-03 claim form, Audit Guidelines, and State Controller's Guidelines Relating to Gas Tax Expenditures are included as appendices I, II, and III, respectively.

### 1. CONDITIONS FOR ALLOCATIONS

Prior to the allocation of Article 8 funds, MTA must make a determination each year in its public record whether there are transit needs that are reasonable to meet within the eligible jurisdictions. This determination is made through a public hearing process, and the participation of a Social Services Transportation Advisory Council. (99238, 99238.5, 99401.5, 99401.6 PUC)

The determination that there are no unmet transit needs, which can reasonably be met, will make specific reference to the efforts undertaken to identify public transportation needs. The Social Service Transportation Advisory Council will aid in identifying the transit dependent, especially persons who are elderly, disabled and low-income. (99238.5, 99401.5 PUC).

Public hearings will be conducted by the MTA. At least one hearing will be held on Catalina Island and in each of the cities of North Los Angeles County. Additional hearings may be held where deemed appropriate by MTA.

MTA must adopt a regional definition of "unmet transit needs" and "reasonable to meet" However, the determination of no unmet transit needs, which can reasonably be met, will be made for each area of apportionment separately. For example, approval of one city or county claim would not necessarily be delayed due to a finding that a transit need exists in another city or in the unincorporated area, as the case may be.

#### The Public Hearing Process:

a) At least thirty- (30) days public notice of intent will be given prior to holding the public hearing(s) in each location. The public notice will specify the hearing's intent to identify unmet transit needs which can reasonably be met within the jurisdiction of the claimant. (99238.5 PUC)

b) Public hearings will be scheduled by the MTA in such a manner as to minimize, to the extent possible, delays in allocating funds. (99238.5, 99401.5 PUC)

c) The Social Service Transportation Advisory Council, which is identified in state law and appointed by the MTA's CEO or designee, will aid in the citizen participation process by identifying unmet transit needs, advising on transportation issues, and making recommendations for coordination and consolidation.

d) A hearing board will be designated by the MTA CEO or his/her designee in order to conduct the public hearings in a location convenient to the residents of each local jurisdiction, to receive testimony, and to participate in developing recommendations concerning unmet public transportation needs.

e) The hearing board will meet within 45 days of the last hearing date to review hearing testimony as well as comments received from the SSTAC, and any other pertinent information prior to making a recommendation to the MTA Board of Directors.

f) The MTA Board, upon considering the staff recommendations, which are based on the input of the hearing board, the SSTAC, and the public testimony, shall make a finding regarding unmet transit needs.

g) MTA will send hearing documentation to the Chief of the Office of Transit Funding Development at the California State Department of Transportation (Caltrans) by August 15<sup>th</sup> of the fiscal year of the allocation or within 10 days after the adoption of the finding, whichever is later. MTA may allocate funds 20 days after an acknowledgment of receipt of the findings by Caltrans. (99401.6 PUC)

h) In accordance with PUC Section 99408, any action to review, set aside, void, or annul the decision of the MTA pursuant to this section and PUC Section 99238.5 and 99401.5 must be filed within 30 days after the MTA makes its decision, or after Caltrans has reviewed the decision pursuant to PUC Section 99242, whichever is later. (99408 PUC)

## 2. ELIGIBLE EXPENDITURES

Article 8 claims may be filed by the Cities of Avalon, Lancaster, Palmdale, Santa Clarita and the County (for the unincorporated area in the North Los Angeles County and unincorporated Santa Catalina Island outside the MTA service area). Article 8 funds may be used for transit, paratransit, and local streets and roads, including facilities for the exclusive use of pedestrians and bicycles. In expending Article 8 monies for Local Streets and Roads purposes, claimants should rely on Chapters 2 and 3 of the State Controller's Guidelines on Gas Tax Expenditures for general guidance. (99400 PUC)

Eligible expenditures include the following projects when they are necessary and convenient to the development of the street and road network:

Preliminary engineering

Right-of-way acquisition

Improvement, maintenance, reconstruction and construction of public streets and roads

Construction of facilities and buildings

Transportation planning

**The purchase of equipment is not an eligible expenditure.**

### 3. EXPENDITURE GUIDELINES

In addition to the eligibility requirements stated above, the following requirements apply to Article 8 expenditures:

(a) A separate fund should be maintained to show balances of Article 8 monies. For financial reporting purposes, Article 8 allocations should be identified as TDA 8 funds for either transit or non-transit use. Records of all TDA Article 8 revenues, expenditures, and interest earned on Article 8 monies must be maintained for three years after project completion or expenditure of funds for auditing purposes.

(b) Any interest earned on investment of Article 8 monies must be expended only for the purposes for which the monies were allocated.

(c) On construction projects, all expenditures charged to the Article 8 fund or recorded in the Article 8 accounts in the gas tax fund must be supported by a warrant or other source document clearly showing that the payment for the expenditure was made in the same fiscal year as the charge to the fund and that the source document (invoice, requisition, timesheet, equipment rental charge, etc.) clearly identifies the project. The above source documents, together with the books, must be official records of the claimant and should be retained by the claimant for three years after project completion or expenditure of funds for auditing purposes.

(d) If a jurisdiction wishes to spend TDA Article 8 funds for purposes other than those for which monies were allocated, but which are still consistent with the MTA unmet transit needs findings, an amendment request form must be completed and submitted to MTA. Should a jurisdiction consistently fail to submit an amendment request, the MTA may require the allocated amount plus interest to be credited to the jurisdiction's TDA Article 8 account using non-TDA funds.

(e) If a jurisdiction expends TDA Article 8 funds for an ineligible purpose, the jurisdiction will be required to credit their Article 8 accounts with the allocated amount plus interest, using non-TDA funds.

(f) Sufficient unrestricted cash must be available at all times to meet the needs of general city operations without impairment of the Article 8 monies.

#### 4. ALLOCATIONS

Allocations are made to each local jurisdiction or statistical subregional area based on population. Population updates will be requested annually from the California State Department of Finance for each city, and from the County of Los Angeles Regional Planning Department for the portions of the unincorporated Los Angeles County in the North County and on Catalina Island. Funding marks are developed by MTA staff each Spring, and are considered estimates, subject to adjustment to reflect actual TDA revenues.

Funds are released upon completion and Caltrans' approval of the unmet transit needs hearing process and receipt of a completed claim form. 1/12<sup>th</sup> of the claimed amount is released each month, subject to availability of funds. Claims for capital uses must be supported by an approved city or county capital improvement program or budget. Claims for transit operations must be supported by a Financial Statement. Please see the sample claim form and allocation instructions in Appendix I, for a more complete discussion of claim form requirements.

#### 5. TIMELY USE OF FUNDS

According to state guidelines, TDA Article 8 funds are required to be expended within 3 years of the year of allocation. In order to ensure that TDA funds are spent in a timely manner and that interest earned on these funds is accrued, allocated and expended consistently with the original allocations, claimants may not establish reserves of Article 8 funds in their own accounts. Local jurisdictions are invited to drawn down each year only the funds needed for expenditures anticipated within the fiscal year.

Any funds remaining in local jurisdictions accounts on June 30 of the fiscal year must be returned to MTA for placement on reserve and future drawdown by the jurisdiction. However, funds encumbered by a contract by June 30 of the same fiscal year shall be treated as expended for auditing purposes. Only contracts awarded to outside vendors for specific, previously approved projects will be considered encumbered. Work under the contract must be completed within 18 months of the contract award date. If at the end of the eighteen-month contract period the funds have not been expended, but are not yet subject to lapse, they must be reallocated to another eligible project through an amendment request form. If the funds have not yet been expended and have become subject to lapse, they must be returned to the County Auditor-Controller for reallocation according to population. Approval of FY 2002-2003 claim forms will be contingent on a zero single-year allocation year-end balance, subject to the encumbrance provision stated

above. (PUC 6648)

6. CAPITAL OUTLAY RESERVE

TDA Article 8 funds must be spent within 3 years after the year of allocation. However, a jurisdiction may request that its allocations be held within the TDA fund for up to 5 years to accumulate funds for a capital outlay. Requests to hold allocations within the fund must include a justification and description of the project, total anticipated project budget, other funding sources to be used, and the number of years (up to 5) of anticipated reserves.

## APPENDIX I

### CLAIM FORM

#### LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

#### FY 2002-03 TDA ARTICLE 8 (PUC 99400) CLAIM FORM INSTRUCTIONS

##### PART I

Contact Person: Enter the name and phone number of the person who should be contacted for questions regarding the claims.

Claimant: Enter the name of the jurisdiction filing the claims.

Payment Recipient: Enter the address and person (including title) to whom payment should be transmitted by the County Auditor. Please note that unless otherwise notified, this address will be used for transmitting all correspondence regarding the claim. If you prefer a different address for receiving information, please indicate on a separate sheet.

##### PART II

#### REQUEST FOR DISBURSEMENT AND RESERVES

##### Disbursement from FY 2002-03 Allocation:

Enter amount of this year's allocation needed to cover expenditures for this fiscal year, 2002-03. Any funds remaining in local jurisdictions accounts on June 30, 2003 must be returned to MTA for placement on reserve and future drawdown by the jurisdiction. Funds encumbered by a contract by June 30, 2003 shall be treated as expended for auditing purposes. Only contracts awarded to outside vendors for specific previously approved projects will be considered encumbered. Work under the contract must be completed within 18 months of the contract award date. Funds not expended within the eighteen month contract period must either be reallocated to another eligible project through an allocation request or returned to the County Auditor Controller to be reallocated to the eligible local jurisdictions by population, depending on whether the funds are subject to lapse according to state guidelines. Approval of FY 2002-2003 claim forms will be contingent on a zero year-end balance, subject to the encumbrance provision stated above.



## **Streets and Roads**

If your agency plans to spend Article 8 funds for streets and roads or transit-related capital projects, please fill in Parts III and IV, the Project Information Form. Also attach Council Resolution (See Sample Resolution, included in claim package) and council-approved Capital Improvement Program (or portion thereof) showing the individual projects for which TDA Article 8 funds will be used.

## **Transit**

If your agency plans to spend Article 8 funds for transit operations, fill in Parts III, the Statement of Revenue and Expenses and VI, Transit Assurances and Financial Statement, also included in claim package.

Disbursement from Prior-Year Reserves: If your jurisdiction has previous allocations held in reserve with the County Auditor-Controller, you may request disbursement of these funds. The zero year-end balance requirement also applies to funds drawn down from reserves.

Reserve for Future Disbursement: If your agency plans to reserve TDA Article 8 funds for use in a future year, fill in the amount. Fill in Part III, the Statement of Revenue and Expenses, and Part V, Reserve Project Information Form (See PART V instructions below). TDA Article 8 funds cannot be reserved for future year transit operations. They can be reserved for future-year transit capital projects or streets and roads projects.

## **PART III**

### **STATEMENT OF REVENUE AND EXPENSES**

This section reflects the overall status of your jurisdiction's Article 8 account.

Line 1: FY 2002-03 Beginning of Year Balance must equal the FY 2001-02 End of Year Balance (You may refer to FY 01-02 TDA Audit Report) on Line 8 of this form.

Line 2: Disbursements Received from County Auditor: Disbursements to be received during the fiscal year, including disbursement from the current fiscal year allocation and/or draw-downs from prior year reserves.

Line 3: Interest: Amount of interest accrued on funds being held by the jurisdiction.

Line 4: TOTAL REVENUE: Sum of Disbursements Received from County Auditor and Interest (sum of lines 2 and 3).

Line 5: Funds Returned to County Auditor: Any Article 8 funds are to be returned to the County Auditor, unless they are under contract.

Line 6: Expenditures: Construction, maintenance and/or operations expenditures.

Line 7: TOTAL EXPENDITURES: Sum of Funds returned to County Auditor and Expenditures (sum of lines 5 and 6).

Line 8: End of Year Balance: Beginning of Year Balance plus Total Revenue, minus Total Expenditures (sum of lines 1 and 4, minus line 7). Beginning June 30, 2003, the year-end balance must not exceed zero.

#### PART IV

##### PROJECT INFORMATION FORM

Use this form if your agency plans to use Article 8 funds for streets and roads or transit capital projects. Give each project a project number, consisting of the last two digits of the fiscal year, a hyphen, and a sequential project number. The sequential project numbers should start over each year with number 001. For example, this year, your city may have projects 02-001, 02-002 and 02-003. Next year your city might have projects 03-001 and 03-002.

Provide brief project description, TDA Article 8 funding amount, local/other funding amount, and project total for each project. Sum each column.

#### PART V

##### RESERVE PROJECT INFORMATION FORM

If your agency wishes to reserve Article 8 funds for use in future years, use this form. Provide brief project description, anticipated year of project, TDA Article 8 funding amount, and total for each project. Sum the TDA Article 8 funding column. Timely use provisions in the TDA Guidelines require that funds be spent within 3 years after the year of allocation. However, if your jurisdiction has planned a large project, an extension may be requested to accumulate up to five years worth of TDA funds in order to fund the project. Please attach a justification including a description of the project, total project amount, other funding sources to be used, and narrative explaining the need to accumulate the anticipated reserves.

## PART VI

### TRANSIT ASSURANCES AND FINANCIAL STATEMENT

Transit Assurances: All applicable paragraphs should be initialed. The authorizing signature space on the last page of the assurances must be signed by the claimant's Chief Financial Officer or Chief Administrative Officer. Please include name, title, and date.

Financial Statement: The Financial Statement should contain the same information required for Table L-5 of the transit operator's Short Range Transit Plan, updated, with data for the year before the past fiscal year (FY 2000-01), the past fiscal year (FY 2001-02), and the project year (FY 2002-03). **ONE COPY OF THE FINANCIAL STATEMENT IS REQUIRED FOR EACH MODE OF TRANSIT SERVICE, AND FOR THE SYSTEM TOTAL.**

### SAMPLE RESOLUTION

Sample claim approval resolutions are provided for your information and use. A similar certified resolution or minute order must be included in your claim. Ongoing resolutions may be used, so long as the language of the resolution does not conflict with the findings and conditions for the use of the funds for the fiscal year.

### AMENDMENT REQUEST

An amendment request must be filled out if your jurisdiction wishes to use funds for a purpose other than which they were allocated, but which is still consistent with the applicable year's MTA unmet transit needs findings. An amendment request may also be used to program unanticipated interest accumulated on funds in your jurisdiction's accounts.

### AUDIT REQUIREMENT

All claimants are required to submit a satisfactory, independent fiscal and compliance audit, with required certification statement, to MTA and the State Controller, pursuant to PUC Section 99245 and CAC Sections 6664 for the prior fiscal year (project year minus two). By submitting the attached claim form, claimant assures that this audit requirement will be completed for FY 2002-03, and submitted to MTA no later than 120 days after the close of the fiscal year.

**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY**

**FY 2002-03 TDA ARTICLE 8 (PUC 99400) CLAIM FORM**

**PART I**

\_\_\_\_\_  
CONTACT PERSON PHONE

\_\_\_\_\_  
CLAIMANT/PAYMENT RECIPIENT

\_\_\_\_\_  
ADDRESS  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
SEND CHECK ATTENTION TO (NAME AND TITLE)

**PART II**

REQUEST FOR DISBURSEMENT AND RESERVES:	AMOUNT
Disbursement from FY 2002-03 Allocation	\$ _____
Disbursement from Prior-Year Reserves	\$ _____
<b>TOTAL DISBURSEMENT REQUESTED</b>	<b>\$ _____</b>
Reserve for Future Disbursement	\$ _____

**CONDITION OF APPROVAL:** Approval of this claim and payment by the County Auditor to this claimant are subject to monies being available and to the provisions that such monies will be used only in accordance with the terms and conditions set forth by this claim and MTA allocation instructions.

**AUTHORIZED SIGNATURE**

\_\_\_\_\_  
\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Date

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

TDA ARTICLE 8

**PART III**

FY 2002-03 STATEMENT OF REVENUE AND EXPENSES

CLAIMANT: \_\_\_\_\_

TDA ARTICLE 8 REVENUES & EXPENSES OF CLAIMANT

		FY 2001-02 Estimated	FY 2002-03 Proposed
Beginning Year Balance	1)		
<u>Revenue:</u>			
Disbursements: Allocations and Draw-downs	2)		
Interest	3)		
TOTAL REVENUE (sum of lines 2 & 3)	4)		
<u>Expenditures:</u>			
Funds returned to County Auditor	5)		
Expenditures: Construction, Maintenance, and Operations expenditures	6)		
TOTAL EXPENDITURES (sum of lines 5,6)	7)		
End of Year Balance: (Line 1 plus line 4, minus line 7)	8)		

I certify that the information on this financial reporting form accurately and to the best of my knowledge reflects revenues, expenditures, and balances of TDA Article 8 funds held by the city I represent.

\_\_\_\_\_  
Signature of Chief Administrative Officer,  
Chief Financial Officer, or approved designee:

\_\_\_\_\_  
Date

By: Title \_\_\_\_\_  
Name \_\_\_\_\_



LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

PART VI      TRANSIT ASSURANCES  
(For current year transit operations only)

Claimant: \_\_\_\_\_ Fiscal Year: \_\_\_\_\_

*PLEASE INITIAL ALL APPLICABLE PARAGRAPHS PURSUANT TO WHICH THE CLAIM IS BEING SUBMITTED.*

Initial

1.      **90-DAY ANNUAL REPORT (STATE CONTROLLER'S REPORT)** \_\_\_\_\_

Claimant certifies that is has submitted a State Controller's Report in conformance with the Uniform System of Accounts and Records, to SCAG, MTA, and the State Controller, pursuant to PUC Section 99243, for the prior year (project year minus two). Claimant assures that this report will be completed for the current fiscal year (Project year minus one), and submitted no later than 90 days after the close of the fiscal year.

2.      **REVENUE RATIOS FOR NEWER URBANIZED AREA OPERATORS** \_\_\_\_\_

Claimant filing a claim pursuant to PUC Section 99268.3 certifies that it will maintain for the project year at least that ration of fare revenues and local support to operating cost which was maintained during FY 1978-79 if that ratio was greater than 20 percent; claimant further assures, for the project year, that is reasonably anticipates achieving a ratio of fare revenues to operating cost equal to or greater than 20 percent for the project year.

3.      **REVENUE RATIOS FOR NEWER NON-URBANIZED AREA OPERATORS** \_\_\_\_\_

Claimant filing a claim pursuant to PUC Section 99268.4 certifies that it will maintain for the project year at least that ration of fare revenues and local support to operating cost which was maintained during FY 1978-79 if that ratio was greater than 10 percent; claimant further assures, for the project year, that is reasonably anticipates achieving a ratio of fare revenues to operating cost equal to or greater than 10 percent.

4.      **REVENUE RATIOS FOR EXCLUSIVE SERVICES TO ELDERLY AND HANDICAPPED** \_\_\_\_\_

Claimant filing a claim pursuant to PUC Section 99268.5 certifies that, for the purpose of the claim, it provides services using vehicles for the exclusive use of elderly and handicapped persons.

Initial

**5. CHP CERTIFICATION**

Claimant filing a claim for Local Transportation Funds has included in the claim a certification completed within the last 13 months by the California Highway Patrol indicating compliance with Vehicle Code Section 1808.1, indicating that the operator has participated in a "pull notice system" to examine driver's records, as specified in PUC Sec. 99251.

**6. REDUCED TRANSIT FARES**

Claimants of TDA funds who offer reduced fares to senior citizens certify that: (a) The Federal Medicare Identification Card is sufficient identification to receive senior citizen reduced fares if such fares are available; and (b) A disabled person or disabled veteran identification card issued pursuant to subdivision (d) of Vehicle Code Sections 22511.5 or 2511.9 (whichever is applicable) is sufficient identification to receive disabled person reduced fares if such reduced fares are available.

\_\_\_\_\_  
(Legal name of Applicant/Claimant)

\_\_\_\_\_  
(Authorizing Signature/Date)

\_\_\_\_\_  
(Print Name & Title)



**SAMPLE TRANSIT RESOLUTION**

This sample resolution may be used as a guide for writing a certified resolution.

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF,  
\_\_\_\_\_, CALIFORNIA, APPROVING  
THE APPLICATION FOR TRANSIT FUNDS AUTHORIZED  
UNDER ARTICLE 8 OF THE TRANSPORTATION  
DEVELOPMENT ACT.

WHEREAS, Article 8 of the Transportation Development Act provides that cities can use eligible funds of the County's Local Transportation Fund for transit expenditures.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF \_\_\_\_\_  
DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. To authorize \_\_\_\_\_ as the City's authorized signature and designated contact person.

Section 2. To apply for all funds available to the City of \_\_\_\_\_ allocated for transit improvements.

Passed and Adopted the \_\_\_\_\_ Day of \_\_\_\_\_ 2002.

\_\_\_\_\_  
Mayor, City of \_\_\_\_\_

Attest:

\_\_\_\_\_  
City Clerk of the City of \_\_\_\_\_

**SAMPLE STREETS AND ROADS RESOLUTION**

This sample resolution may be used as a guide for writing a certified resolution.

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF, \_\_\_\_\_, CALIFORNIA, APPROVING THE APPLICATION FOR LOCAL STREETS AND ROADS FUNDS AUTHORIZED UNDER ARTICLE 8 OF THE TRANSPORTATION DEVELOPMENT ACT.

WHEREAS, Article 8 of the Transportation Development Act provides that cities can use eligible funds of the County's Local Transportation Fund for local streets and road expenditures when the City's unmet transportation needs have been satisfied; and

WHEREAS, the City of \_\_\_\_\_ has met its unmet public transportation needs through an agreement with \_\_\_\_\_ to provide public transportation in the City of \_\_\_\_\_; and

WHEREAS, the City of \_\_\_\_\_ desires to use its portion of its allocation of Transportation Development Act funds for minor street and road improvements.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF \_\_\_\_\_ DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. To authorize \_\_\_\_\_ as the City's authorized signature and designated contact person.

Section 2. To apply for all funds available to the City of \_\_\_\_\_ allocated for street and road improvements.

Passed and Adopted the \_\_\_\_\_ Day of \_\_\_\_\_ 2002.

\_\_\_\_\_  
Mayor, City of \_\_\_\_\_

Attest:

\_\_\_\_\_  
City Clerk of the City of \_\_\_\_\_

AMENDMENT REQUEST AND YEAR-END RESERVE FORM \*

CONTACT PERSON:

PHONE:

CLAIMANT/DISBURSEMENT RECIPIENT:

ADDRESS:

AMENDMENT REQUEST:

The (agency's name) \_\_\_\_\_ wishes to amend its Transportation Development Act, Article 8 Program in the following manner:

\_\_\_ Reallocate \$ \_\_\_\_\_ of FY \_\_\_\_\_ TDA Article 8 funds from the \_\_\_\_\_ project(s) to the \_\_\_\_\_ project(s). Project information form is attached for the new project(s).

\_\_\_ Reallocate \$ \_\_\_\_\_ of unexpended carryover funds from all previous project(s) to the \_\_\_\_\_ project(s). Project information form is attached for the new project(s).

\_\_\_ Revise the \_\_\_\_\_ project description, cost, or limits as shown on the attached project information form.

\_\_\_ Other: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\* Use this form: 1) to amend a claim submitted earlier in the current fiscal year, and/or 2) to return unused funds at the end of the fiscal year.

DR: TD8FY02claimform

## APPENDIX II

### AUDIT GUIDELINES

Each year the MTA will audit reported uses of TDA Article 8 funds for fiscal and compliance purposes. This appendix is a guide including instructions and outlining the requirements for completion of the annual audit.

#### ROLES AND RESPONSIBILITIES

- Local Jurisdictions:
1. Following the proper accounting procedures and cash management.
  2. Maintaining records and documentation for 3 years after project completion or expenditure of funds for audit purposes in accordance with the MTA TDA Article 8 Guidelines.
- MTA:
1. Administration, review, monitoring, and enforcement of the TDA Article 8 guidelines.
  2. Allocation of funds between Article 3, 4, and 8 recipients.
- Auditors:
1. Provision of findings regarding compliance with the guidelines, including MTA TDA Article 8 guidelines, the State of California Department of Transportation Development Act Statutes and California Code of Regulations, and/or any law, regulation, or ordinance which governs the proper administration of public monies.
  2. The auditor may not supervise or substitute his/her judgement for that of the local agency in matters that properly rest within the local agency's discretion. For the purpose of these audits, it is not the auditor's responsibility to question project need or project performance.

## AUDIT CRITERIA

1. Compliance with MTA TDA Article 8 guidelines, and the State of California Department of Transportation Development Act Statutes and California Code of Regulations
2. Adherence to approved claim form and, if applicable, amendment request form, list of projects
3. Proper accounting procedures
4. Maintenance of separate account for TDA Article 8 funds, clearly titled transit and/or non-transit
5. Proper cash management
6. Timely receipt and deposit of funds
7. Legally eligible expenditures
8. Timely use of funds

## ALLOWABLE COSTS

All costs charged to TDA Article 8 funds should meet the following conditions:

The charges must be:

Eligible, as defined in Section 3.1 of the MTA Guide to the Transportation Development Act Program

Consistent with the claim form

Auditable (verifiable)

## METHODS OF VERIFICATION

1. Physical inspections, project site visits to ensure that the jurisdiction used the funds as identified in the claim form.
2. Review and test of records and documentation
3. Interview with relevant personnel

## RETENTION OF DOCUMENTS

The local jurisdiction is required to maintain TDA Article 8 documentation and records for a period of three years (including audit year) after project completion or expenditure of funds. Aside from the expenditure-support documentation, the local jurisdiction should keep the following documents on file:

1. Claim forms and amendment request forms
2. Any correspondence from MTA approving or notifying of modifications to claim forms.
3. Governing body resolutions
4. Any other documents needed to support transactions that may be subject to audit.

## AUDIT PROCEDURES

1. The audit process will include a formal entrance conference and an exit conference to advise local management of the audit and all audit findings. The exit conference will afford management the opportunity to discuss any differences of opinion with the auditor before the final audit report is submitted to the local jurisdiction.
2. The audit deliverables are as follows:

Auditor's Report  
Balance Sheet  
Statement of Revenue and Expenditures  
Statement of Compliance or non-compliance  
Summary of findings or exceptions

3. A copy of the audit report is to be submitted to:

The Los Angeles County Metropolitan Transportation Authority  
Ed Carlos, Director of Management Audit Services Department  
mail stop 99-21-3  
One Gateway Plaza  
Los Angeles, CA 90012-2932

## Senate Bill No. 1

### CHAPTER 5

An act to amend Section 14526.5 of, to add Sections 14033, 14110, 14526.7, 14556.41, and 16321 to, to add Chapter 5 (commencing with Section 14460) to Part 5 of Division 3 of Title 2 of, to repeal Sections 63048.66, 63048.67, 63048.7, 63048.75, 63048.8, and 63048.85 of, and to repeal and add Section 63048.65 of, the Government Code, to add Section 43021 to the Health and Safety Code, to amend Section 99312.1 of, and to add Sections 99312.3, 99312.4, and 99314.9 to, the Public Utilities Code, to amend Sections 6051.8, 6201.8, 7360, 8352.4, 8352.5, 8352.6, and 60050 of, to add Sections 7361.2, 7653.2, 60050.2, and 60201.4 to, and to add Chapter 6 (commencing with Section 11050) to Part 5 of Division 2 of, the Revenue and Taxation Code, to amend Sections 2104, 2105, 2106, and 2107 of, to add Sections 2103.1 and 2192.4 to, to add Article 2.5 (commencing with Section 800) to Chapter 4 of Division 1 of, and to add Chapter 2 (commencing with Section 2030) and Chapter 8.5 (commencing with Section 2390) to Division 3 of, the Streets and Highways Code, and to amend Section 4156 of, and to add Sections 4000.15 and 9250.6 to, the Vehicle Code, relating to transportation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 28, 2017. Filed with  
Secretary of State April 28, 2017.]

#### legislative counsel's digest

SB 1, Beall. Transportation funding.

(1) Existing law provides various sources of funding for transportation purposes, including funding for the state highway system and the local street and road system. These funding sources include, among others, fuel excise taxes, commercial vehicle weight fees, local transactions and use taxes, and federal funds. Existing law imposes certain registration fees on vehicles, with revenues from these fees deposited in the Motor Vehicle Account and used to fund the Department of Motor Vehicles and the Department of the California Highway Patrol. Existing law provides for the monthly transfer of excess balances in the Motor Vehicle Account to the State Highway Account.

This bill would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and the local street and road system. The bill would require the California Transportation Commission to adopt performance criteria, consistent with a specified asset management plan, to ensure efficient use of certain funds available for the program. The bill would provide for the deposit of various funds for the program in the Road Maintenance and Rehabilitation Account, which the

bill would create in the State Transportation Fund, including revenues attributable to a \$0.12 per gallon increase in the motor vehicle fuel (gasoline) tax imposed by the bill with an inflation adjustment, as provided, 50% of a \$0.20 per gallon increase in the diesel excise tax, with an inflation adjustment, as provided, a portion of a new transportation improvement fee imposed under the Vehicle License Fee Law with a varying fee between \$25 and \$175 based on vehicle value and with an inflation adjustment, as provided, and a new \$100 annual vehicle registration fee applicable only to zero-emission vehicles model year 2020 and later, with an inflation adjustment, as provided. The bill would provide that the fuel excise tax increases take effect on November 1, 2017, the transportation improvement fee takes effect on January 1, 2018, and the zero-emission vehicle registration fee takes effect on July 1, 2020.

This bill would annually set aside \$200,000,000 of the funds available for the program to fund road maintenance and rehabilitation purposes in counties that have sought and received voter approval of taxes or that have imposed fees, including uniform developer fees, as defined, which taxes or fees are dedicated solely to transportation improvements. These funds would be continuously appropriated for allocation pursuant to guidelines to be developed by the California Transportation Commission in consultation with local agencies. The bill would require \$100,000,000 of the funds available for the program to be available annually for expenditure, upon appropriation by the Legislature, on the Active Transportation Program. The bill would require \$400,000,000 of the funds available for the program to be available annually for expenditure, upon appropriation by the Legislature, on state highway bridge and culvert maintenance and rehabilitation. The bill would require \$5,000,000 of the funds available for the program that are not restricted by Article XIX of the California Constitution to be appropriated each fiscal year to the California Workforce Development Board to assist local agencies to implement policies to promote preapprenticeship training programs to carry out specified projects funded by the account. The bill would require \$25,000,000 of the funds available for the program to be annually transferred to the State Highway Account for expenditure on the freeway service patrol program. The bill would require \$25,000,000 of the funds available for the program to be available annually for expenditure, upon appropriation by the Legislature, on local planning grants. The bill would authorize annual appropriations of \$5,000,000 and \$2,000,000 of the funds available for the program to the University of California and the California State University, respectively, for the purpose of conducting transportation research and transportation-related workforce education, training, and development, as specified. The bill would require the remaining funds available for the program to be allocated 50% for maintenance of the state highway system or to the state highway operation and protection program and 50% to cities and counties pursuant to a specified formula. The bill would impose various requirements on the department and agencies receiving these funds. The bill would authorize a city or county to spend its apportionment of funds under the program on transportation



priorities other than those allowable pursuant to the program if the city's or county's average Pavement Condition Index meets or exceeds 80.

(2) Existing law creates the Department of Transportation within the Transportation Agency.

This bill would create the Independent Office of Audits and Investigations within the department, with specified powers and duties. The bill would provide for the Governor to appoint the director of the office for a 6-year term, subject to confirmation by the Senate, and would provide that the director, who would be known as the Inspector General, may not be removed from office during the term except for good cause. The bill would specify the duties and responsibilities of the Inspector General with respect to the department and local agencies receiving state and federal transportation funds through the department, and would require an annual report to the Legislature and Governor.

This bill would require the department to update the Highway Design Manual to incorporate the "complete streets" design concept by January 1, 2018. The bill would require the department to develop a plan by January 1, 2020, to increase by up to 100% the dollar value of contracts awarded to small businesses, disadvantaged business enterprises, and disabled veteran business enterprises, as specified.

(3) Existing law provides for loans of revenues from various transportation funds and accounts to the General Fund, with various repayment dates specified.

This bill would identify the amount of outstanding loans from certain transportation funds as \$706,000,000. The bill would require the Department of Finance to prepare a loan repayment schedule and would require the outstanding loans to be repaid pursuant to that schedule, as prescribed. The bill would appropriate funds for that purpose from the Budget Stabilization Account. The bill would require the repaid funds to be transferred, pursuant to a specified formula, to various state and local transportation purposes.

(4) The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B) created the Trade Corridors Improvement Fund and provided for allocation by the California Transportation Commission of \$2 billion in bond funds for infrastructure improvements on highway and rail corridors that have a high volume of freight movement and for specified categories of projects eligible to receive these funds.

This bill would deposit the revenues attributable to 50% of the \$0.20 per gallon increase in the diesel fuel excise tax imposed by the bill into the Trade Corridor Enhancement Account, to be expended on corridor-based freight projects nominated by local agencies and the state.

(5) Article XIX of the California Constitution requires gasoline excise tax revenues from motor vehicles traveling upon public streets and highways to be deposited in the Highway Users Tax Account, for allocation to city, county, and state transportation purposes. Existing law generally provides for statutory allocation of gasoline excise tax revenues attributable to other modes of transportation, including aviation, boats, agricultural vehicles, and off-highway vehicles, to particular accounts and funds for expenditure

on purposes associated with those other modes, except that a specified portion of these gasoline excise tax revenues is deposited in the General Fund. Expenditure of the gasoline excise tax revenues attributable to those other modes is not restricted by Article XIX of the California Constitution.

This bill, commencing November 1, 2017, would transfer the gasoline excise tax revenues attributable to boats and off-highway vehicles from the new \$0.12 per gallon increase, and future inflation adjustments from that increase, to the State Parks and Recreation Fund, to be used for state parks, off-highway vehicle programs, or boating programs. The bill would allocate revenues from future inflation adjustments of the existing gasoline excise tax rate attributable to the nonhighway modes pursuant to existing law.

(6) Existing law, as of July 1, 2011, increases the sales and use tax on diesel and decreases the excise tax, as provided. Existing law requires the State Board of Equalization to annually modify both the gasoline and diesel excise tax rates on a going-forward basis so that the various changes in the taxes imposed on gasoline and diesel are revenue neutral.

This bill would eliminate, effective July 1, 2019, the annual rate adjustment to maintain revenue neutrality for the gasoline and diesel excise tax rates and would reimpose on that date the higher gasoline excise tax rate that was in effect on July 1, 2010, in addition to the increase in the rate described in (1) above that becomes effective on November 1, 2017.

Existing law, beyond the sales and use tax rate generally applicable, imposes an additional sales and use tax on diesel fuel at the rate of 1.75%, subject to certain exemptions, and provides for the net revenues collected from the additional tax to be transferred to the Public Transportation Account. Existing law continuously appropriates these and other revenues in the account to the Controller for allocation by formula to transportation agencies for public transit purposes under the State Transit Assistance Program. Existing law provides for appropriation of other revenues in the account to the Department of Transportation for various other transportation purposes, including intercity rail purposes.

This bill would increase the additional sales and use tax rate on diesel fuel by an additional 4%. The bill would continuously appropriate revenues attributable to the 3.5% rate increase to the Controller for allocation to transportation agencies for public transit purposes under the State Transit Assistance Program. The bill would require the revenues attributable to the remaining 0.5% rate increase to be continuously appropriated to the Transportation Agency for intercity rail and commuter rail purposes.

The bill would also allocate portions of the revenue from the new transportation improvement fee to the State Transit Assistance Program and to the Transit and Intercity Rail Capital Program. The bill would restrict expenditures of the fee revenues made available to the State Transit Assistance Program to transit capital purposes and certain transit services, and would require a recipient transit agency to comply with various requirements, as specified.

(7) Existing law provides for the state to receive certain compact assets, as defined, from designated tribal compacts relative to Indian gaming, and

authorized the compact assets to be sold by the Infrastructure and Economic Development Bank to a special purpose trust in order to generate state revenues. Existing law designated certain of these revenues to be used to repay certain loans of transportation funds that were made to the General Fund.

This bill would delete the references to the special purpose trust and revise payments to various transportation accounts to be made from compact assets. The bill would repeal various other related provisions.

(8) Existing law creates the Traffic Congestion Relief Program and identifies various specific projects eligible to receive funding.

This bill would deem the Traffic Congestion Relief Program to be complete and final as of June 30, 2017, and would provide that projects without approved applications are no longer eligible for funding.

(9) Existing law requires the Department of Transportation to prepare a state highway operation and protection program every other year for the expenditure of transportation capital improvement funds for projects that are necessary to preserve and protect the state highway system, excluding projects that add new traffic lanes. The program is required to be based on an asset management plan, as specified. Existing law requires the department to specify, for each project in the program the capital and support budget and projected delivery date for various components of the project. Existing law provides for the California Transportation Commission to review and adopt the program, and authorizes the commission to decline and adopt the program if it determines that the program is not sufficiently consistent with the asset management plan.

This bill would require the commission, as part of its review of the program, to hold at least one hearing in northern California and one hearing in southern California regarding the proposed program. The bill would require the department to submit any change to a programmed project as an amendment to the commission for its approval.

This bill, on and after July 1, 2017, would also require the commission to make an allocation of capital outlay support resources by project phase for each project in the program, and would require the department to submit a supplemental project allocation request to the commission for each project that experiences cost increases above the amounts in its allocation. The bill would require the commission to establish guidelines to provide exceptions to the requirement for a supplemental project allocation requirement that the commission determines are necessary to ensure that projects are not unnecessarily delayed.

(10) Existing law generally provides for transportation capital improvement projects to be nominated and programmed through the state highway operation and protection program, relative to state highway rehabilitation and similar projects, or through the state transportation improvement program, relative to capacity enhancements and other capital projects.

This bill would create the Solutions for Congested Corridors Program, with funding appropriated for the program from a portion of the new

transportation improvement fee to be allocated by the California Transportation Commission to projects designed to achieve a balanced set of transportation, environmental, and community access improvements within highly congested travel corridors throughout the state and that are part of a comprehensive corridor plan. The bill would provide for regional transportation agencies and the Department of Transportation to nominate projects, with preference to be given to projects that demonstrate collaboration between the regional agencies and the department.

(11) The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.

This bill would establish the Advance Mitigation Program in the Department of Transportation to enhance communications between the department and stakeholders to, among other things, protect natural resources and accelerate project delivery. The bill would require the department to set aside not less than \$30,000,000 annually for 4 years for the program from capital outlay revenues.

(12) Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution.

This bill would prohibit, except as specified, the requiring of the retirement, replacement, retrofit, or repower of a self-propelled commercial motor vehicle during a specified period. The bill would require the state board to, by January 1, 2025, evaluate the impact of these provisions on state and local clean air efforts to meet state and local clean air goals, as provided.

(13) Existing law prohibits a person from driving, moving, or leaving standing upon a highway any motor vehicle, as defined, that has been registered in violation of provisions regulating vehicle emissions.

This bill, effective January 1, 2020, would require the Department of Motor Vehicles to confirm, prior to the initial registration or the transfer of ownership and registration of a diesel-fueled vehicle with a gross vehicle weight rating of more than 14,000 pounds, that the vehicle is compliant with, or exempt from, applicable air pollution control technology requirements, pursuant to specified provisions. The bill would require the department to refuse registration, or renewal or transfer of registration, for certain diesel-fueled vehicles, based on weight and model year, that are subject to specified provisions relating to the reduction of emissions of

diesel particulate matter, oxides of nitrogen, and other criteria pollutants from in-use diesel-fueled vehicles. The bill would authorize the department to allow registration, or renewal or transfer of registration, for any diesel-fueled vehicle that has been reported to the State Air Resources Board, and is using an approved exemption, or is compliant with applicable air pollution control technology requirements, pursuant to specified provisions.

Existing law authorizes the department, in its discretion, to issue a temporary permit to operate a vehicle when a payment of fees has been accepted in an amount to be determined by the department and paid to the department by the owner or other person in lawful possession of the vehicle.

This bill would additionally authorize the department to issue a temporary permit to operate a vehicle for which registration is otherwise required to be refused under the provisions of the bill, as prescribed.

(14) The bill would enact other related provisions.

(15) This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

*The people of the State of California do enact as follows:*

SECTION 1. The Legislature finds and declares all of the following:

(a) Over the next 10 years, the state faces a \$59 billion shortfall to adequately maintain the existing state highway system in order to keep it in a basic state of good repair.

(b) Similarly, cities and counties face a \$78 billion shortfall over the next decade to adequately maintain the existing network of local streets and roads.

(c) Statewide taxes and fees dedicated to the maintenance of the system have not been increased in more than 20 years, with those revenues losing more than 55 percent of their purchasing power, while costs to maintain the system have steadily increased and much of the underlying infrastructure has aged past its expected useful life.

(d) California motorists are spending \$17 billion annually in extra maintenance and car repair bills, which is more than \$700 per driver, due to the state's poorly maintained roads.

(e) Failing to act now to address this growing problem means that more drastic measures will be required to maintain our system in the future, essentially passing the burden on to future generations instead of doing our job today.

(f) A funding program will help address a portion of the maintenance backlog on the state's road system and will stop the growth of the problem.

(g) Modestly increasing various fees can spread the cost of road repairs broadly to all users and beneficiaries of the road network without overburdening any one group.

(h) Improving the condition of the state's road system will have a positive impact on the economy as it lowers the transportation costs of doing business,

reduces congestion impacts for employees, and protects property values in the state.

(i) The federal government estimates that increased spending on infrastructure creates more than 13,000 jobs per \$1 billion spent.

(j) Well-maintained roads benefit all users, not just drivers, as roads are used for all modes of transport, whether motor vehicles, transit, bicycles, or pedestrians.

(k) Well-maintained roads additionally provide significant health benefits and prevent injuries and death due to crashes caused by poorly maintained infrastructure.

(l) A comprehensive, reasonable transportation funding package will do all of the following:

(1) Ensure these transportation needs are addressed.

(2) Fairly distribute the economic impact of increased funding.

(3) Restore the gas tax rate previously reduced by the State Board of Equalization pursuant to the gas tax swap.

(4) Direct increased revenue to the state's highest transportation needs.

(m) This act presents a balance of new revenues and reasonable reforms to ensure efficiency, accountability, and performance from each dollar invested to improve California's transportation system. The revenues designated in this act are intended to address both state and local transportation infrastructure needs as follows:

(1) The revenues estimated to be available for allocation under the act to local agencies are estimated over the next 10 years to be as follows:

(A) Fifteen billion dollars (\$15,000,000,000) to local street and road maintenance.

(B) Seven billion five hundred million dollars (\$7,500,000,000) for transit operations and capital.

(C) Two billion dollars (\$2,000,000,000) for the local partnership program.

(D) One billion dollars (\$1,000,000,000) for the Active Transportation Program.

(E) Eight hundred twenty-five million dollars (\$825,000,000) for the regional share of the State Transportation Improvement Program.

(F) Two hundred fifty million dollars (\$250,000,000) for local planning grants.

(2) The revenues estimated to be available for allocation under the act to the state are estimated over the next 10 years to be as follows:

(A) Fifteen billion dollars (\$15,000,000,000) for state highway maintenance and rehabilitation.

(B) Four billion dollars (\$4,000,000,000) for highway bridge and culvert maintenance and rehabilitation.

(C) Three billion dollars (\$3,000,000,000) for high priority freight corridors.

(D) Two billion five hundred million dollars (\$2,500,000,000) for congested corridor relief.

(E) Eight hundred million dollars (\$800,000,000) for parks programs, off-highway vehicle programs, boating programs, and agricultural programs.

(F) Two hundred seventy-five million dollars (\$275,000,000) for the interregional share of the State Transportation Improvement Program.

(G) Two hundred fifty million dollars (\$250,000,000) for freeway service patrols.

(H) Seventy million dollars (\$70,000,000) for transportation research at the University of California and the California State University.

(n) It is the intent of the Legislature that the Department of Transportation meet the following preliminary performance outcomes for additional state highway investments by the end of 2027, in accordance with applicable state and federal standards:

(1) Not less than 98 percent of pavement on the state highway system in good or fair condition.

(2) Not less than 90 percent level of service achieved for maintenance of potholes, spalls, and cracks.

(3) Not less than 90 percent of culverts in good or fair condition.

(4) Not less than 90 percent of the transportation management system units in good condition.

(5) Fix not less than an additional 500 bridges.

(o) Further, it is the intent of the Legislature that the Department of Transportation leverage funding provided by this act for trade corridors and other highly congested travel corridors in order to obtain matching funds from federal and other sources to maximize improvements in the state's high-priority freight corridors and in the most congested commute corridors.

(p) Constitutionally protecting the funds raised by this act ensures that these funds are to be used only for transportation purposes necessary to repair roads and bridges, expand the economy, and protect natural resources.

(q) This act advances greenhouse gas reduction objectives and other environmental goals by focusing on "fix-it-first" projects, investments in transit and active transportation, and supporting Senate Bill 375 (Chapter 728, Statutes of 2008) and transportation plans.

SEC. 2. This act shall be known, and may be cited as, the Road Repair and Accountability Act of 2017.

SEC. 3. Section 14033 is added to the Government Code, to read:

14033. On or before January 1, 2018, the department shall update the Highway Design Manual to incorporate the "complete streets" design concept.

SEC. 4. Section 14110 is added to the Government Code, to read:

14110. Consistent with federal and state laws and regulations, including, but not limited to, the department's goal setting methodology as approved by the Federal Highway Administration, the department shall develop a plan by January 1, 2020, to increase by up to 100 percent the dollar value of contracts and procurements awarded to small businesses, disadvantaged business enterprises, and disabled veteran business enterprises. The plan shall include the use of targeted media, including minority and women

business enterprises, to outreach to these businesses and shall be provided to the Legislature pursuant to Section 9795.

SEC. 5. Chapter 5 (commencing with Section 14460) is added to Part 5 of Division 3 of Title 2 of the Government Code, to read:

#### Chapter 5. Department of Transportation independent Office of Audits and Investigations

14460. (a) There is hereby created in the department the Independent Office of Audits and Investigations to ensure all of the following:

(1) The department, and external entities that receive state and federal transportation funds from the department, are spending those funds efficiently, effectively, economically, and in compliance with applicable state and federal requirements. Those external entities include, but are not limited to, private for profit and nonprofit organizations, local transportation agencies, and other local agencies that receive transportation funds either through a contract with the department or through an agreement or grant administered by the department.

(2) The department's programs are functioning consistent with applicable accounting standards and practices and are administered effectively, efficiently, and economically.

(3) The department's management is accomplishing departmental priorities, developing an annual audit plan, administering an effective enterprise risk management program, and is making efficient, effective, and financially responsible transportation decisions.

(4) The Secretary of Transportation, the Legislature, the California Transportation Commission, and the director and chief deputy director of the department are fully informed concerning fraud, improper activities, or other serious abuses or deficiencies relating to the expenditure of transportation funds or administration of department programs and operations.

(b) The Governor shall appoint the director of the Audits and Investigations Office, who shall serve a six-year term, have the title of Inspector General, and be subject to Senate confirmation. The Inspector General may not be removed from office during that term, except for good cause. The reasons for removal of the Inspector General shall be stated in writing and shall include the basis for removal. The writing shall be sent to the Secretary of the Senate and the Chief Clerk of the Assembly at the time of the removal and shall be deemed to be a public document.

(c) The Inspector General is vested with the full authority to exercise all responsibility for maintaining a full scope, independent, and objective audit and investigation program as prescribed by Sections 1237, 13885, 13886.5, 13887.5, and 13888, including, but not limited to, those activities described in Section 14461.



(d) Notwithstanding Section 13887, in order to achieve independence and objectivity pursuant to this section, the Independent Office of Audits and Investigation shall meet all of the following requirements:

(1) The Inspector General shall report all audit and confidential investigation findings and recommendations made under his or her jurisdiction to the Secretary of Transportation and the director and chief deputy director of the department on an ongoing and current basis.

(2) The Inspector General shall report at least annually, or upon request, to the Governor, the Legislature, and the California Transportation Commission with a summary of his or her investigation and audit findings and recommendations. The summary shall be posted on the office's Internet Web site and shall otherwise be made available to the public upon its release to the Governor, commission, and Legislature. The summary shall include, but need not be limited to, significant problems discovered by the Inspector General and whether the Inspector General's recommendations relative to audits and investigations have been implemented by the affected units and programs of the department or affected external entities. The report shall be submitted to the Legislature in compliance with Section 9795.

14461. The Inspector General shall review policies, practices, and procedures and conduct audits and investigations of activities involving state transportation funds administered by the department in consultation with all affected units and programs of the department and external entities.

SEC. 6. Section 14526.5 of the Government Code is amended to read:

14526.5. (a) Based on the asset management plan prepared and approved pursuant to Section 14526.4, the department shall prepare a state highway operation and protection program for the expenditure of transportation funds for major capital improvements that are necessary to preserve and protect the state highway system. Projects included in the program shall be limited to improvements relative to the maintenance, safety, operation, and rehabilitation of state highways and bridges that do not add a new traffic lane to the system.

(b) The program shall include projects that are expected to be advertised prior to July 1 of the year following submission of the program, but which have not yet been funded. The program shall include those projects for which construction is to begin within four fiscal years, starting July 1 of the year following the year the program is submitted.

(c) (1) The department, at a minimum, shall specify, for each project in the state highway operation and protection program, the capital and support budget, as applicable, for each of the following project phases:

- (A) Project approval and environmental documents, support only.
- (B) Plans, specifications, and estimates, support only.
- (C) Rights-of-way.
- (D) Construction.

(2) The department shall specify, for each project in the state highway operation and protection program, a projected delivery date for each of the following components:

- (A) Project approval and environmental document completion.

- (B) Plans, specifications, and estimates completion.
- (C) Right-of-way certification.
- (D) Start of construction.

(d) The department shall submit its proposed program to the commission not later than January 31 of each even-numbered year. Prior to submitting its proposed program, the department shall make a draft of its proposed program available to transportation planning agencies for review and comment and shall include the comments in its submittal to the commission. The department shall provide the commission with detailed information for all programmed projects on cost, scope, schedule, and performance metrics as determined by the commission.

(e) The commission shall review the proposed program relative to its overall adequacy, consistency with the asset management plan prepared and approved pursuant to Section 14526.4 and funding priorities established in Section 167 of the Streets and Highways Code, the level of annual funding needed to implement the program, and the impact of those expenditures on the state transportation improvement program. The commission shall adopt the program and submit it to the Legislature and the Governor not later than April 1 of each even-numbered year. The commission may decline to adopt the program if the commission determines that the program is not sufficiently consistent with the asset management plan prepared and approved pursuant to Section 14526.4.

(f) As part of the commission's review of the program required pursuant to subdivision (a), the commission shall hold at least one hearing in northern California and one hearing in southern California regarding the proposed program.

(g) On or after July 1, 2017, to provide sufficient and transparent oversight of the department's capital outlay support resources composed of both state staff and contractors, the commission shall be required to allocate the department's capital outlay support resources by project phase, including preconstruction. Through this action, the commission will provide public transparency for the department's budget estimates, increasing assurance that the annual budget forecast is reasonable. The commission shall develop guidelines, in consultation with the department, to implement this subdivision. Guidelines adopted by the commission to implement this subdivision shall be exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1).

(h) Beginning July 1, 2017, for a project that experiences increases in capital or support costs above the amounts in the commission's allocation pursuant to subdivision (g), the commission shall establish a threshold for requiring a supplemental project allocation. The commission's guidelines adopted pursuant to subdivision (g) shall also establish the threshold that the commission determines is necessary to ensure efficiency and may provide exceptions as necessary so that projects are not unnecessarily delayed.

(i) The department, for each project requiring a supplemental project allocation pursuant to subdivision (h), shall submit a request to the commission for its approval.

(j) Expenditures for these projects shall not be subject to Sections 188 and 188.8 of the Streets and Highways Code.

SEC. 7. Section 14526.7 is added to the Government Code, to read:

14526.7. (a) The department shall incorporate the performance targets in subdivision (n) of Section 1 of the act adding this section into the asset management plan adopted by the commission and targets adopted by the commission pursuant to Sections 14526.4 and 14526.5. The asset management plan shall also include targets adopted by the commission in consultation with the department for each asset class included in subdivision (n) of Section 1 of the act adding this section to measure the degree to which progress was made towards achieving the overall 2027 targets. Targets may be modified by the commission as needed to conform to federal regulation on performance measures and the completion of the department's asset management plan. Nothing in this section precludes the commission from adopting additional targets and performance measures pursuant to paragraph (1) of subdivision (c) of Section 14526.4.

(b) As specified by guidelines adopted by the commission, the department shall report to the commission on its progress toward meeting the targets and performance measures established for state highways pursuant to subdivision (n) of Section 1 of the act adding this section and paragraph (1) of subdivision (c) of Section 14526.4.

SEC. 8. Section 14556.41 is added to the Government Code, to read:

14556.41. As of June 30, 2017, projects in Section 14556.40 for the Traffic Congestion Relief Program shall be deemed complete and final, and funding levels shall be based on actual amounts requested by the designated lead applicant pursuant to Section 14556.12. Projects without approved applications in accordance with Section 14556.12 shall no longer be eligible for program funding. Traffic Congestion Relief Program savings shall be transferred to other transportation accounts for the purposes specified in Section 16321.

SEC. 9. Section 16321 is added to the Government Code, to read:

16321. The amount of outstanding loans made pursuant to Section 14556.8 is seven hundred six million dollars (\$706,000,000). This amount shall be repaid from the General Fund pursuant to subdivision (c) of Section 20 of Article XVI of the California Constitution no later than June 30, 2020, and upon repayment of this amount all loans authorized pursuant to Section 14556.8 and any associated interest shall be deemed repaid. The loans shall be repaid proportionately and in equal installments over three years. The Department of Finance shall prepare a loan repayment schedule, pursuant to which the outstanding loans shall be repaid by June 30, 2020, as follows:

(a) Two hundred fifty-six million dollars (\$256,000,000) for transfer to the Public Transportation Account, to be allocated as follows:

(1) Up to twenty million dollars (\$20,000,000) to local and regional agencies for climate change adaptation planning.

(2) The remainder to the Transit and Intercity Rail Capital Program as authorized in Part 2 (commencing with Section 75220) of Division 44 of the Public Resources Code.

(b) Two hundred twenty-five million dollars (\$225,000,000) for transfer to the State Highway Account, for the State Highway Operation and Protection Program.

(c) Two hundred twenty-five million dollars (\$225,000,000) is hereby continuously appropriated without regard to fiscal year to the Controller for apportionment to cities and counties for local streets and roads pursuant to the formula in paragraph (3) of subdivision (a) of Section 2103 of the Streets and Highways Code.

SEC. 10. Section 63048.65 of the Government Code is repealed.

SEC. 11. Section 63048.65 is added to the Government Code, to read:

63048.65. (a) Prior to July 1, 2015, three hundred twenty-one million dollars (\$321,000,000) of the one billion two hundred million dollars (\$1,200,000,000) of loans from the Traffic Congestion Relief Fund to the General Fund was repaid using tribal gaming compact revenues. In 2016, an additional one hundred seventy-three million dollars (\$173,000,000) was repaid from the General Fund.

(b) The remaining seven hundred six million dollars (\$706,000,000) of loans from the Traffic Congestion Relief Fund to the General Fund shall be repaid pursuant to Section 14556.8.

SEC. 12. Section 63048.66 of the Government Code is repealed.

SEC. 13. Section 63048.67 of the Government Code is repealed.

SEC. 14. Section 63048.7 of the Government Code is repealed.

SEC. 15. Section 63048.75 of the Government Code is repealed.

SEC. 16. Section 63048.8 of the Government Code is repealed.

SEC. 17. Section 63048.85 of the Government Code is repealed.

SEC. 18. Section 43021 is added to the Health and Safety Code, to read:

43021. (a) Except as provided in subdivision (b), the retirement, replacement, retrofit, or repower of a self-propelled commercial motor vehicle, as defined in Section 34601 of the Vehicle Code, shall not be required until the later of the following:

(1) Thirteen years from the model year the engine and emission control system are first certified for use in self-propelled commercial motor vehicles by the state board or other applicable state and federal agencies.

(2) When the vehicle reaches the earlier of either 800,000 vehicle miles traveled or 18 years from the model year the engine and emission control system are first certified for use in self-propelled commercial motor vehicles by the state board or other applicable state and federal agencies.

(b) This section does not apply to any of the following:

(1) Safety programs, including, but not limited to, those adopted pursuant to Section 34501 of the Vehicle Code.

(2) Voluntary incentive and grant programs, including, but not limited to, those that give preferential access to a facility to a particular vehicle or class of vehicles.

(3) Programs designed to address inspection of, tampering with, and maintenance of, emission control systems.

(4) Programs designed to address imminent health risks where evidence, unavailable at the time equipment is certified for use by the state board or

other applicable state and federal agencies, is sufficient to show that immediate corrective action is necessary to prevent injury, illness, or death.

(c) This section only applies to laws or regulations adopted or amended after January 1, 2017.

(d) It is the intent of the Legislature for this section to provide owners of self-propelled commercial motor vehicles, as defined in subdivision (a), certainty about the useful life of engines certified by the state board and other applicable agencies to meet required environmental standards for sale in the state. This section is not meant to otherwise restrict the authority of the state board or districts.

(e) (1) The state board shall, by January 1, 2025, evaluate the impact of the provisions of this section on state and local clean air efforts to meet state and local clean air goals. The evaluation shall include a review of the following:

(A) Compliance with the truck and bus rule (Section 2025 of Title 13 of the California Code of Regulations).

(B) The benefits and impacts of measures enacted to improve local air quality impacts from stationary sources.

(C) State implementation plan compliance.

(2) As part of the study, the state board shall make recommendations to the Legislature on additional or different mechanisms for achieving those goals while recognizing the financial investments made by the effected entities. In developing the study, the state board shall take into account the report required in Section 38531 of the Health and Safety Code.

(3) The state board shall hold at least one public workshop prior to the completion of the study.

SEC. 19. Section 99312.1 of the Public Utilities Code is amended to read:

99312.1. (a) Revenues transferred to the Public Transportation Account pursuant to Sections 6051.8 and 6201.8 of the Revenue and Taxation Code for the State Transit Assistance Program are hereby continuously appropriated to the Controller for allocation as follows:

(1) Fifty percent for allocation to transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board pursuant to Section 99314.

(2) Fifty percent for allocation to transportation agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board for purposes of Section 99313.

(b) For purposes of this chapter, the revenues allocated pursuant to this section shall be subject to the same requirements as revenues allocated pursuant to subdivisions (b) and (c), as applicable, of Section 99312.

(c) The revenues transferred to the Public Transportation Account for the State Transit Assistance Program that are attributable to subdivision (a) of Section 11053 of the Revenue and Taxation Code are hereby continuously appropriated to the Controller, and, upon allocation pursuant to Sections 99313 and 99314, shall only be expended on the following:

(1) Transit capital projects or services to maintain or repair a transit operator's existing transit vehicle fleet or existing transit facilities, including rehabilitation or modernization of existing vehicles or facilities.

(2) The design, acquisition, and construction of new vehicles or facilities that improve existing transit services.

(3) Transit services that complement local efforts for repair and improvement of local transportation infrastructure.

(d) (1) Prior to receiving an apportionment of funds pursuant to subdivision (c) from the Controller in a fiscal year, a recipient transit agency shall submit to the Department of Transportation a list of projects proposed to be funded with these funds. The list of projects proposed to be funded with these funds shall include a description and location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement. The project list shall not limit the flexibility of a recipient transit agency to fund projects in accordance with local needs and priorities so long as the projects are consistent with subdivision (c).

(2) The department shall report to the Controller the recipient transit agencies that have submitted a list of projects as described in this subdivision and that are therefore eligible to receive an apportionment of funds for the applicable fiscal year. The Controller, upon receipt of the report, shall apportion funds pursuant to Sections 99313 and 99314.

(e) For each fiscal year, each recipient transit agency receiving an apportionment of funds pursuant to subdivision (c) shall, upon expending those funds, submit documentation to the department that includes a description and location of each completed project, the amount of funds expended on the project, the completion date, and the estimated useful life of the improvement.

(f) The audit of transit operator finances required pursuant to Section 99245 shall verify that the revenues identified in subdivision (c) have been expended in conformance with these specific requirements and all other generally applicable requirements.

SEC. 20. Section 99312.3 is added to the Public Utilities Code, to read:

99312.3. Revenues transferred to the Public Transportation Account pursuant to paragraph (2) of subdivision (c) of Section 6051.8 and paragraph (2) of subdivision (c) of Section 6201.8 of the Revenue and Taxation Code are hereby continuously appropriated to the Transportation Agency for distribution in the following manner:

(a) (1) Fifty percent of available annual revenues under this section shall be allocated by the Transportation Agency to the public agencies, including joint powers agencies, responsible for state-supported intercity rail services. A minimum of 25 percent of the funds available under this subdivision shall be allocated to each of the state's three intercity rail corridors that provide regularly scheduled intercity rail service.

(2) The Transportation Agency shall adopt guidelines governing the administration of the funds available under this subdivision, including provisions providing authority for loans of these funds by mutual agreement between intercity rail service corridors.

(b) (1) Fifty percent of available annual revenues under this section shall be allocated by the Transportation Agency to the public agencies, including joint powers agencies, responsible for commuter rail services. For the 2018–19 and 2019–20 fiscal years, 20 percent of the funds available under this subdivision shall be allocated to each of the state’s five commuter rail service providers that provide regularly scheduled commuter rail service. Commencing July 1, 2020, the funds available under this subdivision shall be allocated based on guidelines and a distribution formula adopted by the Transportation Agency.

(2) On or before July 1, 2019, the Transportation Agency shall prepare a draft of the proposed guidelines and distribution formula and make them available for public comment. In preparing the proposed guidelines and distribution formula, the agency shall consult with the state’s five commuter rail service providers. The final guidelines and distribution formula shall be adopted on or before January 1, 2020. The guidelines shall include, but need not be limited to, provisions providing authority for loans of these funds by mutual agreement between commuter rail service providers and providing for baseline allocations to each provider.

(c) The funds made available by this section may be used for operations and capital improvements.

SEC. 21. Section 99312.4 is added to the Public Utilities Code, to read:

99312.4. Revenues transferred to the Public Transportation Account pursuant to subdivision (a) of Section 11053 of the Revenue and Taxation Code for the Transit and Intercity Rail Capital Program (Part 2 (commencing with Section 75220) of Division 44 of the Public Resources Code) shall be available for appropriation to that program pursuant to the annual Budget Act.

SEC. 22. Section 99314.9 is added to the Public Utilities Code, to read:

99314.9. The Controller shall compute quarterly proposed allocations for State Transit Assistance Program funds available for allocation pursuant to Sections 99313 and 99314. The Controller shall publish the allocations for each eligible recipient agency, including one list applicable to revenues allocated pursuant to subdivision (c) of Section 99312.1 and another list for revenues allocated from all other revenues in the Public Transportation Account that are designated for the State Transit Assistance Program.

SEC. 23. Section 6051.8 of the Revenue and Taxation Code is amended to read:

6051.8. (a) Except as provided by Section 6357.3, in addition to the taxes imposed by this part, for the privilege of selling tangible personal property at retail a tax is hereby imposed upon all retailers at the rate of 1.75 percent of the gross receipts of any retailer from the sale of all diesel fuel, as defined in Section 60022.

(b) Except as provided by Section 6357.3, in addition to the taxes imposed by this part and by subdivision (a), commencing November 1, 2017, for the privilege of selling tangible personal property at retail a tax is hereby imposed upon all retailers at the rate of 4 percent of the gross receipts of

any retailer from the sale of all diesel fuel, as defined in Section 60022, sold at retail in this state.

(c) (1) Notwithstanding subdivision (b) of Section 7102, except as otherwise provided in paragraph (2), all of the revenues, less refunds, collected pursuant to this section shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and transferred quarterly to the Public Transportation Account in the State Transportation Fund for allocation under the State Transit Assistance Program pursuant to Section 99312.1 of the Public Utilities Code.

(2) The revenues, less refunds, attributable to a rate of 0.5 percent of the 4-percent increase in the rate pursuant to subdivision (b), amounting to one-eighth of revenues from the increase in the rate under that subdivision, shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and transferred quarterly to the Public Transportation Account in the State Transportation Fund for allocation by the Transportation Agency to intercity rail and commuter rail purposes pursuant to Section 99312.3 of the Public Utilities Code.

SEC. 24. Section 6201.8 of the Revenue and Taxation Code is amended to read:

6201.8. (a) Except as provided by Section 6357.3, in addition to the taxes imposed by this part, an excise tax is hereby imposed on the storage, use, or other consumption in this state of diesel fuel, as defined in Section 60022, at the rate of 1.75 percent of the sales price of the diesel fuel.

(b) Except as provided by Section 6357.3, in addition to the taxes imposed by this part and by subdivision (a), commencing November 1, 2017, an excise tax is hereby imposed on the storage, use, or other consumption in this state of diesel fuel, as defined in Section 60022, at the rate of 4 percent of the sales price of the diesel fuel.

(c) (1) Notwithstanding subdivision (b) of Section 7102, except as otherwise provided in paragraph (2), all of the revenues, less refunds, collected pursuant to this section shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and transferred quarterly to the Public Transportation Account in the State Transportation Fund for allocation pursuant to Section 99312.1 of the Public Utilities Code.

(2) The revenues, less refunds, attributable to a rate of 0.5 percent of the 4-percent increase in the rate pursuant to subdivision (b), amounting to one-eighth of revenues from the increase in the rate under that subdivision, shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and transferred quarterly to the Public Transportation Account in the State Transportation Fund for allocation by the Transportation Agency to intercity rail and commuter rail purposes pursuant to Section 99312.3 of the Public Utilities Code.

SEC. 25. Section 7360 of the Revenue and Taxation Code is amended to read:

7360. (a) (1) A tax of eighteen cents (\$0.18) is hereby imposed upon each gallon of fuel subject to the tax in Sections 7362, 7363, and 7364.



(2) If the federal fuel tax is reduced below the rate of nine cents (\$0.09) per gallon and federal financial allocations to this state for highway and exclusive public mass transit guideway purposes are reduced or eliminated correspondingly, the tax rate imposed by paragraph (1), on and after the date of the reduction, shall be recalculated by an amount so that the combined state rate under paragraph (1) and the federal tax rate per gallon equal twenty-seven cents (\$0.27).

(3) If any person or entity is exempt or partially exempt from the federal fuel tax at the time of a reduction, the person or entity shall continue to be so exempt under this section.

(b) (1) On and after July 1, 2010, in addition to the tax imposed by subdivision (a), a tax is hereby imposed upon each gallon of motor vehicle fuel, other than aviation gasoline, subject to the tax in Sections 7362, 7363, and 7364 in an amount equal to seventeen and three-tenths cents (\$0.173) per gallon.

(2) For the 2011–12 fiscal year and each fiscal year thereafter, the board shall, on or before March 1 of the fiscal year immediately preceding the applicable fiscal year, adjust the rate in paragraph (1) in that manner as to generate an amount of revenue that will equal the amount of revenue loss attributable to the exemption provided by Section 6357.7, based on estimates made by the board, and that rate shall be effective during the state’s next fiscal year.

(3) In order to maintain revenue neutrality for each year, beginning with the rate adjustment on or before March 1, 2012, the adjustment under paragraph (2) shall also take into account the extent to which the actual amount of revenues derived pursuant to this subdivision and, as applicable, Section 7361.1, the revenue loss attributable to the exemption provided by Section 6357.7 resulted in a net revenue gain or loss for the fiscal year ending prior to the rate adjustment date on or before March 1.

(4) The intent of paragraphs (2) and (3) is to ensure that the act adding this subdivision and Section 6357.7 does not produce a net revenue gain in state taxes.

(5) Commencing July 1, 2019, the adjustments in paragraphs (2) and (3) shall cease, and the rate imposed by this subdivision shall be the rate in paragraph (1).

(c) On and after November 1, 2017, in addition to the taxes imposed by subdivisions (a) and (b), a tax is hereby imposed upon each gallon of motor vehicle fuel, other than aviation gasoline, subject to the tax in Sections 7362, 7363, and 7364, in an amount equal to twelve cents (\$0.12) per gallon.

(d) On July 1, 2020, and every July 1 thereafter, the board shall adjust the taxes imposed by subdivisions (a), (b), and (c), with the adjustment to apply to both to the base tax rates specified in those provisions and to any previous adjustment in rates made pursuant to this subdivision, by increasing the taxes by a percentage amount equal to the increase in the California Consumer Price Index, as calculated by the Department of Finance with the resulting taxes rounded to the nearest one-tenth of one cent (\$0.01). The first adjustment pursuant to this subdivision shall be a percentage amount

equal to the increase in the California Consumer Price Index from November 1, 2017, to November 1, 2019. Subsequent annual adjustments shall cover subsequent 12 month periods. The incremental change shall be added to the associated rate for that year.

(e) Any increases to the taxes imposed under subdivisions (a), (b), and (c) that are enacted by legislation subsequent to July 1, 2017, shall be deemed to be changes to the base tax rates for purposes of the California Consumer Price Index calculation and adjustment performed pursuant to subdivision (d).

SEC. 26. Section 7361.2 is added to the Revenue and Taxation Code, to read:

7361.2. (a) For the privilege of storing, for the purpose of sale, each supplier, wholesaler, and retailer owning 1,000 or more gallons of tax-paid motor vehicle fuel on November 1, 2017, shall pay a storage tax, the rate of which shall be determined by the board pursuant to the difference in the rate of the tax on motor vehicle fuel in effect on October 31, 2017, and the rate in effect on November 1, 2017, on tax-paid motor vehicle fuel in storage according to the volumetric measure thereof.

(b) For purposes of this section:

(1) "Owning" means having title to the motor vehicle fuel.

(2) "Retailer" means any person who sells motor vehicle fuel in this state to a person who subsequently uses the motor vehicle fuel.

(3) "Storing" includes the ownership or possession of tax-paid motor vehicle fuel outside of the bulk transfer/terminal system, including the holding of tax-paid motor vehicle fuel for sale at wholesale or retail locations stored in a container of any kind, including railroad tank cars and trucks or trailer cargo tanks. "Storing" also includes tax-paid motor vehicle fuel purchased from and invoiced by the seller, and tax-paid motor vehicle fuel removed from a terminal or entered into by a supplier, prior to the date specified in subdivision (a) and in transit on that date.

(4) "Wholesaler" means any person who sells diesel fuel in this state for resale to a retailer or to a person who is not a retailer and subsequently uses the motor vehicle fuel.

SEC. 27. Section 7653.2 is added to the Revenue and Taxation Code, to read:

7653.2. On or before January 1, 2018, each person subject to the storage tax imposed under Section 7361.2 shall prepare and file with the board, in a form prescribed by the board, a return showing the total number of gallons of tax-paid motor vehicle fuel owned by the person on November 1, 2017, the amount of the storage tax, and any other information that the board deems necessary for the proper administration of this part. The return shall be accompanied by a remittance payable to the board in the amount of tax due.

SEC. 28. Section 8352.4 of the Revenue and Taxation Code is amended to read:

8352.4. (a) Subject to Sections 8352 and 8352.1, and except as otherwise provided in subdivision (b), there shall be transferred from the money

deposited to the credit of the Motor Vehicle Fuel Account to the Harbors and Watercraft Revolving Fund, for expenditure in accordance with Division 1 (commencing with Section 30) of the Harbors and Navigation Code, the sum of six million six hundred thousand dollars (\$6,600,000) per annum, representing the amount of money in the Motor Vehicle Fuel Account attributable to taxes imposed on distributions of motor vehicle fuel used or usable in propelling vessels. The actual amount shall be calculated using the annual reports of registered boats prepared by the Department of Motor Vehicles for the United States Coast Guard and the formula and method of the December 1972 report prepared for this purpose and submitted to the Legislature on December 26, 1972, by the Director of Transportation. If the amount transferred during each fiscal year is in excess of the calculated amount, the excess shall be retransferred from the Harbors and Watercraft Revolving Fund to the Motor Vehicle Fuel Account. If the amount transferred is less than the amount calculated, the difference shall be transferred from the Motor Vehicle Fuel Account to the Harbors and Watercraft Revolving Fund. No adjustment shall be made if the computed difference is less than fifty thousand dollars (\$50,000), and the amount shall be adjusted to reflect any temporary or permanent increase or decrease that may be made in the rate under the Motor Vehicle Fuel Tax Law. Payments pursuant to this section shall be made prior to payments pursuant to Section 8352.2.

(b) (1) Commencing July 1, 2012, the revenues attributable to the taxes imposed pursuant to subdivision (b) of Section 7360 and otherwise to be deposited in the Harbors and Watercraft Revolving Fund pursuant to subdivision (a) shall instead be transferred to the General Fund.

(2) Commencing November 1, 2017, the revenues attributable to the taxes imposed pursuant to subdivision (c) of Section 7360, any adjustment pursuant to subdivision (d) of Section 7360, and Section 7361.2, and otherwise to be deposited in the Harbors and Watercraft Revolving Fund pursuant to subdivision (a), shall instead be transferred to the State Parks and Recreation Fund to be used for state parks, off-highway vehicle programs, or boating programs.

SEC. 29. Section 8352.5 of the Revenue and Taxation Code is amended to read:

8352.5. (a) (1) Subject to Sections 8352 and 8352.1, and except as otherwise provided in paragraph (1) of subdivision (b), there shall be transferred from the money deposited to the credit of the Motor Vehicle Fuel Account to the Department of Food and Agriculture Fund, during the second quarter of each fiscal year, an amount equal to the estimate contained in the most recent report prepared pursuant to this section.

(2) The amounts are not subject to Section 6357 with respect to the collection of sales and use taxes thereon, and represent the portion of receipts in the Motor Vehicle Fuel Account during a calendar year that were attributable to agricultural off-highway use of motor vehicle fuel which is subject to refund pursuant to Section 8101, less gross refunds allowed by the Controller during the fiscal year ending June 30 following the calendar

year to persons entitled to refunds for agricultural off-highway use pursuant to Section 8101. Payments pursuant to this section shall be made prior to payments pursuant to Section 8352.2.

(b) (1) Commencing July 1, 2012, the revenues attributable to the taxes imposed pursuant to subdivision (b) of Section 7360 and otherwise to be deposited in the Department of Food and Agriculture Fund pursuant to subdivision (a) shall instead be transferred to the General Fund.

(2) Commencing November 1, 2017, the revenues attributable to the taxes imposed pursuant to subdivision (c) of Section 7360, as adjusted pursuant to subdivision (d) of Section 7360, and Section 7361.2 shall be deposited in the Department of Food and Agriculture Fund.

(c) On or before September 30, 2012, and on or before September 30 of each even-numbered year thereafter, the Director of Transportation and the Director of Food and Agriculture shall jointly prepare, or cause to be prepared, a report setting forth the current estimate of the amount of money in the Motor Vehicle Fuel Account attributable to agricultural off-highway use of motor vehicle fuel, which is subject to refund pursuant to Section 8101 less gross refunds allowed by the Controller to persons entitled to refunds for agricultural off-highway use pursuant to Section 8101; and they shall submit a copy of the report to the Legislature.

SEC. 30. Section 8352.6 of the Revenue and Taxation Code is amended to read:

8352.6. (a) (1) Subject to Section 8352.1, and except as otherwise provided in paragraphs (2) and (3), on the first day of every month, there shall be transferred from moneys deposited to the credit of the Motor Vehicle Fuel Account to the Off-Highway Vehicle Trust Fund created by Section 38225 of the Vehicle Code an amount attributable to taxes imposed upon distributions of motor vehicle fuel used in the operation of motor vehicles off highway and for which a refund has not been claimed. Transfers made pursuant to this section shall be made prior to transfers pursuant to Section 8352.2.

(2) (A) Commencing July 1, 2012, the revenues attributable to the taxes imposed pursuant to subdivision (b) of Section 7360 and otherwise to be deposited in the Off-Highway Vehicle Trust Fund pursuant to paragraph (1) shall instead be transferred to the General Fund.

(B) Commencing November 1, 2017, the revenues attributable to the taxes imposed pursuant to subdivision (c) of Section 7360, any adjustment pursuant to subdivision (d) of Section 7360, and Section 7361.2, and otherwise to be deposited in the Off-Highway Vehicle Trust Fund pursuant to subdivision (a), shall instead be transferred to the State Parks and Recreation Fund to be used for state parks, off-highway vehicle programs, or boating programs.

(3) The Controller shall withhold eight hundred thirty-three thousand dollars (\$833,000) from the monthly transfer to the Off-Highway Vehicle Trust Fund pursuant to paragraph (1), and transfer that amount to the General Fund.

(b) The amount transferred to the Off-Highway Vehicle Trust Fund pursuant to paragraph (1) of subdivision (a), as a percentage of the Motor Vehicle Fuel Account, shall be equal to the percentage transferred in the 2006–07 fiscal year. Every five years, starting in the 2013–14 fiscal year, the percentage transferred may be adjusted by the Department of Transportation in cooperation with the Department of Parks and Recreation and the Department of Motor Vehicles. Adjustments shall be based on, but not limited to, the changes in the following factors since the 2006–07 fiscal year or the last adjustment, whichever is more recent:

(1) The number of vehicles registered as off-highway motor vehicles as required by Division 16.5 (commencing with Section 38000) of the Vehicle Code.

(2) The number of registered street-legal vehicles that are anticipated to be used off highway, including four-wheel drive vehicles, all-wheel drive vehicles, and dual-sport motorcycles.

(3) Attendance at the state vehicular recreation areas.

(4) Off-highway recreation use on federal lands as indicated by the United States Forest Service’s National Visitor Use Monitoring and the United States Bureau of Land Management’s Recreation Management Information System.

(c) It is the intent of the Legislature that transfers from the Motor Vehicle Fuel Account to the Off-Highway Vehicle Trust Fund should reflect the full range of motorized vehicle use off highway for both motorized recreation and motorized off-road access to other recreation opportunities. Therefore, the Legislature finds that the fuel tax baseline established in subdivision (b), attributable to off-highway estimates of use as of the 2006–07 fiscal year, accounts for the three categories of vehicles that have been found over the years to be users of fuel for off-highway motorized recreation or motorized access to nonmotorized recreational pursuits. These three categories are registered off-highway motorized vehicles, registered street-legal motorized vehicles used off highway, and unregistered off-highway motorized vehicles.

(d) It is the intent of the Legislature that the off-highway motor vehicle recreational use to be determined by the Department of Transportation pursuant to paragraph (2) of subdivision (b) be that usage by vehicles subject to registration under Division 3 (commencing with Section 4000) of the Vehicle Code, for recreation or the pursuit of recreation on surfaces where the use of vehicles registered under Division 16.5 (commencing with Section 38000) of the Vehicle Code may occur.

(e) In the 2014–15 fiscal year, the Department of Transportation, in consultation with the Department of Parks and Recreation and the Department of Motor Vehicles, shall undertake a study to determine the appropriate adjustment to the amount transferred pursuant to subdivision (b) and to update the estimate of the amount attributable to taxes imposed upon distributions of motor vehicle fuel used in the operation of motor vehicles off highway and for which a refund has not been claimed. The

department shall provide a copy of this study to the Legislature no later than January 1, 2016.

SEC. 31. Chapter 6 (commencing with Section 11050) is added to Part 5 of Division 2 of the Revenue and Taxation Code, to read:

#### Chapter 6. Transportation Improvement Fee

11050. For purposes of this chapter, the following terms have the following meanings:

(a) "Transportation purposes" means both of the following:

(1) The research, planning, construction, improvement, maintenance, and operation of public streets and highways (and their related public facilities for nonmotorized traffic), including the mitigation of their environmental effects, the payment for property taken or damaged for the foregoing purposes, and the administrative costs necessarily incurred in the foregoing purposes.

(2) The research, planning, construction, improvement, maintenance, and operation of public transportation systems (and their related equipment and fixed facilities), including the mitigation of their environmental effects, the payment for property taken or damaged for the foregoing purposes, and the administrative costs necessarily incurred in the foregoing purposes.

(b) "Transportation improvement fee" means a supplemental charge added to the fee imposed pursuant to Chapter 2 (commencing with Section 10751).

(c) "Vehicle" means every vehicle that is subject to the fee in Chapter 2 (commencing with Section 10751), except the following:

(1) A commercial vehicle with an unladen weight of more than 10,000 pounds.

(2) A vehicle exempted pursuant to the Vehicle Code from the payment of registration fees.

(3) A vehicle for which a certificate of nonoperation has been filed with the Department of Motor Vehicles pursuant to Section 4604 of the Vehicle Code, during the period of time covered by the certificate.

(4) A vehicle described in Section 5004 of the Vehicle Code.

11051. (a) In addition to any other fee imposed on a vehicle by this code or the Vehicle Code, a transportation improvement fee is hereby imposed on each vehicle as defined in subdivision (b) of Section 11050 effective on January 1, 2018, or as soon after that date as the department is able to commence collection of the fee. The transportation improvement fee shall be in the amounts specified in Section 11052.

(b) The department shall collect the fee at the same time and in the same manner as the department collects the vehicle registration fee pursuant to Section 9250 of the Vehicle Code.

(c) The fee imposed pursuant to this chapter is imposed for the privilege of a resident of California to operate upon the public highways a vehicle or

trailer coach, the registrant of which is subject to the fee under Chapter 2 (commencing with Section 10751).

(d) The revenues from the transportation improvement fee imposed by this chapter shall be available for expenditure only on transportation purposes as provided in Section 11053.

11052. (a) The annual amount of the transportation improvement fee shall be based on the market value of the vehicle, as determined by the department pursuant to Sections 10753, 10753.2, and 10753.5, using the following schedule:

(1) Vehicles with a vehicle market value range between zero dollars (\$0) and four thousand nine hundred ninety-nine dollars (\$4,999), a fee of twenty-five dollars (\$25).

(2) Vehicles with a vehicle market value range between five thousand dollars (\$5,000) and twenty-four thousand nine hundred ninety-nine dollars (\$24,999), a fee of fifty dollars (\$50).

(3) Vehicles with a vehicle market value range between twenty-five thousand dollars (\$25,000) and thirty-four thousand nine hundred ninety-nine dollars (\$34,999), a fee of one hundred dollars (\$100).

(4) Vehicles with a vehicle market value range between thirty-five thousand dollars (\$35,000) and fifty-nine thousand nine hundred ninety-nine dollars (\$59,999), a fee of one hundred fifty dollars (\$150).

(5) Vehicles with a vehicle market value range of sixty thousand dollars (\$60,000) and higher, a fee of one hundred seventy-five dollars (\$175).

(b) On January 1, 2020, and every January 1 thereafter, the department shall adjust the transportation improvement fee imposed under subdivision (a) by increasing the fee for each vehicle market range in an amount equal to the increase in the California Consumer Price Index for the prior year, except the first adjustment shall cover the prior two years, as calculated by the Department of Finance, with amounts equal to or greater than fifty cents (\$0.50) rounded to the highest whole dollar. The incremental change shall be added to the associated fee rate for that year.

(c) Any changes to the transportation improvement fee imposed in subdivision (a) that are enacted by the Legislature subsequent to January 1, 2018, shall be deemed to be changes to the base fee for purposes of the California Consumer Price Index calculation and adjustment performed pursuant to subdivision (b).

11053. Revenues from the transportation improvement fee, after deduction of the department's administrative costs related to this chapter, shall be transferred by the department to the Controller for deposit as follows:

(a) Commencing with the 2017–18 fiscal year, three hundred fifty million dollars (\$350,000,000), plus an annual increase for inflation as determined in subdivision (b) of Section 11052 for this proportional share, shall annually be deposited into the Public Transportation Account. The Controller shall, each month, set aside one-twelfth of this amount, to accumulate a total of three hundred fifty million dollars (\$350,000,000) in each fiscal year or the appropriate adjusted amount. For each fiscal year commencing with the 2017–18 fiscal year, the annual Budget Act shall include an appropriation

for 70 percent of these revenues to be allocated to the Transit and Intercity Rail Capital Program (Part 2 (commencing with Section 75220) of Division 44 of the Public Resources Code), pursuant to Section 99312.4 of the Public Utilities Code. The remaining 30 percent of these revenues shall be continuously appropriated to the Controller for allocation under the State Transit Assistance program, pursuant to subdivision (c) of Section 99312.1 of the Public Utilities Code.

(b) Commencing with the 2017–18 fiscal year, two hundred fifty million dollars (\$250,000,000) shall annually be deposited into the State Highway Account for appropriation by the annual Budget Act to the Congested Corridor Program created pursuant to Section 2391 of the Streets and Highways Code. The Controller shall, each month, set aside one-twelfth of this amount, to accumulate a total of two hundred fifty million dollars (\$250,000,000) in each fiscal year.

(c) The remaining revenues after the transfers made in subdivisions (a) and (b) shall be deposited into the Road Maintenance and Rehabilitation Account created pursuant to Section 2031 of the Streets and Highway Code.

SEC. 32. Section 60050 of the Revenue and Taxation Code is amended to read:

60050. (a) (1) A tax of sixteen cents (\$0.16) is hereby imposed upon each gallon of diesel fuel subject to the tax in Sections 60051, 60052, and 60058.

(2) If the federal fuel tax is reduced below the rate of fifteen cents (\$0.15) per gallon and federal financial allocations to this state for highway and exclusive public mass transit guideway purposes are reduced or eliminated correspondingly, the tax rate imposed by paragraph (1) shall be increased by an amount so that the combined state rate under paragraph (1) and the federal tax rate per gallon equal what it would have been in the absence of the federal reduction.

(3) If any person or entity is exempt or partially exempt from the federal fuel tax at the time of a reduction, the person or entity shall continue to be exempt under this section.

(b) On and after November 1, 2017, in addition to the tax imposed pursuant to subdivision (a), an additional tax of twenty cents (\$0.20) is hereby imposed upon each gallon of diesel fuel subject to the tax in Sections 60051, 60052, and 60058.

(c) On July 1, 2020, and every July 1 thereafter, the State Board of Equalization shall adjust the taxes imposed by subdivisions (a), and (b), with the adjustment to apply to both to the base tax rates specified in those provisions and to any previous adjustment in rates made pursuant to this subdivision, by increasing the taxes by a percentage amount equal to the increase in the California Consumer Price Index, as calculated by the Department of Finance with the resulting taxes rounded to the nearest one-tenth of one cent (\$0.01). The first adjustment pursuant to this subdivision shall be a percentage amount equal to the increase in the California Consumer Price Index from November 1, 2017, to November 1, 2019. Subsequent annual adjustments shall cover subsequent 12 month



periods. The incremental change shall be added to the associated rate for that year.

(d) Any changes to the taxes imposed under this section that are enacted by legislation subsequent to July 1, 2017, shall be deemed to be changes to the base tax rates for purposes of the California Consumer Price Index calculation and adjustment performed pursuant to paragraph (1).

SEC. 33. Section 60050.2 is added to the Revenue and Taxation Code, to read:

60050.2. (a) For the privilege of storing, for the purpose of sale, each supplier, wholesaler, and retailer owning 1,000 or more gallons of tax-paid diesel fuel on November 1, 2017, shall pay a storage tax of twenty cents (\$0.20) per gallon of tax-paid diesel fuel in storage according to the volumetric measure thereof.

(b) For purposes of this section:

(1) "Owning" means having title to the diesel fuel.

(2) "Retailer" means any person who sells diesel fuel in this state to a person who subsequently uses the diesel fuel.

(3) "Storing" includes the ownership or possession of tax-paid diesel fuel outside of the bulk transfer/terminal system, including the holding of tax-paid diesel fuel for sale at wholesale or retail locations stored in a container of any kind, including railroad tank cars and trucks or trailer cargo tanks. "Storing" also includes tax-paid diesel fuel purchased from and invoiced by the seller, and tax-paid diesel fuel removed from a terminal or entered into by a supplier, prior to the date specified in subdivision (a) and in transit on that date.

(4) "Wholesaler" means any person who sells diesel fuel in this state for resale to a retailer or to a person who is not a retailer and subsequently uses the diesel fuel.

SEC. 34. Section 60201.4 is added to the Revenue and Taxation Code, to read:

60201.4. On or before January 1, 2018, each person subject to the storage tax imposed under Section 60050.2 shall prepare and file with the board, in a form prescribed by the board, a return showing the total number of gallons of tax-paid diesel fuel owned by the person on November 1, 2017, the amount of the storage tax, and any other information that the board deems necessary for the proper administration of this part. The return shall be accompanied by a remittance payable to the board in the amount of tax due.

SEC. 35. Article 2.5 (commencing with Section 800) is added to Chapter 4 of Division 1 of the Streets and Highways Code, to read:

#### Article 2.5. Advance Mitigation Program

800. (a) The Advance Mitigation Program is hereby created to enhance communications between the department and stakeholders to protect natural resources through project mitigation, to meet or exceed applicable

environmental requirements, to accelerate project delivery, and to fully mitigate environmental impacts from transportation infrastructure projects. The department shall consult on all activities pursuant to this article with the Department of Fish and Wildlife, including activities pursuant to Chapter 9 (commencing with Section 1850) of Division 2 of the Fish and Game Code.

(b) Commencing with the 2017–18 fiscal year, and for a period of four years, the department shall set aside no less than thirty million dollars (\$30,000,000) annually for the Advance Mitigation Program from the annual appropriations for the State Transportation Improvement Program and the State Highway Operation and Protection Program for the planning and implementation of projects in the Advanced Mitigation Program.

(c) The annual Budget Act and subsequent legislation may establish additional provisions and requirements for the program.

SEC. 36. Chapter 2 (commencing with Section 2030) is added to Division 3 of the Streets and Highways Code, to read:

### Chapter 2. Road Maintenance and Rehabilitation Program

2030. (a) The Road Maintenance and Rehabilitation Program is hereby created to address deferred maintenance on the state highway system and the local street and road system. Funds made available by the program shall be prioritized for expenditure on basic road maintenance and road rehabilitation projects, and on critical safety projects.

(b) (1) Funds made available by the program shall be used for projects that include, but are not limited to, the following:

(A) Road maintenance and rehabilitation.

(B) Safety projects.

(C) Railroad grade separations.

(D) Complete street components, including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and stormwater capture projects in conjunction with any other allowable project.

(E) Traffic control devices.

(2) Funds made available by the program may also be used to satisfy a match requirement in order to obtain state or federal funds for projects authorized by this subdivision.

(c) To the extent possible and cost effective, and where feasible, the department and cities and counties receiving funds under the program shall use advanced technologies and material recycling techniques that reduce the cost of maintaining and rehabilitating the streets and highways, and that exhibit reduced levels of greenhouse gas emissions through material choice and construction method.

(d) To the extent possible and cost effective, and where feasible, the department and cities and counties receiving funds under the program shall use advanced technologies and communications systems in transportation infrastructure that recognize and accommodate advanced automotive

technologies that may include, but are not necessarily limited to, charging or fueling opportunities for zero-emission vehicles, and provision of infrastructure-to-vehicle communications for transitional or full autonomous vehicle systems.

(e) To the extent deemed cost effective, and where feasible, in the context of both the project scope and the risk level for the asset due to global climate change, the department and cities and counties receiving funds under the program shall include features in the projects funded by the program to better adapt the asset to withstand the negative effects of climate change and make the asset more resilient to impacts such as fires, floods, and sea level rise.

(f) To the extent beneficial, cost effective, and practicable in the context of facility type, right-of-way, project scope, and quality of nearby alternative facilities, and where feasible, the department and cities and counties receiving funds under the program shall incorporate complete street elements into projects funded by the program, including, but not limited to, elements that improve the quality of bicycle and pedestrian facilities and that improve safety for all users of transportation facilities.

(g) For purposes of funds directed to the State Highway Operation and Protection Program, the guidelines and reporting provisions shall be consistent with Section 14526.5 of the Government Code.

(h) Guidelines adopted by the commission to facilitate the allocation of funds in the account shall be exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

2031. The following revenues shall be deposited in the Road Maintenance and Rehabilitation Account, which is hereby created in the State Transportation Fund:

(a) Notwithstanding subdivision (b) of Section 2103 and pursuant to subdivision (a) of Section 2103.1, the portion of the revenues in the Highway Users Tax Account attributable to the increases in the motor vehicle fuel excise tax pursuant to subdivision (c) of Section 7360 of the Revenue and Taxation Code, as adjusted pursuant to subdivision (d) of that section.

(b) The revenues from the portion of the transportation improvement fee pursuant to subdivision (c) of Section 11053 of the Revenue and Taxation Code.

(c) The revenues from the increase in the vehicle registration fee pursuant to Section 9250.6 of the Vehicle Code, as adjusted pursuant to subdivision (b) of that section.

(d) Notwithstanding subdivision (b) of Section 2103 and pursuant to paragraph (2) of subdivision (b) of Section 2103.1, one-half of the revenues attributable to the increase in the diesel fuel excise tax pursuant to subdivisions (b) and (c) of Section 60050 of the Revenue and Taxation Code.

(e) Any other revenues designated for the program.

2031.5. For each fiscal year, the annual Budget Act shall contain an appropriation from the Road Maintenance and Rehabilitation Account for the costs of administering this chapter.

2032. (a) (1) After deducting the amounts appropriated in the annual Budget Act, as provided in Section 2031.5, two hundred million dollars (\$200,000,000) of the remaining revenues deposited in the Road Maintenance and Rehabilitation Account shall be set aside annually for counties that have sought and received voter approval of taxes or that have imposed fees, including uniform developer fees as defined by subdivision (b) of Section 8879.67 of the Government Code, which taxes or fees are dedicated solely to transportation improvements. The Controller shall each month set aside one-twelfth of this amount, to accumulate a total of two hundred million dollars (\$200,000,000) in each fiscal year.

(2) Eligible projects under this subdivision shall include, but not are limited to, sound walls for a freeway that was built prior to 1987 without sound walls and with or without high occupancy vehicle lanes if the completion of the sound walls has been deferred due to lack of available funding for at least 20 years and a noise barrier scope summary report has been completed within the last 20 years.

(3) Notwithstanding Section 13340 of the Government Code, the funds available under this subdivision in each fiscal year are hereby continuously appropriated for allocation to each eligible county and each city in the county for road maintenance and rehabilitation purposes pursuant to Section 2033.

(b) After deducting the amounts appropriated in the annual Budget Act pursuant to Section 2031.5 and the amount allocated in subdivision (a), beginning in the 2017–18 fiscal year, one hundred million dollars (\$100,000,000) of the remaining revenues shall be available annually for expenditure, upon appropriation by the Legislature, on the Active Transportation Program created pursuant to Chapter 8 (commencing with Section 2380) of Division 3 to be allocated by the California Transportation Commission pursuant to Section 2381. The Controller shall each month set aside one-twelfth of this amount, to accumulate a total of one hundred million dollars (\$100,000,000) in each fiscal year.

(c) After deducting the amounts appropriated in the annual Budget Act pursuant to Section 2031.5 and the amounts allocated in subdivisions (a) and (b), beginning in the 2017–18 fiscal year, four hundred million dollars (\$400,000,000) of the remaining revenues shall be available annually for expenditure, upon appropriation by the Legislature, by the department for bridge and culvert maintenance and rehabilitation. The Controller shall each month set aside one-twelfth of this amount, to accumulate a total of four hundred million dollars (\$400,000,000) in each fiscal year.

(d) After deducting the amounts appropriated in the annual Budget Act pursuant to Section 2031.5 and the amounts allocated in subdivisions (a), (b), and (c), beginning in the 2017–18 fiscal year, twenty-five million dollars (\$25,000,000) of the remaining revenues shall be transferred annually to the State Highway Account for expenditure, upon appropriation by the Legislature, to supplement the freeway service patrol program. The

Controller shall each month set aside one-twelfth of this amount, to accumulate a total of twenty-five million dollars (\$25,000,000) in each fiscal year.

(e) After deducting the amounts appropriated in the annual Budget Act pursuant to Section 2031.5 and the amounts allocated in subdivisions (a), (b), (c), and (d), in the 2017–18, 2018–19, 2019–20, 2020–21, and 2021–22 fiscal years, from revenues in the Road Maintenance and Rehabilitation Account that are not subject to Article XIX of the California Constitution, five million dollars (\$5,000,000) shall be appropriated in each fiscal year to the California Workforce Development Board to assist local agencies to implement policies to promote preapprenticeship training programs to carry out the projects that are funded by the account pursuant to Section 2038. Funds appropriated pursuant to this subdivision in the Budget Act but remaining unexpended at the end of each applicable fiscal year shall be reappropriated for the same purposes in the following year's Budget Act, but all funds appropriated or reappropriated pursuant to this subdivision in the Budget Act shall be liquidated no later than June 30, 2027.

(f) After deducting the amounts appropriated in the annual Budget Act pursuant to Section 2031.5 and the amounts allocated in subdivisions (a), (b), (c), (d), and (e), beginning in the 2017–18 fiscal year, twenty-five million dollars (\$25,000,000) of the remaining revenues shall be available annually for expenditure, upon appropriation by the Legislature, by the department for local planning grants, as described in Section 2033.5. The Controller shall each month set aside one-twelfth of this amount, to accumulate a total of twenty-five million dollars (\$25,000,000) in each fiscal year.

(g) After deducting the amounts appropriated in the annual Budget Act pursuant to Section 2031.5 and the amounts allocated in subdivisions (a), (b), (c), (d), (e), and (f), beginning in the 2017–18 fiscal year and each fiscal year thereafter, from the remaining revenues, five million dollars (\$5,000,000) shall be available, upon appropriation, to the University of California for the purpose of conducting transportation research and two million dollars (\$2,000,000) shall be available, upon appropriation, to the California State University for the purpose of conducting transportation research and transportation-related workforce education, training, and development. Prior to the start of each fiscal year, the Secretary of Transportation and the chairs of the Assembly Committee on Transportation and the Senate Committee on Transportation and Housing may set out a recommended priority list of research components to be addressed in the upcoming fiscal year.

(h) Notwithstanding Section 13340 of the Government Code, the balance of the revenues deposited in the Road Maintenance and Rehabilitation Account are hereby continuously appropriated as follows:

(1) Fifty percent for allocation to the department for maintenance of the state highway system or for purposes of the state highway operation and protection program.

(2) Fifty percent for apportionment to cities and counties by the Controller pursuant to the formula in clauses (i) and (ii) of subparagraph (C) of

paragraph (3) of subdivision (a) of Section 2103 for the purposes authorized by this chapter.

2032.5. (a) It is the intent of the Legislature that the Department of Transportation and local governments are held accountable for the efficient investment of public funds to maintain the public highways, streets, and roads, and are accountable to the people through performance goals that are tracked and reported.

(b) The department shall annually report to the commission relative to the expenditures made with funds received pursuant to subdivision (c) of, and paragraph (1) of subdivision (g) of, Section 2032, and the progress made and achievement of the performance goals outlined in subdivision (n) of Section 1 of the act adding this section.

(c) For each fiscal year in which the department receives an allocation of funds described in subdivision (b), the department shall submit documentation to the commission that includes a description and the location of each completed project, the amount of funds expended on the project, the completion date, and the project's estimated useful life. Annually, the commission shall evaluate the effectiveness of the department in reducing deferred maintenance and improving road conditions on the state highway system, as demonstrated by the progress made by the goals set forth in subdivision (n) of Section 1 of the act enacting this section. The commission may make recommendations for improvement and may withhold future project allocations if it determines program funds are not being appropriately spent. The commission shall annually include any findings in its annual report to the Legislature pursuant to Section 14535 of the Government Code.

(d) The department shall implement efficiency measures with the goal to generate at least one hundred million dollars (\$100,000,000) per year in savings to invest in maintenance and rehabilitation of the state highway system. These savings shall be reported to the commission.

2033. (a) On or before January 1, 2018, the commission, in cooperation with the department, transportation planning agencies, county transportation commissions, and other local agencies, shall develop guidelines for the allocation of funds pursuant to subdivision (a) of Section 2032.

(b) The guidelines shall be the complete and full statement of the policy, standards, and criteria that the commission intends to use to determine how these funds will be allocated.

(c) The commission may amend the adopted guidelines after conducting at least one public hearing.

2033.5. The department, from funds made available pursuant to subdivision (f) of Section 2032, shall allocate local planning grants to encourage local and regional planning that furthers state goals, including, but not limited to, the goals and best practices cited in the regional transportation guidelines adopted by the commission pursuant to Sections 14522 to 14522.3, inclusive, of the Government Code. The department shall develop a grant guide and shall consult with the State Air Resources Board, the Governor's Office of Planning and Research, and the Department of Housing and Community Development in the development of the grant

guide, and shall provide status reports as it administers these funds. The grant guide shall be exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

2034. (a) (1) Prior to receiving an apportionment of funds under the program pursuant to paragraph (2) of subdivision (h) of Section 2032 from the Controller in a fiscal year, an eligible city or county shall submit to the commission a list of projects proposed to be funded with these funds pursuant to an adopted city or county budget. All projects proposed to receive funding shall be included in a city or county budget that is adopted by the applicable city council or county board of supervisors at a regular public meeting. The list of projects proposed to be funded with these funds shall include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement. The project list shall not limit the flexibility of an eligible city or county to fund projects in accordance with local needs and priorities so long as the projects are consistent with subdivision (b) of Section 2030.

(2) The commission shall report to the Controller the cities and counties that have submitted a list of projects as described in this subdivision and that are therefore eligible to receive an apportionment of funds under the program for the applicable fiscal year. The Controller, upon receipt of the report, shall apportion funds to eligible cities and counties.

(b) For each fiscal year, each city or county receiving an apportionment of funds shall, upon expending program funds, submit documentation to the commission that includes a description and location of each completed project, the amount of funds expended on the project, the completion date, and the estimated useful life of the improvement.

2036. (a) Cities and counties shall maintain their existing commitment of local funds for street, road, and highway purposes in order to remain eligible for an allocation or apportionment of funds pursuant to Section 2032.

(b) In order to receive an allocation or apportionment pursuant to Section 2032, the city or county shall annually expend from its general fund for street, road, and highway purposes an amount not less than the annual average of its expenditures from its general fund during the 2009–10, 2010–11, and 2011–12 fiscal years, as reported to the Controller pursuant to Section 2151. For purposes of this subdivision, in calculating a city's or county's annual general fund expenditures and its average general fund expenditures for the 2009–10, 2010–11, and 2011–12 fiscal years, any unrestricted funds that the city or county may expend at its discretion, including vehicle in-lieu tax revenues and revenues from fines and forfeitures, expended for street, road, and highway purposes shall be considered expenditures from the general fund. One-time allocations that have been expended for street and highway purposes, but which may not be available on an ongoing basis, including revenue provided under the Teeter Plan Bond Law of 1994 (Chapter 6.6 (commencing with Section 54773) of Part 1 of Division 2 of Title 5 of the Government Code), may not

be considered when calculating a city's or county's annual general fund expenditures.

(c) For any city incorporated after July 1, 2009, the Controller shall calculate an annual average expenditure for the period between July 1, 2009, and December 31, 2015, inclusive, that the city was incorporated.

(d) For purposes of subdivision (b), the Controller may request fiscal data from cities and counties in addition to data provided pursuant to Section 2151, for the 2009–10, 2010–11, and 2011–12 fiscal years. Each city and county shall furnish the data to the Controller not later than 120 days after receiving the request. The Controller may withhold payment to cities and counties that do not comply with the request for information or that provide incomplete data.

(e) The Controller may perform audits to ensure compliance with subdivision (b) when deemed necessary. Any city or county that has not complied with subdivision (b) shall reimburse the state for the funds it received during that fiscal year. Any funds withheld or returned as a result of a failure to comply with subdivision (b) shall be reapportioned to the other counties and cities whose expenditures are in compliance.

(f) If a city or county fails to comply with the requirements of subdivision (b) in a particular fiscal year, the city or county may expend during that fiscal year and the following fiscal year a total amount that is not less than the total amount required to be expended for those fiscal years for purposes of complying with subdivision (b).

2037. A city or county may spend its apportionment of funds under the program on transportation priorities other than those allowable pursuant to this chapter if the city's or county's average Pavement Condition Index meets or exceeds 80.

2038. The California Workforce Development Board shall develop guidelines for public agencies receiving Road Maintenance and Rehabilitation Account funds to participate in, invest in, or partner with, new or existing preapprenticeship training programs established pursuant to subdivision (e) of Section 14230 of the Unemployment Insurance Code. The department and local agencies that receive Road Maintenance and Rehabilitation Account funds pursuant to this chapter shall, not later than July 1, 2023, follow the guidelines set forth by the board. The board shall also establish a preapprenticeship development and training grant program, beginning January 1, 2019, pursuant to subdivision (e) of Section 14230 of the Unemployment Insurance Code. Local public agencies that receive Road Maintenance and Rehabilitation Account funds pursuant to this chapter are eligible to compete for such grants and may apply in partnership with other agencies and entities, including those with existing preapprenticeship programs. Successful grant applicants shall, to the extent feasible:

(a) Follow the multicraft core curriculum implemented by the State Department of Education for its pilot project with the California Partnership Academies and by the California Workforce Development Board and local boards.



(b) Include a plan for outreach to and retention of women participants in the preapprenticeship program to help increase the representation of women in the building and construction trades.

(c) Include a plan for outreach to and retention of minority participants and underrepresented subgroups in the preapprenticeship program to help increase their representation in the building and construction trades.

(d) Include a plan for outreach to and retention of disadvantaged youth participants in the preapprenticeship program to help increase their employment opportunities in the building and construction trades.

(e) Include a plan for outreach to individuals in the local labor market area and to formerly incarcerated individuals to provide pathways to employment and training.

(f) Coordinate with local state-approved apprenticeship programs, local building trade councils, and to the extent possible the California Conservation Corps and certified community conservation corps, so individuals who have completed these programs have a pathway to continued employment.

SEC. 37. Section 2103.1 is added to the Streets and Highways Code, to read:

2103.1. (a) Notwithstanding subdivision (b) of Section 2103, the portion of revenues in the Highway Users Tax Account attributable to the increases in the motor vehicle fuel excise tax pursuant to subdivision (c) of Section 7360 of the Revenue and Taxation Code, as adjusted pursuant to subdivision (d) of that section, shall be transferred to the Road Maintenance and Rehabilitation Account pursuant to Section 2031.

(b) Notwithstanding subdivision (b) of Section 2103, the portion of revenues in the Highway Users Tax Account attributable to the increase in the diesel fuel excise tax pursuant to subdivision (b) of Section 60050 of the Revenue and Taxation Code, as adjusted pursuant to subdivision (c) of that section, shall be transferred as follows:

(1) Fifty percent to the Trade Corridors Enhancement Account pursuant to Section 2192.4.

(2) Fifty percent to the Road Maintenance and Rehabilitation Account pursuant to Section 2031.

(c) Notwithstanding subdivision (b) of Section 2103, the portion of the revenues in the Highway Users Tax Account attributable to the storage taxes imposed pursuant to Sections 7361.2 and 60050.2 of the Revenue and Taxation Code shall be deposited in the Road Maintenance and Rehabilitation Account created pursuant to Section 2031.

SEC. 38. Section 2104 of the Streets and Highways Code is amended to read:

2104. Notwithstanding Section 13340 of the Government Code, a sum equal to the net revenue derived from 11.3 percent of the per gallon tax under the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301) of Division 2), 1.80 cents (\$0.0180) under the Use Fuel Tax Law (Part 3 (commencing with Section 8601) of Division 2), and 11.5 percent of the per gallon tax under the Diesel Fuel Tax Law (Part 31

(commencing with Section 60001) of Division 2) of the Revenue and Taxation Code, shall be apportioned among the counties, as follows:

(a) Each county shall be paid one thousand six hundred sixty-seven dollars (\$1,667) during each calendar month, which amount shall be expended exclusively for engineering costs and administrative expenses with respect to county roads.

(b) A sum equal to the total of all reimbursable snow removal or snow grooming, or both, costs filed pursuant to subdivision (d) of Section 2152, or seven million dollars (\$7,000,000), whichever is less, shall be apportioned in 12 approximately equal monthly apportionments for snow removal or snow grooming, or both, on county roads, as provided in Section 2110.

(c) A sum equal to five hundred thousand dollars (\$500,000) shall be apportioned in 12 approximately equal monthly apportionments, as provided in Section 2110.5.

(d) (1) Seventy-five percent of the funds payable under this section shall be apportioned among the counties monthly in the respective proportions that the number of fee-paid and exempt vehicles which are registered in each county bears to the total number of fee-paid and exempt vehicles registered in the state.

(2) For purposes of apportionment under this subdivision, the Department of Motor Vehicles shall, as soon as possible after the last day of each calendar month, furnish to the Controller a verified statement showing the number of fee-paid and exempt vehicles which are registered in each county and in the state as of the last day of each calendar month as reflected by the records of the Department of Motor Vehicles.

(e) Of the remaining money payable, there shall be paid to each eligible county an amount that is computed monthly as follows: The number of miles of maintained county roads in each county shall be multiplied by sixty dollars (\$60); from the resultant amount, there shall be deducted the amount received by each county under subdivision (d) and the remainder, if any, shall be paid to each county.

(f) The remaining money payable, after the foregoing apportionments, shall be apportioned among the counties in the same proportion as the money referred to in subdivision (d).

(g) (1) Transfers of revenues from the Highway Users Tax Account to counties pursuant to this section collected during the months of March, April, May, June, and July of 2008, shall be made with the transfer of August 2008 revenues in September of 2008. This suspension shall not apply to a county with a population of less than 40,000.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a county may make use of any cash balance in its county road fund, including that resulting from the receipt of funds pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2 of the Government Code (hereafter bond act)) for local streets and roads maintenance, during the period of this suspension, without the use of this cash being reflected as an expenditure of bond act funds,

provided the cash is replaced once this suspension is repaid in September of 2008. Counties may accrue the revenue received in September 2008 as repayment of these suspensions for the months of April, May, and June of 2008 back to the 2007–08 fiscal year. Nothing in this paragraph shall change the fact that expenditures must be accrued and reflected from the appropriate funding sources for which the moneys were received and meet all the requirements of those funding sources.

(h) (1) The transfer of revenues from the Highway Users Tax Account to counties pursuant to this section that are collected during the months of January, February, and March 2009, shall be made with the transfer of April 2009 revenues in May 2009.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a county may make use of any cash balance in its county road fund, including that resulting from the receipt of funds pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2 of the Government Code (bond act)) for local streets and roads maintenance during the period of this suspension, provided the cash is replaced once this suspension is repaid in May of 2009.

(3) This subdivision shall not affect any requirement that an expenditure is required to be accrued and reflected from the appropriate funding source for which the money was received and to meet all the requirements of its funding source.

SEC. 39. Section 2105 of the Streets and Highways Code is amended to read:

2105. Notwithstanding Section 13340 of the Government Code, in addition to the apportionments prescribed by Sections 2104, 2106, and 2107, from the revenues derived from a per gallon tax imposed pursuant to Section 7360 of the Revenue and Taxation Code, and a per gallon tax imposed pursuant to Sections 8651, 8651.5, and 8651.6 of the Revenue and Taxation Code, and a per gallon tax imposed pursuant to Sections 60050 and 60115 of the Revenue and Taxation Code, the following apportionments shall be made:

(a) A sum equal to 5.8 percent of the per gallon tax under Section 7360 of the Revenue and Taxation Code, 11.5 percent of any per gallon tax in excess of nine cents (\$0.09) per gallon under Sections 8651, 8651.5, and 8651.6 of the Revenue and Taxation Code, and 6.5 percent of the per gallon tax under Sections 60050 and 60115 of the Revenue and Taxation Code, shall be apportioned among the counties, including a city and county.

The amount of apportionment to each county, including a city and county, during a fiscal year shall be calculated as follows:

(1) One million dollars (\$1,000,000) for apportionment to all counties, including a city and county, in proportion to each county's receipts during the prior fiscal year under Sections 2104 and 2106.

(2) One million dollars (\$1,000,000) for apportionment to all counties, including a city and county, as follows:

(A) Seventy-five percent in the proportion that the number of fee-paid and exempt vehicles which are registered in the county bears to the number of fee-paid and exempt vehicles registered in the state.

(B) Twenty-five percent in the proportion that the number of miles of maintained county roads in the county bears to the miles of maintained county roads in the state.

(3) For each county, determine its factor which is the higher amount calculated pursuant to paragraph (1) or (2) divided by the sum of the higher amounts for all of the counties.

(4) The amount to be apportioned to each county is equal to its factor multiplied by the amount available for apportionment.

(b) A sum equal to 5.8 percent of the per gallon tax under Section 7360 of the Revenue and Taxation Code, 11.5 percent of any per gallon tax in excess of nine cents (\$0.09) per gallon under Sections 8651, 8651.5, and 8651.6 of the Revenue and Taxation Code, and 6.5 percent of the per gallon tax under Sections 60050 and 60115 of the Revenue and Taxation Code, shall be apportioned to cities, including a city and county, in the proportion that the total population of the city bears to the total population of all the cities in the state.

(c) (1) Transfers of revenues from the Highway Users Tax Account to counties or cities pursuant to this section collected during the months of March, April, May, June, and July of 2008, shall be made with the transfer of August 2008 revenues in September of 2008. This suspension shall not apply to a county with a population of less than 40,000.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a city or county may make use of any cash balance in the city account that is designated for the receipt of state funds allocated for local streets and roads or the county road fund, including that resulting from the receipt of funds pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2 of the Government Code (hereafter bond act)) for local streets and roads maintenance, during the period of this suspension, without the use of this cash being reflected as an expenditure of bond act funds, provided the cash is replaced once this suspension is repaid in September of 2008. Counties and cities may accrue the revenue received in September 2008 as repayment of these suspensions for the months of April, May, and June of 2008 back to the 2007–08 fiscal year. Nothing in this paragraph shall change the fact that expenditures must be accrued and reflected from the appropriate funding sources for which the moneys were received and meet all the requirements of those funding sources.

(d) (1) The transfer of revenues from the Highway Users Tax Account to counties or cities pursuant to this section collected during the months of January, February, and March 2009 shall be made with the transfer of April 2009 revenues in May 2009.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a city or county may make use of any cash balance

in the city account that is designated for the receipt of state funds allocated for local streets and roads or the county road fund, including that resulting from the receipt of funds pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2 of the Government Code (bond act)) for local streets and roads maintenance, during the period of this suspension, and the use of this cash shall not be considered as an expenditure of bond act funds, if the cash is replaced when the payments that are suspended pursuant to this subdivision are repaid in May 2009.

(3) This subdivision shall not affect any requirement that an expenditure is required to be accrued and reflected from the appropriate funding source for which the money was received and to meet all the requirements of its funding source.

SEC. 40. Section 2106 of the Streets and Highways Code is amended to read:

2106. Notwithstanding Section 13340 of the Government Code, a sum equal to the net revenue derived from 5.3 percent of the per gallon tax under the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301) of Division 2 of the Revenue and Taxation Code) shall be apportioned monthly from the Highway Users Tax Account in the Transportation Tax Fund among the counties and cities as follows:

(a) Four hundred dollars (\$400) per month shall be apportioned to each city and city and county and eight hundred dollars (\$800) per month shall be apportioned to each county and city and county.

(b) On the last day of each month, the sum of six hundred thousand dollars (\$600,000) shall be transferred to the State Highway Account in the State Transportation Fund for the Active Transportation Program pursuant to Chapter 8 (commencing with Section 2380). For each month in the 2013–14 fiscal year that has passed prior to the enactment of the bill adding this sentence, six hundred thousand dollars (\$600,000) shall be immediately transferred from the Bicycle Transportation Account to the State Highway Account in the State Transportation Fund for the Active Transportation Program, less any amount already expended for that program from the Bicycle Transportation Account during the 2013–14 fiscal year.

(c) The balance shall be apportioned, as follows:

(1) A base sum shall be computed for each county by using the same proportions of fee-paid and exempt vehicles as are established for purposes of apportionment of funds under subdivision (d) of Section 2104.

(2) For each county, the percentage of the total assessed valuation of tangible property subject to local tax levies within the county which is represented by the assessed valuation of tangible property outside the incorporated cities of the county shall be applied to its base sum, and the resulting amount shall be apportioned to the county. The assessed valuation of taxable tangible property, for purposes of this computation, shall be that most recently used for countywide tax levies as reported to the Controller by the State Board of Equalization. If an incorporation or annexation is

legally completed following the base sum computation, the new city's assessed valuation shall be deducted from the county's assessed valuation, the estimate of which may be provided by the State Board of Equalization.

(3) The difference between the base sum for each county and the amount apportioned to the county shall be apportioned to the cities of that county in the proportion that the population of each city bears to the total population of all the cities in the county. Populations used for determining apportionment of money under Section 2107 are to be used for purposes of this section.

(d) (1) Transfers of revenues from the Highway Users Tax Account to counties or cities pursuant to this section collected during the months of March, April, May, June, and July of 2008, shall be made with the transfer of August 2008 revenues in September of 2008. This suspension shall not apply to a county with a population of less than 40,000.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a city or county may make use of any cash balance in the city account that is designated for the receipt of state funds allocated for local streets and roads or the county road fund, including that resulting from the receipt of funds pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2 of the Government Code (hereafter bond act)) for local streets and roads maintenance, during the period of this suspension, without the use of this cash being reflected as an expenditure of bond act funds, provided the cash is replaced once this suspension is repaid in September of 2008. Counties and cities may accrue the revenue received in September 2008 as repayment of these suspensions for the months of April, May, and June of 2008 back to the 2007–08 fiscal year. Nothing in this paragraph shall change the fact that expenditures must be accrued and reflected from the appropriate funding sources for which the moneys were received and meet all the requirements of those funding sources.

(e) (1) The transfer of revenues from the Highway Users Tax Account to counties or cities pursuant to this section collected during the months of January, February, and March 2009, shall be made with the transfer of April 2009 revenues in May 2009.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a city or county may make use of any cash balance in the city account that is designated for the receipt of state funds allocated for local streets and roads or the county road fund, including that resulting from the receipt of funds pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2 of the Government Code (bond act)) for local streets and roads maintenance, during the period of this suspension, and the use of this cash shall not be considered as an expenditure of bond act funds, if the cash is replaced when the payments that are suspended pursuant to this subdivision are repaid in May 2009.

(3) This subdivision shall not affect any requirement that an expenditure is required to be accrued and reflected from the appropriate funding source for which the money was received and to meet all the requirements of its funding source.

SEC. 41. Section 2107 of the Streets and Highways Code is amended to read:

2107. (a) Notwithstanding Section 13340 of the Government Code, a sum equal to the net revenues derived from 7.3 percent of the per gallon tax under the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301) of Division 2), 2.59 cents (\$0.0259) under the Use Fuel Tax Law (Part 3 (commencing with Section 8601) of Division 2), and 11.5 percent under the Diesel Fuel Tax Law (Part 31 (commencing with Section 60001) of Division 2) of the Revenue and Taxation Code, shall be apportioned monthly to the cities and counties of this state from the Highway Users Tax Account in the Transportation Tax Fund as provided in this section.

(b) From the sum determined pursuant to subdivision (a), the Controller shall allocate annually to each city that has filed a report containing the information prescribed by subdivision (c) of Section 2152, and that had expenditures in excess of five thousand dollars (\$5,000) during the preceding fiscal year for snow removal, an amount equal to one-half of the amount of its expenditures for snow removal in excess of five thousand dollars (\$5,000) during that fiscal year.

(c) The balance of the sum determined pursuant to subdivision (a) from the Highway Users Tax Account shall be allocated to each city, including city and county, in the proportion that the total population of the city bears to the total population of all the cities in this state.

(d) (1) For the purpose of this section, except as otherwise provided in paragraph (2), the population in each city is the population determined for that city in the manner specified in Section 11005.3 of the Revenue and Taxation Code.

(2) Commencing with the ninth fiscal year of a city described in subdivision (a) of Section 11005.3 of the Revenue and Taxation Code, the sixth fiscal year of a city described in subdivision (b) of Section 11005.3 of the Revenue and Taxation Code, and the 61st month of the city described in subdivision (c) of Section 11005.3 of the Revenue and Taxation Code, the population in each city is the actual population of that city, as defined in subdivision (e) of Section 11005.3 of the Revenue and Taxation Code.

(e) (1) Transfers of revenues from the Highway Users Tax Account to cities pursuant to this section collected during the months of March, April, May, June, and July of 2008, shall be made with the transfer of August 2008 revenues in September of 2008.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a city may make use of any cash balance in the city account that is designated for the receipt of state funds allocated for local streets and roads, including that resulting from the receipt of funds pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port

Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2 of the Government Code (hereafter bond act)) for local streets and roads maintenance, during the period of this suspension, without the use of this cash being reflected as an expenditure of bond act funds, provided the cash is replaced once this suspension is repaid in September of 2008. Cities may accrue the revenue received in September 2008 as repayment of these suspensions for the months of April, May, and June of 2008 back to the 2007–08 fiscal year. Nothing in this paragraph shall change the fact that expenditures must be accrued and reflected from the appropriate funding sources for which the moneys were received and meet all the requirements of those funding sources.

(f) (1) A transfer of revenues from the Highway Users Tax Account to cities pursuant to this section collected during the months of January, February, and March 2009, shall be made with the transfer of April 2009 revenues in May 2009.

(2) For the purpose of meeting the cash obligations associated with ongoing budgeted costs, a city may make use of any cash balance in the city account that is designated for the receipt of state funds allocated for local streets and roads, including that resulting from the receipt of funds pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2 of the Government Code (bond act)) for local streets and roads maintenance, during the period of this suspension, and the use of this cash shall not be reflected as an expenditure of bond act funds, if the cash is replaced once this suspension is repaid in May 2009.

(3) This subdivision shall not affect any requirement that an expenditure is required to be accrued and reflected from the appropriate funding sources for which the moneys were received and to meet all the requirements of those funding sources.

SEC. 42. Section 2192.4 is added to the Streets and Highways Code, to read:

2192.4. The Trade Corridor Enhancement Account is hereby created in the State Transportation Fund to receive funds from subdivision (b) of Section 60050 of the Revenue and Taxation Code, as adjusted. Funds in the account shall be available for expenditure upon appropriation by the Legislature for corridor-based freight projects nominated by local agencies and the state.

SEC. 43. The Legislature finds and declares all of the following:

(a) Californians know congestion. For decades, California has been home to five or six of the nation's most congested travel corridors, which are located in Los Angeles, the San Francisco-Oakland-San Jose Bay Area, the Inland Empire, San Diego, and increasingly, in the central valley. While congestion is a vexing challenge in a state that is home to nearly 40 million people and that adds nearly a half-million people each year, regions and localities are finding new ways to address congestion in highly traveled corridors by undertaking long-term, comprehensive, and multimodal approaches that seek to reduce congestion by expanding travel choices,



improving the quality of life, and preserving the local community character within the corridor.

(b) Examples of this more comprehensive approach to improving congestion in highly traveled corridors include, but are not limited to, programs in the following regions:

(1) The North Coast Corridor improvements along Route 5 and the parallel rail corridor in the County of San Diego.

(2) The Route 91 and Metrolink rail corridor improvements in the County of Riverside.

(3) Emerging solutions for the Route 101 and Caltrain corridor connecting Silicon Valley with San Francisco.

(4) Multimodal approaches for the Route 101 and SMART rail corridor between the Counties of Marin and Sonoma.

(5) Comprehensive solutions for the Route 405 Corridor in the County of Los Angeles.

(c) The state recognizes the benefits to mobility, quality of life, and the environment through comprehensive, multimodal proposals that address mobility, community, and environmental challenges along highly traveled corridors. Therefore, the Solutions for Congested Corridors Program is being created to support collaborative and comprehensive proposals to address these challenges.

SEC. 44. Chapter 8.5 (commencing with Section 2390) is added to Division 3 of the Streets and Highways Code, to read:

#### Chapter 8.5. Congested Corridors

2390. The Solutions for Congested Corridors Program is hereby created.

2391. Pursuant to subdivision (b) of Section 11053 of the Revenue and Taxation Code, two hundred fifty million dollars (\$250,000,000) in the State Highway Account shall be available for appropriation to the Department of Transportation in each annual Budget Act for the Solutions for Congested Corridors Program. Funds made available for the program shall be allocated by the California Transportation Commission to projects designed to achieve a balanced set of transportation, environmental, and community access improvements within highly congested travel corridors throughout the state. Funding shall be available for projects that make specific performance improvements and are part of a comprehensive corridor plan designed to reduce congestion in highly traveled corridors by providing more transportation choices for residents, commuters, and visitors to the area of the corridor while preserving the character of the local community and creating opportunities for neighborhood enhancement projects. In order to mitigate increases in vehicle miles traveled, greenhouse gases, and air pollution, highway lane capacity-increasing projects funded by this program shall be limited to high-occupancy vehicle lanes, managed lanes as defined in Section 14106 of the Government Code, and other non-general purpose lane improvements primarily designed to improve safety for all modes of

travel, such as auxiliary lanes, truck climbing lanes, or dedicated bicycle lanes. Project elements within the corridor plans may include improvements to state highways, local streets and roads, public transit facilities, bicycle and pedestrian facilities, and restoration or preservation work that protects critical local habitat or open space.

2392. A regional transportation planning agency or county transportation commission or authority responsible for preparing a regional transportation improvement plan under Section 14527 of the Government Code or the department may nominate projects for funding through the program that are consistent with the policy objectives of the program as set forth in this chapter. The commission shall allocate no more than one-half of the funds available each year to projects nominated exclusively by the department. Preference shall be given to corridor plans that demonstrate that the plans and the specific project improvements to be undertaken are the result of collaboration between the department and local or regional partners that reflect a comprehensive approach to addressing congestion and quality-of-life issues within the affected corridor through investment in transportation and related environmental solutions. Collaboration between the partners may be demonstrated by a project being jointly nominated by both the regional agency and the department.

2393. A project nomination shall include documentation regarding the quantitative and qualitative measures validating the project's consistency with the policy objectives of the program as set forth in this chapter. In addition to being included in a corridor plan, a nominated project shall also be included in the region's regional transportation plan. Projects within the boundaries of a metropolitan planning organization must be included in an adopted regional transportation plan that includes a sustainable communities strategy determined by the State Air Resources Board to achieve the region's greenhouse gas emissions reduction targets.

2394. The commission shall allocate program funds to projects after reviewing the corridor plans submitted by the regional agencies or the department and making a determination that a proposed project is consistent with the objectives of the corridor plan. In addition to making a consistency determination with respect to project nominations, the commission shall score the proposed projects on the following criteria:

- (a) Safety.
- (b) Congestion.
- (c) Accessibility.
- (d) Economic development and job creation and retention.
- (e) Furtherance of state and federal ambient air standards and greenhouse gas emissions reduction standards pursuant to the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38550) of the Health and Safety Code) and Senate Bill 375 (Chapter 728 of the Statutes of 2008).
- (f) Efficient land use.
- (g) Matching funds.
- (h) Project deliverability.

2395. The commission shall adopt an initial program of projects to be funded through the initial appropriation for the program. The initial program may cover a multiyear programming period. Subsequent programs of projects shall be adopted on a biennial basis consistent with available funds for the program, and may include updates to programs of projects previously adopted.

2396. The commission, in consultation with the State Air Resources Board, shall develop and adopt guidelines for the program consistent with the requirements of this chapter. Guidelines adopted by the commission shall be exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). Prior to adopting the guidelines, the commission shall conduct at least one public hearing in northern California and one public hearing in southern California to review and provide an opportunity for public comment. The commission shall adopt the final guidelines no sooner than 30 days after the commission provides the proposed guidelines to the Joint Legislative Budget Committee and the transportation policy committees in the Senate and the Assembly.

2397. On or before March 1, 2019, and annually thereafter, the commission shall provide project update reports on the development and implementation of the program described in this chapter in its annual report to the Legislature prepared pursuant to Section 14535 of the Government Code. A copy of the report shall be provided to the Joint Legislative Budget Committee and the transportation policy committees of both houses of the Legislature. The report, at a minimum, shall include information on each project that received funding under the program, including, but not limited to, all of the following:

- (a) A summary describing the overall progress of the project since the initial award.
- (b) Expenditures to date for all project phase costs.
- (c) A summary of milestones achieved during the prior year and milestones expected to be reached in the coming year.
- (d) An assessment of how the project is meeting the quantitative and qualitative measurements identified in the project nomination, as outlined in Section 2393.

SEC. 45. Section 4000.15 is added to the Vehicle Code, to read:

4000.15. (a) Effective January 1, 2020, the department shall confirm, prior to the initial registration or the transfer of ownership and registration of a diesel-fueled vehicle with a gross vehicle weight rating of more than 14,000 pounds, that the vehicle is compliant with, or exempt from, applicable air pollution control technology requirements pursuant to Division 26 (commencing with Section 39000) of the Health and Safety Code and regulations of the State Air Resources Board adopted pursuant to that division.

(b) Except as otherwise provided in subdivision (c), for diesel-fueled vehicles subject to Section 43018 of the Health and Safety Code, as applied to the reduction of emissions of diesel particulate matter, oxides of nitrogen,

and other criteria pollutants from in-use diesel-fueled vehicles, and Section 2025 of Title 13 of the California Code of Regulations as it read January 1, 2017, or as subsequently amended:

(1) The department shall refuse registration, or renewal or transfer of registration, for a diesel-fueled vehicle with a gross vehicle weight rating of 14,001 pounds to 26,000 pounds for the following vehicle model years:

(A) Effective January 1, 2020, vehicle model years 2004 and older.

(B) Effective January 1, 2021, vehicle model years 2007 and older.

(C) Effective January 1, 2023, vehicle model years 2010 and older.

(2) The department shall refuse registration, or renewal or transfer of registration, for a diesel-fueled vehicle with a gross vehicle weight rating of more than 26,000 pounds for the following vehicle model years:

(A) Effective January 1, 2020, vehicle model years 2000 and older.

(B) Effective January 1, 2021, vehicle model years 2005 and older.

(C) Effective January 1, 2022, vehicle model years 2007 and older.

(D) Effective January 1, 2023, vehicle model years 2010 and older.

(c) (1) As determined by the State Air Resources Board, notwithstanding effective dates and vehicle model years identified in subdivision (b), the department may allow registration, or renewal or transfer of registration, for a diesel-fueled vehicle that has been reported to the State Air Resources Board, and is using an approved exemption, or is compliant with applicable air pollution control technology requirements pursuant to Division 26 (commencing with Section 39000) of the Health and Safety Code and regulations of the State Air Resources Board adopted pursuant to that division, including vehicles equipped with the required model year emissions equivalent engine or otherwise using an approved compliance option.

(2) The State Air Resources Board shall notify the department of the vehicles allowed to be registered pursuant to this subdivision.

SEC. 46. Section 4156 of the Vehicle Code is amended to read:

4156. (a) Notwithstanding any other provision of this code, and except as provided in subdivision (b), the department in its discretion may issue a temporary permit to operate a vehicle when a payment of fees has been accepted in an amount to be determined by, and paid to the department, by the owner or other person in lawful possession of the vehicle. The permit shall be subject to the terms and conditions, and shall be valid for the period of time, that the department shall deem appropriate under the circumstances.

(b) (1) The department shall not issue a temporary permit pursuant to subdivision (a) to operate a vehicle for which a certificate of compliance is required pursuant to Section 4000.3, and for which that certificate of compliance has not been issued, unless the department is presented with sufficient evidence, as determined by the department, that the vehicle has failed its most recent smog check inspection.

(2) Only one temporary permit may be issued pursuant to this subdivision to a vehicle owner in a two-year period.

(3) A temporary permit issued pursuant to paragraph (1) is valid for either 60 days after the expiration of the registration of the vehicle or 60 days after

the date that vehicle is removed from nonoperation, whichever is applicable at the time that the temporary permit is issued.

(4) A temporary permit issued pursuant to paragraph (1) is subject to Section 9257.5.

(c) (1) The department may issue a temporary permit pursuant to subdivision (a) to operate a vehicle for which registration may be refused pursuant to Section 4000.15.

(2) Only one temporary permit may be issued pursuant to this subdivision for any vehicle, unless otherwise approved by the State Air Resources Board.

(3) A temporary permit issued pursuant to paragraph (1) is valid for either 90 days after the expiration of the registration of the vehicle or 90 days after the date that vehicle is removed from nonoperation, whichever is applicable at the time the temporary permit is issued.

(4) A temporary permit issued pursuant to paragraph (1) is subject to Section 9257.5.

SEC. 47. Section 9250.6 is added to the Vehicle Code, to read:

9250.6. (a) In addition to any other fees specified in this code, or the Revenue and Taxation Code, commencing July 1, 2020, a road improvement fee of one hundred dollars (\$100) shall be paid to the department for registration or renewal of registration of every zero-emission motor vehicle model year 2020 and later subject to registration under this code, except those motor vehicles that are expressly exempted under this code from payment of registration fees.

(b) On January 1, 2021, and every January 1 thereafter, the Department of Motor Vehicles shall adjust the road improvement fee imposed under subdivision (a) by increasing the fee in an amount equal to the increase in the California Consumer Price Index for the prior year, except the first adjustment shall cover the prior six months, as calculated by the Department of Finance, with amounts equal to or greater than fifty cents (\$0.50) rounded to the highest whole dollar. The incremental change shall be added to the associated fee rate for that year.

(c) Any changes to the road improvement fee imposed by subdivision (a) that are enacted by legislation subsequent to July 1, 2017, shall be deemed to be changes to the base fee rate for purposes of the California Consumer Price Index calculation and adjustment performed pursuant to subdivision (b).

(d) Revenues from the road improvement fee, after deduction of the department's administrative costs related to this section, shall be deposited in the Road Maintenance and Rehabilitation Account created pursuant to Section 2031 of the Streets and Highways Code.

(e) This section does not apply to a commercial motor vehicle subject to Section 9400.1.

(f) The road improvement fee required pursuant to this section does not apply to the initial registration after the purchase of a new zero-emission motor vehicle.

(g) For purposes of this section, "zero-emission motor vehicle" means a motor vehicle as described in subdivision (d) of Section 44258 of the

Health and Safety Code, or any other motor vehicle that is able to operate on any fuel other than gasoline or diesel fuel.

SEC. 48. (a) On or before January 1, 2019, the Institute for Transportation Studies at the University of California, Davis is requested to prepare and submit to the Governor and the Legislature a report that makes recommendations on potential methodologies to raise revenue from zero-emission and low-emission vehicle owners to achieve the state's transportation electrification, clean air, and climate targets established under law while also ensuring those vehicle owners pay their fair share of any costs borne by motorists to fund improvements to the transportation system.

(b) The report shall examine all fees, taxes, and incentives for zero- and low-emission vehicles, and other vehicles, and shall make recommendations for options that ensure the purchase and ownership of zero- and low-emission vehicles are properly incentivized to assist in meeting state clean air and climate targets, while also ensuring appropriate levels of funding for roads and transportation.

(c) The study shall assess annual fees on zero-emission vehicles or other vehicles not otherwise subject to state fuel excise or use taxes and compare that to the average annual state fuel excise tax assessed on gasoline or diesel vehicles with equivalent fuel economy.

(d) The Institute shall consult with the State Air Resources Board, the Department of Transportation, the Department of Motor Vehicles, and the State Board of Equalization in preparing the report.

(e) This report shall be submitted in compliance with Section 9795 of the Government Code.

SEC. 49. Guidelines adopted to implement transportation programs in this act by the California Transportation Commission, the Department of Transportation, the Transportation Agency, or any other state agency shall be exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

SEC. 50. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide additional funding for road maintenance and rehabilitation purposes as quickly as possible, it is necessary for this act to take effect immediately.

California Department of Transportation

2022

# State of Good Repair Program Guidelines

July 2022

# Guidelines for the State of Good Repair Program

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## I. Introduction

### 1. Program Background, Authority, and Purpose

On April 28, 2017, Senate Bill 1 (Chapter 5, Statutes of 2017), the Road Repair and Accountability Act of 2017, was signed, providing transportation funding annually to repair aging infrastructure, strategic investments in congested commute and freight corridors, and improve transit service. These guidelines address the approximately \$105 million Senate Bill 1 provides annually to transit operators in California for eligible transit maintenance, rehabilitation, and capital projects. This investment in public transit is the State of Good Repair Program.

The California Department of Transportation (Caltrans) is legislated to manage and administer the State of Good Repair Program and its goal of keeping transit systems in a state of good repair by providing transit operators a consistent revenue source to invest in the upgrade, repair, and improvement of their agency's transportation infrastructure. This includes the purchase of new transit vehicles and the maintenance and rehabilitation of both existing vehicles and transit facilities. These investments will lead to cleaner transit vehicle fleets, increased reliability and safety, and reduced greenhouse gas emissions and other pollutants.

The State of Good Repair Program is funded from the Transportation Improvement Fee portion of the revenues received from the State Transit Assistance Program to the State Controller's Office. Pursuant to Public Utilities Code Section 99312.1, these funds will be distributed to eligible agencies using the State Transit Assistance Program formula. This formula distributes half of the State of Good Repair funds according to population and half of the State of Good Repair funds according to transit operator revenues.

The State Controller's Office publishes annually estimated State of Good Repair funding levels per Public Utilities Code Section 99313 and Public Utilities Code Section 99314 according to population and farebox revenues. Per Public Utilities Code Section 99312.2 (c), only Regional Entities –transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit System– shall be eligible to receive direct allocations from the State Controller's Office. Funds allocated per Public Utilities Code Section 99313 and 99314 shall then be sub-allocated by the Regional Entities to those public transit operators in their purview which have submitted the required project information to their respective Regional Entities for review and have been evaluated to be eligible to receive State of Good Repair funding and determined to best meet local transportation needs.

These guidelines describe the policies and procedures to determine the list of projects eligible to receive an allocation of State of Good Repair funding each year, allocating such projects, reporting on project status and expenditures, and project closeout and audit (if needed).

Senate Bill 1 emphasizes the importance of accountability and transparency in the delivery of California's transportation programs. Therefore, eligible agencies receiving State of Good Repair funds will need to comply with all reporting requirements. These guidelines outline the process to request and report on the State of Good Repair Program funding. Caltrans may revise these guidelines in future years.

## 2. Program Objectives and Statutory Requirements

The goal of the State of Good Repair Program is to provide funding for capital assistance in rehabilitating and modernizing California's existing local transit systems.

Each Fiscal Year, regional entities, working in conjunction with their transit operators, will compile and forward to Caltrans a list of project submittals proposed to be funded with State of Good Repair funds. The project submittals must include:

- Project scope and description
- Overall project funding plan
- Project schedule
- Estimated useful life of the project

Caltrans will provide the State Controller's Office the list of eligible recipients after having determined all required information was provided and the projects listed are eligible to receive an apportionment of funds.

Each recipient agency is required to submit to Caltrans an annual Project Status and Expenditure Report on all activities ongoing or completed for each project having received State of Good Repair funds.

Each recipient agency must also report to Caltrans the State of Good Repair revenues and expenditures in their annual Transportation Development Act Audit (TDA) or Comprehensive Annual Financial Report (CAFR).

## 3. Program Roles and Responsibilities

### Caltrans shall:

- Report to the State Controller's Office the list of eligible recipients the Regional Entities have submitted and are eligible to receive an apportionment of funds for the applicable fiscal year.
- Report project status, progress, and expenditures as supplied by recipient agencies through the California State Multi-Modal Accountability Reporting Tool (CalSMART).
- Perform audit of project expenditures and outcomes.
- Develop, maintain, and revise these program guidelines as necessary.

### The State Controller's Office shall:

- Establish a uniform system of accounts, records, and reporting mechanism as required.
- Calculate and publish the State of Good Repair allocation amounts per Public Utilities Code Section 99313 and Public Utilities Code Section 99314.
- Upon receipt of the list of approved recipients from Caltrans, the State Controller's Office shall allocate funds on a quarterly basis to the regional entities (unless determined otherwise).

Eligible Regional Entities shall:

- Receive project submittals from eligible transit operators and review to ensure the proposed project(s) meets the following criteria:
  - The project meets the State of Good Repair eligibility requirements
  - Confirm that the project is appropriate for the overall transit plan designed for the region.
  - Verify estimated amount of State of Good Repair funds to be made available to the project/operator based on the State Controller's Office's State of Good Repair Allocation Estimate letter.
  - Include any requirements the regional entity determines best to suit their respective regions and transit/transportation needs.
  - Obtain Board Resolution or other documentation by the region's governing entity indicating approval of the proposed project list.
  
- Provide Caltrans with the list of projects proposed to be funded with the State of Good Repair apportionment:
  - This list should include all proposed allocations of State of Good Repair funding made available to the region per Public Utilities Code Section 99313 to projects to be implemented directly by the Regional Entity and/or allocated to their respective transit operators..
  - The list of projects submitted by the transit operators within their regional jurisdiction to be funded with the State of Good Repair apportionment made available to the operators per Public Utilities Code Section 99314.
  - This list, along with documentation of approval by the region's governing entity, is to be submitted to Caltrans by September 1.
  
- Receive and allocate State of Good Repair funds to projects in their region based on their local transit/transportation needs (Public Utilities Code Section 99313).
- Receive and sub-allocate State of Good Repair funds to the transit operators under their jurisdiction according to the amounts published by the State Controller's Office (Public Utilities Code Section 99314).
- When implementing its own State of Good Repair project(s), the Regional Entity shall report the project status and expenditures to Caltrans annually, ensuring funds have been expended on State of Good Repair eligible activities.

- Comply with all relevant federal and State laws, regulations, and funding policies.

Eligible Transit Operators shall:

- Provide to the respective regional entity the proposed list of projects to be funded with State of Good Repair apportionment made available per Public Utilities Code Section 99314 and/or on a regional basis per Public Utilities Code Section 99313, by the deadline set by the respective regional entity.
- When implementing its own State of Good Repair project(s), the Transit Operator shall report the project status and expenditures to Caltrans annually, ensuring funds have been expended on State of Good Repair eligible activities.
- Provide documentation determined necessary by the operator’s respective Regional Entity.
- Comply with all relevant federal and State laws, regulations, guidelines, and funding policies.

**4. Program Schedule**

The following schedule lists the annual timeline for the State of Good Repair Program:

<b>Annual State of Good Repair Timeline</b>	
The State Controller’s Office (SCO) releases estimated amounts for each potential recipient agency for the upcoming Fiscal Year	No later than January 31
Project lists due to regional entities	TBD by Regional Entities*
The SCO releases revised estimate for the current Fiscal Year	August 1
Project Lists submitted by Regional Entities to Caltrans through CalSMART (use estimates provided by SCO in January should the August estimates not be available)	September 1
List of Agencies with approved projects due from Caltrans to the SCO	October 1
Quarterly Payments made	1 <sup>st</sup> Quarter - November 2 <sup>nd</sup> Quarter - February 3 <sup>rd</sup> Quarter- May 4 <sup>th</sup> Quarter- August
Recipient agencies to report project status, progress, and expenditures through CalSMART	January 31 <sup>st</sup>
Annual Financial Audit Report and/or Comprehensive Annual Financial Report (CAFR) Due from each Eligible Agency (pursuant to PUC 99245)	December 31 <sup>st</sup>

\*Each regional entity shall establish their own deadline for transit operators to submit project lists to meet the September 1 deadline to Caltrans.

## II. Eligibility

### 1. Eligible Recipient Agencies

Pursuant to Public Utilities Code Section 99312.2(c), the only entities eligible to receive a direct allocation of State of Good Repair funds from the State Controller's Office are: transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board.

Pursuant to Public Utilities Code Section 99314, the regional entities listed above shall then sub-allocate funds to:

- Transit operators listed on the State of Controller's Office's State of Good Repair Allocation Estimate letter. (For purposes of these guidelines, these transit operators are also eligible recipient agencies.)
- In addition, pursuant to Public Utilities Code Section 99313, any entity defined as eligible to receive State Transit Assistance Program funds pursuant to Public Utilities Code Section 99313 is eligible to participate in the regional process, as determined by the applicable regional entity, and may therefore also be an eligible recipient agency of Public Utilities Code Section 99313 funding.

All eligible recipient agencies for funding pursuant to Public Utilities Code Section 99313 and Public Utilities Code Section 99314, and included in the State Controller's Office's annual State of Good Repair Allocation Estimate letter, must prepare and submit a project list to qualify for funding. Eligible recipients should prepare and submit their project list to their respective regional entity.

The regional entity shall collect and compile all project lists from the eligible recipient agencies in their region and submit one master list—that includes all Public Utilities Code Section 99313 and Public Utilities Code Section 99314 projects for the region—to Caltrans for review.

Eligible recipients assume responsibility and accountability for the use and expenditure of State of Good Repair Program funds and must comply with all relevant federal and State laws, regulations, policies and procedures.

### 2. Eligible Projects

State of Good Repair funds are made available for capital projects that maintain the public transit system in a state of good repair. PUC Section 99212.1 (c) lists the projects eligible for State of Good Repair funding, which are:

- Transit capital projects or services to maintain or repair a transit operator's existing transit vehicle fleet or transit facilities, including the rehabilitation and/or modernization of the existing vehicles or facilities.

- The design, acquisition, and construction of new vehicles or facilities that improve existing transit services.
- Transit services that complement local efforts for repair and improvement of local transportation infrastructure.

Examples include, but are not limited to, the following:

- Replacement or rehabilitation of:
  - Rolling stock
  - Passenger stations and terminals
  - Security equipment and systems
  - Maintenance facilities and equipment
  - Ferry vessels
  - Rail
- Transit Preventative Maintenance
  - Preventative maintenance is only to maintain existing infrastructure and vehicles in a state of good repair, essentially repair and rehabilitation. Normal maintenance such as oil changes and other regularly scheduled vehicle maintenance are to be covered under the transit agency's normal operating costs and are not eligible for State of Good Repair funding.
  - Public and Staff Safety
- New transit facilities or equipment needed to maintain existing transit service(s)

To the extent possible and cost effective, and where feasible, the State of Good Repair Program encourages eligible recipients to promote “fix-it-first” transit capital projects that reduce greenhouse gases and help achieve the state’s environmental goals. Examples of such projects may include replacement of vehicles with partial and/or zero emission vehicles, green technology equipment enhancements, or transit facility upgrades to improve energy efficiency.

Caltrans may approve other appropriate replacement and rehabilitation projects not listed here. Projects that solely expand capacity or service are not eligible projects. However, the expansion of capacity within a replacement project to address current or projected short-term service needs, e.g. replacing a maintenance facility with a larger facility or replacing a bus with a larger bus, are eligible.

The State of Good Repair Program is a transit capital program. Transit operations, transit agency administration, and program management are not eligible. Also, the following project construction development phases are not eligible as a stand-alone project:

- Pre-planning
- Planning
- Environmental

However, expenditures on these project construction development phases are allowable when included as part of a capital project. Project development costs should not exceed 20 percent of the total estimated project cost.

Eligible recipients must have the financial means to maintain and operate project services and the ability to accept their legal liabilities and fulfill financial obligations for the project's useful life.

### 3. State of Good Repair and Federal Transit Asset Management Plans

With the national mandate to implement transit asset management plans and systems, in the future, the State of Good Repair Program envisions its projects should be included in a prioritized listing and/or a program of transportation projects consistent with the regional transportation plans within each region.

## III. Project List Submittal

Pursuant to Public Utilities Code Section 99312.1(d)(1), prior to receiving an apportionment of the State of Good Repair funding from the State Controller's Office in a given Fiscal Year, a potential recipient must submit a list of projects proposed to be funded with State of Good Repair funds.

### 1. Project List Submittal Information

To be eligible for funding, all agencies listed on the State Controller's Office Allocation Estimate letter must submit a project list with all supporting documentation each year.

Each regional entity shall collect and compile all project lists from the operators within their region and submit one project list including the anticipated use of Public Utilities Code Section 99313 and Section 99314 funds to Caltrans. In anticipation of the State of Good Repair Program's September 1 deadline, the regional entity shall establish its own timelines in its efforts to collect project lists from transit providers within their region. The regional entity is responsible for submitting the combined project list to Caltrans by September 1.

Project lists and all supporting documentation are to be submitted electronically through the online California State Multi-Modal Accountability Reporting Tool (CaSMART). Electronic submissions via: SB [1SGRcomments@dot.ca.gov](mailto:1SGRcomments@dot.ca.gov) will only be accepted should submissions of this nature be prearranged and agreed upon by the transit operator, the regional entity, and Caltrans.

If a potential recipient misses the deadline for submittal, or submits incomplete/inaccurate project information, the potential recipient may submit a project list to be eligible for inclusion in the allocation of funds, or revise/correct project information, the following quarter by submitting the information electronically through California State Multi-Modal Accountability Reporting Tool.

Note: The State Controller's Office will allocate all the revenue each quarter only to those potential recipients that have submitted timely and complete information. Funds will not be held for allocation to agencies who have submitted late project lists.

## 2. Required Documents from Potential Recipients

All potential recipients listed in the State Controller's Office Allocation Estimate letter must submit the following two documents to Caltrans prior to receiving their initial State of Good Repair allocation. This is a one-time requirement. However, a re-submittal of an amended Authorized Agent form is required should the local agency have a personnel change.

- Authorized Agent Form

The executive authority of the potential recipient must submit a signed and dated Authorized Agent Form identifying the agent who has the authority to act on behalf the Agency.

- Certifications and Assurances

Each potential recipient must submit a signed, dated, and Board Approved Certifications and Assurances document.

All regional entities and transit operators who expect to receive State of Good Repair funds are required to submit both the Authorized Agent and Certifications and Assurances documents to Caltrans prior to receiving State of Good Repair funding. A Board Resolution or equivalent verifying approval should accompany the Certifications and Assurances.

Original signed documents should be mailed to:

The State of Good Repair Program  
The California Department of Transportation  
Division of Rail and Mass Transportation, MS 39  
P.O. Box 942874  
Sacramento, CA 94274-0001

## 3. Content and Format of Project List

Each potential recipient as listed in the State Controller's Office Allocation Estimate letter shall submit a list of projects to their respective regional entity including the following:

- A proposed list of projects to utilize, at a minimum, the estimated amount of State of Good Repair funding programmed for the recipient for the upcoming Fiscal Year (use estimates provided by SCO in January). The recipient may include project information for future fiscal years but are expected to update the project



list as needed each Fiscal Year and submit each year to Caltrans. This list must include the following information:

1. Project Title
2. Proposed Project Description (Scope of Work)
  - a) Vehicle or rolling stock projects should indicate the number of vehicles, size, passenger count, accessibility, and fuel type
  - b) Estimated benefits provided by project
3. Proposed Project Schedule (Start to Completion)
4. Project Location
5. Estimated Project Cost by Fiscal Year
6. Estimated Useful Life of the Improvement
7. Additional Project information required on the Project List template.

An eligible recipient may choose to contribute its funding apportionment (partial or whole) to another eligible recipient to carry out a project consistent with the State of Good Repair Program's goals and objectives. The contributing agency must notify the regional entity of their intention to transfer funds and indicate the amount and the operator to whom the funding will be transferred. The regional entity would incorporate the contribution into their own project list.

Funds can only be allocated from the State Controller's Office to the contributing agency's designated regional entity. The local agency must make arrangements for the transfer of funds to the alternate local agency. Caltrans is not responsible for tracking funding agreements (borrowing, loaning, delegating, relinquishing funds, etc.) between the contributing and recipient agencies.

A pass-through arrangement to another recipient does not relieve the contributing agency of its responsibilities to carry out the terms and conditions of the Program. The contributing agency is responsible for ensuring the project is completed as described on the project list and in compliance with all items in the Certifications and Assurances document.

Regional Entities shall collect and compile all project lists from the transit operators in their region and submit one project list on their behalf accompanied by an approved declaration, board resolution and/or other appropriate document(s), from their respective governing board.

Regional Entities are expected to verify the local operator's approval of their individual project lists. This could include:

- Requiring a signed cover letter on agency letterhead, with original signature authorizing and approving the list of projects for funding,
- A signed and dated Board Resolution, or equivalent, authorizing the list of projects for State of Good Repair funding commitment, or
- A copy of a publicly adopted document listing the applicable projects (for example the Short-Range Transit Plan).

Regional Entities shall establish their own requirements for the supporting documentation their respective local operators are to provide the documentation required of the Regional Entity by their respective governing board when supplying both operators and the region's own project list.

Beginning Fiscal Year 2020-21, Caltrans requires all information and reporting to be submitted electronically through the online reporting tool CalSMART.

#### 4. Fund Accruals

Potential recipients must submit a project list every year. Failure to submit an annual project list may result in loss of the year's State of Good Repair apportionment. The State Controller's Office will allocate each year's funding according to the regular quarterly payment schedule allowing the agency to accrue the needed funds and then begin on the project. If a potential recipient is not prepared to start the project in the current fiscal year, it may submit a project list that includes a project scheduled to begin later and may accrue funding for up to four years to be used for a future project.

Eligible agencies who do not submit an annual project list may risk losing their apportionment for that specific fiscal year to other operators within the State.

### IV. Project List Approval, Allocation, and Delivery

#### 1. Project List Approval

Caltrans will review the proposed project list to ensure compliance with the requirements and objectives of the State of Good Repair Program. Once the proposed project list is approved, Caltrans will provide the list of eligible recipients to the State Controller's Office. This list of approved recipient agencies and projects will be posted on Caltrans' [State of Good Repair website](#).

#### 2. Allocation

After receiving the approved list of eligible recipients from Caltrans, the State Controller's Office will apply the formula pursuant to Public Utilities Code Section 99313 and Public Utilities Code Section 99314 to those recipient agencies eligible to receive an apportionment of State of Good Repair funds for that applicable Fiscal Year. The State Controller's Office will issue and release payments to the eligible recipient's County Treasurer's Office on a quarterly basis. The regional entities are responsible to sub-allocate the funding pursuant to Public Utilities Code Section 99314 to the applicable transit operators according to the amounts provided by the State Controller's Office.

Upon the receipt of funds, eligible recipient agencies should deposit their State of Good Repair funds into a bank account dedicated only to State of Good Repair funds for transparency of fund receipt. If a separate account is not possible, the recipient agency must provide documentation, or a subaccount dedicated to State of Good Repair funds. All recipient agencies will be asked to report the amount of accrued interest on allocated

State of Good Repair funds. Earned interest on State of Good Repair funds can only be encumbered and liquidated on approved State of Good Repair projects.

### 3. Project Revisions

Each region's project list shall not limit its flexibility to fund listed projects in accordance with local needs and priorities. If a recipient agency determines it needs to spend an allocation on a different project that was not included on an approved project list, it shall submit a modified project list and supporting documentation to the regional entity for approval.

The regional entity must notify Caltrans of the project change and provide an updated project list and related documentation indicating governing board's review and approval. Caltrans shall respond within 30 days to the region and recipient agency, and once approved by Caltrans, the recipient agency may expend funds on the substitute project.

Any identified savings after the completion/cancellation of a project should be applied to an existing project or new project, the scope of which is eligible for State of Good Repair funding. Any new proposed project must demonstrate documentation of review and approval by respective governing board (i.e. approved board resolution). Unexpended funds must be listed on the project list submitted each year until fully expended.

### 4. Extensions in Case of Delays

Once a project has started the funds should be fully liquidated within four years. In certain situations, an extension may be granted for delays beyond the four years. The agency must provide a signed letter from their designated authority to the State of Good Repair Program Manager, addressing the special circumstances requiring an extension. The request for additional time should supply the following information:

- An explanation of the situation and/or cause of the delay,
- Steps the agency plans to take in resolving the source of the delay, and
- An estimation of additional time needed.

## **V. Project Status and Expenditure Reporting**

Each year recipient agencies are required to submit a report on the activities and progress made toward implementation of State of Good Repair funded project(s) to Caltrans. The purpose of these reports is to ensure State of Good Repair funded projects achieve the intended goals of the State of Good Repair Program, are executed in a timely manner, and are within the identified and approved scope and budget.

Recipient agencies will provide project status and expenditure reporting through [CalSMART](#). CalSMART User Guides are available upon request.

### 1. Annual Project Status/Expenditure Report

Using the California State Multi-Modal Accountability Reporting Tool reporting tool, recipient agencies must report on project status and all State of Good Repair

expenditures by January 31 each year. The report must include the total amount of State of Good Repair funding received during the Fiscal Year and the amount of funding expended or carried over. If a balance of State of Good Repair funds is carried over to a future year, that balance must be listed in each year's Project Status and Expenditure Report until fully expended. The report must include yearly progress on each funded project and the benefits achieved once that project is completed. This includes:

- Project Title
- Detailed Project Description (Scope of Work)
  - a) Vehicle or Rolling Stock projects should indicate the number of vehicles, size, passenger count, accessibility, and fuel type
  - b) Preventative maintenance projects should include details on how/what these funds were expended and the asset(s) that were maintained
- Updated Project Schedule of Completion
- Project Location
- Actual Expenditures per Project
- Useful Life of the Project Improvement
- Unexpended Balances and earned interests
- For completed projects, provide the Performance Measure(s) and Quantitative Benefit(s) as outlined in the project submittal section (see Table A, pages 14-15) which may include one or more the following elements:
  - a) Improved safety
  - b) Increased useful life of asset
  - c) Efficiency
  - d) Reduce operating/maintenance costs
  - e) System Preservation - Increase reliability
  - f) Reduce emissions

To conform to State regulation, compliance, and accountability, Caltrans may adopt additional performance targets of capital assets in the future. The State of Good Repair program will provide notification of such changes.

Each regional entity shall submit an annual Project Status and Expenditure Report to Caltrans including the above information for any projects in which the regional entity is designated as the applicant agency or undertaking on behalf of the local transit operator. In addition, the regional entity must identify both the actual amount of funding sub-allocated to each operator in their region and the actual amount retained by the regional entity each Fiscal Year.

Each transit operator shall submit an annual status and expenditure report including the above information on all funded projects and identifying the actual State of Good Repair funding amounts received each fiscal year.

## 2. Performance Measures and Quantitative Benefits

In addition to reporting on project status and expenditures, information regarding the project's performance measure(s), and resulting quantitative benefit(s), is also to be provided. The benefit(s) reported at this time will again be verified at the end of the project. Note, a quantifiable performance measure and benefit shall be required for projects submitted for approval in Fiscal Year 2020 and all subsequent years after.

The table below to assist the applicant in determining whether their project already meets a particular requirement but is not intended to be all inclusive:

PERFORMANCE MEASURE	QUANTITATIVE BENEFITS
Improved Safety	Reduction in related incidents, improved security at facilities or onboard
Increased Useful Life	Preventative maintenance (identify asset, time and investment made, amount of downtime reduced, expected increased life expectancy of the asset)
Efficiency	Improved farebox recovery, reduced cost per trip or passenger mile, reduced vehicle miles traveled, improved on-time performance, increased ridership
Environmental Resources Conservation	Reduced emissions or fuel consumption, purchase of rolling stock that use alternative fuels, "green" facilities purchase or upgrade
System Preservation - Increase reliability	Reduced average age of fleet and/or reduced maintenance costs
Accessibility	Improve geographic coverage in populations served
Mobility	Connectivity to other modes, improved quality of services such as connectivity, reliability, and amenities
Economic Impacts	Direct impacts include jobs created directly by the transit system, indirect impacts result from jobs and income spent in industries that supply inputs to the transit system (fuel, repairs, insurance, etc.), and induced impacts.

## 3. Final Delivery

With the conclusion of all remaining project activities, the recipient agency shall provide final delivery outcomes during the Project Status and Expenditure Reporting period within that year of project completion. The final delivery outcomes must reflect:

- Final project expenditures,

- Changes that occurred after submittal of the Completion Report, and
- Updated evaluation of the benefits derived from the project.

Caltrans may include this information in its reporting.

#### 4. Financial Audit Report

Pursuant to Public Utilities Code Section 99245, the annual audit of public transportation operators required under the Transportation Development Act must include verification of the receipt and appropriate expenditure of State of Good Repair funds.

Agencies having received an allocation of State of Good Repair funds in a Fiscal Year a TDA Audit is conducted must submit a copy of that audit, or Comprehensive Annual Financial Report (if applicable), identifying State of Good Repair funds to Caltrans within six months after the close of the Fiscal Year (December 31). State of Good Repair funds are to be identified separately from other State Transit Assistance funds

A 90-day extension (from the December 31 deadline to March 31) may be requested but the recipient agency must notify Caltrans in writing, via email or formal letter, if such an extension is needed.

#### 5. Senate Bill 1 Accountability Reporting

It is important for Caltrans to receive timely reports from each eligible recipient agency to demonstrate the performance outcomes and benefits of the State of Good Repair Program. Additional reporting requirements may be added as needed to meet accountability measures.

Recipients of State of Good Repair funding agree to submit reports in timely manner in accordance with the terms and provisions of these Guidelines cited herein.

Recipient agencies must ensure that projects and/or project component(s) programmed to receive State of Good Repair funding will be administered in accordance with both these Guidelines and with the Senate Bill 1 Accountability and Transparency Guidelines as adopted (and amended) by the California Transportation Commission.

Failure to comply with all applicable guidelines, including the Senate Bill 1 Accountability and Transparency Guidelines, could result in actions against the recipient agency. Caltrans will determine appropriate corrective action for noncompliant recipient agencies. These actions may include but are not limited to the following:

- A written warning to the recipient agency.
- Placement on a watch list posted to the State of Good Repair website.
- Be recommended that the agency undergo an audit performed by the Bureau of State Audits.
-

## VI. Spot Audits

All recipients and sub recipients of State of Good Repair funds are subject to audits. Caltrans, the Department of General Services, the Department of Finance, the Bureau of State Audits, the California State Legislature, and their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of the State of Good Repair Program's recipients and sub recipients.

All recipients and sub recipients must maintain program records for possible audit for a minimum of three years after final payment unless a longer period of record retention is stipulated. Recipients and sub recipients shall allow the auditor(s) access to such records during normal business hours and allow interviews of any employees who might reasonably have information related to such records. Further, recipients and sub recipients must agree to include a similar right of the State to audit records and interview staff in any subcontract related to projects under the State of Good Repair Program.



# State of Good Repair Program CalSMART Project List Submittal User Guide



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Editor's Note: The screenshots contained within this User's Guide reference previous fiscal year(s) submittals. The CalSMART system itself will only be accessible for the current fiscal year of submittal. Changes made to existing projects will be entered using the current fiscal year submittal process.

## Introduction

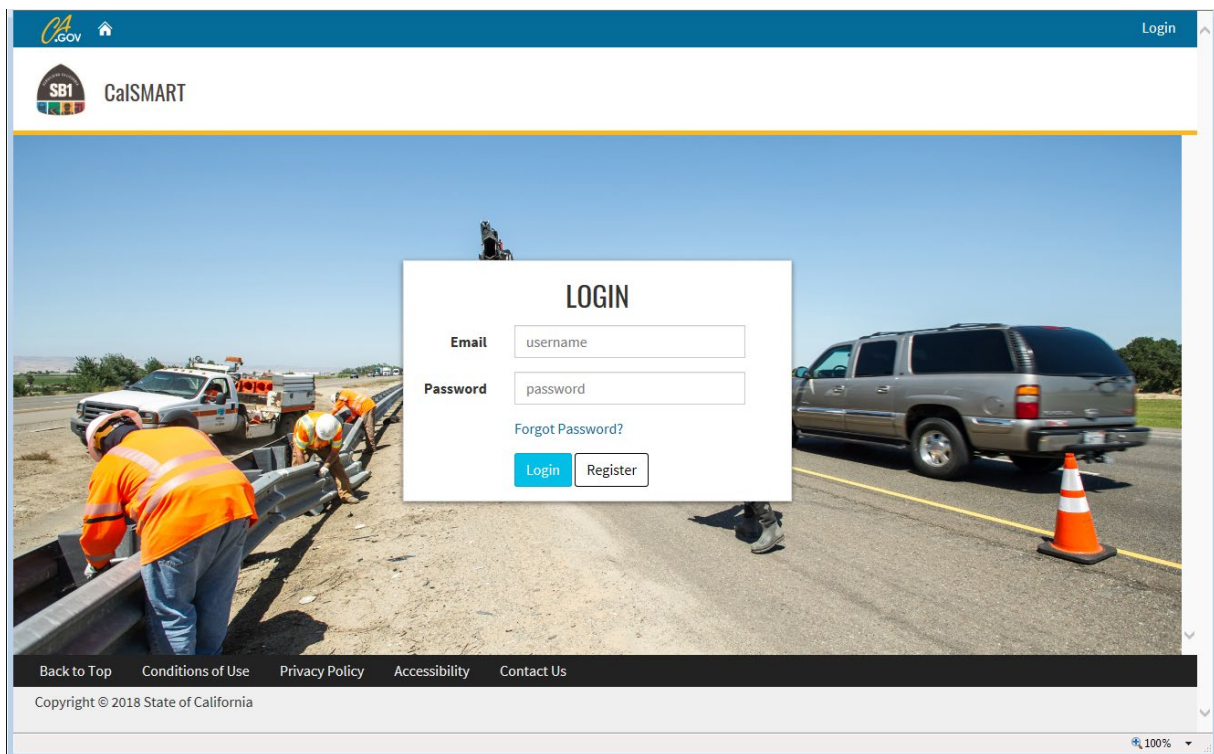
Many of you have previous experience using the CalSMART online reporting tool for submitting your Expenditure Reports. Now CalSMART includes a feature to submit your Project Lists. Having both your Project Lists and Status and Expenditure Reports stored in one central location should reduce paperwork and errors, save time, and provide a platform capable of generating reports on an operator, regional, or program level.

## Registering for CalSMART

This link takes you to CalSMART <https://calsmart.dot.ca.gov/login/auth>

If you are already a registered CalSMART user for the Local Streets and Roads Program or other SB 1 programs, you only need to request access to the State of Good Repair module. Login and choose "State of Good Repair Program" from the Current Program dropdown menu. A notification of your request for access will be sent to the Caltrans SGR Branch to authorize access.

If you are not registered with CalSMART, select "Register" on the login page.



Enter your information and please be sure to check the box for "State of Good Repair Program" and click on "Submit"

CA.GOV Home Login

S81 **CaSMART** TEST

**First Name**  
Jayme

**Last Name**  
Admin Tester

**Email**  
test@dot.ca.gov

**Phone Number**  
(707) 555-5555

**Job Title**  
Admin Tester

**Agency (type to filter list)**  
Caltrans

**Programs**

- Local Streets and Roads Program (LSR)
- State of Good Repair Program (SGR)

**Password**  
[Empty field with red border]

**Confirm Password**  
[Empty field]

A valid password is required

Passwords must be between 8 and 64 characters long and contain at least one uppercase letter, one lowercase letter, one number, and one symbol (!@#%&^&#)

**Submit**

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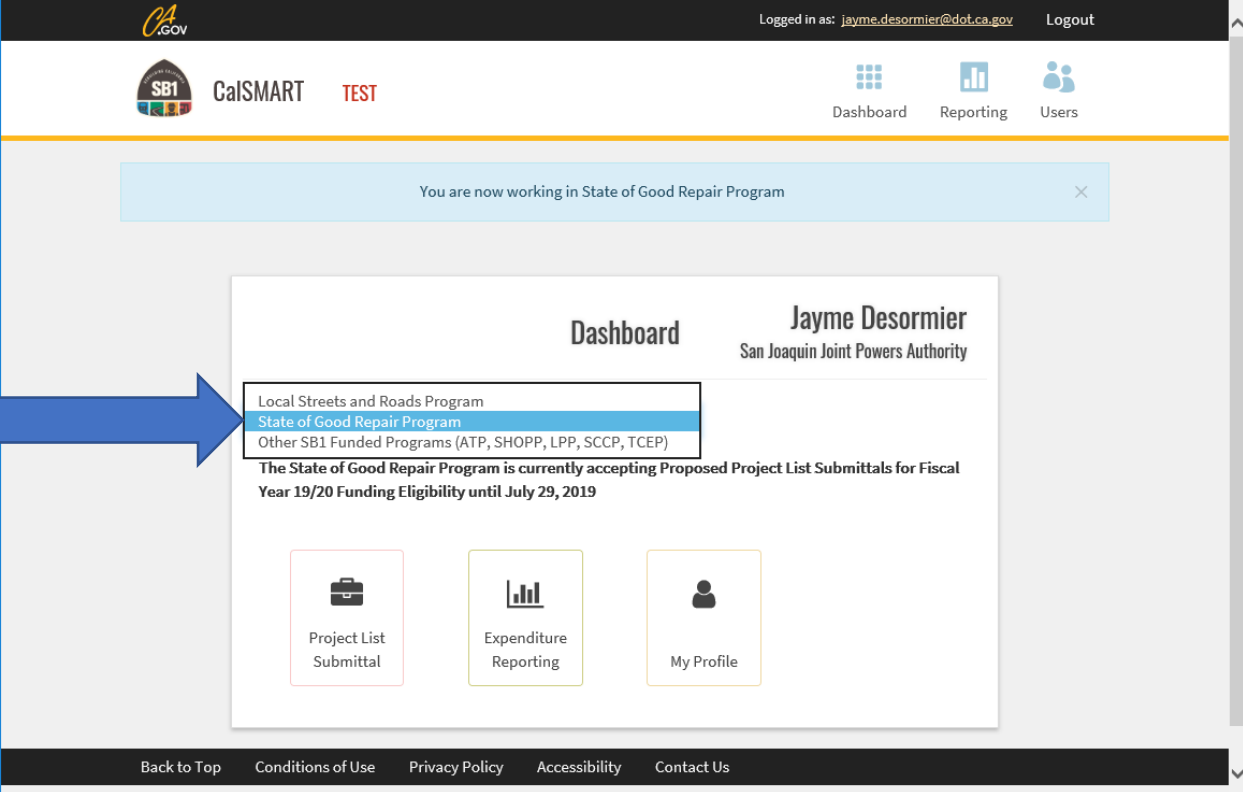
Copyright © 2018 State of California

You will not be able to login to the SGR module until your account has been approved. You will receive an email (shown below) confirming your access.



## Dashboard

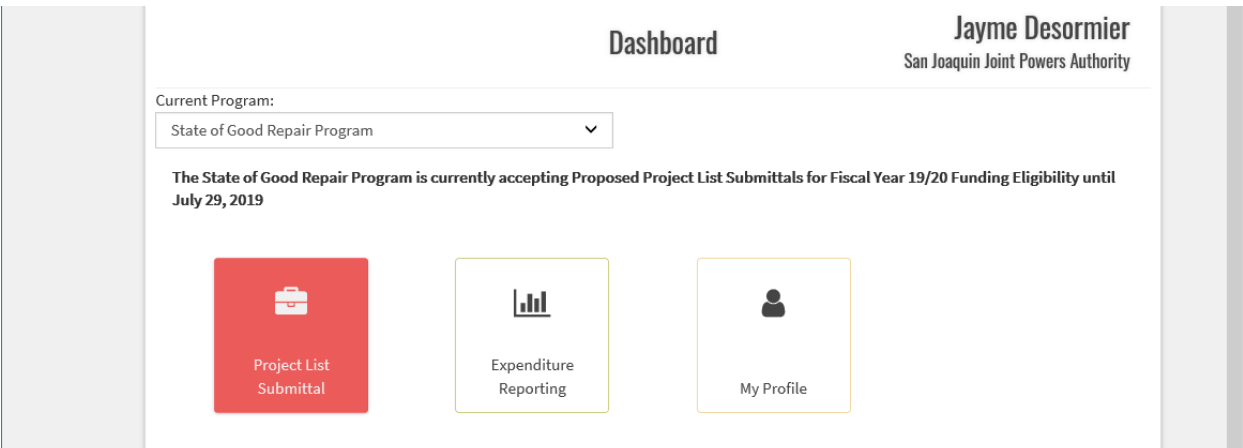
Once logged in, you will see the CalSMART Dashboard. Be sure to choose the State of Good Repair Program from the Current Program dropdown menu.



The screenshot shows the CalSMART Dashboard interface. At the top, there is a navigation bar with the CA.GOV logo, the user's name 'Jayme Desormier', and a 'Logout' link. Below this, the CalSMART logo and 'TEST' label are visible. A notification banner at the top states 'You are now working in State of Good Repair Program'. The main dashboard area features a dropdown menu for 'Current Program' with three options: 'Local Streets and Roads Program', 'State of Good Repair Program' (highlighted in blue), and 'Other SBI Funded Programs (ATP, SHOPP, LPP, SCCP, TCEP)'. A blue arrow points to the 'State of Good Repair Program' option. Below the dropdown, a message reads: 'The State of Good Repair Program is currently accepting Proposed Project List Submittals for Fiscal Year 19/20 Funding Eligibility until July 29, 2019'. Three main action buttons are displayed: 'Project List Submittal' (with a briefcase icon), 'Expenditure Reporting' (with a bar chart icon), and 'My Profile' (with a person icon). The footer contains links for 'Back to Top', 'Conditions of Use', 'Privacy Policy', 'Accessibility', and 'Contact Us'.

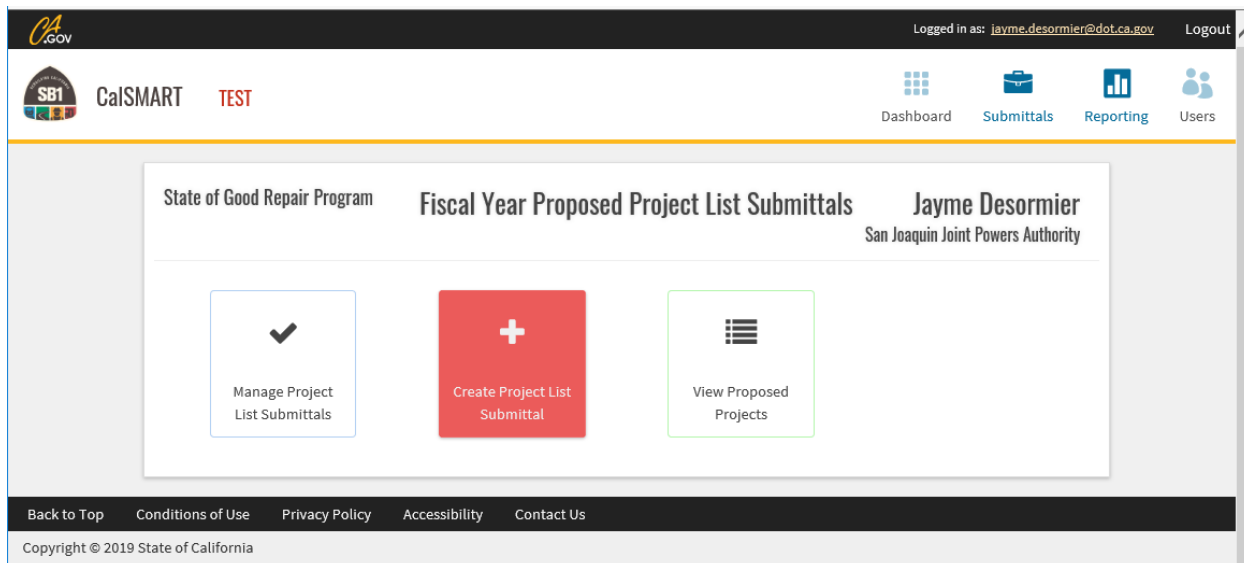
## Create Project List

Choose the 'Project List Submittal' option from the Dashboard to create, view, or edit a project list.



This screenshot shows the CalSMART Dashboard with the 'Project List Submittal' option highlighted in red. The 'Current Program' dropdown menu is set to 'State of Good Repair Program'. The same message about funding eligibility until July 29, 2019, is present. The 'Project List Submittal' button is now the primary focus, with a red background and a briefcase icon. The other two buttons, 'Expenditure Reporting' and 'My Profile', remain unchanged.

Then choose 'Create Project List Submittal' when you are creating a project list for the current submission cycle. After the Project List has been created, you will choose 'Manage Project List Submittals' to View, Edit or Review the submittal.



Please Note Project Lists can be submitted as follows:

- Operators enter the project information directly into CalSMART and submit to their Regional Entities for review and submission to Caltrans.
  - **The operator will be the entity responsible for entering and completing the Project Status and Expenditure Report.**
- If both parties agree, Regional Entities can create project lists for Transit Operators under their purview.
  - **Regional Entities must create each Transit Operator's project lists before they create their own project list.**
  - **The operator will be the entity responsible for entering and completing the Project Status and Expenditure Report.**
- The Region can collect all or some of their operator proposed projects and enter the information along with their own projects they plan to implement.
  - The operators must be identified in the project's title.
  - **The Region will be the entity responsible for entering and completing the Project Status and Expenditure Report.**

## Cover Sheet

This next screen asks for basic agency information. Please fill in each of the fields. Those fields marked with an "\*" are required fields and the system will not let you advance if these fields are left blank.

### Operator Cover Sheet

The screenshot shows the "AGENCY FUNDING ELIGIBILITY INTAKE FORM" for an Operator. The form includes the following fields:

- Submission Cycle:** State of Good Repair Program: 19/20 User Guide Test
- Submittal Title:** SGR-C15-FY19/20-6296-001
- Agency Name:** San Joaquin Joint Powers Authority
- Agency Address\*:** 100 Test St
- City\*:** Stockton
- State:** CA
- Zip Code\*:** 90005
- Agency Contact\*:** Operator Test Submittal
- Agency Contact Title\*:** Operator Tester
- Agency Contact Phone\*:** (555) 888-4444
- Agency Contact Email Address\*:** jayme.desormier@dot.ca.gov

Region Cover Sheet – The Region only selects a Recipient(Operator) if the Region is creating a project list for one of the Operators under their purview. Leave blank if the Region is creating a project list solely for themselves. **Regional Entities must create each Transit Operator's project lists before they create their own project list. If you, as the Region, chooses a Recipient/Operator to create a list for, that Recipient/Operator will be responsible for reporting the project status and expenditures in the future. If you, as the Region, would like to be responsible for the project status and expenditure reporting, do not choose a Recipient/Operator.**

The screenshot shows the "AGENCY FUNDING ELIGIBILITY INTAKE FORM" for a Region. The form includes the following fields:

- Submission Cycle:** State of Good Repair Program: 19/20 User Guide Test
- Submittal Title:** SGR-C15-FY19/20-6156-001
- Agency Name:** Placer County Transportation Planning Agency
- Recipient (Operator):** (This field is highlighted with a red box and is currently blank.)
- Agency Address\*:** 100 Test St
- City\*:** Placer
- State:** CA
- Zip Code\*:** 90000
- Agency Contact\*:** Region Tester
- Agency Contact Title\*:** Region Tester
- Agency Contact Phone\*:** (111) 222-3333
- Agency Contact Email Address\*:** jaymedesormier@yahoo.com

## Support Documentation

(999) 222-8292 eric.dudash@dot.ca.gov

Dashboard Submittals Reporting Users

Funding for Fiscal Year: **FY 20/21**

**Support Documentation\***  
Please briefly describe the support documentation being provided

Draft Board Resolution

**Select Files to Upload\* ?**  
Operators: Attach any required documentation your region may request such as Board Resolution or Short Range Transit Plan that lists the project(s). Regions: Attach a signed and dated board resolution

Choose Files testing SGR.docx

**Additional Information**

Save and Continue

Back to Top Conditions of Use Privacy Policy Accessibility Contact Us

\*Select Files to Upload – The system **requires** a document to be attached.

Operator users - Attach a Board Resolution and/or any document(s) your Region may require. Should your Regional Entity not require a board resolution please submit a statement indicating a resolution is not required.

Region users – Attach the Board Resolution approving the project list you are submitting. If you do not yet have the approved resolution, you can still attach a DRAFT board resolution and indicate when you are expecting the board resolution to be officially approved and signed. You may also attach a statement indicating your region does not require a Board Resolution or any similar documentation.

## Enter Proposed Project Information

The following screens allow you to input your proposed projects. You can add funding to an existing project or add a new project.

### **Add Funding to an Existing Project**

If you are adding funding to an existing CalSMART project, you can select the project from this screen by selecting Add.

CA.GOV Logged in as: jaymedesormier@yahoo.com Logout

SBI CalSMART TEST Dashboard Submittals Reporting Users

If a project appears on both the Proposed Project List and Expenditure Report, choose from the Expenditure Report as this has the more up-to-date information.

**Add Funding to Existing Projects from FY 18/19 Expenditure Report** [Skip to Add New Projects](#)

Click "Add" to include a project on FY 20/21 Project List. This will allow you to add funding to the project and edit project dates. This will not allow you to edit other project details.

Select	RPNo	Project Title	Project Description	Location (City or County)	Project Start Date	Estimated Completion Date
<a href="#">Add</a>	RP001	TART Transit Bus Replacement	Tahoe Truckee Area Regional Transit (TART) 40' Gillig Low Floor CNG Transit Bus	Oakdale	04/10/2018	02/14/2020
<a href="#">Add</a>	RP006	New Project 1819 Exp Report	Adding new project to 1819 exp report	Roseville	12/27/2019	03/29/2022

**Add Funding to Existing Projects from FY 19/20 Proposed Project List**

Click "Add" to include a project on FY 20/21 Project List.

Select	PPNo	Project Title	Project Description	Location (City or County)	Estimated Project Start	Estimated Project Completion
<a href="#">Add</a>	PP001	TART Bus Replacement	Buying two new buses		01/03/2020	01/01/2026
<a href="#">Add</a>	PP002	bus shelter	test		09/05/2019	05/13/2020
<a href="#">Add</a>	PP003	bus shelter 2	test		09/05/2019	05/13/2020

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If for any reason, you are unable to return to the screen shown above, you can still add funding to existing, or add new projects, from the Manage Project List Submittal Page.

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SBI CalSMART TEST Dashboard Submittals Reporting Users

State of Good Repair Program **Manage Fiscal Year Proposed Project List Submittals** My Profile Approve Users

Submittals  Hide Approved

SGR-C15-FY20/21-6088-001

Program: State of Good Repair Program Agency: San Joaquin Joint Powers Authority Date Created: 06/10/2020 Date Submitted: 07/22/2020 Date Approved: 07/22/2020

Address: 1 main st City: stockton State: CA Zip Code: 91000

Contact: Reg for Reg test Title: Reg Tester

[View Files](#) [Create PDF](#) [Edit Submittal](#) [Send Back](#) [History](#)

**PROJECTS** Expand

ID	Title	Description	Location	Min	Max	Est. Project Cost	View/Edit

[Copy Project from Previous FY](#) [Add New Project](#)

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## Add New Project Information

If you would like to add a new project to the system, select 'Skip to Add New Project' or 'Add New Project' depending on the page you are on.



## Inputting Project Information

Selecting either to add funding to an existing project or to add a new project will advance you to the Proposed Project Detail screen to input the project information required.

The screenshot shows the 'Proposed Project Detail' form. The 'Region(s)' dropdown menu is highlighted with a red box. The form includes the following fields:

- Program:** State of Good Repair Program
- Recipient (Operator):** San Joaquin Joint Powers Authority
- Submittal:** SGR-C15-FY19/20-6296-001
- \*Region(s):** San Joaquin Council of Governments
- Submittal Status:** PENDING
- Project Status:** PENDING

Operator Users - Select a Region from the dropdown. There are a few instances in which an Operator may report to or work with more than one Region. If that is the case, select the Regions the project will receive its funding from.

Region Users - The Region will automatically be selected when you are submitting a project list specifically for the Region. However, when submitting a project list for one of your Operators, you will need to select the Region.

The screenshot shows the 'Proposed Project Detail' form. The 'Region(s)' dropdown menu is highlighted with a red box. The form includes the following fields:

- Program:** State of Good Repair Program
- Recipient (Operator):** San Joaquin Joint Powers Authority
- Submittal:** SGR-C15-FY19/20-6296-001
- \*Region(s):** San Joaquin Council of Governments
- Submittal Status:** PENDING
- Project Status:** PENDING
- \*Project Title:** Operator Test Project
- Project ID (if any):** 12345
- \*Project Category:** Replacement
- \*Asset Type:** Rolling Stock/Fleet
- \*Current Condition of Asset:** Fair
- \*Estimated Useful Life:** 12
- Project Location:**
  - City:** San Joaquin
  - \*County:** San Joaquin
- Legislative Districts:**
  - \*State Senate:** 10
  - \*State Assembly:** 15
  - \*US Congressional:** 20

The rest of the project fields are treated the same for both Operator and Region users.

The screenshot shows the CalSMART TEST interface. At the top, there is a navigation bar with 'Dashboard', 'Submittals', 'Reporting', and 'Users'. The main content area is divided into sections:

- \* Project Description:** A text area containing 'Skip to Add New 20/21 Project Test'.
- Project Schedule:** Two date pickers: '\* Est Project Start' (10/02/2020) and '\* Est Completion Date' (03/19/2021).
- SGR Funding:** A table with columns for 'Original Est Allocation', 'Actual Allocation', 'Expenditures as of Sept 30th', and 'Balance'. Each of these columns is further divided into '99313' and '99314' sub-columns. The rows represent fiscal years from 17/18 to Future Years.
- Other Funding Allocation Amounts:** A form with 'Fund Type' (State), 'Fund Source' (State Transit Assistance (STA)), and 'Estimated Allocation Amount' (\$ 4,100.00). There is an 'Add Another Fund' button.

**\*The Proposed Project List projects now includes the full SGR funding table. Fields greyed out are not editable.**

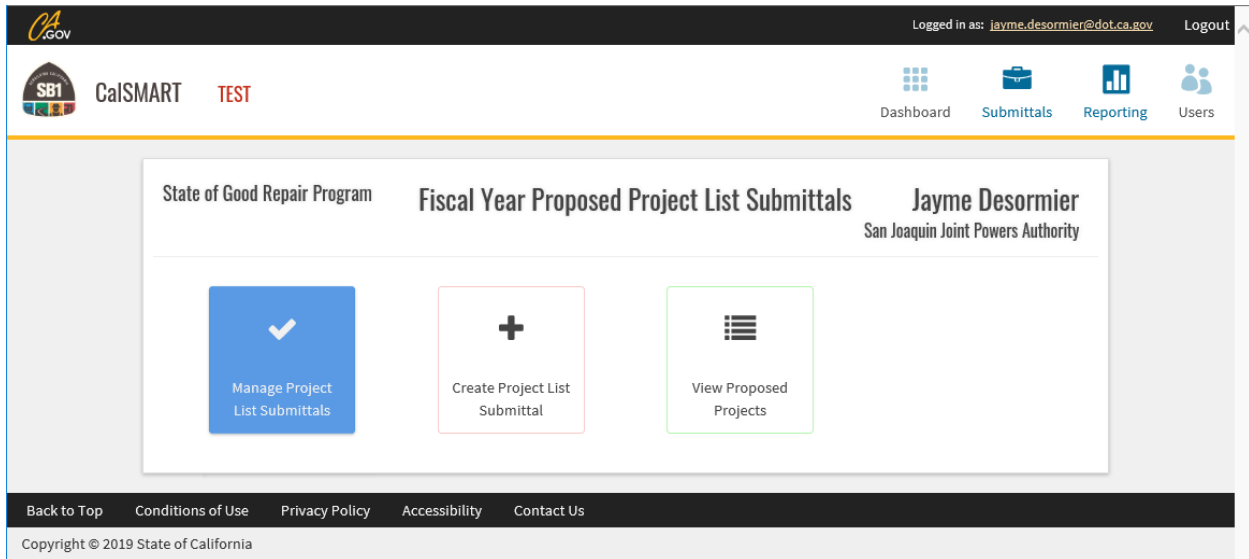
- To complete your project list, select 'Save and Exit'
- To add another project, select 'Save and Continue'
- To duplicate this project, select 'Save and Duplicate'

## **Submit Project List**

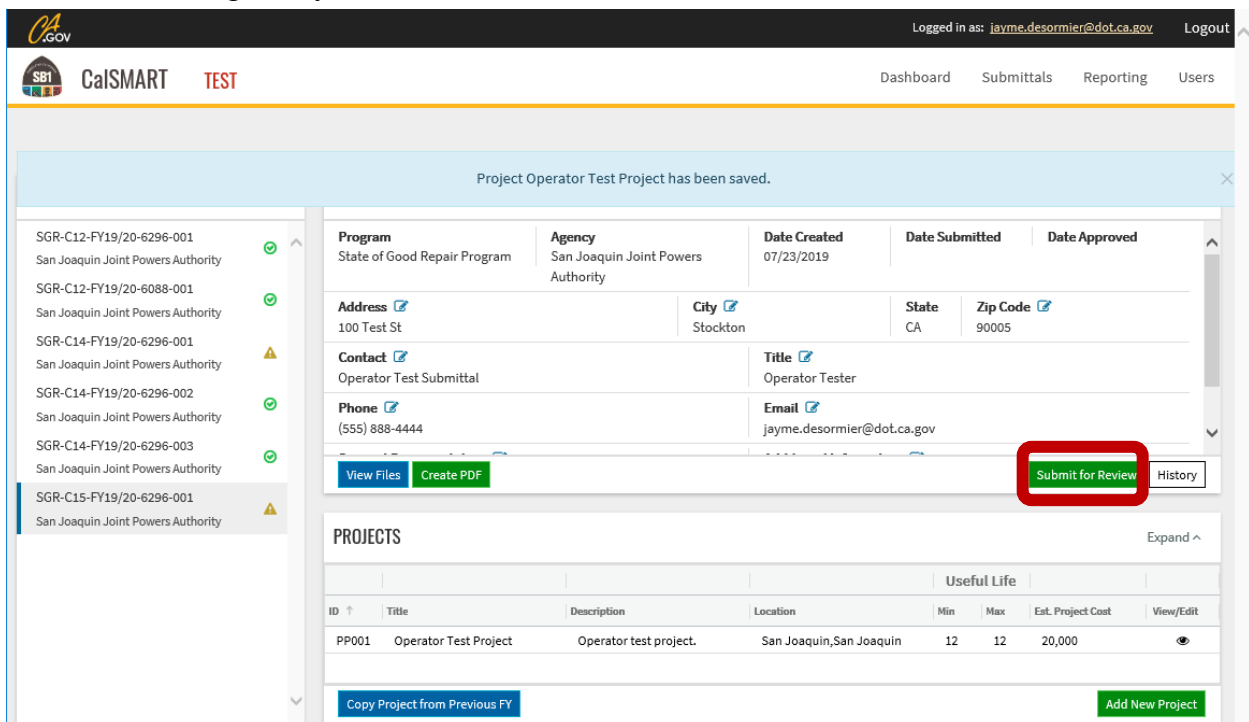
All Project Lists will need to be submitted for review:

- Operator project lists will be forwarded to their Region for review.
- Region submittals will be forwarded directly to Caltrans for review.

After clicking 'Save and Continue', the system will take you to the Manage Project List Submittal screen automatically. If you are not ready to submit at this time, you can always select 'Manage Project List Submittals' to return to this screen later.



From the Manage Project List Submittal screen select 'Submit for Review'.



**STOP** Operators, your role is complete unless your Region or Caltrans notifies you that a revision or correction is needed for your submittal. You may still want to review the Report section of the guide for information on available reports.

## Examples of Notifications

Notification that your project list was submitted.

 Tue 7/23/2019 1:56 PM  
**CalSMART Notification** <no-reply@dot.ca.gov>  
**Projects Submitted Successfully - TEST**


To Desormier, Jayme@DOT; Desormier, Jayme@DOT  
Retention Policy Enforced: Inbox 120 day (4 months) Expires 11/20/2019

---

Thank you for your SB 1 Project List Submittal, it has been received. If staff has any questions or needs additional information, someone will contact you.

If you need to contact program staff please send an email to [SB1SGRcomments@dot.ca.gov](mailto:SB1SGRcomments@dot.ca.gov).

Notification that your project list was sent back for corrections


 **CalSMART Notification** <no-reply@dot.ca.gov> Mon, Jul 22, 12:38 PM (8 days ago) ☆ ↶ ⋮  
to me ▾

The State of Good Repair Project List Submittal for San Joaquin Joint Powers Authority has been sent back for the following reason(s):

**Test Region selection**

Please make any necessary corrections and resubmit or send back to San Joaquin Joint Powers Authority to make corrections. If you need assistance please contact program staff at [SB1SGRcomments@dot.ca.gov](mailto:SB1SGRcomments@dot.ca.gov)

Notification after your Region submits your project list to Caltrans.

 Tue 7/23/2019 2:54 PM  
**CalSMART Notification** <no-reply@dot.ca.gov>  
**CalSMART SGR Project List Forwarded to Caltrans - TEST**

To Desormier, Jayme@DOT; Desormier, Jayme@DOT  
Retention Policy Enforced: Inbox 120 day (4 months) Expires 11/20/2019

---

Your Region has deemed your State of Good Repair Project List Submittal eligible to move forward to Caltrans for review and approval.

If you need assistance please contact program staff at [SB1SGRcomments@dot.ca.gov](mailto:SB1SGRcomments@dot.ca.gov).

Notification after Caltrans approves your project list.

 Tue 7/23/2019 3:04 PM  
**CalSMART Notification** <no-reply@dot.ca.gov>  
**CalSMART SGR Project List Approved by Caltrans - TEST**

To Desormier, Jayme@DOT; Desormier, Jayme@DOT; cesarmayorga707@gmail.com  
Retention Policy Enforced: Inbox 120 day (4 months) Expires 11/20/2019

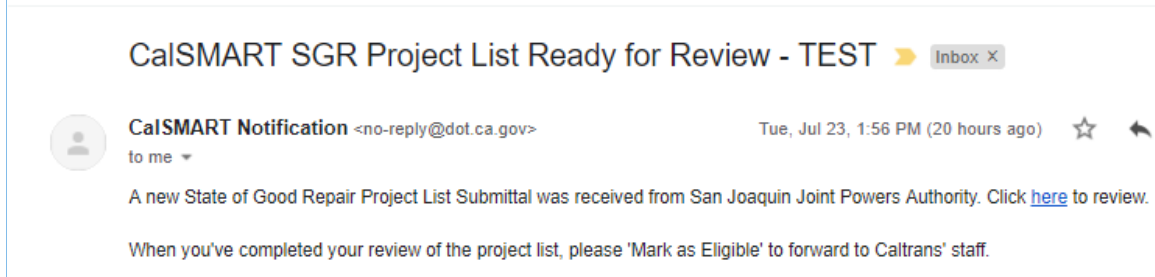
---

This email will serve as proof that your State of Good Repair Project List Submittal was reviewed and approved by Caltrans.

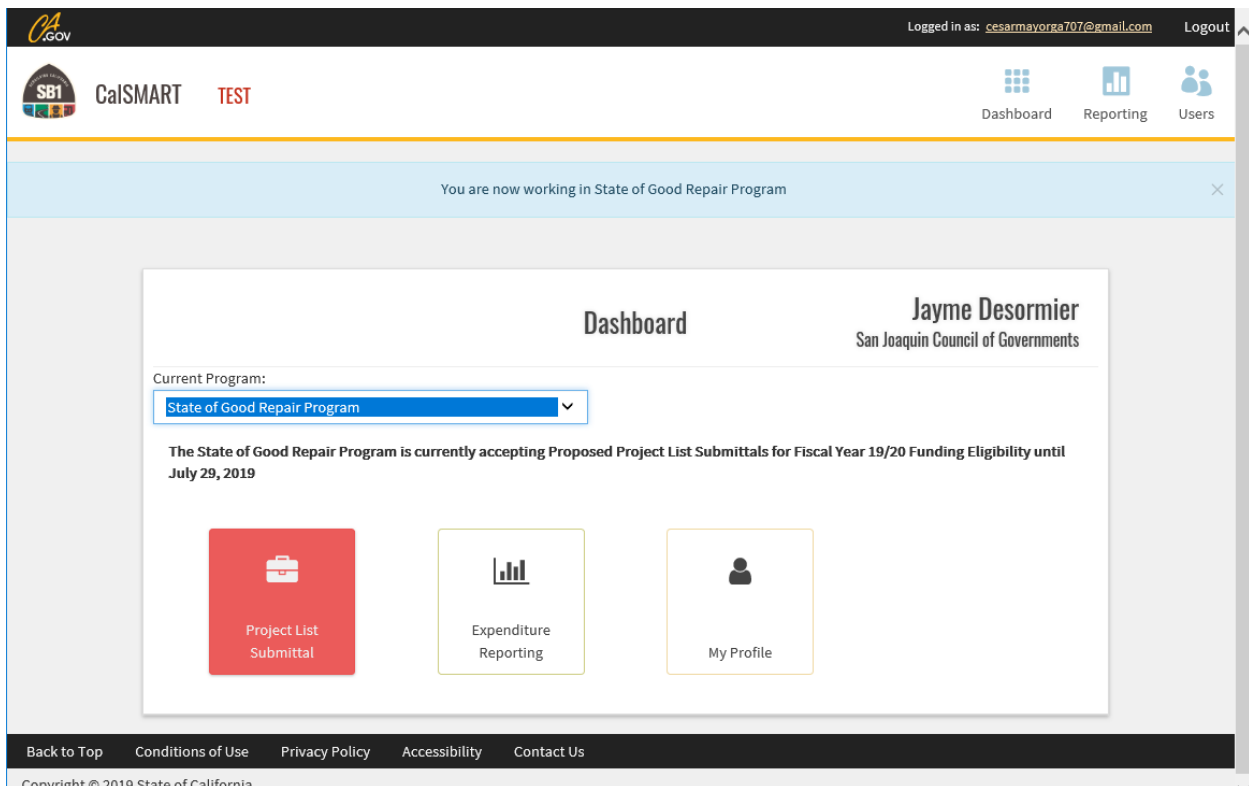
If you need assistance please contact program staff at [SB1SGRcomments@dot.ca.gov](mailto:SB1SGRcomments@dot.ca.gov)

## Region Review of Operator Submittal

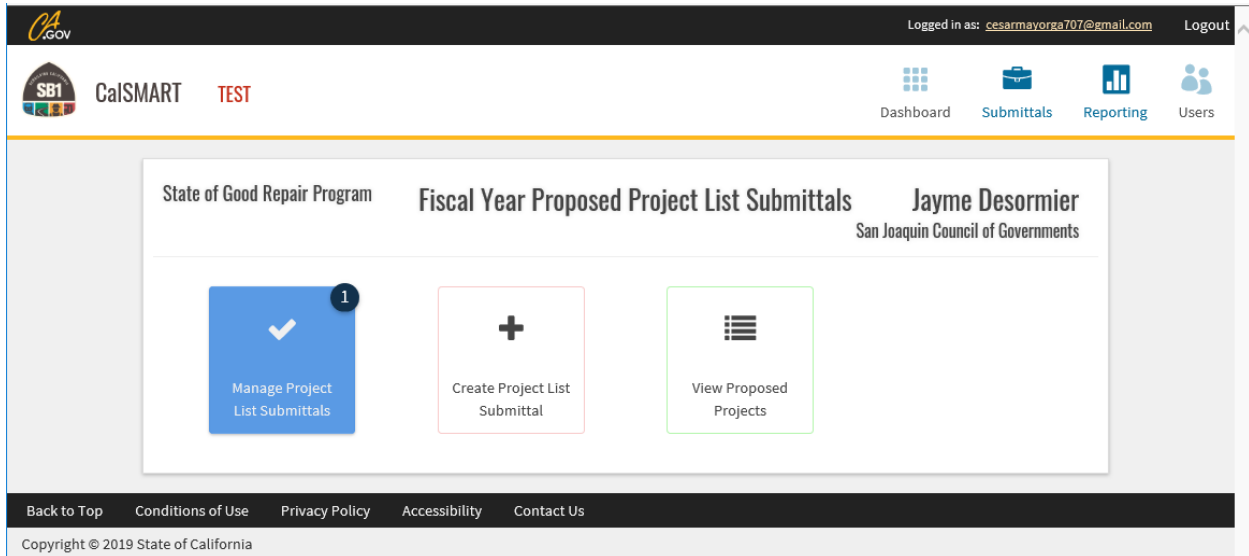
The Region will receive an email notification from CalSMART that a project list is ready for review.



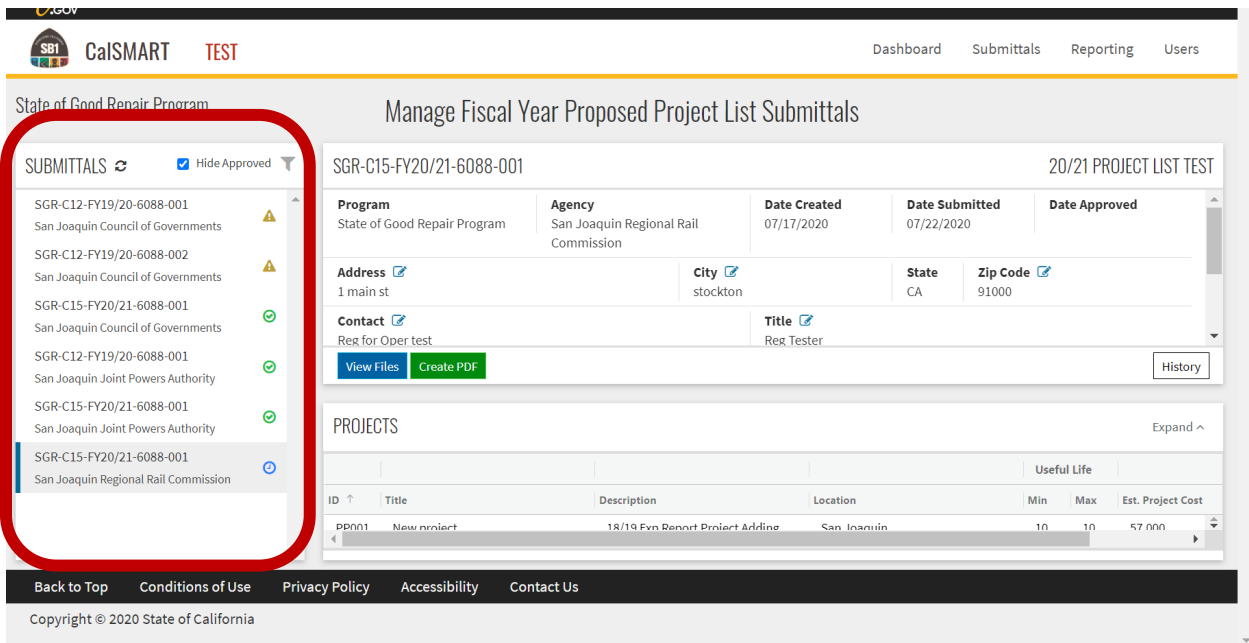
To review the submittal, the Region shall login to CalSMART and select 'Project List Submittal'.



Select 'Manage Project List Submittals'. The number in the right-hand corner indicates how many submittals are waiting for review.



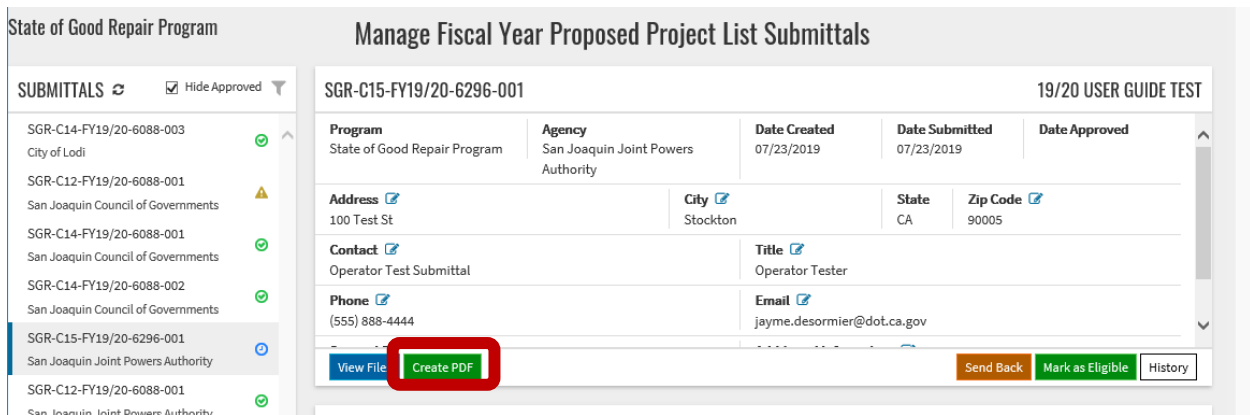
The submittal will appear in your Submittal Inbox. Select 'Hide Approved' if you only want to see the submittals that you have not yet marked as eligible.



The blue clock icon indicates a submittal is waiting for your review.



Select 'Create PDF' on the Manage Submittal Screen for the most efficient way to review a submittal.



A simple report of the Cover Sheet and Project Details will be displayed as a pdf file.

## Submittal Report

**SGR-C15-FY19/20-6296-001**

FY 19/20

### Submittal Details

<b>Program</b> State of Good Repair Program	<b>Agency</b> San Joaquin Joint Powers Authority	<b>Date Created</b> 07/23/2019	<b>Date</b> 07/23/2019	<b>Date Approved</b>
<b>Address</b> 100 Test St	<b>City</b> Stockton	<b>State</b> CA	<b>Zip Code</b> 90005	
<b>Contact</b> Operator Test Submittal		<b>Contact Title</b> Operator Tester		
<b>Contact Phone</b> (555) 888-4444		<b>Contact Email</b> jayne.desormier@dot.ca.gov		
<b>Support Documentation</b> Explain any required documentation here.		<b>Additional Information</b>		

The Est. 99313 and Est. 99314 Costs are the current submission cycle costs.

Project Details								
Title	Description	Asset Type	Project Category	Est. Useful Life	Est. Project Start Date	Est. Project Completion Date	Est. 99313 Costs	Est. 99314 Costs
Operator Test Project	Operator test project.	Rolling Stock/Fleet	Replacement	12	12/01/2019	06/25/2021	\$0	\$10,000



## Mark as Eligible

If the submittal is eligible, select 'Mark as Eligible'. This will transmit the submittal to Caltrans for review and approval. Note, as the Region, you must mark your own project list submittal as eligible to prompt the system to forward it to Caltrans.

The screenshot displays the CalSMART interface for managing fiscal year proposed project list submittals. The user is logged in as cesarmayorga707@gmail.com. The main heading is 'Manage Fiscal Year Proposed Project List Submittals' for the '19/20 USER GUIDE TEST' period. A submittal with ID SGR-C15-FY19/20-6296-001 is selected, showing details for the State of Good Repair Program, San Joaquin Joint Powers Authority, created and submitted on 07/23/2019. The contact is Operator Test Submittal, Operator Tester, with phone (555) 888-4444 and email jayme.desormier@dot.ca.gov. The 'Mark as Eligible' button is highlighted with a red box. Below the submittal details is a 'PROJECTS' table with one entry: PP001 Operator Test Project, Operator test project., San Joaquin, San Joaquin, with a useful life of 12 years and an estimated project cost of 20,000.

ID	Title	Description	Location	Min	Max	Est. Project Cost	View/Edit
PP001	Operator Test Project	Operator test project.	San Joaquin, San Joaquin	12	12	20,000	

## Send Back for Corrections or Edit Project List Submittal

If the submittal needs to be corrected or revised, the Region can Edit the submittal or Send Back to the Operator for revisions.

State of Good Repair Program

## Manage Fiscal Year Proposed Project List Submittals

19/20 USER GUIDE TEST

SGR-C15-FY19/20-6296-001

**Program:** State of Good Repair Program | **Agency:** San Joaquin Joint Powers Authority | **Date Created:** 07/23/2019 | **Date Submitted:** 07/23/2019 | **Date Approved:**

**Address:** 100 Test St | **City:** Stockton | **State:** CA | **Zip Code:** 90005

**Contact:** Operator Test Submittal | **Title:** Operator Tester

**Phone:** (555) 888-4444 | **Email:** jayne.desormier@dot.ca.gov

Buttons: View Files, Create PDF, **Send Back**, Mark as Eligible, History

**PROJECTS**

ID	Title	Description	Location	Useful Life	Min	Max	Est. Project Cost	View/Edit
PP001	Operator Test Project	Operator test project.	San Joaquin, San Joaquin	12	12	20,000		

Buttons: Copy Project from Previous FY, Add New Project

When returning the submittal back for revisions, please provide the Operator an explanation why the proposed list is being returned and what issues need to be addressed before the proposed list can be approved.

Are you sure you want to send these projects back to the agency?

**Reason**

Please explain here why the submittal is being sent back.

Buttons: Send Back, Cancel

If you find you need to Edit a project, select the View/Edit eyeball icon.

**PROJECTS**

ID	Title	Description	Location	Useful Life	Min	Max	Est. Project Cost	View/Edit
PP001	Operator Test Project	Operator test project.	San Joaquin, San Joaquin	12	12	20,000		

From the Proposed Project Detail screen, select 'Edit' and make any necessary revisions. Be sure to save the changes.

Logged in as: cesarmayorga707@gmail.com
Logout

**CaISMART**    TEST

Dashboard
Submittals
Reporting
Users

## PROPOSED PROJECT DETAIL

**Program**

State of Good Repair Program

---

**Recipient (Operator)**                      **\*Region(s)**

San Joaquin Joint Powers Authority      San Joaquin Council of Governments

---

**Submittal**    **Submittal Status**                      **Project Status**

SGR-C15-FY19/20-6296-001                      SUBMITTED                      SUBMITTED

---

**\*Project Title**    **Project ID (if any)**

Operator Test Project    12345

---

**\* Project Category**

Replacement

**\* Asset Type**

Rolling Stock/Fleet

**\* Current Condition of Asset**

Fair

**\*Estimated Useful Life**

12

---

**Project Location**

**City**

San Joaquin

**\*County**

San Joaquin

**\*State Senate**

10

**\*State Assembly**

15

**\*US Congressional**

20

---

**\* Project Description**

Operator test project.

**Project Schedule**

**\* Est Project Start**

12/01/2019

**\* Est Completion Date**

06/25/2021

**Estimated SGR Allocation Amounts**

FY	Estimated 99313 Costs	Estimated 99314 Costs	
19/20	\$	\$ 10,000.00	

**Total Project Costs**

\$ 20,000.00

**Other Funding Allocation Amounts**

Fund Type	Fund Source	Estimated Allocation Amount
Local	-	\$ 5,000.00
State	State Transit Assistance (STA)	\$ 5,000.00

Delete
Edit
Duplicate
Back

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## Reports

Users can save a pdf copy of their Project List submittal by selecting 'Create PDF' from the Manage Proposed Project List Submittal page.

The screenshot shows the CalSMART interface for managing submittals. The top navigation bar includes the CalSMART logo, a 'TEST' indicator, and user information (Logged in as: jayme.desormier@dot.ca.gov). The main content area is titled 'Manage Fiscal Year Proposed Project List Submittals' and is divided into two main sections: 'SUBMITTALS' and 'PROJECTS'.

**SUBMITTALS**

- SGR-C12-FY19/20-6296-001 (San Joaquin Joint Powers Authority) - Status: Accepted (Green checkmark)
- SGR-C12-FY19/20-6088-001 (San Joaquin Joint Powers Authority) - Status: Accepted (Green checkmark)
- SGR-C14-FY19/20-6296-001 (San Joaquin Joint Powers Authority) - Status: Pending (Yellow triangle)
- SGR-C14-FY19/20-6296-002 (San Joaquin Joint Powers Authority) - Status: Accepted (Green checkmark)
- SGR-C14-FY19/20-6296-003 (San Joaquin Joint Powers Authority) - Status: Accepted (Green checkmark)
- SGR-C15-FY19/20-6296-001 (San Joaquin Joint Powers Authority) - Status: Accepted (Green checkmark)

**SGR TESTING**

This submittal has been accepted. Edits are no longer allowed in CalSMART

Program	Agency	Date Created	Date Submitted	Date Approved
State of Good Repair Program	San Joaquin Joint Powers Authority	06/13/2019	06/13/2019	06/13/2019

Address	City	State	Zip Code
1 test	stockton	CA	91000

Contact	Title
Test Oper	Test Operator

Phone	Email

Buttons: View Files, **Create PDF** (highlighted), History

**PROJECTS**

ID	Title	Description	Location	Useful Life		Est. Project Cost	View/Edit
				Min	Max		
PP001	Test Project	Test Project		5	5	1,500	View/Edit

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## Submittal Report

**SGR-C15-FY19/20-6296-001**

**FY 19/20**

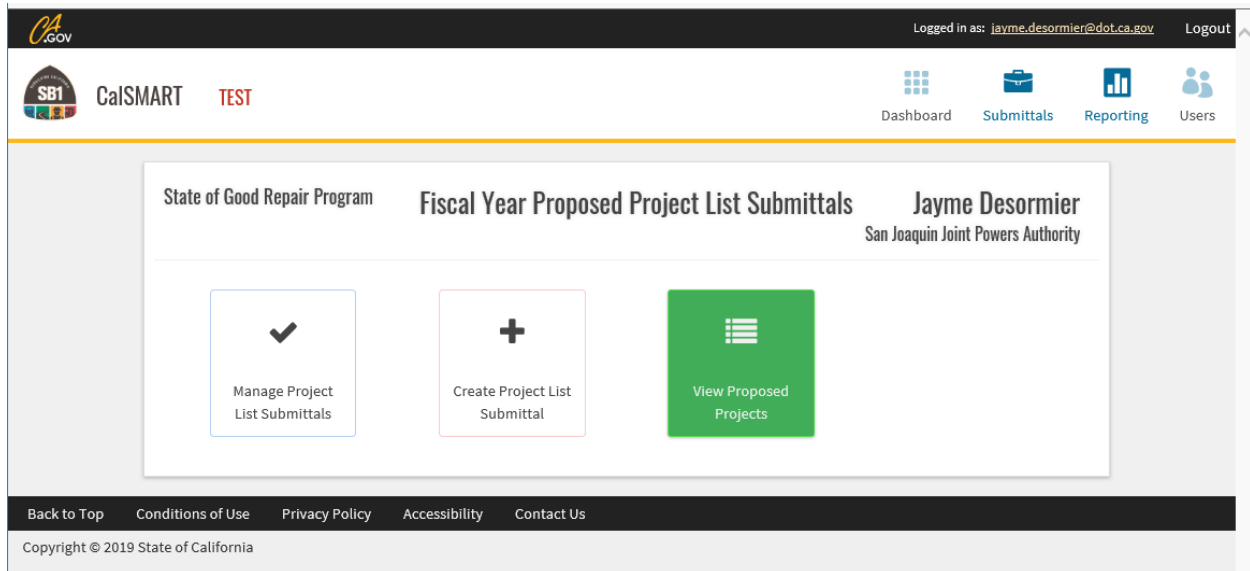
### Submittal Details

<b>Program</b> State of Good Repair Program		<b>Agency</b> San Joaquin Joint Powers Authority		<b>Date Created</b> 07/23/2019	<b>Date</b> 07/23/2019	<b>Date Approved</b>
<b>Address</b> 100 Test St		<b>City</b> Stockton		<b>State</b> CA	<b>Zip Code</b> 90005	
<b>Contact</b> Operator Test Submittal				<b>Contact Title</b> Operator Tester		
<b>Contact Phone</b> (555) 888-4444				<b>Contact Email</b> jayme.desormier@dot.ca.gov		
<b>Support Documentation</b> Explain any required documentation here.				<b>Additional Information</b>		

### Project Details

Title	Description	Asset Type	Project Category	Est. Useful Life	Est. Project Start Date	Est. Project Completion Date	Est. 99313 Costs	Est. 99314 Costs
Operator Test Project	Operator test project.	Rolling Stock/Fleet	Replacement	12	12/01/2019	06/25/2021	\$0	\$10,000

Users can also save a more detailed report of their Proposed Projects. Select 'View Proposed Projects'.



To view your current submission cycle projects, select the correct cycle and select the 'Apply' button. To view all your projects in the Project List Submittal module, leave the Cycles blank.

Select 'Export List to Excel'.



This will give you a detailed report of your projects in the Project List Submittal module.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
	Region	Agency	Funding FY	PPNo	Project Title	Project Description	Project Category	Asset Type	Current Condition of Asset	Estimate of Useful Life	Estimated Project Start Date	Estimated Project Completion Date	Project Location City	Project Location County	Estimated 99313 Costs	Estimated 99314 Costs	Other SB1 Costs	Total Project Costs
1																		
2	San Joaquin Council of	San Joaquin Joint Powers Auth	19/20	PP001	Test Project	Test Project replacing 10 CNG bus	Replacement Rolling Stock/Fleet	Fair		10	09/20/2019	09/30/2021	Stockton	San Joaquin		10000	50000	60
3	San Joaquin Council of	San Joaquin Joint Powers Auth	19/20	PP001	Test Project for Operator	Test project replacing vehicles	Replacement Rolling Stock/Fleet	Fair		12	09/20/2019	12/20/2021	Stockton	San Joaquin	500	50000	10000	60
4	San Joaquin Council of	San Joaquin Joint Powers Auth	19/20	PP002	Test Project for Operator	Repar 2 Bus Shelters	Repair Passenger Facilities	Fair		5	09/10/2019	06/24/2020	San Joaquin	San Joaquin	1000	500	500	2
5	San Joaquin Council of	San Joaquin Joint Powers Auth	19/20	PP001	Operator Test Project	Operator test project	Replacement Rolling Stock/Fleet	Fair		12	12/01/2019	06/25/2021	San Joaquin	San Joaquin		10000	10000	20
6																		
7																		
8																		
9																		
10																		

Attachment A

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

**GUIDELINES FOR TIER 2 OPERATORS TO RECEIVE  
PROPOSITION A GROWTH OVER INFLATION FUNDS**

Definition	<p>“Tier 2 Operators” is referred to the following cities and their respective bus services:</p> <ul style="list-style-type: none"> <li>• Los Angeles - LADOT Community DASH</li> <li>• Glendale – Glendale Beeline</li> <li>• Pasadena – Pasadena ARTS</li> <li>• Burbank – Burbank Bus</li> </ul> <p>Only the fixed route services shall be included in this program. Dial-A-Ride services shall continue to be funded through the Proposition A Incentive programs.</p> <p>The Tier 2 Operators shall be collectively known as “Tri-Cities/LADOT”.</p>
Effective Date	July 1, 2010
Funding Eligibility	<p>Tier 2 Operators shall be eligible to receive Proposition A GOI funds calculated by the same methodology as used in the FAP to allocate TDA, STA and Proposition A 95% of 40% funds (capped at CPI). Calculations shall be made so as not to negatively impact the existing Included and Eligible operators.</p> <p>Tier 2 Operators will not participate in any of the following funding programs:</p> <ul style="list-style-type: none"> <li>• Federal Section 5307</li> <li>• Municipal Operators Service Improvement Program (MOSIP)</li> <li>• Bus Service Improvement Program (BSIP)</li> <li>• Transit Service Expansion (TSE)</li> <li>• Base Restructuring</li> <li>• Foothill Mitigation</li> <li>• Proposition 1B Bridge Funding</li> <li>• Proposition C 5% Security</li> <li>• Measure R 20% Operations</li> <li>• Measure R \$150 million Transit Capital</li> <li>• Proposition A and Proposition C Interest</li> </ul> <p>Services transferred to existing Included or Eligible Operators which qualify for FAP funding will not receive GOI funds.</p> <p>Participation in any future funding programs shall be reviewed by the Bus Operators Subcommittee (BOS) and approved by the MTA Board.</p>



Attachment A

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

**GUIDELINES FOR TIER 2 OPERATORS TO RECEIVE  
PROPOSITION A GROWTH OVER INFLATION FUNDS**

Termination of Funding	Tier 2 operators will be rendered ineligible to receive GOI funds under this program if their services are transferred to existing Included or Eligible Operators where such services would qualify for FAP funding.
Funding Source	Proposition A 95% of 40% Growth Over Inflation (GOI).
Funding Priority	Funding is subject to availability of funds. Proposition A GOI will only be made available to the Tier 2 Operators after the funding requirements of the existing Included and Eligible Operators have been met.
Calculation Methodology	Proposition A GOI funds for the Tier 2 Operators will be calculated by the same methodology as used in the FAP without negatively impacting the funding levels of the existing Included and Eligible Operators.
Impact on Funding for Voluntary NTD Reporting	Funding from Proposition A Incentive Voluntary NTD Reporting Program shall be completely eliminated when the full Proposition A GOI funds calculated by the FAP methodology becomes available and approved by the MTA Board for allocation. If the Proposition A GOI funds calculated by the FAP methodology are reduced due to unavailability of funds, Voluntary NTD Reporting funding shall not be completely eliminated, but shall be reduced by the same ratio as of the actual Proposition A GOI funding made available over the full amount of Proposition A GOI funds calculated by the FAP methodology. Incentive funds saved will remain in the incentive program to be allocated to the cities according to the incentive guidelines.
Current Funding Commitment	The Tier 2 Operators shall be allocated \$6 million each year for the next three years beginning FY2011. Subsequent funding allocation will be re-evaluated based on the availability of Proposition A GOI and approval by the MTA Board.

## LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

GUIDELINES FOR TIER 2 OPERATORS TO RECEIVE  
PROPOSITION A GROWTH OVER INFLATION FUNDS

MOE Requirements	<p>The Tier 2 Operators must maintain their individual existing local commitment of Proposition A, Proposition C and Measure R Local Return and other local funds, for current transportation services. The additional funding is to be used to augment, not supplant, existing local revenues being used for transportation purposes. Tier 2 Operators may use these funds to supplement existing eligible transit services should there be a current or projected funding shortfall. MTA reserves the right to request appropriate documentation from a Tier 2 Operator to support the existence of a funding shortfall.</p>
Compliance Requirements	<p>The Tier 2 Operators shall comply with all the current and future Federal, State and Local ordinances as well as Board adopted policies and guidelines imposed upon the existing Included and Eligible Operators.</p> <p>Current requirements are as follows:</p> <ul style="list-style-type: none"> <li>• Annual Financial and Compliance Audit. Audits must comply with the TDA audit requirements.</li> <li>• NTD Reporting. LADOT shall continue to report NTD directly. Burbank, Glendale and Pasadena shall continue to report through MTA's Small Operators NTD reporting process but may elect to become direct reporters if so desired.</li> <li>• Short Range Transportation Plan (SRTP) - Beginning with year 2011, Tier 2 Operators should show their service plan, fare revenue and ridership projections and how Proposition A, Proposition C and Measure R Local Return funds will be spent.</li> <li>• State Controllers Report.</li> <li>• TPM Report.</li> <li>• Others- As necessary and required for the current Included and Eligible Operators.</li> </ul>

## **Summary of Tier 2 Operators' Request**

This is a summary of the transit services provided by the cities of Burbank, Glendale and Pasadena and LADOT Community DASH. These transit services individually and together make a significant contribution to the Los Angeles County regional transportation network. This summary demonstrates that given their critical role in the regional transit service network, and their increasing operating costs and major capital needs in the short and long term, justifies the need for regional transit funding. The cities of Los Angeles, Burbank, Glendale and Pasadena, have joined together for the purpose of achieving "Tier 2 Operator" status with the Los Angeles County Metropolitan Transportation Authority (Metro).

The following section summarizes the basis and justification for these two requests:

### **Burbank, Glendale, Pasadena Fixed Route Services**

Burbank Bus, Glendale Beeline and Pasadena ARTS services together provide local circulation and important connections to the regional transit network. Pasadena is potentially considering serving areas outside their city limits to La Canada – Flintridge and Los Angeles. Glendale already serves La Canada – Flintridge, Los Angeles County areas of Montrose and La Crescenta, connects with Metrolink stations in Glendale and Burbank, and serves the Burbank boundary at San Fernando Road and Alameda Avenue. Burbank is serving its boundary with Glendale, connecting with the North Hollywood transit node, and is interested in improving transit connections with the Hollywood area of Los Angeles.

With increasing operating costs, these services are having difficulty maintaining current service levels and are unable to add new service given their fiscal realities. Although Burbank, Glendale and Pasadena municipal operators want to further expand service by serving areas beyond their city boundaries and providing more intercity and long-haul trips, without an infusion of new funds, they are unable to do so.

Their financial constraints are further exacerbated given their need for replacing aged vehicles and other large capital investments. All three systems want to develop new maintenance facilities which would reduce the hourly rates of contract operations and would enable long term commitments on alternative fuel infrastructure. Burbank Bus needs capital funds for their maintenance facility, a transfer facility in the Media District, and a transfer facility on San Fernando Road and Alameda Avenue on the border with Glendale. Beeline needs \$17 million for replacement of its aging fleet and for its bus maintenance facility project, and Pasadena ARTS needs \$40 million for fleet replacement and a bus facility project.

## **LADOT Community DASH Services**

LADOT Community DASH services work hand-in-hand with Metro bus and rail services. Community DASH routes in the City provide collection and distribution trips to and from the regional transit network. They are an integral part of the countywide transit network. LADOT's Community DASH services carried approximately 19 million passengers in 2007 at a cost of \$62.01 per hour.

LADOT Community DASH operating expenses are increasing and consuming an ever increasing portion of the budget at the same time that sales tax revenues are declining. LADOT's transit program is facing a projected funding shortfall of \$23 million in FY 2010-11. This projected shortfall is expected to increase to approximately \$350 million over the next ten years. LADOT has conducted a comprehensive review of its transit program and is planning to implement unprecedented reductions to its transit services and raise fares in response to the projected funding shortfall. Approval of Tier 2 funding for LADOT's Community DASH services will help to reduce the impact on riders of these major planned service cuts.

On the capital side, LADOT needs to continue replacing the majority of its 400 vehicle fleet (that includes Commuter Express, Downtown DASH and Community DASH vehicles) as they approach their 10-12 year life-span. With this enormous capital need, LADOT has estimated its transit vehicle replacement costs to be approximately \$140 million over the next ten years. Without new funding, the system will be operating with deteriorating vehicles further exacerbating the rise of operating and maintenance costs.

Attachment C

Najarian Motion  
Finance and Budget Committee  
Item 9.3  
May 20, 2009

I THEREFORE MOVE, that a portion of the \$49 million growth over inflation (not to exceed \$18 million), which is scheduled to be transferred to the FY10 Prop C 40% budget be set-aside should the Eligible Operator status be approved in the upcoming fiscal year\*

I FURTHER MOVE, that the CEO direct MTA staff to convene a task force with the municipal and local transit service operators to review the request and the eligibility requirements for Eligible operator status and return to the Finance and Budget Committee in September 2009.

\*It should be duly noted that the municipal and eligible operators' funding will remain whole, and the FAP will be unaffected by the inclusion of the new operator.

**MEMORANDUM OF UNDERSTANDING  
Proposition A Growth Over Inflation Grant Funds**

This Memorandum of Understanding (the “MOU”) is entered into by and between \_\_\_\_\_ (the “GRANTEE”) and the Los Angeles County Metropolitan Transportation Authority (“LACMTA”).

WHEREAS, on November 4, 1980, the voters of Los Angeles County approved by majority Proposition A, an ordinance establishing a one-half percent sales tax for public transit purposes; and

WHEREAS, the LACMTA is the agency responsible for administering the tax; and

WHEREAS, each year the LACMTA may, but it is not obligated to, include in its annual budget process an allocation of Proposition A Growth Over Inflation (“GOI”) Funds to the GRANTEE (the “Funds”); and

WHEREAS, the LACMTA Board on June 23, 2022, authorized an allocation of \$6 million for the continuation of the Tier II Operators Funding Program subject to the terms and conditions set forth in the “Guidelines for Tier 2 operators to receive Proposition A Growth over Inflation Funds (the “Guidelines”); and

WHEREAS, the GRANTEE is an eligible Tier 2 operator and desires to receive its allocation of the Funds from LACMTA for public transit purposes; and

WHEREAS, LACMTA and GRANTEE desire to agree to the terms and conditions of the grant of Funds to the GRANTEE.

NOW, THEREFORE, in consideration of the mutual terms and conditions contained herein, LACMTA and GRANTEE hereby agree as follows:

**ARTICLE 1. TERM**

- 1.0 This MOU shall be in effect from **July 1, 2022, until June 30, 2032**, unless terminated early by either party for any reason upon thirty days prior written notice; or by the LACMTA upon its decision not to include the Funds in its annual Budget or upon GRANTEE being ineligible to receive the Funds as set forth in the Guidelines.

**ARTICLE 2. PAYMENT OF FUNDS - REIMBURSEMENT TO GRANTEE**

- 2.0 For each fiscal year covered by this MOU, GRANTEE hereby directs LACMTA to allocate Grantee's share of Fund Allocation approved annually by the LACMTA Board. Attached as **Exhibit A** is the Annual Transit Fund Allocations for FY 2023.

This allocation amount includes (\$) in American Recovery Plan Act (ARPA) funds; Future allocations will be determined by the LACMTA Board. If LACMTA staff, in coordination with the Tier II Operators, develops a mid-year reallocation of the GOI Funds Allocation, which is approved by the LACMTA board, Grantee hereby directs LACMTA to make such mid-year adjustments to its GOI Funds Allocation as approved by the LACMTA Board if applicable.

- 2.1 GRANTEE shall make requests for reimbursement using the Proposition A Growth Over Inflation Funds Worksheet **Exhibit B**. GRANTEE shall submit one (1) invoice to LACMTA requesting the Funds. However, the LACMTA will disburse 1/12 of the GRANTEE's maximum eligible funding mark each month, provided the Funds are available.
- 2.2 All disbursements will be considered an estimate subject to adjustment upon receipt of reporting and audit compliance requirements (see Article 5 contained herein). GRANTEE shall submit a copy of the financial audit report to the LACMTA by December 31st of each fiscal year.
- 2.3 If the financial audit indicates that the GRANTEE did not expend all the Funds received during the fiscal year of allocation, such unexpended Funds must be returned to LACMTA within 60 days of the completion of the financial and compliance audit(s). Such unexpended Funds will be treated as carryover Funds and held by LACMTA on behalf of GRANTEE for a period of two years.
- 2.4 GRANTEE may carryover for two years, one hundred percent (100%) of its annual funding mark minus any portion expended during the fiscal year.
- 2.5 Only carryover Program formula Funds can be used for capital projects. GRANTEE must follow the existing LACMTA approval process when applying program carryover Funds to capital projects.
- 2.6 After two years, any unused carryover Funds will be transferred to the LACMTA's general Proposition A 40% Fund and will be available for reprogramming by the LACMTA.
- 2.7 Under no circumstances will the amount of money transferred to the GRANTEE under this MOU exceed the monthly, (1/12) funding allocation of the applicable Annual Funding Marks.
- 2.8 An invoice and the Proposition A GOI Worksheet (Exhibit B) must be

submitted annually to the LACMTA by GRANTEE indicating maximum annual allocation and estimated monthly payments.

**ARTICLE 3. USE OF FUNDS - SERVICE ADJUSTMENTS AND STANDARDS**

- 3.0 GRANTEE shall utilize the Funds in accordance with the Guidelines and with the LACMTA Proposition A 40% Discretionary Fund Guidelines (“Prop A Guidelines”). The GRANTEE agrees to comply with all applicable provisions of the Guidelines and the Prop A Guidelines.
- 3.1 GRANTEE shall use the Funds only for operating assistance of public fixed route transit and shall not use the Funds to substitute for any other Funds, service, or project not specified in this MOU. Dial-A-Ride service is not an eligible use of the Funds. Only the fixed route services included in the TPM program are eligible for the Funds. Dial-A-Ride services shall continue to be funded through the Proposition A Incentive programs.
- 3.2 GRANTEE agrees to report Transit Performance Measurement (TPM) data to LACMTA as required under the TPM Guidelines adopted pursuant to AB 103 (PUC Section 130380). The TPM report shall be submitted to the LACMTA by no later than January 31st of each fiscal year. The TPM data will be evaluated as needed by LACMTA.
- 3.3 In order to receive the Funds, GRANTEE warrants that it will:
  - A. Cooperate and coordinate with other operators in the development of an integrated county wide transportation system;
  - B. Make every effort to improve upon the existing span and scope of their transit service;
  - C. Ensure that service quality improvements are implemented whenever possible (e.g. added service to meet demand; routing and scheduling improvements);
  - D. Make every effort to maintain existing level of service and that major service changes are subject to the adopted Service Notification Policy;
  - E. Make every effort to ensure that the total number of linked passengers (riders) is maintained or increased;
  - F. Agree to secure a local contribution as described in Section 8.3 of the Prop A Guidelines.



**ARTICLE 4. FUNDING ELIGIBILITY**

- 4.0 GRANTEE shall be eligible to receive the Funds calculated by the same methodology as used in the Formula Allocation Procedure (FAP) to allocate Transportation Development Act, State Transit Assistance and Proposition A 95% of 40% funds (capped at CPI). Calculations shall be made so as not to negatively impact the existing Included and Eligible municipal operators.
- 4.1 To be eligible to receive the Funds, GRANTEE will not participate in any of the following funding programs:
- Federal Section 5307
  - Municipal Operators Service Improvement Program (MOSIP)
  - Bus Service Improvement Program (BSIP)
  - Transit Service Expansion (TSE)
  - Base Restructuring
  - Foothill Mitigation
  - Proposition 1B Bridge Funding
  - Proposition C 5% Security
  - Measure R 20% Operations
  - Measure R \$150 million Transit Capital
  - Proposition A and Proposition C Interest
- 4.2 GRANTEE will be rendered ineligible to receive the Funds under the program if its services are transferred to existing Included or Eligible Operators where such services would qualify for FAP funding.
- 4.3 GRANTEE shall continue to receive funding under the Incentive Program but such amounts programmed to GRANTEE under the Incentive Program shall be reduced by the same ratio of the actual amount of Funds made available to GRANTEE under this MOU over the full amount of the Funds for GRANTEE calculated by the FAP methodology.

**ARTICLE 5. MAINTENANCE OF EFFORT REQUIREMENTS**

- 5.0 GRANTEE must maintain its individual existing local commitment of Proposition A, Proposition C and Measure R Local Return and other local Funds, for current transportation services.
- 5.1 GRANTEE must use the Funds to augment, not supplant, existing local revenues being used for transportation purposes.
- 5.2 GRANTEE may use the Funds to supplement existing eligible transit services should there be a current or projected funding shortfall.

- 5.3 LACMTA reserves the right to request appropriate documentation from GRANTEE to support the existence of a funding shortfall.

**ARTICLE 6. REPORTING AND AUDIT REQUIREMENTS**

- 6.0 For the term of this MOU, GRANTEE shall comply with all National Transit Database (NTD) reporting requirements. GRANTEE agrees to commit all NTD operating subsidies prior to committing the Funds. GRANTEE shall submit a copy of the NTD report to the LACMTA by January 31st of each fiscal year.
- 6.1 By January 31st of each fiscal year, GRANTEE shall submit to the LACMTA a Short Range Transportation Plan (SRTP). GRANTEE must show its service plan, fare Revenue, ridership projections and how Proposition A, Proposition C and Measure R Local Return Funds will be spent.
- 6.2 By no later than January 31st of each fiscal year, GRANTEE shall submit to the LACMTA a completed State Controller’s Report.
- 6.3 By no later than January 31st of each fiscal year, the GRANTEE shall submit to the LACMTA a completed TPM form, which separately reports data pertaining to these Funds for the prior fiscal year.
- 6.4 Each fiscal year, LACMTA or its designee shall have the right to conduct a financial and compliance audit(s) of the Project. Audits must comply with the TDA audit requirements. GRANTEE agrees to establish and maintain proper accounting procedures and cash management records and documents in accordance with conditions defined by this MOU and the Guidelines.

**ARTICLE 7. LOCAL CONTRIBUTION REQUIREMENT**

- 7.0 In accordance with the Proposition A Local Return Guidelines, the GRANTEE agrees to secure continued financial support from any Funds derived from a property tax. In addition, the GRANTEE agrees to secure local financial support.
- 7.1 The actual amount of local support will be equivalent to the lesser of:
  - (i) five percent (5%) of the current fiscal year gross operating expenses,
  - or (ii) twenty-five percent (25%) of the current fiscal year Local Return Funds received by the GRANTEE or GRANTEE’s sponsoring municipality, as applicable. The GRANTEE agrees that the above requirements equate to a local contribution as stated in the fiscal worksheet Exhibit B. This amount will be adjusted upon receipt of the financial and compliance audit(s).
- 7.2 Only local contributions made to the operating budget are eligible to meet

the Local Contribution Requirement.

- 7.3 Any GRANTEE not expending an amount equal to or greater than fifty percent (50%) of the annual Proposition A Local Return allocation during the year ended June 30 will have the Funds described in the Annual Funding Marks for the applicable fiscal year reduced by the amount of unexpended annual Proposition A Local Return Funds allocated which exceed fifty percent of that year's allocation.
- 7.4 If the Local Contribution Requirement is not met, the GRANTEE must make a full refund of the Funds for the applicable fiscal year to LACMTA.

**ARTICLE 8. CONDITIONS**

- 8.0 This grant is subject to the terms and conditions agreed herein and in the Guidelines and the Prop A Guidelines. The LACMTA, at its discretion, may withhold all or part of the GRANTEE's discretionary grant allocation if all conditions identified in the Guidelines and the Prop A Guidelines are not met. This grant does not imply nor obligate any future funding commitment on the part of LACMTA.
- 8.1 GRANTEE agrees to comply with all applicable and federal, state, and local laws, rules and regulations as well as LACMTA Board adopted policies and procedures in the provision of public transit services.
- 8.2 GRANTEE understands and agrees that in programming these Funds and entering into this MOU, LACMTA is acting pursuant to its statutory authority and shall have no liability in connection with the use of these Funds for public transit purposes. GRANTEE agrees to indemnify, defend and hold LACMTA harmless for all claims, actions and liability arising out of GRANTEE's use of the Funds and GRANTEE's performance in the provision of public transit services paid for by these Funds.
- 8.3 GRANTEE is not a contractor, agent or employee of the LACMTA. GRANTEE shall not represent itself as a contractor, agent or employee of the LACMTA and shall have no power to bind the LACMTA in contract or otherwise.
- 8.4 No amendment or modification to this MOU shall be binding upon either party unless such amendment or modification is in writing duly executed by both parties. This MOU shall not be amended or modified by any acts or conduct of the parties.

**ARTICLE 9. PENALTIES**

9.0 The LACMTA reserves the right to terminate this MOU and withhold Funds if it is determined that the GRANTEE has not made every effort to adhere to all warranties and conditions identified in the Guidelines. In addition, the LACMTA reserves the right to terminate this MOU in the event of continued and/or gross violations of this MOU.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be duly executed as of the dates below with all the formalities required by law.

GRANTEE

LOS ANGELES COUNTY  
METROPOLITAN  
TRANSPORTATION  
AUTHORITY

By: \_\_\_\_\_

By: \_\_\_\_\_

Stephanie N. Wiggins  
Chief Executive Officer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

APPROVED AS TO FORM:

By: \_\_\_\_\_

DAWYN R. HARRISON  
Acting County Counsel

Name: \_\_\_\_\_

By: \_\_\_\_\_

Deputy

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**LACMTA  
Tier II Operators Funding Program Allocation  
Fiscal Year 2023**

<b>Operators</b>	<b>Funding Allocation</b>
LADOT Community Dash	\$4,841,452
Glendale	\$1,450,906
Pasadena	\$962,342
Burbank	\$292,142
<b>TOTAL</b>	<b>\$7,546,842</b>

# FY 2023 Proposition A Growth Over Inflation Worksheet

**Claimant: CITY OF**

**Date:**

**Mode:**

**Contact:**

**(Bus, DAR, or System Total)**

**SOURCE OF OPERATING FUNDS:**

	<b>Maximum Annual Allocation</b>	<b>Estimated Monthly Payment</b>
--	--	--

**FEDERAL CASH GRANTS AND REIMBURSEMENTS**

FTA Sec. 5307 (Sec. 9) Operating		
CMAQ (Operating)		

**STATE CASH GRANTS AND REIMBURSEMENTS**

Other State (Specify)		
-----------------------	--	--

**LOCAL CASH GRANTS AND REIMBURSEMENTS**

Passenger Fares		
Special Transit Service		
Charter Service Revenues		
Auxiliary Transportation Revenues		
Non-transportation Revenues		
Prop. A Growth Over Inflation		
Prop. A 25% Local Return		
Prop. A Incentive fund		
Prop. C 20% Local Return		
Measure R 15% Local Return		
Other Local (Specify)		

<b>TOTAL OPERATING REVENUES</b>		
<b>TOTAL OPERATING EXPENSES</b>		

**Cost per VSH Calculation**

Vehicle Service Hours (VSH)	
Costs per VSH	
% Change/VSH	
Maintenance of Effort	
5% Operating Expenses	
25% of Local Return Funds	



Metropolitan  
Transportation  
Authority

**SUBJECT: LOS ANGELES COUNTY'S FIRST REGIONAL PASS  
PROGRAM**

**ACTION: APPROVAL**

One Gateway Plaza  
Los Angeles, CA  
90012-2952

**RECOMMENDATIONS**

- A. Authorize the MTA participation in a multi-agency Regional Pass Program, as described in Attachments A & B.
- B. Allocate \$2 million in fiscal year 2003 from the current Prop A & C /TDA administrative funds to implement this program.

**ISSUE**

MTA and the twelve Los Angeles County municipal operators have been working closely together to establish the first Regional Pass in the Los Angeles region. MTA Board approval is required prior to its implementation. The recommended actions will not change the present MTA bus or rail fare structure, but will add a regional pass option for the MTA and all municipal transit operators in Los Angeles County.

**POLICY IMPLICATIONS**

Development of this program is consistent with MTA's regional planning role to provide a coordinated transit system. The Regional Pass, the first of its kind in Los Angeles, is an important step toward making transit more customer friendly and inviting for our transit customers. This is also an initial step as we move forward with the Universal Fare System (UFS) implementation. The Regional Pass program is designed such that it can be easily integrated into the UFS system.

**OPTIONS**

The primary alternative is not to implement this program until the Universal Fare system is ready. This alternative is not recommended, as the Regional Pass Program has been coordinated and is consistent with the implementation of UFS. Moreover, the Regional Pass Program lays the framework for UFS and will be continued and integrated into the UFS.

## **FINANCIAL IMPACT**

The cost of the program is estimated at approximately \$2 million for fiscal year 2003. Funds are available in the Proposition A and C/TDA administration fund balance. TDA law specifically requires MTA as the regional planning entity to provide a coordinated transit system.

## **BACKGROUND**

Los Angeles County is a large area where transit services are provided by 16 municipal operators, Metrolink, and numerous cities. Operators offer a variety of fares and different pass options. This is extremely confusing and inconvenient for transit riders who use more than one system or transfer from bus to rail to complete a trip. The multiplicity of fare instruments discourages new riders from sampling transit as a means of completing local travel needs. A Regional Pass, allowing riders to transfer from one system to another without worrying about transfer payments and fare differentials will be a significant step in providing a seamless transit trip to our transit customers in Los Angeles County.

Work effort towards such a pass started in November 2001. A multi-operator task force, the general managers of the Transit Systems and MTA staff have been working closely to develop the Regional Pass program. The Bus Operations Subcommittee (BOS) has approved the program in concept, with the understanding that staff will work with them to develop the administrative details.

The main elements of the program are outlined below:

### **A. Two-phased Approach:**

- Phase 1: 12 fixed-route municipal operators and MTA
- Phase 2: invite participation from local systems, Metrolink and other counties

### **B. Price of Pass:**

- Monthly Regional Pass - \$58;
- Elderly and disabled pass - \$29 (meets Federal requirements for a half-fare option for elderly and disabled);
- Zone premium priced - \$15 per zone increment;
- Elderly and disabled zone premium - \$7.50 per zone increment

**C. Distribution and Sales:** All operators will sell the pass from their current outlets and transit stores. All operators will market the pass from their current marketing programs and joint marketing efforts.

**D. Revenue Sharing:** Each operator is reimbursed at the rate of its current average fare per boarding times the operator's Regional Pass boardings. This methodology results in no revenue loss to the operators.



E. Cost of the Program: The cost is estimated at \$2 million, to be funded from TDA/Prop A and C “off the top” administrative funds. MTA is responsible for the printing and distribution cost of the pass. The program is described in detail in Attachments A and B.

### **NEXT STEPS**

- Develop MOU Agreements with the transit operators (April 27, 2002 to June 27, 2002)
- Scheduled implementation – July 2002

### **ATTACHMENTS**


- A. Program Approach
- B. Program Elements

Prepared by: Nalini Ahuja  
Project Manager


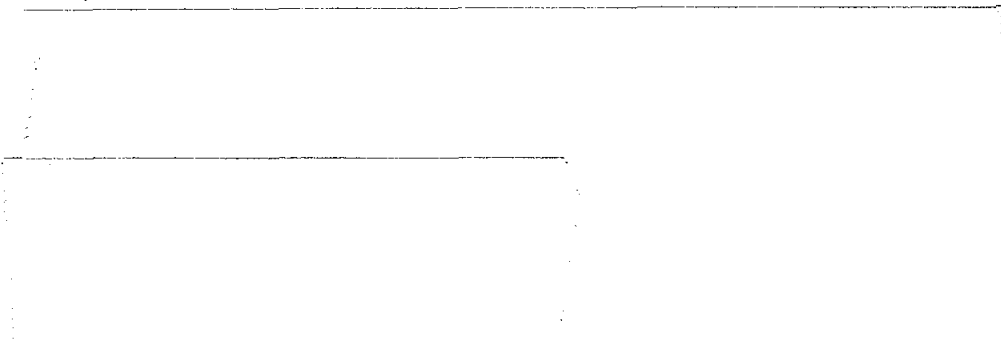
#### Working Group:

Brynn Kernaghan, Long Beach  
Dana Lee, Norwalk Transit  
Connie Hill, Santa Clarita Transit  
Ashok Kumar, MTA Operations  
MTA Staff, Finance Department

Phil Aker, LADOT  
Paula Faust, Montebello Bus Lines  
Andre Colaiace, Culver City Bus Lines  
Dave Feinberg, Big Blue Bus



James L. de la Loza  
Executive Officer  
Countywide Planning & Development



Roger Snoble  
Chief Executive Officer

Table 1

## REGIONAL PASS

Cash Customer making transfers from a Municipal operator system to MTA bus or rail

OPERATORS	FARE	INTER AGENCY TRANSFER	COST OF MORNING TRIP	COST OF RETURN TRIP	COST OF ROUND TRIP W/T OPERATORS/MTA TRANSFER	MONTHLY TOTAL COST
CULVER CITY MUNICIPAL BUS LINES	\$0.75	\$0.25	\$1.00	\$1.60	\$2.60	\$52.00
FOOTHILL MUNICIPAL	\$0.90	\$0.00	\$0.90	\$1.60	\$2.50	\$50.00
GARDENA MUNICIPAL BUS LINES	\$0.50	\$0.25	\$0.75	\$1.60	\$2.35	\$47.00
L.A.D.O.T	\$0.90	\$0.25	\$1.15	\$1.60	\$2.75	\$55.00
LA MIRADA TRANSIT	\$1.00	\$0.25	\$1.25	\$1.60	\$2.85	\$57.00
LONG BEACH TRANSIT	\$0.90	\$0.35	\$1.25	\$1.60	\$2.85	\$57.00
MONTEBELLO BUS LINES	\$0.90	\$0.25	\$1.15	\$1.60	\$2.75	\$55.00
NORWALK TRANSIT	\$0.60	\$0.25	\$0.85	\$1.60	\$2.45	\$49.00
SANTA CLARITA TRANSIT	\$1.00	\$0.25	\$1.25	\$1.60	\$2.85	\$57.00
SANTA MONICA BIG BLUE BUS	\$0.50	\$0.25	\$0.75	\$1.60	\$2.35	\$47.00
TORRANCE TRANSIT	\$0.75	\$0.15	\$0.90	\$1.60	\$2.50	\$50.00
MTA	\$1.35	\$0.25	\$1.60	\$1.00	\$2.60	\$52.00

**NOTE:** Monthly cost based on 20 round trips per rider

## PROGRAM APPROACH

### A. A Phased Approach Considered

- First Phase: include municipal operators and operators willing to participate in the Regional Pass Program (RPP) – (all fixed route Municipal Operators except Antelope Valley Transit Authority are participating, i.e., 12 transit operators including MTA Operations)
- Second Phase: Include other operators; local systems, Metrolink and other counties such as Orange County

### B. Program Principles and Framework

- Keeping Operators Whole: Commitment to keep all operators and MTA Operations whole. In other words, Regional Pass to result in no revenue loss to MTA Operations or the participating operators
- Revenue Sharing Methodology: Goal to achieve a balance between a methodology that would be simple/easy to administer, yet fair to all participants.
- Price of Regional Pass: Keeping the price affordable yet sufficient to allow some reasonable payback to the operators
- Use of Regional Funds: To keep the Regional Pass affordable, consider regional funds to subsidize the program participants

### C. Relationship to UFS

- Select revenue sharing methodology and regional pass price such that it can be directly transferred to or easily modified to continue when the upcoming UFS is implemented.

### D. Distribution/Sales Network/Marketing

- Everyone participating has the option to sell the pass
- Operators and MTA sell the pass through their current sales outlets
- Operators market the pass through their own marketing programs and participate in joint marketing efforts

## PROGRAM ELEMENTS

### A. Price of the Regional Pass

- Transit riders likely to buy a regional pass are these who transfer from one system to another to complete their trips
- Current cost of a trip with transfer to another system
  - \$47 - \$57 for cash paying customers (Table 1 attached)
  - \$52 - \$62 for MTA pass holders (Table 2 attached)
- Recommendation to consider \$58 as the price of the Regional Pass
- A \$29 Regional Pass for seniors/disabled or half of the price of the Regional Pass
- An Express monthly regional pass with options of five or more zones
  - (Each zone at a \$15 price increment)
- An express monthly senior and disabled pass with options of five or more zones
  - (Each zone at \$7.50 price increment)

### B. Revenue Distribution Between Operators

- Methodology where revenues are distributed based on each operator's system average fare/boarding multiplied by the operators regional pass boardings
- This methodology keeps every operator whole, as the operators are reimbursed the same average revenue/boarding as they are currently collecting
- Since the revenue collected from the sale of the regional passes may be less than the revenue to be returned to the operators, some regional subsidy funds are needed (table 3 attached)

### C. Cost of the Program: FY2003

• Cost of printing, distribution and processing (Estimated)	\$ 500,000
• Cost of marketing	\$ 150,000
• Cost of auditing	\$ 50,000
• Projected set aside of regional subsidy	\$ 1,300,000
• <b>TOTAL</b>	<b>\$2,000,000.00</b>

Funding Source: Proposition A & C/TDA administrative funds

### D. Administrative Details

- MTA staff will work with the participating transit operators to execute an MOU and develop administrative guidelines to include:
  - Revenue and data reporting mechanism
  - Revenue reconciliation and reimbursement procedures, auditing requirements and other requirements necessary to proceed with the program

Table 2

**REGIONAL PASS  
MTA PASS HOLDERS MAKING TRANSFERS TO OTHER OPERATORS**

PASS HOLDERS	OPERATORS	FARE	TOTAL MONTHLY ONE WAY FARE	COST OF MONTHLY ROUND TRIP
\$42.00	CULVER CITY MUNICIPAL BUS LINES	\$0.75	\$15.00	\$57.00
\$42.00	FOOTHILL TRANSIT	\$0.90	\$18.00	\$60.00
\$42.00	GARDENA MUNICIPAL BUS LINES	\$0.50	\$10.00	\$52.00
\$42.00	L.A.D.O.T	\$0.90	\$18.00	\$60.00
\$42.00	LA MIRADA TRANSIT	\$1.00	\$20.00	\$62.00
\$42.00	LONG BEACH TRANSIT	\$0.90	\$18.00	\$60.00
\$42.00	MONTEBELLO BUS LINES	\$0.90	\$18.00	\$60.00
\$42.00	NORWALK TRANSIT	\$0.60	\$12.00	\$54.00
\$42.00	SANTA CLARITA TRANSIT	\$1.00	\$20.00	\$62.00
\$42.00	SANTA MONICA BIG BLUE BUS	\$0.50	\$10.00	\$52.00
\$42.00	TORRANCE TRANSIT	\$0.75	\$15.00	\$57.00

Table 3

**Regional Pass  
Revenues Distributed based on Operators System average fare/boarding**

<b>Operators</b>	<b>Estimated Regional Pass Boardings</b>	<b>Revenue from Regional Pass sold</b>	<b>Operators System Current Average Fare/Boarding</b>	<b>Revenue share of operators</b>
Norwalk Transit	56,901	\$ 780,880	\$ 0.45	\$ 25,605
Gardena Municipal Bus Lines	243,968	\$ 780,880	\$ 0.36	\$ 87,828
Montebello Bus Lines	547,712	\$ 780,880	\$ 0.57	\$ 312,196
Long Beach Transit	1,615,483	\$ 780,880	\$ 0.50	\$ 807,742
Santa Monica Big Blue Bus	688,810	\$ 780,880	\$ 0.36	\$ 247,972
Foothill Transit	3,078,309	\$ 780,880	\$ 0.80	\$ 2,462,647
Culver City	335,817	\$ 780,880	\$ 0.50	\$ 167,909
MTA	5,055,394	\$ 780,880	\$ 0.57	\$ 2,881,575
<b>Total</b>	<b>11,622,394</b>	<b>\$ 6,247,037</b>	<b>\$ 0.59</b>	<b>\$ 6,993,473</b>

## Assumptions:

1. Regional Pass boardings estimate assumes 15% of current interoperator boardings and 90% of current joint pass boardings will transfer to Regional Pass boardings.
2. Assumed 80 boardings per pass per month
3. Assumed the average pass price per passenger to be \$43-(55% regular, 45% senior/disabled)
4. Regional funds required in FY 03: \$746,436 (difference between regional pass revenue and revenue returned to operators)
5. Number of passes sold in FY 03: 145,280
6. The subsidy estimated is projected to be \$1.3 million:
  - (a) based on data anticipated from LADOT, Torrance and Santa Clarita
  - (b) the subsidy calculation is based on an estimate of expected regional pass boardings, actual boardings may be different
  - (c) this ensures sufficient funds are budgeted to reimburse the operators
  - (d) subsidy amount will be adjusted based on actual data when the program is in place

## ATTACHMENT B

### Los Angeles County EZ Transit Pass Regional Program Guidelines for Participating Agencies

This document prescribes the Guidelines for participation in the Los Angeles County Regional EZ transit pass Program. This document is an attachment to the MOU between participating agencies and the Los Angeles County METRO and has binding force and effect. Amendments to this document must be approved by a simple majority of the Los Angeles County Bus Operations Subcommittee (BOS) and Local Transit Systems Subcommittee (LTSS) with the concurrence of the METRO CEO.

The EZ transit pass program is a regional pass program that will allow patrons to transfer among participating transit systems, thus providing seamless travel and increased mobility throughout the greater Los Angeles County area.

#### A. Types of EZ transit pass Fare Media to Be Honored by Participating Agencies:

<u>TYPE OF PASS</u>	<u>SUB-CATEGORY</u>
REGULAR PASSES	Monthly
SENIOR/DISABLED	Monthly
REGULAR PASS with Zone	Monthly
SENIOR/DISABLED with Zone	Monthly

#### B. List of Participating Agencies

Antelope Valley Transit Authority  
Beach Cities Transit  
City of Burbank – Burbank Local Transit  
City of Carson  
City of Commerce  
City of Huntington Park  
City of Monterey Park – Spirit Bus  
City of Pasadena – Area Rapid Transit System  
City of Santa Fe Springs – Metro Express  
City of South Pasadena – GoldLink  
Culver City Municipal Bus Lines  
Foothill Transit  
Gardena Municipal Bus Lines  
Glendale Beeline  
Long Beach Transit  
Los Angeles Department of Transportation  
Los Angeles County Metropolitan Transportation Authority  
Montebello Bus Lines  
Norwalk Transit



Palos Verdes Peninsula Transit Authority  
Santa Clarita Transit  
Santa Monica's Big Blue Bus  
Torrance Municipal Area Express  
Torrance Transit

Additional Agencies may join the EZ transit pass program with the concurrence of the Participating Agencies.

**C. Methodologies for Recording EZ transit pass Boardings**

1. Actual boardings as recorded in farebox data

Agencies that can produce farebox data that records actual EZ transit pass boardings may use this boarding number for fare reimbursement.

2. Boardings based on survey data.

- Boarding Data compiled from onboard surveys can be used for fare reimbursement.
- These surveys can also be used to document undercounting of EZ transit pass boardings.
- Surveys must use a reliable statistical methodology to record EZ transit pass boardings on a line by line basis.
- Surveys must be conducted at least once per fiscal year.

**D. EZ transit pass Fare Reimbursement**

1. Operator boardings shall be reimbursed at the higher of average fare or average cash fare.
2. Data used to calculate the annual average fare or average cash fare is for the same fiscal year that reimbursement is requested, i.e. Fiscal Year 06-07 estimated data will be used for Fiscal year 06-07 reimbursement. The annual average fare or average cash fare can be calculated using either Option 1 or Option 2.

**Average Fare:**

Option 1:

**All Farebox Revenue:** All fare revenue including pass sales.

**All EZ transit pass Sales Revenue:** All EZ transit pass revenue received from METRO.

**Student Fare Revenue:** All revenue cash and pass fare media not part of the EZ transit pass program, i.e. student and college fares.

**All Boardings:** Total of all boardings.

**Attachment B**

**All EZ transit pass Boardings:** Total boardings using EZ transit pass media to board bus.

**Student Fare Boardings:** Total boardings using college or student fare media to board bus.

**Complimentary Boardings:** Complimentary boardings such as legally blind, children or other free boardings.

Average Fare =

$$\frac{\text{All farebox Rev} - \text{All EZ transit pass Sales Rev.} - \text{Student Fare Revenue}}{\text{All Bdgs.} - \text{All EZ transit pass Bdgs.} - \text{Student Fare Bdgs.} - \text{Comp. Bdgs.}}$$

Reimbursement Methodology = Average Fare X EZ transit pass system boardings

Option 2 (different annual average fares for each type of EZ transit pass media):

**Local Revenue:** Total revenue from local cash fares and all local pass sales.

**Senior Local Revenue:** Total revenue from senior cash fares and all senior pass revenue.

**Express Revenue:** Total revenue from all express service cash fares and all express pass revenue.

**Senior Express Revenue:** Total Revenue from senior express cash fares and senior express pass revenue.

**Local Boardings:** Total boardings paying a local cash fare or using a local pass.

**Senior Local Boardings:** Total boardings paying a senior cash fare or using a senior pass.

**Express Boardings:** Total boardings paying express cash fare or using an express service pass.

**Senior Express Boardings:** Total boardings paying senior express cash fare or using a senior express pass.

**Complimentary Boardings:** Proportion of complimentary boardings associated with Local Average Cash Fare, Senior Average Cash Fare, and Express Average Cash Fare, respectively.

**Note:** A separate calculation for annual average cash fare is to be completed for each type of EZ transit pass fare media. No calculations should include student fare revenues, student boardings or complimentary boardings.

Local Average Fare =

$$\frac{\text{Local Revenue}}{\text{Local Boardings}}$$

Senior Average Fare =

$\frac{\text{Senior Fare Revenue}}{\text{Senior Boardings}}$

Express Average Fare =

$\frac{\text{Express Revenue}}{\text{Express Boardings}}$

Senior Express Average Fare =

$\frac{\text{Senior Express Revenue}}{\text{Senior Express Boardings}}$

Reimbursement Methodology:

Local Average Fare X Local EZ transit pass boardings

Senior Average Fare X Senior EZ transit pass boardings

Express Average Fare X Express EZ transit pass boardings

Senior Express Average Fare X Senior Express EZ transit pass boardings

Average Cash Fare:

Option 1:

**All Farebox Revenue:** All fare revenue including pass sales.

**All EZ transit Pass Sales Revenue:** All EZ transit pass revenue received from METRO.

**Student Fare Revenue:** All revenue cash and pass fare media not part of the EZ transit pass program, i.e. student and college fares.

**Multiride Fare Revenue:** All revenue from multi-ride passes or tickets or other fare media.

**All Boardings:** Total of all boardings.

**All EZ transit pass Boardings:** Total boardings using EZ transit pass media to board bus.

**Student Fare Boardings:** Total boardings using college or student fare media to board bus.

**Multi-ride Fare Boardings:** Boardings using multi-ride fare media to board bus.

**Complimentary Boardings:** Complimentary boardings such as legally blind, children or other free boardings.

Average Cash Fare =

$\frac{\text{All farebox Rev} - \text{All EZ transit pass Sales Rev.} - \text{Student Fare Rev.} - \text{Multi-ride Fare Rev.}}{\text{All Bdgs.} - \text{All EZ transit pass Bdgs.} - \text{Student Fare Bdgs.} - \text{Comp. Bdgs.} - \text{Multi-ride Bdgs.}}$

Reimbursement Methodology = Average Cash Fare X EZ transit pass system boardings

Option 2 (different annual average cash fares for each type of EZ transit pass media):

**Local Revenue:** Total revenue from local cash fares and all local pass sales.

**Senior Local Revenue:** Total revenue from senior cash fares and all senior pass revenue.

**Express Revenue:** Total revenue from all express service cash fares and all express pass revenue.

**Senior Express Revenue:** Total Revenue from senior express cash fares and senior express pass revenue.

**Multi-ride Revenue:** Proportion of revenue from multi-ride fare media associated with Local Average Cash Fare, Senior Average Cash Fare, and Express Average Cash Fare, respectively.

**Local Boardings:** Total boardings paying a local cash fare or using a local pass.

**Senior Local Boardings:** Total boardings paying a senior cash fare or using a senior pass.

**Express Boardings:** Total boardings paying express cash fare or using an express service pass.

**Senior Express Boardings:** Total boardings paying senior express cash fare or using a senior express pass.

**Multi-ride Boardings:** Proportion of boardings using multi-ride fare media to board bus associated with Local Average Cash Fare, Senior Average Cash Fare, and Express Average Cash Fare, respectively.

**Complimentary Boardings:** Proportion of complimentary boardings associated with Local Average Cash Fare, Senior Average Cash Fare, and Express Average Cash Fare, respectively.

**Note:** A separate calculation for annual average cash fare is to be completed for each type of EZ transit pass fare media. No calculations should include student fare revenues, student boardings or complimentary boardings.

Local Average Cash Fare =

$$\frac{\text{Local Revenue} - \text{Local Multi-ride Revenue}}{\text{Local Boardings} - \text{Local Multi-ride Boardings}}$$

Senior Average Cash Fare =

$$\frac{\text{Senior Fare Revenue} - \text{Senior Multi-ride Revenue}}{\text{Senior Boardings} - \text{Senior Multi-ride Boardings}}$$

Express Average Cash Fare =

$$\frac{\text{Express Revenue} - \text{Express Multi-ride Revenue}}{\text{Express Boardings} - \text{Express Multi-ride Boardings}}$$

Senior Express Average Cash Fare =

$$\frac{\text{Senior Express Revenue} - \text{Senior Express Multi-ride Revenue}}{\text{Senior Express Boardings} - \text{Senior Express Multi-ride Boardings}}$$

Reimbursement Methodology:

Local Average Cash Fare X Local EZ transit pass boardings

Senior Average Cash Fare X Senior EZ transit pass boardings

Express Average Cash Fare X Express EZ transit pass boardings

Senior Express Average Cash Fare X Senior Express EZ transit pass boardings

3. Each Agency will collect EZ transit pass boardings on its system, based on the methodology in Paragraph C. Each agency will submit to METRO at the end of the current fiscal year actual boarding counts. At the end of the fiscal year, the agency will reconcile the average fare or average cash fare with METRO based on actual revenue and boardings. Payments will be adjusted based on the reconciled average fare or average cash fare. Alternatively, operators may choose to update the average each month using actual revenue and boardings data for that month's invoice.
4. An Agency may also request adjustments based on final audited boardings, as determined by statistically valid survey as described in Item C, #2.
5. For an Agency to receive reimbursement from METRO, as described above, the agency shall invoice METRO on a monthly or quarterly basis. Each invoice shall contain the calculation of the number of all valid EZ transit pass boardings honored for all fixed routes that the agency operated and the Average Cash Fare (estimated or actual). Invoices shall also include the total EZ transit pass sale revenue received by the Agency. The total remittance to the Agency will be the net value of the total EZ transit pass boardings times the Average Fare or Average Cash Fare minus the EZ transit pass sales revenue. All unused, unsold EZ transit passes shall accompany the invoice from the agency.
6. All appeals to the reimbursement process, including fare revenue calculation, shall be brought by a Participating Agency to the Bus Operations Subcommittee (BOS) and Local Transit Systems Subcommittee (LTSS). The EZ transit pass Working Group will make a recommendation to the full BOS and LTSS, which will make recommendations for final resolution by the METRO CEO

**E. EZ transit pass Media Sales Rules**

1. The EZ transit pass monthly sale period shall commence no earlier than the 25th of the previous month and continue until the 10th of the current EZ transit pass month.
2. All sales outlets must enter into a consignment agreement with METRO or the participating agencies. All customer service to sale vendors shall be conducted by METRO staff or the participating agencies.
3. Mail and online orders can commence earlier than the 25th of the month as determined by the participating agencies' internal deadlines.

4. METRO will supply participating agencies with EZ transit pass fare media between the 10th and 15th of the month.

**F. Audit**

1. Each Agency's procedures for recording boardings and invoicing will be subject to audit each year at Metro's expense. The audits covering fiscal years 2003-04 through 2005-06 will be conducted as part of the Triennial Performance Audit. The audits for subsequent years will be conducted as annual EZ transit pass audits. An Agency may conduct its own EZ transit pass audit, so long as it uses the same scope of work that METRO uses for its EZ transit pass audit.
2. Each Agency shall include in its annual Transit Performance Measurement (TPM) Report the EZ transit pass boardings for the year.

**G. Service Provision**

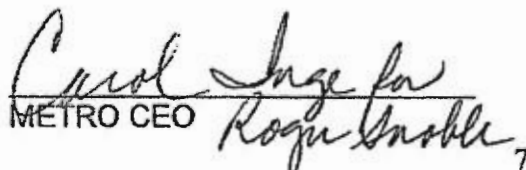
1. Each Agency will honor all valid EZ transit passes on all of its local Fixed route service bus lines.
2. Each Agency will participate in the EZ transit pass program in accordance with the EZ transit pass Agreement regarding usage and fare reimbursement between METRO and the Agency, the METRO Board report dated April 25, 2002 as approved by the METRO Board, and these Guidelines.

**H. Identification Requirements for Senior and Disabled**

1. Seniors – Passengers must be at least 62 and show proof of age to purchase and to board using one of the following identification cards: DMV senior (or license), Medicare, Long Beach Transit senior, METRO senior, Torrance Transit senior, Gardena Municipal Bus Line senior, or appropriate senior identification.
2. Disabled/Medicare – Passengers must be disabled and show one of the following identification cards to purchase and to board: Access Paratransit, DMV placard receipt, LACTOA, Medicare, Long Beach Disabled, or appropriate disabled identification.

Effective July 1, 2007

Approved:

  
METRO CEO

DATE 10-11-07

**EZ TRANSIT PASS PROGRAM  
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
AND  
THE AGENCY**

This Agreement regarding **Usage and Fare Reimbursement** ("Agreement") is made and entered into as of **December 1, 2008**, by and between the Los Angeles County Metropolitan Transportation Authority (the "LACMTA"), a public agency, corporate and politic, and the \_\_\_\_\_ (the "AGENCY"), a municipal corporation, referred to herein individually as a "Party" or collectively as the "Parties."

**RECITALS**

This Agreement is made and entered into with respect to the following facts:

**WHEREAS**, the LACMTA and the AGENCY are currently Parties to the EZ transit pass Agreement regarding Usage and Fare Reimbursement, which is referenced as MOU.PEZ04LON as amended (the "Existing Agreement"), for acceptance of EZ transit pass and Metrolink fare media on the AGENCY's bus service; and

**WHEREAS**, the Parties intend that this Agreement will replace and supersede the Existing Agreement and the Existing Agreement shall terminate as of June 30, 2007; and

**WHEREAS**, the EZ transit pass Program is a regional transit pass program which issues regular premium and special user regional passes (collectively, an "EZ transit pass") that will allow patrons to transfer among participating transit systems, thus providing seamless travel and increased mobility throughout the greater Los Angeles County area; and

**WHEREAS**, at the April 25, 2002 meeting of the LACMTA Board of Directors, the Board approved the LACMTA's participation in the EZ transit pass Program and approved program elements as described in the Board report, dated April 25, 2002, included herein in as **Attachment A**; and

**WHEREAS**, the AGENCY desires to continue its participation in the EZ transit pass Program; and

**WHEREAS**, the LACMTA and the AGENCY recognize that increased public transit use has a beneficial impact on the quality of life for the communities that are served; and

**WHEREAS**, the LACMTA and the AGENCY acknowledge and agree that the AGENCY's honoring of the EZ transit pass fare media as part of the AGENCY's operation of the LBT shall provide greater convenience and easier mobility for public transportation users in Los Angeles County; and

**WHEREAS**, rules and procedures for participation in this program are outlined in the "Los Angeles County EZ transit pass Regional Program Guidelines for Participating Agencies," included herein and referenced as Attachment B (the "EZ transit pass Guidelines"). Amendments to the EZ transit pass Guidelines document can only be approved by a simple majority ruling of the Los Angeles County Bus Operations Subcommittee (BOS) and the Local Transit Systems Subcommittee (LTSS) with the concurrence of the LACMTA CEO; and

**WHEREAS**, the Parties expanded the EZ transit pass Program to include Metrolink fare media in order to further increase mobility and enhance the seamless travel experience in the greater Los Angeles County area; and

**WHEREAS**, at the September 25, 2003 meeting of the LACMTA Board of Directors, the Board approved the extension of the EZ transit pass Program to an annual renewing program and approved

the Southern California Regional Rail Authority's (SCRRA's) participation in the EZ transit pass Program; and

**WHEREAS**, "Metrolink Fare Boarding" refers to a boarding on an EZ transit pass participating transit system using Metrolink fare media; and

**WHEREAS**, the LACMTA is willing to reimburse participating Los Angeles County transit systems for Metrolink Fare Boardings through the EZ transit pass Program; and

**WHEREAS**, at the September 27, 2007 meeting of the LACMTA Board of Directors, the Board approved a new fare reimbursement method to be effective July 1, 2007; and

**WHEREAS**, the parties were notified of the new fare reimbursement method on November, 16, 2007; and

**WHEREAS**, there has been several months' delay in developing this Agreement to document the new fare reimbursement method; and

**WHEREAS**, the parties desire that the new fare reimbursement method be effective as of **July 1, 2007**.

**NOW, THEREFORE, THE PARTIES AGREE** to the terms and conditions set forth as follows:

**I. TERMINATION OF PRIOR AGREEMENT**

A. The Existing Agreement is hereby terminated as of June 30, 2007.

**II. SERVICE PROVISION**

A. The AGENCY will honor all valid EZ transit passes on all of the AGENCY's local fixed route service bus lines.

B. The AGENCY will participate in the EZ transit pass Program in accordance with the terms and conditions contained herein and in the LACMTA Board report attached as **Attachment A** and the **EZ transit pass Guidelines** attached as **Attachment B**.

**C. METROLINK PARTICIPATION IN EZ TRANSIT PASS PROGRAM**

1. The rules and procedures for accepting valid Metrolink fare media are outlined in the "Guidelines for Accepting Metrolink Fare Media", included herein by reference as **Attachment C** hereto, (the "Metrolink Fare Guidelines"). Amendments to the Metrolink Fare Guidelines document can only be approved by a simple majority ruling of the Los Angeles County Bus Operations Subcommittee (BOS) and the Local Transit Systems Subcommittee (LTSS) with the concurrence of the LACMTA CEO.

2. During the term of this Agreement, the LACMTA shall reimburse the AGENCY an amount equal to the net value of the total Metrolink fare boardings times the higher of the Average Fare or the Average Cash Fare, as defined in the EZ transit pass Guidelines.

3. The annual value of the reimbursements for Metrolink Fare Boardings provided for by this MOU is estimated at \$500 for FY 2008-09. It may increase or decrease each year depending on actual boardings and the fare policy of the AGENCY.



4. The description of Valid Metrolink Fare Media, the mechanics of the reimbursement for Metrolink Fare Boardings, and methods for counting or estimating Metrolink Fare Boardings are described in the Metrolink Fare Guidelines.
5. The AGENCY will honor all valid "Metrolink Fare Media" on all of the AGENCY's local fixed route bus lines.
6. The AGENCY will also honor all valid senior and disabled Metrolink fare media. Identification requirements for senior and disabled Metrolink Fare Media shall be the same as those described in the EZ transit pass Guidelines.
7. The Metrolink Fare Media shall now be considered part of the EZ transit pass Program and shall be considered valid regular EZ transit pass fare media.
8. Metrolink Fare Media include the EZ transit pass logo. LACMTA will work with SCRRA to ensure that Metrolink Fare Media continue to include the EZ transit pass logo and are updated as soon as possible when necessary to reflect any changes to the EZ transit pass logo.
9. The AGENCY may, at its option, choose to record Metrolink Fare Boardings as EZ transit pass boardings, so long as an accepted methodology is used to allocate the boardings between EZ transit pass Boardings and Metrolink Fare Boardings for purposes of reimbursement. Accepted methodologies for making this allocation are described in the Metrolink Fare Guidelines.
10. Subject to item II. C 9, above, the AGENCY shall be responsible for keeping accurate records of all "Metrolink Fare Boardings."
11. At its own expense, the LACMTA may conduct its own studies or surveys to verify the accuracy and reasonableness of the AGENCY's Metrolink Fare Boardings data on the LBT system.
12. The AGENCY shall report to the LACMTA its total annual Metrolink Fare Boardings, a subset of its total EZ transit pass Boardings, within 90 days of the close of each fiscal year. The LACMTA may, at its own expense, audit the AGENCY's Metrolink Fare Boardings data collection methodology and the data itself as described in the EZ transit pass Guidelines.

### III. EZ TRANSIT PASS FARE REVENUE REIMBURSEMENT/SALES/DISTRIBUTION OF MEDIA

- A. In addition to the reimbursement for Metrolink Fare Boardings, during the term of this Agreement, the LACMTA shall also reimburse the AGENCY an amount equal to the net value of the total EZ transit pass boardings times the higher of the Average Fare or Average Cash Fare, as defined in the EZ transit pass Guidelines less the EZ transit pass sales revenue received by the AGENCY during the same period. The methodology for calculating Average Fare, Average Cash Fare and the mechanics of reimbursement are described in the EZ transit pass Guidelines.
- B. The annual value of the EZ transit pass reimbursements provided for by this MOU is estimated at **\$1,600,000 for FY 2008-09**. It may increase or decrease each year depending on actual boardings and the fare policy of the AGENCY.
- C. EZ transit pass Sales Revenue

The AGENCY shall collect revenues from its sale of EZ transit passes. These revenues shall be accounted for and reported to the LACMTA in the fare reimbursement invoice as required by the EZ transit pass Guidelines.

D. Media Cost and Distribution

The LACMTA will have sole responsibility for the distribution of the EZ transit pass fare media to sales outlets and all of the AGENCY's designated outlets. The LACMTA will assume all costs for the printing and distribution of the EZ transit pass fare media.

E. Marketing

The AGENCY will market the EZ transit pass Program in its current customer service and marketing programs and participate in countywide joint marketing efforts.

**IV. EZ TRANSIT PASS MEDIA SALES OUTLETS**

A. The EZ transit pass monthly sale period at all the AGENCY's designated sales outlets shall commence no earlier than the 25th of the previous month and continue until the 10th of the current EZ transit pass month.

B. All of the AGENCY's designated sales outlets must enter into a consignment agreement with the AGENCY for the sale of the EZ transit pass fare media. All customer service to EZ transit pass sale vendors shall be conducted by the AGENCY.

**V. DATA COLLECTION AND REPORTING**

A. The AGENCY shall be responsible for keeping accurate records of all EZ transit pass boardings. Accepted methodologies for data collection are described in the EZ transit pass Guidelines.

B. Each invoice shall include the applicable MOU number.

- For the EZ transit pass invoices, the MOU number is **MOU.PEZXXX**.
- For Metrolink fare media invoices, the MOU number is **MOU.PEMXXX**.

C. Invoices shall be sent to:

Los Angeles County Metropolitan Transportation Authority (LACMTA)  
Accounts Payable  
P.O. Box 512296  
Los Angeles, CA 90051-0296

A copy shall be sent to:

- Rufus Cayetano (for EZ transit pass)
- Patricia Chen (for Metrolink Fare Boardings)

Los Angeles County Metropolitan Transportation Authority (LACMTA)  
One Gateway Plaza, (Mailstop - 99-23-4)  
Los Angeles, CA 90012-2952

## **VI. INSPECTION OF RECORDS**

- A. At its own expense, the LACMTA may conduct its own studies or surveys to verify the accuracy and reasonableness of the AGENCY's EZ transit pass usage data on the LBT system.
- B. Records of the LACMTA pertaining to this Agreement shall be available for inspection and review by the AGENCY at all reasonable times for a period of three years from the applicable request for reimbursement under the terms of this Agreement.
- C. Records of the AGENCY pertaining to this Agreement shall be available for inspection by the LACMTA at all reasonable times for a period of three years from the applicable request for reimbursement under the terms of this Agreement.

## **VII. AUDIT**

The AGENCY shall report to the LACMTA its total annual EZ transit pass boardings within 90 days of the close of each fiscal year. The LACMTA may, at its own expense, audit the AGENCY's EZ transit pass boarding data collection methodology and the data itself through the triennial performance audit.

## **VIII. TERM**

The Agreement shall commence on **July 1, 2007** and shall automatically renew each year on July 1, for an additional one-year term or until the EZ transit pass program is terminated. Each Party has the right to terminate this Agreement without cause or further obligation upon 120 days prior written notice.

## **IX. INDEMNIFICATION**

- A. The LACMTA shall indemnify, defend and hold harmless the AGENCY, its officers, agents and employees, from and against any and all liability, expense, including defense costs and legal fees, and claims for damage for any nature whatsoever, including, but not limited to bodily injury, death, personal injury or property damage arising from or in any way connected with services to be performed by the LACMTA pursuant to this Agreement.
- B. The AGENCY shall indemnify, defend and hold harmless the LACMTA and its officers, agents and employees, from and against any and all liability, expense, including defense costs and legal fees, and claims for damage of any nature whatsoever, including, but not limited to bodily injury, death, personal injury or property damage arising from or in any way connected with services, including, without limitation the LBT services, to be performed by the AGENCY pursuant to this Agreement.

## **X. NOTICE**

All formal notices, demands and communications to be given hereunder by either Party shall be made in writing and may be effected by personally or by U.S. mail to the addresses listed below:

Los Angeles County Metropolitan Transportation Authority (LACMTA)  
One Gateway Plaza  
Los Angeles, CA 90012-2952

Attention: Rufus Cayetano  
EZ transit pass Project Manager  
Phone: (213) 922-2379

OR

Attention: Patricia Chen  
Metrolink Project Manager  
Phone : (213) 922-3041

(AGENCY)

**XI. ATTORNEYS FEES**

Disputes regarding the interpretation or application of any provision of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations between the Parties. If any action at law or in equity is required to enforce or interpret the provisions of this Agreement, the prevailing Party in such litigation shall be entitled to an award of reasonable attorney's fees in addition to any other relief to which it may be entitled.

**XII. WAIVER**

Waiver by any Party hereto of any term, condition or covenant of this Agreement shall not constitute the waiver of any other term, condition or covenant hereof.

**XIII. BINDING EFFECT**

This Agreement shall be binding upon each of the Parties hereto.

**XIV. GOVERNING LAW**

This Agreement shall be interpreted and construed according to the laws of the State of California, and venue shall lie in a court of competent jurisdiction in Los Angeles County, California.

**XV. SEVERABILITY**

If any of the provisions of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions nevertheless will continue in full force and effect without being impaired or invalidated in any way.

**XVI. ENTIRE AGREEMENT**

This Agreement, the EZ transit pass Guidelines, the Metrolink Fare Guidelines, any other documents incorporated herein by specific reference, and any other EZ transit pass Program related documents mutually agreed to by the Parties shall constitute the entire understanding between the LACMTA, and the AGENCY regarding the EZ transit pass Program. This Agreement supersedes all prior oral or written negotiations, representations or agreements including, without limitation, any existing joint pass agreement(s) between the Parties. This Agreement may not be amended, nor any provision or breach hereof waived, except in writing signed by the Parties which expressly refers to this Agreement.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed and attested by their respective duly authorized officers.

("AGENCY"

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY (LACMTA)

BY: \_\_\_\_\_  
General Manager

BY: \_\_\_\_\_  
Roger Snoble  
Chief Executive Officer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

APPROVED AS TO FORM:

APPROVED AS TO FORM:  
Raymond G. Fortner, Jr.  
County Counsel

BY: \_\_\_\_\_

BY: \_\_\_\_\_  
Deputy County Counsel

### Guidelines for Accepting Metrolink Fare Media

This document prescribes the Guidelines for EZ transit pass Operator Acceptance of Metrolink fare media. The participation of SCRRA in the EZ transit pass Program will provide further opportunities for seamless fare transfers between a maximum number of transit services operating in Los Angeles County.

A. Sample Fare Media And Instructions For Determining Whether Fare Media Are Valid

Exhibit 1 attached hereto contains graphic images of all current Metrolink fare media. Each image is headed by the name of the fare medium and a short guideline for determining whether the medium is valid. The LACMTA will provide an update to Exhibit 1 to the AUTHORITY upon changes to the Metrolink Fare media.

B. Methods For Recording Metrolink Fare Media Boardings

1. Actual Boardings As Recorded In Farebox Data

Agencies who can produce farebox data that records actual Metrolink Fare Boardings, separate and distinct from other boardings, can use this boarding number for Metrolink Fare Reimbursement.

2. Boardings Based on EZ transit pass Operator Survey Data

For operators who either cannot produce farebox data to record actual boardings, or for whom it is not feasible at this time to record Metrolink Fare Boardings separately from other EZ transit pass boardings, boarding Data compiled from onboard surveys can be used for Metrolink fare reimbursement. Surveys must use a reliable statistical methodology to record Metrolink Fare Media boardings on a line by line basis. Surveys must be conducted at least once per fiscal year.

3. Boardings Based on SCRRA Origin-and-Destination Survey Data

Boarding Data compiled from on-board surveys of Metrolink passengers can be used for fare reimbursement. In order to ensure that all Metrolink Fare Boardings are captured, and thereby for the survey data to be allowable for reimbursement, survey questions must include all transit usage on the calendar day of the survey.

C. Metrolink Fare Reimbursement

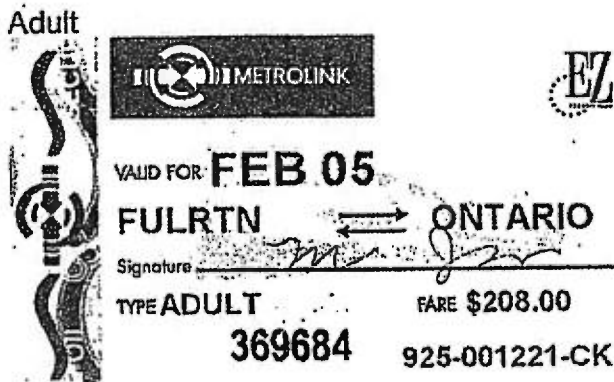
Average fare shall be calculated according to Section D. of the EZ transit pass Guidelines. Should the AUTHORITY have reason to believe that patrons using Metrolink Fare Media are likely to have a higher average fare than the AUTHORITY's general ridership, the AUTHORITY shall provide the LACMTA with a written request for a higher reimbursement rate, documented with a justification for the requested rate. The LACMTA shall review the request. If the higher rate is deemed by the LACMTA to be justified, the LACMTA shall reimburse at the higher rate, subject to readjustment in accordance with the processes set out in Section D, parts 1,2,3,4 and 5 of the EZ transit pass Guidelines, as applied to Metrolink Fare Boardings.

D. Audit, Service Provision, and Identification Requirements for Senior and Disabled

Requirements regarding Audit, Service Provision and Identification for Senior and Disabled shall be the same for Metrolink Fare Boardings and Reimbursement as for other EZ transit pass boardings and reimbursements, and shall be administered in accordance with Articles F, G and H of the EZ transit pass Guidelines.

**Metrolink Fare Matrix  
Ticket Samples as of 11/05**

**Monthly Pass:** Valid through the month printed on the ticket, and must be signed.



Monthly passes are valid for unlimited transfers to and travel on all participating EZ transit pass operator services. The Monthly Pass is valid for local base fare only.

Ticket category types include Adult, SRDIS for Senior or Disabled and STDT for Student.

Round Trip Ticket: Valid only for travel on the date printed on ticket.

Adult Weekday



0900056

TYPE

7:13P 03JUN04

ADULT PE

LAUS / BURBANK

\$ 6.75

RETURN

006-017992-CD



Youth Weekend (OP)



0927209

VALID UNTIL

TYPE

6:06P 19JAN05

YOUTH OP

ELMNTE / SBRNADO

\$ 7.25

RETURN

925-001221-CK



Adult Weekend (OP)



0927207

VALID UNTIL

TYPE

6:06P 19JAN05

ADULT OP

LSIERRA / CHTSWTH

\$16.00

RETURN

925-001221-CK



Round Trip tickets are valid for unlimited transfers to and travel on all participating EZ transit pass operator services. The ticket is valid for local base fare only.

Ticket category types include Adult, SRDIS for Senior/Disabled, Youth, Peak (PE) and Off Peak (OP).



**One Way Ticket:** Valid only for travel on the date printed on ticket.

**Senior/Disabled**



**2602734**

TYPE

VALID UNTIL

11:37A 29DEC04

SRDIS OP

SNTANA / ORANGE \$ 2.75

008-044713-CD



**Adult Weekend (OP)**



**0927212**

TYPE

VALID UNTIL

6:06P 19JAN05

ADULT OP

RCH CUC / NRIDGE \$ 7.50

925-001221-CK



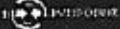
One Way tickets are valid for unlimited transfers to and travel on all participating EZ transit pass operator services. The ticket is valid for local base fare only.

Ticket category types include Adult, SRDIS for Senior/Disabled, Youth, Peak (PE) and Off Peak (OP).




**Future Date One Way and Round Trip Tickets:** A new type of ticket that can be purchased in advance, for travel on a specific day. Tickets are valid for travel only on the day(s) printed on the ticket.

**One Way Senior/Disabled**

	<b>0927323</b>
<b>VALID ON</b>	<b>TYPE</b>
<b>23JUN05</b>	<b>SRDIS PE</b>
<b>LAUS / GLENDL</b>	<b>\$ 2.25</b>
	<b>925-001365-CK</b>



**Round Trip Adult**

	<b>0927211</b>
<b>LEAVE ON 20JAN05</b>	<b>TYPE</b>
<b>RETURN ON 21JAN05</b>	<b>ADULT PE</b>
<b>CAMARIL / COVINA</b>	<b>\$19.25</b>
	<b>925-001221-CK</b>



Future Dated tickets are valid for unlimited transfers to and travel on all participating EZ transit pass operator services. The ticket is valid for local base fare only.

Ticket category types include Adult and SRDIS for Senior/Disabled.

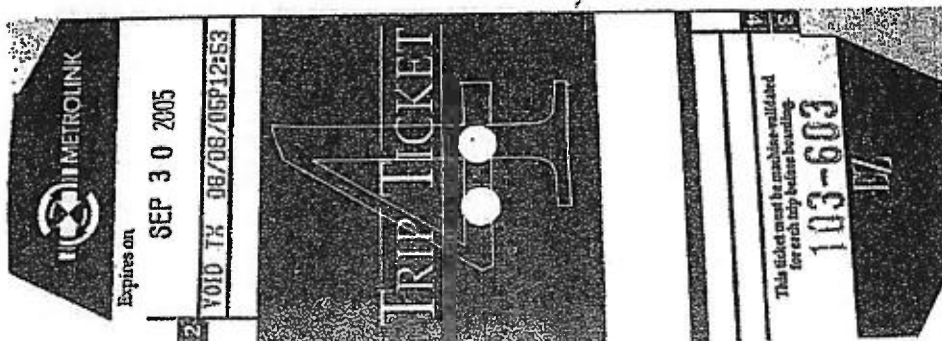
**Group Ticket:** Valid only for travel on the date printed on the ticket.

Group  
0927210  
LEAVE ON 22JAN05 TYPE  
RETURN ON 22JAN05 GROUP OP  
TUSTIN / OCNSIDE \$ 7.00  
925-001221-CK



Group tickets are valid for unlimited transfers to and travel on all participating EZ transit pass operator services. The ticket is valid for local base fare only.

**4-Trip Ticket:** Valid through date printed on ticket, and must be validated before each boarding.



4-Trip Tickets must be validated for the day of travel to be accepted on connecting transit. Once validated, 4 Trip tickets are valid for unlimited local transfers to and travel on all participating EZ transit pass operator services. The ticket is valid for local base fare only.

**New Promotional 7 Day Pass:** Must be signed prior to use and have an expiration date stamped on the pass. Good for travel on Amtrak Rail 2 Rail service, all Metrolink lines, and most connecting transit, including all participating EZ transit pass operators services where it is valid for the local base fare only.

