Placer County Transportation Planning Agency

Transportation Development Act Guidelines

Pursuant to Public Utilities Code,
Sections 99261, 99275.5, and 99401

October 2023

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THE TRANSPORTATION DEVELOPMENT ACT: AN OVERVIEW

INTRODUCTION

The Transportation Development Act of 1971 (TDA)[1], also known as SB 325, is administered by the California Department of Transportation (Caltrans) through the county's designated regional transportation planning agency (RTPA). The Placer County Transportation Planning Agency (PCTPA) is the RTPA for Placer County. The Act provides two major sources for funding of public transportation in California. The first, the county Local Transportation Fund (LTF), was established in 1972, while the State Transit Assistance (STA) fund was implemented in 1980. The intent of the legislation is to provide a stable source of funding to meet the area's transit needs. State of Good Repair (SGR) was added as part of the Road Repair and Accountability Act of 2017 (also known as Senate Bill 1, or SB 1) which was signed into law in April 2017.

LOCAL TRANSPORTATION FUND

Origin of LTF funds

The TDA creates a Local Transportation Fund (LTF) in each county for the transportation purposes specified in the Act. Revenues to the LTF are derived from 1/4% of the state retail sales tax. The 1/4% is returned by the State Board of Equalization to each county in accordance with the amount of sales tax collected in that county.

Distribution of LTF Funds

Under the Act, the LTF must be apportioned to jurisdictions based on population. However, the Act provides PCTPA with some choices in allocating revenues to the County LTF before apportionment to the jurisdictions. These are known as "off the top" allocations. PCTPA currently makes "off the top" allocations to the County Auditor-Controller for their fund accounting services and to PCTPA for TDA administration. At the option of the Board, up to 5% of the LTF is allocated for Countywide elderly and disabled transit, and up to 2% of the LTF is allocated for pedestrian and bicycle facilities. As of September 2023, the approved allocation for Countywide elderly and disabled transit is 4.5% of the LTF.

In Placer County, the LTF Apportionment is first split between the Tahoe Regional Planning Agency and PCTPA proportional to the population in each jurisdiction. Based on TDA statute, TDA funds are apportioned in the following order:

1. TDA Administration
2. Pedestrian and Bikeway Facilities

[1]For the specific wording of the Act, reference should be made to *Transportation Development Act Statutes and California Code of Regulations*, Caltrans, April 2013, and any subsequent updates. Section numbers refer to the Public Utilities Code (Division 10, Part 11, Chapter 4, Articles 1-8) and the California Code of Regulations (Title 21, Chapter 3, Articles 1-7) which are found in the above document.

3. Community Transit Services (CTSA)
4. Apportionments to Cities and County based on Population

Funding from the LTF can be described as a three-step process:

1. Apportionment
2. Allocation
3. Payment

Apportionment is the required division of available funds by population to jurisdictions within the County. Once funds are apportioned to a given jurisdiction, they are available only for allocation to claimants for that jurisdiction. Allocation is the discretionary action of the PCTPA Board of Directors designating funds for a specific claimant for a specific purpose. It is the responsibility of PCTPA to ensure that the claims and claimants are in conformance with the requirements of the Act. Payments from the LTF are made by the County Auditor-Controller, in accordance with the written allocation instructions issued by PCTPA in compliance with the Act.

LTF Apportionment

By February 1 of each year, the County Auditor-Controller furnishes a preliminary estimate of the LTF for the next fiscal year. This estimate is based on actual funds received in previous years and current economic conditions. Based on this fund estimate, PCTPA estimates the allocations to jurisdictions based on current population figures provided by the California Department of Finance. This estimate of each jurisdiction's apportionment is forwarded to the public works staff of each jurisdiction and adopted by the PCTPA Board of Directors.

The preliminary estimate of apportionment is generally amended in August or September following the reconciliation of the prior year fund balance. At this time, the fund estimate is also reapportioned based on updated population figures provided by the Department of Finance. The Final Findings of Apportionment is adopted by the PCTPA Board of Directors and forwarded to the public works staff of each jurisdiction.

STATE TRANSIT ASSISTANCE

Background

The State Transit Assistance (STA) program was created under Chapter 161 of the Statutes of 1979 (SB 620) and revised by Chapter 322 of the Statutes of 1982 (AB 2551), the Statutes of 1989 (SB 300), the Statutes of 1990 (SB 2829), the Statutes of 1991 (AB 37, SB 3), Statutes of 2010 (ABx8 6 and ABx8 9), Statutes of 2011 (AB 105), and the Statutes of 2015 (SB 508). The program provides a second source of Transportation Development Act (TDA) funding for transportation planning, public transportation, and community transit purposes as specified by the Legislature. Unlike LTF, STA funds may not be allocated for fund administration, streets, roads, or pedestrian/bicycle facility purposes.

Origin of STA Funds

STA funds are derived from the statewide sales diesel fuel, which is deposited in the Public Transportation Account in the State Transportation Fund. The state legislature approves the amount of these funds allocated to the State Transit Assistance program as part of the annual state budget process.

Distribution of STA Funds
These funds are allocated by formula to regional transportation planning agencies by the State Controller. The formula allocates 50% of the funds based on the proportion of state population residing in that region, and the remaining 50% is allocated according to the prior-year proportion of regional transit operator revenues compared with statewide transit operator revenues. The process for allocation and payment of funds from the STA fund is similar to that of the LTF.

STA Allocation
On February 1st of each year, the State Controller's office estimates the allocation of each jurisdiction within the PCTPA area based on the recommended STA funding levels and the distribution formula described above. The Controller then transmits these figures to PCTPA for adoption. Once adopted, these apportionments are distributed to the jurisdiction public works staff.

Because the state legislature annually approves the allocation of funds to the STA program as part of the budgetary process, the final amount of the STA funds available is not finalized until the state budget is adopted. The legislature has the discretion to eliminate, redistribute, or reduce the funding levels recommended by the State Controller. The Controller transmits a revised estimate to PCTPA following adoption of the state budget. The PCTPA Board of Directors adopts the revised estimate (typically in either August or September) and distributes the apportionments to jurisdictions public works staff.

STA for Transit Operations
Legislation passed in 1990 and amended in 2015 requires that all transit operators using STA funds for operating purposes must annually meet one of the following efficiency standards:

1) In the past year, the operator’s total operating cost per revenue vehicle hour, in the latest year for which audited data are available, must not exceed the sum of the preceding year's operating cost per revenue vehicle hour and an amount equal to the change in the Consumer Price Index (CPI) for the State of California, multiplied by the preceding year's operating cost per revenue vehicle hour.

or

2) The operator’s average operating cost per revenue vehicle hour, in the latest three years for which audited data are available, must not exceed the sum of the average of the operating cost per revenue vehicle hour for the three years preceding the latest year for which audited data are available and an amount equal to the average change in the CPI for the State of California for the same period, multiplied by the average total operating cost per revenue vehicle hour in the same three years.

If an operator does not meet one of the two efficiency standards, the use of STA funding for operating purposes is reduced by the lowest percentage by which the operator’s total operating cost per revenue vehicle hour exceeded the target amount for either standard.

For example, if the actual operating cost per revenue vehicle hour in efficiency standard #1 was $102 but the targeted amount (based on prior year change in CPI) was $87, the actual operating cost per revenue vehicle hour exceed the target by approximately 17%. Under efficiency standard #2, the three-year average operating cost per revenue vehicle hour was $95 but the targeted amount (based on prior three-year average change in CPI) was $89, the actual operating cost per revenue vehicle hour exceed the target by approximately 6%. Efficiency standard #2 resulted in the lowest percentage exceeding the target (6%) and shall be used only for capital purposes. The remaining amount (94%) is eligible for transit operating purposes.

An STA Qualifying Criteria worksheet contained in the TDA Claim workbook is intended to assist STA claimants in determining whether the efficiency standards are met and/or the amount that can be used for transit operating purposes. The STA Qualifying Criteria worksheet also identifies eligible operating expenses that are allowed to be deducted, per applicable public utilities code sections, from the total operating cost.

STATE OF GOOD REPAIR

Background
The Road Repair and Accountability Act of 2017, Senate Bill (SB) 1 (Chapter 5, Statues of 2017), signed by the Governor on April 28, 2017, includes a program that provides additional revenues for transit infrastructure repair and service improvements. This investment in public transit is referred to as the State of Good Repair (SGR) Program. In collaboration with the State Controller’s Office (SCO), Caltrans is tasked with management and administration of the SGR Program. SGR funds are available for eligible transit maintenance, rehabilitation, and capital projects.

Origin of SGR Funds
As specified in SB 1, the State imposes a Transportation Improvement Fee, which is a supplemental charge on the registration of vehicles, as defined in subdivision (b) of Section 11050 of the Revenue & Taxation Code, effective January 1, 2018. A portion of the revenues generated from this fee, estimated to be approximately $105 million per year, and called the “Transportation Improvement Fee” is deposited into the Public Transportation Account, which also funds the STA Program.. Future budget forecasts may include updated revenue estimates.

Distribution of SGR Funds
SGR funds are allocated under the STA Program formula to eligible agencies pursuant to Public Utilities Code (PUC) section 99312.1. The SCO publishes estimated funding levels per PUC 99313 and 99314 according to population and farebox revenues. Per PUC Section 99312.2 (c), the only entities eligible to receive direct allocations from the SCO under Sections 99313 and 99314 shall be transportation planning agencies, county transportation commissions and the San Diego Metropolitan Transit Development Board. Funds allocated per PUC 99313 shall be allocated to projects in the region based on local needs. Funds allocated per PUC 99314 shall be sub-allocated to public transit operators, who have submitted the required approved project list, based on the amounts published by the SCO. SB 1 emphasizes the importance of accountability and transparency in the delivery of California’s transportation programs. To be eligible for SGR funding, statute requires potential recipients to provide basic SGR project reporting to the

Caltrans. Caltrans SGR Guidelines outline the process to request and report on the SGR Program funding. Caltrans may revise these Guidelines in future years.

SGR Allocation
On February 1st of each year, the SCO estimates the preliminary SGR allocation based on the formula described above. The SCO then transmits these figures to PCTPA for adoption. Once adopted, these apportionments are distributed to the jurisdiction public works staff. Because the State legislature annually approves the allocation of funds to the SGR program as part of the budgetary process, the final amount of the SGR funds available is not finalized until the State budget is adopted. The legislature has the discretion to eliminate, redistribute, or reduce the funding levels recommended by the SCO. The SCO transmits a final revised estimate to PCTPA following adoption of the State budget. The PCTPA Board of Directors adopts the final revised estimate (typically in August or September) and distributes the apportionments to jurisdictions public works staff.

SGR for Capital
The SGR Program is a transit capital program to maintain the public transit system in a state of good repair. PUC section 99212.1 (c) lists the projects eligible for SGR 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 or modernization of the existing vehicles or facilities.
- 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
- Preventative Maintenance
- New maintenance facilities or maintenance equipment if needed to maintain the existing transit service

Caltrans may approve other appropriate replacement and rehabilitation projects not listed above.

Projects that solely expand capacity or service are not eligible projects. However, expansion of capacity within replacement projects to meet current or projected short-term service needs (for example replacing a maintenance facility with a larger facility or replacing a bus with a larger bus) are eligible.

Transit operations (except for preventative maintenance), transit agency administration, and program management are not allowable.

Also, the following pre-construction phases are not allowable as a stand-alone project:
- Pre-planning
- Planning
- Environmental

However, expenditures on pre-construction phases are allowable when included as part of a capital project. Project development costs should not exceed 20% 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.

UNMET TRANSIT NEEDS PROCESS

Background
The Unmet Transit Needs process must be completed on an annual basis before PCTPA, as the administrator of the TDA funds, can approve a claim for funding of streets and roads projects under Article 8 of the Public Utilities Code. The Unmet Transit Needs process requires PCTPA to perform specific tasks, which are:

1. PCTPA must establish and consult with the Social Services Transportation Advisory Council.

2. PCTPA must perform an annual assessment of transportation needs within Placer County, including an assessment of the size and location of potentially transit dependent groups, analysis of the adequacy of existing transportation systems in providing service for those groups, and analysis of the potential for transit service to provide service that would meet the demand of those groups.

3. PCTPA must adopt a definition of "unmet transit need" and "reasonable to meet."

4. PCTPA must hold an annual Unmet Transit Needs hearing to solicit comments on unmet transit needs that may exist.

5. PCTPA must consider all the available information obtained in the above actions, and adopt an Unmet Transit Needs finding. This finding shall be one of the following:
   - There are no unmet transit needs
   - There are no unmet transit needs that are reasonable to meet
   - There are unmet transit needs including needs that are reasonable to meet

Significance of Unmet Transit Needs Process
Unless the Unmet Transit Needs process is completed, PCTPA cannot approve an LTF claim by any jurisdiction for streets and roads funding. Further, if the PCTPA Board of Directors adopts a finding that there are unmet transit needs including those which are reasonable to meet, then the

unmet need must be funded before the jurisdiction can claim funds for streets and roads. The funding to meet the unmet transit need must be reflected in the claimant's transit budget in order for any claim for streets and roads funding to be approved.

Definitions of "unmet transit need" and "reasonable to meet"

PCTPA adopted the current definitions of “unmet transit need” and “reasonable to meet” in November of 1992 with amendments in March 1994, September 1999, September 2006, May 2014, and February 2022. The definitions are as follows:

Unmet Transit Need

An Unmet Transit Needs is defined as a request for transit service that is not currently offered, inclusive of requests that are required to comply with the Americans with Disabilities Act.

Transit service is generally assumed to exist if it is within 0.75 miles walking distance of a trip’s starting and end point.

Reasonable To Meet

Unmet transit needs may be found to be "reasonable to meet" and recommended for funding if all of the following criteria prevail:

1. Would meet state required farebox ratio standards.
2. Could be fully funded without exceeding existing Local Transportation Fund revenues and is a reasonable use of taxpayer funds.
3. Has strong and broad community support, whether documented in a short-range transit plan or other community planning document, annual unmet transit needs report, or other transit study, which supports multiple users, as determined on a case-by-case basis.
4. Consistent with the long-term goals of the Regional Transportation Plan.
5. The need is consistent with the intent of the goals and implementation plan of the adopted Short Range Transit Plan, as amended, for the applicable jurisdiction.

Common examples of unmet transit needs could include:

- Travel to locations not currently served by existing fixed-route or demand response services.
- More frequent service, service at times not currently offered.
- Improved coordination of transfers between routes or operators.

Operational Comments

Comments pertaining to day-to-day operations or decision-making powers of a transit operator are considered “operational” and are not typically considered an Unmet Transit Need. However, they provide valuable insight to the transit operators and are shared with them to explore the feasibility of implementing. These are typically forwarded to the transit operators for review and consideration. Examples of “operational” comments could include:

- More bus stops along an existing route.
- Improved bus stop amenities.

- Equipment related comments such as more comfortable buses, smaller buses, lighting.
- Bicycle racks, etc.
- Minor route or bus stop modifications.
- Modifications to route stop schedule.
- Primary and secondary school transportation.
- Service reliability.
- Customer service or marketing related.
- Any comments lacking sufficient specificity to determine whether a service currently exists or the destination of interest and time of day.

SOCIAL SERVICES TRANSPORTATION ADVISORY COUNCIL

Function of SSTAC

The primary purpose of the Social Services Transportation Advisory Council (SSTAC) is to participate in the Unmet Transit Needs process and advise the PCTPA Board of Directors on Unmet Transit Needs findings. The Board is required to consult with and consider the recommendation of the SSTAC before making an annual Unmet Transit Needs finding. The SSTAC may also be asked to advise the Board on other major transit issues, especially regarding paratransit services.

Membership of SSTAC

PCTPA established the SSTAC in accordance with Section 99238 of the Public Utilities Code. As required by law, the SSTAC membership must include:

- One representative of potential transit users who is age 60 years or older;
- One representative of potential transit users who is handicapped;
- Two representatives of the local social service providers for seniors, including one representative of a social service transportation provider, if one exists;
- Two representatives of local social service providers for the handicapped, including one representative of a social service transportation provider, if one exists;
- One representative of a local social service provider for persons of limited means;
- Two representatives from the local consolidated transportation service agency, including one representative from the operator, if one exists; and
- Additional members at the discretion of the transportation planning agency.

CLAIM INSTRUCTIONS

LOCAL TRANSPORTATION FUND CLAIMS

Allowable Uses of LTF Funds

The Public Utilities Code specifically outlines a hierarchy of purposes for which LTF funds may be used. For jurisdictions, the hierarchy is as follows:

1. Article 4 - Public Transportation [PUC Section 99260(a)-(c)]
   Expenditures allowable under this section as being for "all purposes necessary and convenient to the development and operation of the system." Specifically, such expenditures may include:
   - The support of public transportation systems [PUC Section 99260(a)]
     → transit system operation, maintenance, and repair;
     → transit planning or contributions to the transportation planning process;
     → acquisition of real property;
     → construction of transit facilities and buildings; and
     → purchase and replacement of transit vehicles, including those usable by handicapped persons.
   - Aid to public transportation research and demonstration projects [PUC Section 99260(b)]
   - Contributions for the construction of grade separation projects specified in PUC Section 99138.3 [PUC Section 99260(c)]

   Payment for these purposes may take the form of direct expenditures or payment of principal and interest on bonds or other outstanding indebtedness incurred for these purposes.

   The City of Auburn, City of Lincoln, City of Roseville, and County of Placer are eligible claimants of funds provided through Article 4, Section 99260(a).

2. Article 4.5 - Community Transit Services [PUC Section 99275]
   Pursuant to PUC section 99233.7, PCTPA allocates up to 5% of the remaining LTF for Article 4.5 purposes after apportionments for administrative purposes and for bicycle and pedestrian funds. Article 4.5 claims may be filed for community transit services, including such services for those, such as the disabled, who cannot use conventional transit services. PCTPA allocates these funds to the Consolidated Transportation Services Agency (CTSA) for Placer County as designated pursuant to Section 15975 of the Government Code.

3. Article 8 - Other Claims for Funds [PUC Section 99400(a)-(e)]
   Expenditures under this section are for transportation purposes other than those allowable under Article 4 or 4.5. Examples of allowable expenditures include:
   - Local streets and roads projects [PUC Section 99400(a)]
   - Bicycle and pedestrian paths [PUC Section 99400(a)]

- Passenger rail service operations and capital improvements [PUC Section 99400(b)]
- Payment to any entity under contract with a city or county for public transportation services [PUC Section 99400(c)]
- Administrative and planning costs [PUC Section 99400(d)]
- Capital expenditures [PUC Section 99400(e)]
- Transportation planning process [PUC Section 99402]

The City of Colfax, City of Lincoln, Town of Loomis, and City of Rocklin currently claim LTF under Section 99400(c) to pay for transit services provided by Placer County. All jurisdiction claimants who meet all reasonable unmet transit needs are eligible to claim funds under Section 99400(a) for streets and roads purposes.

Funding Priorities
Funding of transit services is the primary purpose of the Local Transportation Fund. As stated in PUC Section 99233, funding for Article 4.5 purposes takes precedent over funding for Article 4 purposes, and Articles 4 and 4.5 purposes take precedent over funding for Article 8 purposes.

Eligible LTF Claimants
Under the system currently used by PCTPA, all cities/town and the County are allocated LTF money based on population. In addition, PCTPA and CTSA are apportioned funds. Thus, the eligible claimants are currently:

- City of Auburn
- City of Colfax
- City of Lincoln
- Town of Loomis
- City of Rocklin
- City of Roseville
- County of Placer
- Western Placer Consolidated Transportation Services Agency
- Placer County Transportation Planning Agency

STATE TRANSIT ASSISTANCE CLAIMS

Eligible Uses of STA Funds
State Transit Assistance funds must be used for transit. The California Code of Regulations (CCR), which includes the rules and requirements of this program, outlines the types of transit expenditures applicable to the jurisdictions of Placer County that are allowable. These include:

1. Transit Operations [CCR Section 6730(a)]
   All jurisdictions are all currently eligible for funding under this section.

2. Transit Capital [CCR Section 6730(b)]
   Capital replacement programs for each transit system is currently eligible for funding under this section.

3. Community Transit Service [CCR Section 6730(d)]
   The CTSA is eligible for funding under this section.

4. Contracted Transit Service [CCR Section 6731b]
   Payment to an operator under contract for transportation services or for their related administrative cost is eligible for funding under this section.

Other allowable purposes, such as rail subsidies, are not applicable to current programs.

Funding Priorities
There are no prescribed priorities for STA funds. Transit operations and capital replacement are equally eligible for funding.

Eligible Claimants of STA Funds
All cities/town and the County are eligible to claim STA funds. The designated CTSA is also an eligible STA claimant. Specifically, eligible claimants are as follows:
- City of Auburn
- City of Colfax
- City of Lincoln
- Town of Loomis
- City of Rocklin
- City of Roseville
- County of Placer
- Western Placer Consolidated Transportation Services Agency

STATE OF GOOD REPAIR CLAIMS

Eligible Uses of SGR Funds
State of Good Repair funds must be used for transit capital to maintain the public transit system in a state of good repair. PUC section 99212.1 (c) lists the projects eligible for SGR 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 or modernization of the existing vehicles or facilities.
- 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.

Projects that solely expand capacity or service are not eligible projects. However, expansion of capacity within replacement projects to meet current or projected short-term service needs (for example replacing a maintenance facility with a larger facility or replacing a bus with a larger bus) are eligible.

Transit operations (except for preventative maintenance), transit agency administration, and program management are not allowable.

Also, the following pre-construction phases are not allowable as a stand-alone project:
- Pre-planning
- Planning
- Environmental

However, expenditures on pre-construction phases are allowable when included as part of a capital project. Project development costs should not exceed 20% of the total estimated project cost.

Funding Priorities
State of Good Repair funds must be used for transit capital to maintain the public transit system in a state of good repair.

Eligible Claimants of SGR Funds
Pursuant to PUC 99313.2(c) the only entities eligible to receive a direct allocation of SGR funding from the SCO are transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board.

Pursuant to PUC 99314, the above regional entities shall then sub-allocate funds to the transit operators listed on the SCO's SGR Allocation Estimate letter.

For purposes of these guidelines, the City of Auburn (Auburn Transit), the City of Roseville (Roseville Transit), and Placer County (Placer County Transit, Tahoe Area Regional Transit) are eligible claimants. The cities of Colfax, Lincoln, and Rocklin and the Town of Loomis have agreed to reassign SGR funds to Placer County, which provides these cities with contracted transit services.

REGULATIONS FOR SUBMITTAL OF LTF, STA, AND SGR CLAIMS

Claim Procedure
To receive the annual allocation of LTF, STA, and SGR funds, jurisdictions must submit a claim. The key parts of the claim are the amount of funding requested and the purpose for which the funds will be used. PCTPA requires this information to ensure that jurisdictions are in compliance with the requirements of the Act.

PCTPA Board meetings are typically held on the fourth Wednesday of every month. To make the agenda deadline, claims should be submitted three weeks prior to the Board meeting. Monthly meeting dates are subject to change, particularly in November and December. It is recommended that jurisdictions submit their claims prior to May 1st of that fiscal year, in order to allow adequate time to process and pay the claim prior to the end of the fiscal year on June 30th.

Appendix A shows the forms which must be completed and submitted to obtain TDA (LTF, STA, and SGR) funds.

A completed claim package includes the following:

- Completed forms:
  - → TDA Compliance Checklist
  - → TDA Claim Worksheet
  - → STA Efficiency Standard Worksheet
  - → Claim For State Transit Assistance Funds
  - → Claim For State of Good Repair Funds
  - → Claim For Local Transportation Funds - Transit Purposes
  - → Claim For Local Transportation Funds - Streets and Roads Purposes
  - → TDA Annual Project and Financial Plan
- Certified copy of resolution from the claimant's governing board approving the claim and its submittal to PCTPA. The resolution must 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. See attached sample resolution in Appendix A.
- If claiming Article 8c funds, copy of signed contract with whom claimant is contracting for transit service.

Amendment of Claims
Any claimant may submit an LTF, STA, and SGR claim at any time during the year. For amendments to claims, the same materials for the submittal of the original claim forms should be submitted with an explanation of specific amendments.

Payment of Claims
TDA claims submitted to PCTPA are reviewed by PCTPA staff. If all claim information is in order, PCTPA staff will place the claim on the next possible PCTPA monthly agenda for approval by the PCTPA Board.

After formal approval, PCTPA staff prepares an allocation instruction and submits it to the County Auditor's office. This allocation instruction directs the Auditor's office to issue payment to the appropriate claimant for the requested purposes. Payment is made by the County Auditor to the claimant quarterly, commensurate with receipt of sales tax revenues by the County Auditor's office.

Audit Policy - 50% Limitation to LTF Claims *(adopted March 22, 2006)*
To help ensure that TDA audits are completed in a timely manner and the requirements of the TDA are met, PCTPA will not allocate a claimant's full LTF apportionment until a TDA audit has been completed and received by PCTPA (as required by PUC Section 99245 and CCR Section 6664).

After approval of the Final TDA Apportionment, claimants who submit TDA claims will receive only 50% of the total approved Local Transportation Fund (LTF) claim if a completed TDA audit has not been received by PCTPA at the time of the claim. The remaining 50% of approved LTF claim will be paid to the claimant upon receipt by PCTPA of the completed TDA audit. State Transit Assistance (STA) and State of Good Repair (SGR) claims will be paid in full following approval of an STA and SGR claim, regardless of whether a completed TDA audit has been received.

Carryover of TDA funds
When submitting claims for TDA funds, claimants must first program all deferred revenues and fund balances before determining the amount of LTF and STA funding necessary to fund transportation projects in the upcoming year, as set forth below. This procedure is ensured by properly completing the TDA claim worksheet for each claim. Deferred revenues in transit funds are entered in lines A and N of Part 1 and line A of Part 2 of the claim worksheet. Fund balances for streets and roads funds are entered in lines A and K of Part 3 and lines A and O of Part 4.

If a claimant fails to expend all LTF funds allocated in the prior year, any unexpended funds shall be reflected in the TDA claim worksheet and shall be programmed in the Annual Project and Financial Plan included in the claimant's LTF claim for the next fiscal year. PCTPA will check the fund balances against the information reported in the annual fiscal audit from the prior year.

Separate Accounting of Operating and Capital Revenue
TDA funds received should be tracked separately by the purpose for which they are claimed. Any payments made to the jurisdiction for transit operations must be kept separate from payments made for transit capital. Similarly, money received for streets and roads projects, or pedestrian and bicycle projects should be tracked separately. The primary reason relates to the deferred revenue calculation. This procedure can be ensured by properly completing the Annual Project and Financial Plan with each claim. This will show the fiscal auditors the source and amount programmed to each project for which TDA funds are allocated.

LTF Claims for Transit Capital Projects
When a claim is submitted for capital reserves or capital expenses, PCTPA will specify that these funds be reserved in the LTF for future payment to the claimant for the specific capital project for which the funds were claimed. When the claimant is ready to spend any amount of reserved capital funds within the current fiscal year, prompt payment will be made to the claimant when PCTPA receives written request (letter or email) from the claimant for use of the funds.

Capital project reserves in the LTF that are not authorized for payment within three years, including any interest earned on these funds, will cease to be allocated or reserved. These funds may be reallocated to the same claimant for the same purpose, to the same claimant for a different purpose, or to a different claimant. At least 30 days before the end of any three-year reserve period, PCTPA will provide written notice to the claimant specifying the date on which the moneys cease to be allocated. At any time during the three-year period, PCTPA, with the consent of the claimant, may change the allocation of the reserved funds to make them available for a different purpose.

LTF Claims for Bicycle and Pedestrian Facilities
At the discretion of the Board, PCTPA typically allocates 2% of the LTF for bicycle and pedestrian facilities pursuant to PUC Section 99233.3 and CCR Section 6655.2. PCTPA works with staff of the six cities/town and the County of Placer to develop a cash management plan

with a five-year horizon. Allocations are made to each jurisdiction based on existing and projected future population.

Using the bicycle/pedestrian claim forms in Appendix A, jurisdictions may submit claims to PCTPA that are consistent with the five-year cash management plan. The claim form must be accompanied by a resolution from the claimant's governing board approving the claim and its submittal to PCTPA. Approval of the claim by the PCTPA Board then reserves the funds for that jurisdiction's bicycle and pedestrian facility projects. As the jurisdiction expends funds in implementing the projects, it should submit invoices, accompanied with appropriate documentation, to PCTPA. PCTPA will then forward allocation instructions to the County Auditor's office, which will reimburse the jurisdiction up to the maximum amount of the original claim. If a jurisdiction does not claim its allocation of bicycle and pedestrian funds within the five-year window of the cash management plan, the funds will revert to the LTF for apportionment.

Unallocated Apportionments

PCTPA may allocate less than the total amount apportioned to a jurisdiction. A jurisdiction may end up with an unallocated apportionment under the following scenarios:

- The claimant has not met it requirement farebox recovery ratio for two consecutive years.
- The claimant did not spend its total LTF or STA fund payments from the previous year and has accumulated a local fund balance.
- The jurisdictions did not file a claim, or the claim did not meet all requirements.
- The jurisdiction did not claim its entire apportionment.

PCTPA must hold the unallocated apportionment in the LTF for future allocation to that jurisdiction. It cannot be reapportioned to another jurisdiction.

OTHER TDA REQUIREMENTS

1. **180-Day Certified Fiscal Audit**
   Claimants must submit a satisfactory independent fiscal audit, with required certification, to PCTPA and to the State Controller not more than 180 days after the end of the prior fiscal year. *(Refer to PUC Section 99245 and CCR Section 6664)*

2. **90-Day Annual State Controllers Report**
   Claimants must submit this report to the State Controller in conformance with the uniform system of accounts and records not more than 90 days after end of the prior fiscal year. *(Refer to PUC Section 99243)*

3. **Triennial Performance Audit**
   Claimant must submit this report to PCTPA as required by PUC Section 99248 and CCR Section 6664.5.

4. **Use of Federal Funds**
   (a) Claimant filing a claim for TDA funds for capital intensive projects pursuant to PUC Section 99268.7 must make every effort to obtain federal funding for any project which is funded pursuant to Section 99268.7.
   (a) Claimant qualifying for funds pursuant to PUC Section 99268.1 and filing a claim for TDA funds in excess of the amount allowed by Section 99268 are required to obtain maximum federal operating funds in the year such funds are claimed pursuant to PUC Section 99267.5 and CCR Section 6633.1.

5. **Elderly/Disabled Transit**
   Transit operator in question must comply with PUC Section 99155 pertaining to reduced transit fares for elderly and disabled persons and Section 99155.5 pertaining to dial-a-ride and paratransit services.

6. **Farebox Recovery Ratio**
   The City of Auburn is required to maintain a farebox ratio of 10%. The City of Roseville is required to maintain a farebox ratio of 15%. Placer County is required to maintain a "blended" farebox ratio of 12.94%, representing both the Sacramento urbanized area and the non-urbanized area of western Placer County. The CTSA is required to maintain a farebox ratio of 10%. Please note, farebox recovery ratios may change based on the results of the 2020 decennial census.

   Non-Compliance With Farebox Ratio (PUC 99268.9)
   If an operator fails to maintain its required farebox ratio for two fiscal years (not necessarily consecutive years), that operator's TDA/STA allocation will be reduced during a subsequent penalty year by the amount of the difference between the required fare revenues and the actual fare revenues received in the second year of non-compliance. The penalty year shall be the fiscal year that begins one year after the end of the second failed year. In other words, the first year after the fare ratio is not met, the operator is not penalized (grace year). However, if that operator fails to comply in another year, the shortfall of fare revenues will be deducted

from allocations made one year after the second failure year.

Operators are allowed a "grace" year regardless of whether they managed to comply with the required ratio for a period after the initial shortage in farebox revenue. In other words, if an operator fails during FY 1994-95 (grace year), complies during 1995-96, and fails again during 1996-97, that operator will be penalized for the 1996-97 shortfall in allocations made for FY 1998-99.

Any operator subject to this penalty due to non-compliance must demonstrate to PCTPA how it will achieve the required ratio of fare revenues during any penalty year before PCTPA will make any further allocations.

The farebox recovery ratio used to determine non-compliance for a given year shall be that which is documented in the respective transit operator's annual TDA fiscal and compliance audit for the same year. The farebox recovery ratio calculated as part of a triennial performance audit shall not be used to determine non-compliance with the minimum farebox recovery ratio requirement.

7. **Extension of Service**
   Claimants who receive an allocation of LTF funds for extension of service pursuant to PUC Section 99268.8 must file a report of these services pursuant to CCR Section 6633.8(b) within 90 days after close of the fiscal year in which that allocation was granted.

8. **Retirement System**
   Claimant must assure 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 PCTPA 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, on a current basis, funds sufficient to provide for the payment of future pension benefits and which is fully compliant with the requirements stated in PUC Sections 99272 and 99273.

9. **Part-Time Employees**
   Claimant must not be precluded by any contract entered 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/her employment terminated or his/her regular hours of employment, excluding overtime, reduced as a result of its employing part-time drivers, or contracting with such common carriers.

10. **Full Use of Federal Funds**
    Claimants must make full use of available federal transit funds. The most recent authorization, the Bipartisan Infrastructure Law, was signed on November 15, 2021. This legislation reauthorizes federal transit programs for fiscal years 2022 through 2026.

11. <u>Implementation of Productivity Improvements</u>

Claimants must make a reasonable effort to implement the productivity improvements recommended pursuant to PUC Section 99244.

12. <u>STA Funds for Operating Purposes</u>

All transit operators using STA funds for operating purposes must annually meet one of the following efficiency standards. In addition, all STA claimants using the funds for operating purposes either direct or through contracted services are required to meet the required farebox ratio or performance criteria.

(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 State of California's Consumer Price Index for the same period multiplied by the preceding year's total operating cost per revenue vehicle hour (Section 99314.6(a)(1)(A)).

(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. (Section 99314.6(a)(1)(B)).

If an operator does not meet one of the two efficiency standards, 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) above 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 (Section 99314.6(a)(2)).

PCTPA may adjust the calculation of operating costs and revenue vehicle hours to account for factors such as cost increases beyond the change in CPI for the following: fuel; alternative fuel programs; power, including electricity; insurance premiums and payments in settlement of claims arising out of the operator's liability; and state or federal mandates, including the additional operating costs required to provide comparable complementary paratransit service (Section 99314.6(a)(3)(A). Exclusion of startup costs for new services for a period of not more than two years is also eligible (Section 99314.6(a)(3)(B).

TRANSPORTATION DEVELOPMENT ACT GUIDELINES

APPENDIX A:

TDA CLAIM FORMS

Placer County Transportation Planning Agency