

ATTACHMENT B

**PROPOSITION A INCENTIVE
PROGRAM GUIDELINES
Redlined Version**

**2024
~~September 2001~~**

I. INTRODUCTION

The Proposition A Incentive Program earmarks 5 percent of the 40 percent Proposition A Discretionary funds to promote projects that encourage the development of an integrated public transportation system that addresses the varied transportation needs of Los Angeles County residents. This includes subregional paratransit, eligible fixed-route services, locally funded community based transportation services and other specialized transportation services.

II. PROGRAM PURPOSE

The Incentive Program was originally created in 1985 as a replacement for Transportation Development Act (TDA) Article 4.5, which provides State transportation fund for intra-community public transportation services. The purpose in developing this program was twofold: 1) to encourage coordinated paratransit systems that are regional in nature, and 2) to institute performance standards that promote the effectiveness of participating systems as a condition of receipt of funds. Since 1985, the Incentive Program has evolved to also include and provide formula funding for additional local Los Angeles County transit operators that report to the Federal Transit Administration (FTA) National Transit Database (NTD) but do not receive 5307 funding.

III. PROGRAM OBJECTIVES

The primary objectives of the Incentive Program are to provide funding to:

- Coordinate and improve services provided by cities, operators, and social services agencies to achieve more efficient and cost effective systems.
- Improve the mobility of persons for whom regular fixed route transportation is either inadequate or inappropriate.
- Encourage the use of local transit funds for projects of regional significance and benefit, such as the provision of Americans with Disabilities Act (ADA) complementary paratransit.
- Divert demand from the more costly Access Services Incorporated (ASI) to more cost efficient locally funded subregional systems.
- Encourage locally funded public transportation systems to report NTD data, thereby enhancing data collection and the flow of Federal Section 5307 funds to the region.

IV. ELIGIBLE APPLICANTS

Local Municipalities and Departments of Los Angeles County
Joint Powers Authorities (JPAs)
~~California Department of Transportation (Caltrans) and other State transportation agencies~~
Los Angeles County Metropolitan Transportation Authority
Public Operators

Eligible projects may be operated by any type of service provider, including public, private for profit, and private non-profit operators.

V. FUNDING PRIORITIES

Incentive funds are disbursed according to the following funding priorities, subject to funds availability:

1. First priority is given to existing Subregional paratransit participants as ~~identified of June 30, 2001, and~~ in the LACMTA-approved Annual Transit Fund Allocations ~~Table 1. Additional participants to this program would need to apply with Metro and be approved by Local Transportation Systems Subcommittee (LTSS), Bus Operators Committee (BOS), Technical Advisory Committee (TAC), and the LACMTA Board of Directors. FY2021-22 1999-2000~~ service and funding levels will be used to determine FY2023-24 ~~2001-2002~~ funding levels, with future fiscal year funding levels to be determined based on the most recently audited NTD report. Eligibility criteria and performance standards will be applied as outlined in Exhibit A.
2. Second priority is given to funding the four Eligible or Included operators for specific services, per Board actions in September 1991 and September 1995, as identified below:
 - Santa Clarita Transit
 - Antelope Valley Transit Authority
 - City of Los Angeles – DASH Routes A, B and E, Harbor Shuttle and Bus Service Continuation Project (BSCP)
 - Foothill Transit’s Bus Service Continuation Project (BSCP)

These four services will receive funding from the Incentive program if growth over inflation in the Proposition A Discretionary Program is inadequate to fully fund these systems. Per Senate Bill 1755 as enacted in 1996, if the funds in the Proposition A Incentive program are not enough to fund the affected fixed route operators, LACMTA will identify other funding sources to assure full funding.

An assessment of available funds in the Discretionary category will be conducted annually to determine whether any funding from the Incentive program is needed to backfill the Discretionary program for the purposes of the aforementioned systems only. Only the four operators and their specific programs listed above are eligible for this funding source. All other recipients of the Formula Allocation Process (FAP) are ineligible to receive funds for their fixed route systems under this category.

3. Third priority will be given to existing subregional paratransit participants, identified in Table 1, which are known to have expanded their service areas after the subregional paratransit program was closed to new and/or expanded projects in the early 1990s.
4. Fourth priority will be given to approved applications for expanded and/or new subregional paratransit systems.

5. Until the region develops a methodology to return to source the funds generated from NTD reporting by locally funded public transportation systems, fifth priority will be given to locally funded public transportation systems which voluntarily report NTD data.

In order to increase the amount of Federal Revenues to the region and support increased mobility, Proposition A Incentive Funds will be used to offset costs for locally funded public transportation systems participating in the voluntary NTD reporting program. Subject to availability of Proposition A Incentive funds, LACMTA will disburse funds to each participating agency in an amount equal to the Federal funds generated for the region by each agency's reported data (determined by the unit values set annually by the FTA Federal Transit Administration for revenue miles and passenger miles), after ~~an independent auditor certifies the data and~~ the FTA has allocated the funds to the region.

Voluntary NTD reporters should notify the LACMTA at the beginning of the NTD reporting year of their program participation status. Participation in the Prop A Incentive Priority V Program is subject to LACMTA approval. Funding allocations are subject to fund availability and may be calculated differently on a case by case basis. ~~This allows the MTA to administer consolidated passenger mile sampling and to schedule an audit after the reporting year. If the MTA pays for the audit, the MTA may deduct the cost of the audit, and other MTA administrative fees associated with oversight of NTD reporting, from the payments made to the voluntary reporters.~~ Specific public transportation services funded through the Formula Allocation Process and the subregional paratransit program are required to report through NTD and therefore are not considered voluntary reporters.

6. Sixth priority will be given to Special Demonstration projects that maximize the efficiency of transit/paratransit services. Emphasis will be placed on funding programs that provide innovative, cost saving measures for delivery of transit/paratransit services.

VI. GENERAL AND ADMINISTRATIVE CONDITIONS

Documentation of Coordination and Consolidation

Proposed projects are required to document coordination and/or consolidation with existing public transportation services and with participating local governments, as evidenced by executed agreements, joint resolutions and approved implementation plans.

Duration of Incentive Projects

Each approved Incentive project will be funded for no less than one year. Ongoing project funding is subject to funds availability and will be predicated upon a formal annual evaluation that will determine each participant's ability to achieve program objectives.

Reimbursement of Other Fund Sources

After all projects in the first and second priority categories have been funded, any unallocated balances will initially be used to reimburse funding sources that have, in the past, supplemented

Incentive funds. Additional unallocated balances will be used on programs in the manner stipulated in the Funding Priorities section.

Maintenance of Effort

~~All applicants must commit, among all Proposition A and C projects, an amount greater than or equal to 1/2 of the cities' annual allocation of Proposition A and C Local Return. If cities do not commit adequate Local Return funding, they will have their Proposition A Discretionary Incentive grant reduced by the amount of uncommitted annual allocation over 50%.~~

Governing Body Authorization

Completed Incentive applications must include authorization and approval of the project from the participating agencies' governing body(ies) in order to be considered for funding.

Memorandum of Understanding

Each incentive program lead agency and/or recipient must execute a Memorandum of Understanding (MOU) with the LACMTA which delineates the type of project funded, grant amount, the coordinating agencies and the service standards that must be met on an annual basis.

Funding Disbursement/~~Quarterly Reports~~

Funding for Incentive recipients ~~may~~ will be disbursed on a quarterly basis subject to timely submittal of invoices ~~the appropriate quarterly report~~. In the case of the Subregional participants, no program can receive funds in excess of 25% of their net operating cost.

All operating projects, with the exception of those who directly report to FTA, must report auditable National Transit Database (NTD) data to the LACMTA. Failure to submit auditable NTD data by the Subregional systems by August 31 of each year may result in cancellation of funding. All other Incentive Program recipients must submit a report detailing expenditures to date and project status on a quarterly basis. All quarterly reports will be due on the last day of the months of October, January, April, and July. ~~Funds may also be withheld from approved recipients if quarterly reports are not completed and submitted on schedule.~~

Audits

The LACMTA will audit all Incentive participants on an annual basis. The audits are designed to confirm fiscal compliance ~~and verify operating statistics reported as part of the quarterly and NTD reports submittals.~~

EXHIBIT A

Subregional Paratransit Objectives, Eligibility and Application of Performance Standards

Subregional systems are intended to encourage coordinated multi-agency, multi-jurisdictional projects specifically through improved delivery of paratransit services. Coordination is defined as the sharing of resources and expansion of service areas beyond single jurisdiction boundaries to enhance access to goods and services and potentially decrease project cost.

Proposers in this category must meet the following criteria ~~in order~~ to be eligible for the program:

- Operate new or consolidate existing paratransit services that serve two jurisdictions with a combined population of at least 25,000 residents or any three or more nearby jurisdictions. Unincorporated County areas in a two-jurisdiction project must be at least one fifth of the population or size of the coordinating agency's service area to be eligible.¹ At a minimum, subregional paratransit systems offer curb-to-curb transportation throughout the contiguous jurisdictions during all service operating hours to all elderly and people with disabilities who meet eligibility requirements.
- Use all LACMTA allocated funds to increase the number and mobility of the passengers carried. Incentive funds may not be used to reduce a city's contribution of ~~Proposition A and/or C~~ Local Return or other funding sources.
- Coordinate proposed services nearby systems, social services agencies, and the regional operators. Coordination may occur at many levels, from simple information sharing to total consolidation of services. Examples of coordination include execution of transfer agreements, sharing of resources, coordination of services with social service agencies, regional operators and/or other transportation service providers. Coordination efforts shall be subject to review by LACMTA staff or consultants.
- Where applicable, coordinate Americans with Disabilities Act (ADA) trips with Access Services, Inc. (ASI) to assure cost-effective service provision.

Upon meeting the program eligibility criteria delineated above, participants are eligible to receive up to 25% of their net operating cost, subject to the following performance standards:

- ~~20~~5% of the project's net operating cost will be allocated based on annual submittal of a timely and accurate NTD report subject to certification by an independent auditor.
- ~~5~~10% of the project's net operating costs will be allocated based on attainment of one of the two following ~~three~~ performance standards:

¹ Due to the size (both in terms of population and area) of the City of Los Angeles and the unincorporated County of Los Angeles, LACMTA will assess, on a project-by-project basis, whether and how this requirement will be imposed on their projects.

- 1) Total cost per revenue hour increasing by less than 110% of the Los Angeles County Consumer Price Index (CPI), as measured either to the previous year, or to the compounded CPI for the previous three-year period.
- 2) Total subsidy per passenger does not exceed 133% of the countywide mean. ~~for the mode of service. Modes are defined as follows:~~
 - ~~☐ **General Public** — Paratransit systems available to all service area residents with no eligibility restrictions.~~
 - ~~☐ **User Side Subsidy** — User choice voucher programs, typically taxis and/or lift vans.~~
 - ~~☐ **Elderly and Disabled** — Systems restricted to elderly riders and people with disabilities. User Side Subsidy programs are not included in this category.~~
 - ~~☐ **Geographically Constrained** — Geographically large service areas which result in a system wide average trip length greater than six miles per boarding.~~
 - ~~☐ **Transportation Disabled** — Systems restricted to medically certified frail elderly and people with disabilities who are unable to use traditional fixed-route public transportation services.~~
- 3) ~~Attainment of the Passengers per Revenue Vehicle Hour standard for each service mode:~~

<u>Mode</u>	<u>Standard</u>
General Public	5.0
User Side Subsidy	4.0
Elderly and Disabled	3.5
Geographically Constrained	2.5
Transportation Disabled	2.5

~~NOTE: MTA funding for attainment of the above three performance standards will be allocated as a percentage of net operating costs as follows:~~

_____ meet one performance standard	_____ 4%
_____ meet two performance standards	_____ 7%
_____ meet three performance standards	_____ 10%

To calculate net operating costs, LACMTA will use the operating costs less fare revenues as reported ~~in the annual to the NTD annually report (Modal Expense Form 301 and Operating Funding Form 203)~~ for each program participant. LACMTA will exclude from the calculation any subsidies provided by ASI.

~~New projects will be funded at 20% of their net operating cost for the first two years, or until there is sufficient audited data to apply the three performance standards referenced above.~~

REVISED

TABLE 1

Los Angeles County Subregional Paratransit Projects as of June 30, 2001 September 1, 2024		
	Project Title/Sponsor	Participating Municipalities
1	<u>Agoura Hills Dial-a-Ride</u>	<u>Agoura Hills, LA County</u>
2	Antelope Valley Dial-a-Ride	Palmdale, Lancaster, LA County
	Beverly Hills Taxi and Lift Van	Beverly Hills, West Hollywood-
3	Culver City Community Transit	Culver City, LA County
4	Gardena Special Transit	Gardena, Hawthorne, LA County
5	Glendale Paratransit	Glendale, La Canada Flintridge, LA County
6	<u>LA County Whittier et al Dial-a-Ride</u>	<u>Los Angeles County, Los Angeles City</u>
7	<u>LA County Willowbrook Dial-a-Ride</u>	<u>Los Angeles County, Los Angeles City</u>
	Huntington Park Dial-a-Ride	Huntington Park, South Gate, LA County
	Inglewood Paratransit	Inglewood, LA County
8	Los Angeles CITYRIDE – Taxi Lift Van	Los Angeles, LA County
9	Los Angeles CITYRIDE – Dial-a-Ride	Los Angeles, LA County
10	Monrovia Dial-a-Ride	Monrovia, LA County
11	Palos Verdes Peninsula Transit Authority Dial-a-Ride	Palos Verdes Estates, Rolling Hills Estates, Rancho Palos Verdes, LA County
12	Palos Verdes Peninsula Transit Authority PV Transit	Palos Verdes Estates, Rolling Hills Estates, Rancho Palos Verdes, LA County
13	Pasadena Community Transit	Pasadena, San Marino, LA County
14	Pomona Valley Transit Authority -- Get About	San Dimas, La Verne, Pomona
15	Pomona Valley Transit Authority -- General Public	San Dimas, La Verne, Pomona
	Redondo Beach Community Transit	Redondo Beach, Hermosa Beach
16	Santa Clarita Dial-a-Ride	Santa Clarita, LA County
	Westco Dial-a-Ride	West Covina, LA County
	West Hollywood Taxi and Lift Van Program	West Hollywood, Beverly Hills-
17	<u>West Hollywood Dial-a-Ride</u>	<u>West Hollywood, LA County</u>
18	<u>Whittier Paratransit</u>	<u>Whittier, LA County</u>