



## Board Report

File #: 2015-0704, File Type: Formula Allocation / Local Return

Agenda Number: 8.

### FINANCE BUDGET AND AUDIT COMMITTEE JUNE 17, 2015

**SUBJECT: FISCAL YEAR 2016 TRANSIT FUND ALLOCATIONS**

**ACTION: APPROVE FY2016 TRANSIT FUND ALLOCATIONS AND RELATED ACTIONS**

#### **RECOMMENDATIONS**

APPROVED ON CONSENT CALENDAR:

- A. approving \$1.8 billion in **FY2016 Transit Fund Allocations for Los Angeles County jurisdictions, transit operators and Metro operations** as shown in Attachments A through E and are further described in Attachment F. These allocations comply with federal and state regulations and LACMTA Board policies and guidelines:
1. Planning and Administrative allocations of Transportation Development Act (TDA), Proposition A, Proposition C and Measure R in the amount of \$70.4 million as shown in Attachment A, Line 37;
  2. Bus Transit Subsidies of State and Local funds in the amount of \$939.5 million as shown in Attachment B and includes:
  3. \$6.0 million for the continuation of the Tier 2 Operators Funding Program
  4. Allocation of Federal Formula Grants in the amount of \$333.6 million as shown in Attachment C.
  5. Proposition A Incentive Programs in the amount of \$14.7 million as shown in Attachment D.
  6. Proposition A Local Return, Proposition C Local Return, Measure R Local Return, TDA Article 3 (Pedestrian and Bikeways) and TDA Article 8 (Street and Highways) for \$476.1 million as shown in Attachment E.
- B. authorizing the Chief Executive Officer to adjust FY2016 Federal Section 5307 (Urbanized Formula), Section 5339 (Bus and Bus Facilities) and Section 5337 (State of Good Repair) estimated allocations upon receipt of final apportionment from the Federal Transit Authority and amend FY2016 budget as necessary to reflect the aforementioned adjustment.

- C. approving fund exchange in the amount of \$6 million of Santa Monica's Big Blue Bus' FY2016 Federal Section 5307 formula share allocation with Metro's TDA Article 4 allocation.
- D. approving fund exchange of Federal Section 5307 discretionary fund awarded to the Southern California Regional Transit Training Consortium (SCRTTC) through Long Beach Transit in the amount of \$250,000 with Metro's TDA Article 4 allocation.
- E. approving fund exchanges in the amount totaling \$10.7 million of Metro's share of Federal Section 5307 with municipal operators' shares of Federal Sections 5339 and 5337.
- F. adopting a resolution required by state law designating Transportation Development Act (TDA) and State Transit Assistance (STA) fund allocations in compliance to the terms and conditions of the allocation (Attachment F); and
- G. upon approval, authorizing the Chief Executive Officer to negotiate and execute all necessary agreements to implement the above funding programs.

## **ISSUE**

Each year, transit operating and capital funds consisting of federal, state and local revenues are allocated to Metro operations, transit operators and Los Angeles County local jurisdictions for programs, projects and services according to federal guidelines, state laws and established funding policies and procedures. The Board of Directors must approve allocations for FY2016 before funds can be disbursed.

The Tier 2 Operators Funding Program is continued with \$6 million funding from Proposition A 95% of 40% discretionary growth over inflation.

Santa Monica's Big Blue Bus (BBB) is requesting a \$6 million fund exchange of its Federal Section 5307 FY2016 formula allocation with Metro's non-federal funds in order to pay capital projects that require local funds such as mid-life bus rebuilds, yard improvements, farebox upgrades, facility improvements and advanced technology projects.

The municipal operators are requesting fund exchanges of their Federal Sections 5339 and 5337 allocations with Metro's share of Federal Section 5307 allocation in order to minimize the impact on administrative processes associated with these new funding programs.

At its April 15, 2014 meeting, the Bus Operators Sub-Committee awarded \$250,000 a year for the next three years Federal Section 5307 15% Discretionary fund to the Southern California Regional Transit Training Consortium (SCRTTC) through Long Beach Transit. This fund will be exchanged with Metro's share of the Transportation Development Act (TDA) fund to reduce administrative requirements for Long Beach.

## **BACKGROUND**

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Staff developed the recommended FY2016 Transit Fund Allocations according to federal, state and local requirements, as well as policies and guidelines previously approved by LACMTA Board. Details of significant information, methodologies and assumptions are described in Attachment F.

Staff have reviewed the recommended allocations and its methodologies and assumptions with Metro operations, transit operators and Los Angeles County local jurisdictions Technical Advisory Committee (TAC), the Bus Operators Subcommittee (BOS) and the Local Transit Systems Subcommittee (LTSS). At their previous meetings, the TAC, the BOS and the LTSS all formally adopted the recommended FY2016 Transit Fund Allocations.

### **POLICY IMPLICATIONS**

The Los Angeles County Metropolitan Transportation Authority, as the Regional Transportation Planning Entity for Los Angeles County, is responsible for planning, programming and allocating transportation funding to Los Angeles County jurisdictions, transit operators, and Metro Operations. The Board approval will allow the continued funding of transportation projects, programs and services in Los Angeles County.

### **FINANCIAL IMPACT**

The FY2016 Transit Fund Allocations are included in the FY2016 Budget in multiple cost centers and multiple projects. Approval of these recommendations authorizes LACMTA to disburse these funds to the Los Angeles County jurisdictions and transit operators.

### **ALTERNATIVES CONSIDERED**

The FY2016 Transit Fund Allocations were developed according current federal, state and local regulations, as well as LACMTA Board policies and guidelines. The Board may choose to apply different allocation methodologies, however, changes in allocation procedures require two-thirds majority vote.

### **NEXT STEPS**

After the Board of Directors approves the recommended allocations and adopts the resolution, we will work with Los Angeles County jurisdictions, transit operators, Southern California Association of Governments (SCAG) and Metro Operations to ensure the proper disbursement of funds.

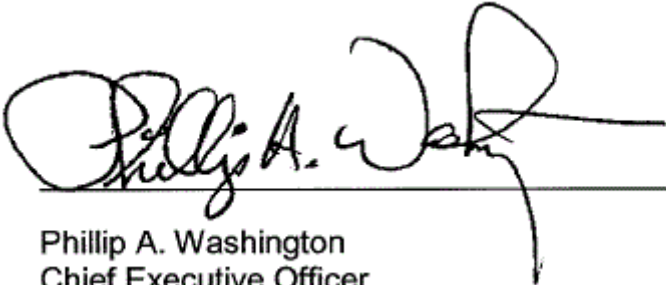
### **ATTACHMENTS**

- Attachment A - Revenue Estimates
- Attachment B - Summary of Bus Transit Subsidies - State and Local Funds
- Attachment C - Federal formula Grants Allocations
- Attachment D - Proposition A Incentive Programs
- Attachment E - Proposition A, Proposition C and Measure R Local Returns, TDA Article 3 and TDA Article 8 Allocations
- Attachment F - Summary of Significant Information, Methodologies and Assumptions

Attachment G -TDA and STA Resolution

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