



Board Report

File #: 2021-0277, File Type: Budget

Agenda Number: 8.

REVISED
FINANCE, BUDGET, AND AUDIT COMMITTEE
JUNE 16, 2021

SUBJECT: FISCAL YEAR 2021-22 TRANSIT FUND ALLOCATIONS

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. APPROVING \$2.34 billion in FY 2021-22 (FY22) Transit Fund Allocations for Los Angeles County jurisdictions, transit operators and Metro operations as shown in Attachment A. These allocations comply with federal, state, and local regulations and LACMTA Board approved policies and guidelines.
- B. APPROVING fund exchanges in the estimated amount of \$1,467,453 of Metro's TDA Article 4 allocation with Municipal Operators' shares of Low Carbon Transit Operations Program. Funding will be adjusted based on LCTOP actual allocations.
- C. APPROVING fund exchanges in the estimated amount of \$332,916 of Metro's Prop C 40% allocation with Antelope Valley and Santa Clarita's shares of Low Carbon Transit Operations Program. Funding will be adjusted based on LCTOP actual allocations.
- D. APPROVING Two-year lag funding for \$420,856 to Torrance Transit and Commerce Transit for the transitioned services from Metro as follows:
 - 1. The transfer of Metro Line 256 to City of Commerce Municipal Bus Lines consisting of 56,682 Revenue Miles and corresponding funding in the amount of \$80,496.
 - 2. The transfer of Metro Line 130 to Torrance Transit consisting of 239,789 Revenue Miles and corresponding funding in the amount of \$346,360.
- E. APPROVING base funding increase from \$6.0 million to \$6.8 million in FY22 for Tier 2 Operators to accommodate local fund exchanges of Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) Funding as approved by the LACMTA Board of Directors.
- F. APPROVING the execution of local fund exchanges as appropriate in order to implement the

Board approved CRRSAA allocations.

- G. APPROVING fund exchange of Federal Section 5307 discretionary fund awarded to the Southern California Regional Transit Training Consortium (SCR TTC) through Long Beach Transit in the amount of \$330,000 with Metro's TDA Article 4 allocation.
- H. APPROVING fund exchanges in the amount totaling \$13.2 million of Metro's Federal Section 5307 share with Municipal Operators' shares of Federal Sections 5337 and 5339.
- I. APPROVING fund exchanges in the amount of \$1,429,026 of Metro's TDA Article 4 allocation with the city of La Mirada's shares of FY2016 Federal Section 5307 discretionary fund.
- J. AUTHORIZING the Chief Executive Officer to adjust FY22 Federal Section 5307 (Urbanized Formula), Section 5339 (Bus and Bus Facilities) and Section 5337 (State of Good Repair) allocations upon receipt of final apportionments from the Federal Transit Authority and amend FY22 budget as necessary to reflect the aforementioned adjustment.
- K. AUTHORIZING a \$1.26 million allocation to LIFE Program Administrators, FAME Assistance Corporation (FAME) and the International Institute of Los Angeles (IILA) to fund the FY22 Taxi Voucher component of the LIFE Program.
- L. AUTHORIZING the Chief Executive Officer to negotiate and execute all necessary agreements to implement the above funding programs.
- M. ADOPTING a resolution designating Transportation Development Act (TDA) and State Transit Assistance (STA) fund allocations are in compliance with the terms and conditions of the allocations (Attachment B).

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 FY22 prior to fund disbursement.

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

The Municipal operators are requesting fund exchanges of their LCTOP allocations with Metro's TDA Article 4 and Prop C 40% funds allocation to minimize the impact on administrative processes associated with these funding programs.

BACKGROUND

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

DISCUSSION

In FY21, the Coronavirus Aid, Relief and Economic Security (CARES) Act provided financial relief to transit operators in LA County. The CARES funding was allocated to offset the estimated sales tax revenue losses. To minimize future fiscal disruptions, Metro staff proposed, and all regional operators agreed, to deviate from traditional policy and incorporate the FY20 sales tax revenue losses within FY21 total funds available in lieu of including the FY20 loss in FY22. Actual FY20 sales tax revenues were somewhat better than expected and the difference in forecast versus actual results are reflected as an increase in available FY22 local subsidy funding.

To accommodate the impacts of the COVID-19 pandemic, Bus Operations Sub-Committee (BOS) members, agreed to form a working group to review alternative approaches for FY22 transit fund allocations. In March 2021, the working group agreed to recommend the use of a weighted average of FY19 and FY20 Vehicle Service Miles statistics to allocate State and Local funds. This approach sought to balance the actions of those operators that continued to provide service while not unduly penalizing others. Due to the significant decrease in ridership across the region, the agreed method also recommended that fare revenue and unlinked passengers data to be held constant at FY19 level. For Federal Grant allocations, Metro staff recommended following the FTA apportionment approach and used FY19 data as the allocation basis. The BOS working group has generally concurred with Metro's recommendation with the assumption that this deviation from the FAP allocation guideline does not set a precedent for FY23 or future FAP allocation methodology.

For those bus operators not receiving federal funds directly from Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), Metro staff will work with affected jurisdictions to swap or exchange up to \$8.4 million of Metro's local funds to address administrative efficiencies. This exchange is reflected in the Adopted FY22 Budget.

Transit Fund Allocations

The recommended FY22 Transit Fund Allocations are developed 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 C**.

The Tier 2 Operators Funding Program will receive \$6.8 million of funding from Proposition A 95% of

40% Discretionary growth over inflation. This allocation includes a total of \$842,008 in CRRSAA Funding as approved by the LACMTA Board of Directors, and the CRRSAA funds will be exchanged with local funds.

The Sub-Regional Paratransit operators, Voluntary NTD Reporting agencies, Avalon Ferry, Avalon Transit Services and Hollywood Bowl Shuttle Services will receive \$7,565,663 in CRRSAA funding as approved by the LACMTA Board of Directors, and the CRRSAA funds will be exchanged with local funds.

At its April 2020 meeting, the Bus Operations Subcommittee awarded \$330,000 a year for three years of Federal Section 5307 15% Discretionary fund to the Southern California Regional Transit Training Consortium (SCR TTC) through Long Beach Transit. Funds will be exchanged with Metro's share of the Transportation Development Act (TDA) fund.

Staff has reviewed the recommended allocations, related methodologies and assumptions with Metro operations, transit operators, Los Angeles County local jurisdictions, Technical Advisory Committee (TAC), Bus Operations Subcommittee (BOS) and the Local Transit Systems Subcommittee (LTSS). The TAC, BOS and LTSS have all formally adopted the recommended FY22 Transit Fund Allocations.

Low Income Fare is Easy (LIFE) Program Taxi Vouchers

The LIFE program, in addition to the provision of fare subsidies, provides Taxi Vouchers to individuals with short term/immediate need transit services who are otherwise unable to use fixed route transit. Taxi Vouchers and their required reimbursements to Taxi providers are managed by the LIFE program administrators and distributed to the rider, through approved agencies such as hospitals and shelters, to provide trips categorized by mobility or health limitations, urgency, or safety. Funding to accommodate Taxi reimbursements and voucher printing are to be allocated as follows: \$840,000 to FAME, and \$420,000 to IILA.

DETERMINATION OF SAFETY IMPACT

Adoption of this item will provide funding for increased safety efforts.

FINANCIAL IMPACT

The FY22 Transit Fund Allocations are included in the FY22 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 Board may choose not to approve the FY22 Transit Fund Allocations and instruct staff to use an alternative methodology for allocation. This alternative is not recommended as federal, state, and

local requirements, as well as prior LACMTA Board policies and guidelines serve as the basis of the annual allocation of funding to Los Angeles County jurisdictions, transit operators, and Metro Operations for programs, projects and services.

NEXT STEPS

Upon Board approval of the recommended allocations and adoption of 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 - [FY22 Transit Fund Allocations]

Attachment B - [TDA and STA Resolution]

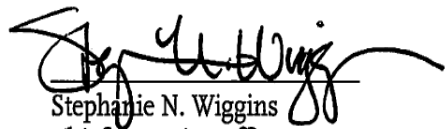
Attachment C - [Summary of Significant Information, Methodologies and Assumptions]

Prepared by: Manijeh Ahmadi, Manager, Transportation Planning, (213) 922-3083

Drew Philips, DEO, Finance, (213) 922-2109

Reviewed by: Michelle Navarro, Executive Officer, Finance (213) 922-3056

Nalini Ahuja, Chief Financial Officer, (213) 922-3088



Stephanie N. Wiggins
Chief Executive Officer