



Board Report

File #: 2017-0319, **File Type:** Formula Allocation / Local Return

Agenda Number: 11.

**FINANCE BUDGET AND AUDIT COMMITTEE
JUNE 14, 2017**

SUBJECT: FISCAL YEAR 2018 TRANSIT FUND ALLOCATIONS

ACTION: APPROVE FY2018 TRANSIT FUND ALLOCATIONS AND RELATED ACTIONS

RECOMMENDATION

CONSIDER:

- A. APPROVING \$2.1 billion in FY2018 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. Measure M allocations are subject to Board approval of Measure M guidelines.
- B. AUTHORIZING the Chief Executive Officer to adjust FY2018 Federal Section 5307 (Urbanized Formula), Section 5339 (Bus and Bus Facilities) and Section 5337 (State of Good Repair) allocations upon receipt of final apportionment from the Federal Transit Authority and amend FY2018 budget as necessary to reflect the aforementioned adjustment.
- C. APPROVING fund exchange in the amount of \$6.0 million of Santa Monica's Big Blue Bus' FY2018 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 (SCR TTC) through Long Beach Transit in the amount of \$300,000 with Metro's TDA Article 4 allocation.
- E. APPROVING fund exchanges in the amount totaling \$11.2 million of Metro's share of Federal Section 5307 with Municipal Operators' shares of Federal Sections 5339 and 5337.
- F. 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 C); and
- G. AUTHORIZING the Chief Executive Officer to negotiate and execute all necessary agreements to implement the above funding programs.

ISSUES

- 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 FY2018 before funds can be disbursed.
- The Tier 2 Operators Funding Program continues with \$6.0 million funding from Proposition A 95% of 40% Discretionary growth over inflation.
- Santa Monica's Big Blue Bus (BBB) is requesting a \$6.0 million fund exchange of its FY2018 Federal Section 5307 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 funding programs.
- At its April 18, 2017 meeting, the Bus Operators Subcommittee awarded \$300,000 a year for three years of Federal Section 5307 15% Discretionary fund to the Southern California Regional Transit Training Consortium (SCRTTC) through Long Beach Transit. Funds will be exchanged with Metro's share of the Transportation Development Act (TDA) funds.

BACKGROUND

LACMTA developed the recommended FY2018 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 B**.

The allocation of Measure M funds included in this report, the 20% Transit Operations and 17% Local Return funds, are subject to Board approval of the Measure M Guidelines.

We have reviewed the recommended allocations, related methodologies and assumptions with Metro operations, transit operators, Los Angeles County local jurisdictions, The Technical Advisory Committee (TAC), the Bus Operators Subcommittee (BOS) and the Local Transit Systems Subcommittee (LTSS). The TAC, the BOS and the LTSS have all formally adopted the recommended FY2018 Transit Fund Allocations.

POLICY IMPLICATIONS

The Los Angeles County Metropolitan Transportation Authority (LACMTA), 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. LACMTA Board approval will allow the continued funding of transportation projects, programs and services in Los Angeles County.

OPTIONS

The Board may choose not to approve the FY2018 Transit Fund Allocations. This alternative is not recommended because federal, state and local requirements, as well as prior LACMTA Board policies and guidelines require us to annually allocate funding to Los Angeles County jurisdictions, transit operators, and Metro Operations for programs, projects and services. Allocation methodologies and assumptions comply with federal, state and local requirements, as well as policies and guidelines previously approved by LACMTA Board.

FINANCIAL IMPACT

The FY2018 Transit Fund Allocations are included in the FY2018 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.

NEXT STEPS

After the Board of Directors approves the recommended allocations and adopts the resolution, LACMTA 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.

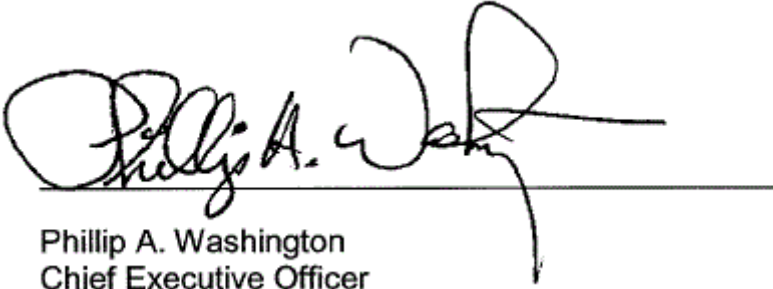
ATTACHMENTS

- A. FY2018 Transit Fund Allocations
- B. Summary of Significant Information, Methodologies and Assumptions
- C. TDA and STA Resolution

Prepared by: Manijeh Ahmadi, Principal Transportation Planner, (213) 922-3083

Michelle Navarro, Senior Director, (213) 922-3056

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



Phillip A. Washington
Chief Executive Officer