



Board Report

File #: 2019-0243, File Type: Budget

Agenda Number: 14.

FINANCE, BUDGET AND AUDIT COMMITTEE JUNE 19, 2019

SUBJECT: FISCAL YEAR 2020 TRANSIT FUND ALLOCATIONS

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. APPROVING \$2.4 billion in FY20 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 exchange of Federal Section 5307 discretionary funds awarded to the Southern California Regional Transit Training Consortium (SCRTTC) through Long Beach Transit in the amount of \$300,000 with Metro's TDA Article 4 allocation;
- C. APPROVING fund exchanges in the amount totaling \$13.8 million of Metro's Federal Section 5307 share with Municipal Operators' shares of Federal Sections 5337 and 5339;
- D. AUTHORIZING the Chief Executive Officer to adjust FY20 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 FY20 budget as necessary to reflect the aforementioned adjustment;
- E. AUTHORIZING the Chief Executive Officer to negotiate and execute all necessary agreements to implement the above funding programs; and
- 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).

ISSUE

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.

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 FY20 before funds can be disbursed.

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.

DISCUSSION

Pursuant to PUC 99233.1 of the Transportation Development Act (TDA), Metro shall be allocated funds necessary to administer TDA funding. TDA planning and administrative funding for Metro has not increased since FY12, while demand for planning and administration has continued to grow over the last eight years. In order to keep pace with the growing planning needs, expansion of transit, and regional coordination throughout LA County, Metro will increase TDA Administration allocation by sales tax growth each year.

Pursuant to section 130004, up to 1 percent of annual TDA revenues shall be allocated to Metro and up to $\frac{3}{4}$ percent shall be allocated to Southern California Association of Governments (SCAG) for transportation planning and programming process. Starting FY20, Metro will increase TDA planning allocation to 1 percent of annual TDA revenues.

FY18 AMENDMENT

On June 2018, the FY18 Transit Fund Allocations was amended to include the increased STA funds and the allocation of new SB1 funds. This amendment resulted in additional allocations for Foothill Transit Mitigation and Zero-fare Compensation program recipients in the amount of \$513,331 and is included in FY20 Transit Fund Allocations.

TRANSIT FUND ALLOCATIONS

The recommended FY20 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 B.

The Tier 2 Operators Funding Program will continue to be funded with \$6.0 million from Proposition A 95% of 40% Discretionary growth over inflation.

At its April 18, 2017 meeting, the Bus Operations Subcommittee awarded \$300,000 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. FY20 is the final year of allocation. 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 FY 2020 Transit Fund Allocations.

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

The FY20 Transit Fund Allocations are included in the FY20 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.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Goal 3: Enhance Communities and lives through mobility and access to opportunity

Goal 4: Transform Los Angeles County through regional collaboration and national leadership

Goal 5: Provide responsive, accountable, and trustworthy governance within the LA Metro organization

ALTERNATIVES CONSIDERED

The Board may choose not to approve the FY20 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.

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

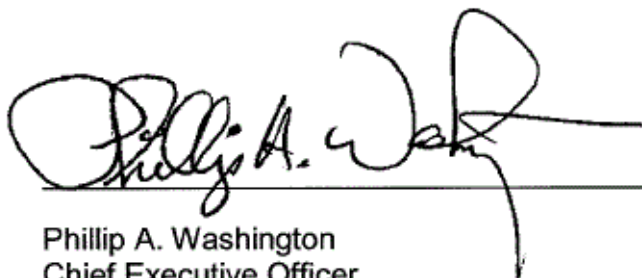
Attachment A - FY20 Transit Fund Allocations

Attachment B - Summary of Significant Information, Methodologies and Assumptions

Attachment C - TDA and STA Resolution

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