



CHAPTER 1: INTRODUCTION

Workbook Purpose

The purpose of this workbook is to clarify the Transportation Development Act (TDA) and make it less painful for jurisdictions in Butte County to complete the annual TDA claim process.

The intent of this workbook is to present the Transportation Development Act in lay-person's terms, so that those filing TDA claims and those managing the claim process will:

- Understand what TDA is,
- Understand how to complete claims,
- Understand TDA requirements, the reasons for the requirements, and
- Understand how the whole process fits together in Butte County.

The workbook is intended for:

- BCAG staff managing the claim process
- BCAG staff managing transit operations
- City/Town and County staff managing transit operations
- City/Town and County staff filing TDA claims
- City/Town and County staff managing TDA finances

Workbook Organization

The workbook is broken down into many small, bite-sized chapters intended to make it easier for the reader to work through topics that (some would say) are not exactly the most fascinating.

Icons Used in this Workbook



Technical Info

This icon alerts you to technical information for those who "just can't get enough of TDA's gory details." For those of you whose brains are full, you can skip over parts tagged with this logo.



Learning the Lingo

Demystifies TDA lingo.



Key Section

Points out the sections of the PUC guidelines or Regulations that are most important for claimants to understand.



Duh!

Points out things that you probably knew already, or that are just plain common sense.



Good to Know!

Explains things that have perhaps always confused you about TDA.

Throughout this Workbook, symbols are used to indicate various points of interest.

Where Does the Information in this Workbook Come From?



The TDA statutes are codified in the State Public Utilities Code (PUC). The California Code of Regulations (CCR) helps clarify the legislative intent of the statutes. Throughout this workbook references to the statutes are made as PUC Sec. XXXXX. This means that the source of the information presented in the workbook can be found in the referenced number section of the State Public Utilities Code. References to the Code of Regulations are described as 21 CCR Sec. XXXX. The source of the information is found in Chapter 21 of the California Code of Regulations in Section XXXX. In some cases, both the PUC and CCR will be referenced. In addition, there are a few references to the California Government Code. These are identified as GVT Sec. XXXXX.



CHAPTER 2: OVERVIEW OF THE TRANSPORTATION DEVELOPMENT ACT

What is the Transportation Development Act?

The Transportation Development Act (TDA) is a local jurisdiction's ticket to funding for public transportation. It is also a highly confusing piece of legislation, which is the reason for this workbook.

The TDA provides a State funding source for use by local jurisdictions at the county level to improve existing public transportation and encourage regional public transportation coordination. It also provides some funding for bicycle and pedestrian projects. In Butte County, it can also provide funding for local street and road projects when certain conditions are met. The main purpose and priority of TDA, however, is to provide funding for public transportation.

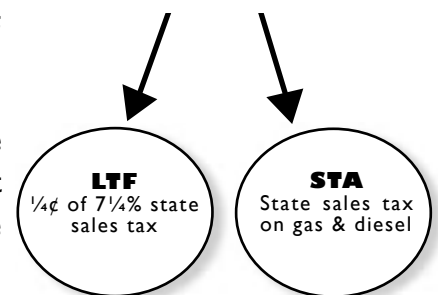
The Transportation Development Act was signed by the Governor on November 4, 1971 and became effective July 1, 1972. Several bills have amended the TDA over time. The full text of the Transportation Development Act as amended is available in a Caltrans publication entitled Transportation Development Act - Statutes and California Code of Regulations as well as at its web site <http://dot.ca.gov/hq/MassTrans/tdao.htm>.



As changes to TDA necessitate changes to this workbook, an addendum will be issued to workbook users as soon as possible.

The TDA provides two major sources of funding, the Local Transportation Fund (LTF) and the State Transit Assistance (STA) Fund. The following sections provide background on each of these two funding sources.

Transportation Development Act (TDA) Funding Sources



The TDA is also known as **SB 325** and the **Mills-Alquist-Deddeh Act**. The **STA Fund** is also sometimes referred to as **SB 620**.

What is the Local Transportation Fund (LTF)?

The Local Transportation Fund is just what it says it is: a local fund into which the state deposits sales tax revenue to be used for transportation purposes defined by TDA. Butte County is the “local” jurisdiction responsible for holding the fund.

Where Does the Money Come From?

Revenue for Butte County’s Local Transportation Fund (LTF) comes from $\frac{1}{4}$ cent of the $7\frac{1}{4}$ percent state sales tax collected in Butte County. Because sales tax revenues are generally higher in times of economic boom and lower in times of recession, LTF revenues deposited in the County fund vary from year to year.

Who Can Use the Money?


Several different agencies can use LTF money for several different purposes. To do so, agencies must meet the eligibility requirements set forth in the TDA. Figure 2-1 shows the agencies eligible to use LTF money per TDA and how this applies in Butte County. Chapter 4 explains the purposes for which each of these agencies can use Local Transportation Funds. Chapters 5 through 7 explain the eligibility requirements for using the money.



Figure 2-1 Local Agencies that Can Use Local Transportation Funds


| Eligible Agencies Per TDA | Eligible Agencies in Butte County |
|--|---|
| Cities/Town | Biggs, Chico, Gridley, Oroville, and Paradise |
| The Regional Transportation Planning Agency (RTPA) | Butte County Association of Governments (BCAG) |
| County | Butte County |
| Transit Operators | In Butte County, the transit operators are the Cities/Town and the County |
| Transit Districts | There are no transit districts in Butte County |
| Consolidated Transportation Service Agencies (CTSAs) | Butte County is a CTSA. |
| County Auditor | Butte County Auditor |

A Consolidated Transportation Service Agency (CTSA) is an agency defined by BCAG that consolidates the provision of Social Service Transportation within Butte County (GVT Sec. 15975). Social Service Transportation is transportation required by Social Service recipients (GVT Sec. 15951). Butte County is a CTSA.



The **Butte County Association of Governments (BCAG)** is the **Regional Transportation Planning Agency (RTPA)** in Butte County.

Throughout the State, RTPAs, County Transportation Commissions and specially designated bodies, such as the Metropolitan Transit Development Board in San Diego, are responsible for the functions that BCAG is responsible for. Throughout this workbook, the term “RTPA” is used to refer collectively to RTPAs, County Transportation Commissions and MTDB to simplify the explanation.



What is the State Transit Assistance (STA) Fund?

The STA fund provides a second source of TDA funding. STA funds are generated from the statewide sales tax on motor vehicle fuel (gasoline and diesel).

Each year, during the state budget process, the State Legislature designates the amount of money available for STA (PUC Sec. 99312). The legislature appropriates the STA funds to the State Controller who allocates them by formula to each Regional Transportation Planning Agency (BCAG in Butte County). The formula allocates 50% of the funds on the basis of Butte County's population compared to the total state population. The formula allocates the other 50% on the basis of the amount of passenger fares and local support revenues collected by transit operators in Butte County compared to the amount collected by transit operators statewide.

CHAPTER 3: HOW DO LOCAL AGENCIES IN BUTTE COUNTY GET THE MONEY?

BCAG is responsible for distributing TDA money to local agencies within the County. The distribution process is slightly different for the Local Transportation Fund and the State Transportation Assistance Fund. Each is described below.

The Local Transportation Fund

Money “Off the Top”

Before determining the amount of money from the LTF that is available for distribution to the Cities/Town and County, the TDA allows BCAG to take some money “off the top” for certain purposes. Figure 3-1 shows what is allowed by TDA and how it is applied in Butte County.

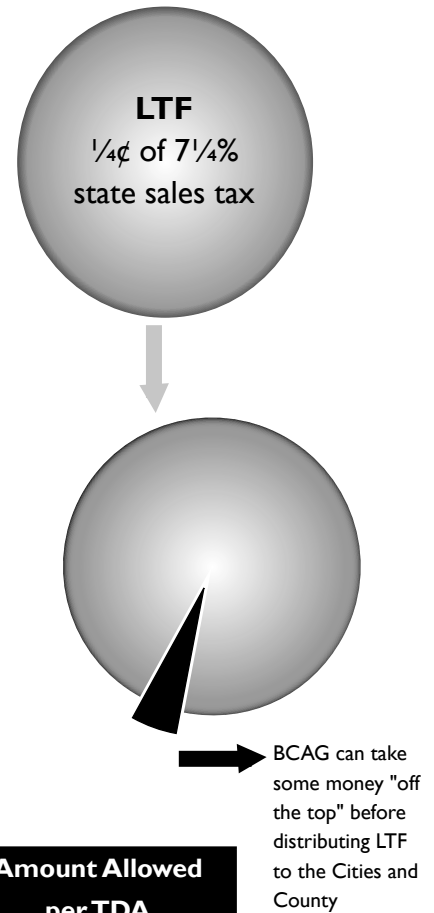


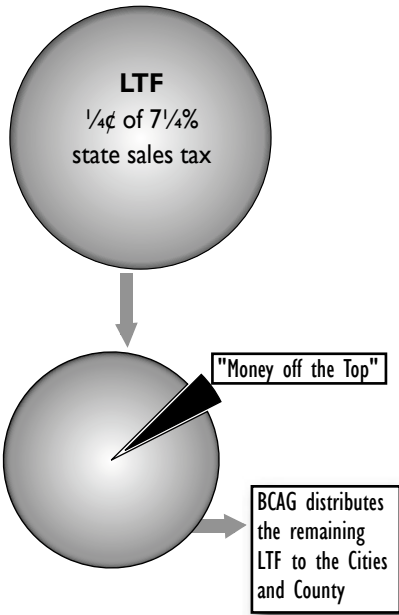
Figure 3-1 Off the Top Distributions of the Local Transportation Fund

| Allowed “Off the Top” per TDA | Application in Butte County | Amount Allowed per TDA |
|--|---|--|
| TDA Administration (PUC Sec. 99233.1) | Taken off the top for BCAG and the County Auditor | As necessary |
| Pedestrian & bicycle facilities (PUC Sec. 99233.3, 999234) | Not utilized in Butte County | UP to 2% of the remaining LTF* |
| Rail passenger service operations and capital improvements (PUC Sec. 99233.4, 99234.9) | Not utilized in Butte County | Up to area apportionment |
| Consolidated Transportation Service Agency activities (PUC Sec. 99233.7)** | Not utilized in Butte County | Countywide, up to 5% of remaining money. |

* Not including any LTF balances carried forward from prior years. The 2% applies to just that amount the State will deposit in the account in the coming year.

** To refresh your memory, Chapter 2 provided a definition of CTSA.

As shown in Figure 3-1, BCAG takes money “off the top” of the LTF only for TDA Administration. The rest is available for distribution to the Cities/Town and County.



Apportionment, Allocation and Payment

There are three steps to distribute the money from the LTF to the local jurisdictions:

- 1) Apportionment,
- 2) Allocation, and
- 3) Payment.

Step 1) Apportionment

Per the TDA, BCAG divides the remaining amount anticipated to be deposited in the fund over the coming fiscal year among each of the County’s local jurisdictions based on population (PUC Sec. 99231). Prior to March 1st, BCAG informs each jurisdiction of this amount, called the apportionment (21CCR Sec. 6644).

Did you notice that we said that the apportionments are based on the amount the County *expects* to receive? There is a bit of uncertainty in the amount available for apportionment for a few reasons:

- 1) As explained in Chapter 2, LTF comes from sales tax revenues. No one knows for sure how much consumers will buy in Butte County in the coming year. Each January, the County Auditor looks into the crystal ball to develop an estimate of what the coming year should bring. The estimate is based on economic forecast and past experience. The auditor prepares a conservative estimate, because it is much better to receive more money than what was counted on.
- 2) The auditor prepared a similarly conservative estimate for the current year. When the estimate of LTF for the coming fiscal year is due in February, the auditor has a sense of how much the County under-estimated for the current year. Again, it’s not certain, because the auditor only has two quarterly payments from the State, not all four, by the time the coming year estimate is due. The “unallocated fund balance” from the current year (i.e. the difference between the year’s LTF estimate and the amount actually received) is included in the pot to be apportioned in the coming fiscal year.





- 3) While the estimate is due in February, the Department of Finance does not release annual population estimates until May. If the proportional share of a jurisdiction's population has changed from the prior year, the February estimate must be corrected.

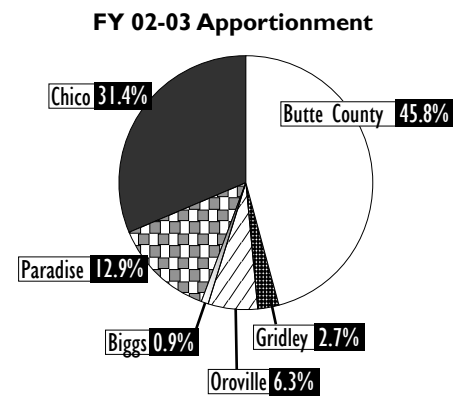
The amount apportioned to each jurisdiction for the coming fiscal year is called the **“Findings of Apportionment.”** The BCAG Board of Directors must adopt the Findings of Apportionment by March 1st of each year for the coming fiscal year (21 CCR Sec. 6644).



Once money is apportioned to a jurisdiction, the money can only be allocated to that jurisdiction. In Butte County, the apportionment is based on population. If a jurisdiction wants a bigger pot of money, it will either have to find more people to add to its geographic area (while making sure the neighbors don't do the same), or increase sales tax revenues in the county.

Jurisdictions can, however, develop agreements so that a portion of a jurisdiction's apportionment goes to another jurisdiction. Such an arrangement has been made in Butte County to help fund Butte County Transit. This funding agreement is the subject of Appendix C.

In some counties, or in parts of some counties, the apportionment might go directly to a transit district, a transit development board, or a Joint Powers Authority (JPA). The amount apportioned to the district, board or JPA is based upon the population of the area it serves (PUC Sec. 99231). In the case of a JPA, the amount apportioned to the JPA will also depend on the agreements that the member jurisdictions made when forming the JPA. Finally, a county can legislatively create a unique apportionment process for that county. For example, Stanislaus County has done this to ensure that more money will go to transit (PUC Sec. 99233.11).



Step 2) Allocation

Allocation is the step where the jurisdictions decide what they want to do with their apportionments in the

coming year. The jurisdictions file “claims” with BCAG requesting dollar amounts for different purposes. For example, one city might claim all of its LTF apportionment for transit, while another might claim the majority for transit, some for bicycle projects and some for streets and roads. The total amount claimed cannot be more than the amount apportioned to a jurisdiction.

The State, through the TDA statute, makes each jurisdiction meet certain requirements to be able to claim the money for different purposes. This workbook reviews these requirements in detail in Chapters 5-7.

Since it’s true that the amount apportioned to a jurisdiction cannot be allocated to another jurisdiction, it might seem silly that there are so many hoops to jump through to get the LTF apportionment. But the State doesn’t just hand out money on a silver platter (after all, it’s a bureaucracy)! First and foremost, the intent of TDA is to fund public transportation, so a jurisdiction has to prove certain things to be able to use it for other purposes (these things are explained in Chapter 7). Secondly, the State wants to make sure that the transit provided is fairly decent, so there are many requirements that a jurisdiction must meet before BCAG releases the money. And if the requirements are not met...? BCAG can hold on to an apportionment (or part of it) and not allocate it until requirements are satisfied (21 CCR Sec. 6633.9). The claim process is fully described in Chapters 5 through 7 and summarized in Chapter 10.



Step 3) Payment

Finally, the step where a jurisdiction actually gets some money! Based on the amount claimed, BCAG provides instructions to the County Auditor for writing checks to each jurisdiction throughout the year. BCAG must provide written instructions at least annually prior to the start of the fiscal year, although the instructions



could be delayed if agreed to by the claimant (21 CCR Sec. 6659).

BCAG's instructions can authorize that payments be made annually, as money becomes available or on a quarterly basis. Since the RTPA is allowed to set the "terms and conditions" for payment, BCAG could also authorize payments in arrears based on actual expenses. BCAG currently authorizes payment as money becomes available. BCAG must write separate instructions for each jurisdiction and for each purpose for which a jurisdiction has claimed LTF (21 CCR Sec. 6659). By "purpose" the TDA means the PUC section under which the money is claimed. There is lots more information about these different purposes in the coming chapters.

State Transit Assistance Fund

A jurisdiction obtains money from the STA Fund in much the same way as it does from the LTF; through apportionment, allocation and payment. The entire amount received by the County from the State is available for distribution to the Cities/Town and County, as no money is taken "off the top" of STA.

Size of Butte County's State Transit Assistance Fund

The amount of STA funds received by Butte County each year depends on the following factors:

- 1. The amount of STA funds designated by the State legislature for the year.**

Chapter 2 explained that STA funds come from the sales tax on gasoline. The amount that is set aside each year for STA, however, is determined in the Annual Budget Act.

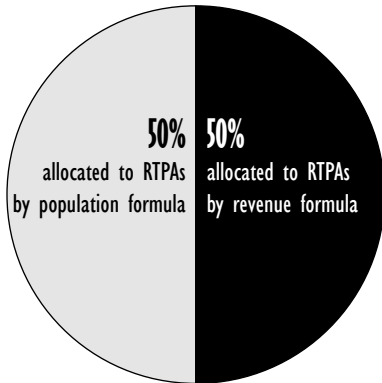
- 2. The relative size of the population within BCAG's jurisdiction (i.e. the County population) to the population of other RTPA jurisdictions within the state.**

Half of the STA funds are allocated by the State Controller to the transportation planning agencies (e.g. BCAG) based on the relative size of their populations.



These are called “**population formula allocation**” funds.

STA FUNDS



3. The relative amount of farebox revenues and local support revenues collected by each of the transit operators in BCAG’s jurisdiction compared to the amount collected by operators statewide.

The other half of available STA funds is allocated by the State Controller to the transportation planning agencies based on the relative amount of farebox revenues and local support collected by transit operators within their jurisdictions.



These are called “**revenue formula allocation**” funds.

It’s pretty clear from the above explanation that the amount of STA funds BCAG will receive will vary from year to year. First of all, the State might just not set aside as much money for STA. This could be due to budget difficulties, reduced revenues from gas taxes or other funding priorities. Secondly, Butte County’s relative share of the total state population changes each year. Finally, the amount of revenues collected by the transit operators throughout the state vary each year, meaning that each jurisdiction’s proportional share changes from year to year.



To complicate matters a bit more, the State Controller informs BCAG in January of the estimated amount of STA that it will receive for the coming fiscal year. In August, which is *after* the start of the fiscal year and *after* local jurisdictions have filed their claims, the State Controller updates the estimate. The updated estimate is made after the legislature determines how much money

is appropriated to the Transportation Planning and Development Account. Lots can happen between January and August, including budget windfalls and crises. Thus, it's possible to have a claim approved for an amount of STA that may not exist.



Apportionment

The population formula allocation funds received by Butte County are apportioned to each eligible jurisdiction within Butte County based on the relative share of that jurisdiction's population. (i.e. The same way that LTF is appropriated.) Chapter 5 explains the eligibility requirements for these funds.

The revenue allocation funds received by Butte County are apportioned to those jurisdictions that file their TDA claims as "transit operators" (PUC Sec. 99314.3(a)). (There will be more information on the distinction between "transit operator" and "transit claimant" in Chapter 5. For right now, just know that the City of Chico and the County of Butte are the only two agencies filing as operators in Butte County at the present time.) The revenue allocation funds are appropriated to the eligible jurisdictions based on the relative share of the jurisdiction's farebox revenues and local support.



BCAG informs each jurisdiction of the amount of STA that is estimated to be available to them in the coming fiscal year at the same time that it informs jurisdictions about the LTF Findings of Apportionment.

Allocation

Just like with LTF, each jurisdiction files a claim with BCAG for its STA Funds. STA claims are a little more straight-forward, because the purposes for which STA can be used are narrower than LTF. As a result, there are fewer sections of the code to understand in order to file a STA claim. Details about how STA can be used are included in Chapter 4. Details about the eligibility

requirements for filing STA claims and how to file STA claims are included in Chapter 5.

Payment

BCAG follows the same process to instruct the County to make payments from the STA fund to the jurisdictions as was described above for LTF.

Who is Responsible for What and When Does it Happen?

This chapter explained the steps involved in getting TDA money from the State into the hands of local jurisdictions. Several different agencies play a role in the process. This section summarizes the steps in an annual timeline and identifies the agency responsible for each step.



Figure 3-2 Responsibilities and Timeline for Apportionment, Allocation and Payment



| What | Who | When |
|---|--|--|
| Send an estimate of the amount of STA funds to be allocated to Butte County in the coming fiscal year | State Controller | Prior to January 31 (PUC Sec. 99312.7(a)) |
| Prepare an estimate of the amount of LTF funds that will available in the coming fiscal year. | Butte County Auditor | Prior to February 1 (21 CCR Sec. 6620) |
| Prepare and Adopt the Findings of Apportionment. | BCAG staff and BCAG Board of Directors | Prior to March 1 (21 CCR Sec. 6644) |
| File LTF transit claims | Cities/Town and the County | Prior to June 1 (21 CCR Sec. 6630) and (PUC Sec. 99261)) |
| File LTF bicycle and pedestrian claims | Cities/Town and the County | Prior to June 1 (21 CCR Sec 6630) and (PUC Sec 992661) |
| File LTF street and road claims | Cities and the County | Prior to June 1 (21 CCR Sec 6630) and (PUC Sec 992661) |
| File STA claims | Cities/Town and the County | Prior to June 1 (21 CCR Sec 6630) and (PUC Sec 992661) |
| Send an updated estimate of the amount of STA funds to be allocated to Butte County in the coming fiscal year based on amount appropriated in the State Budget Act. | State Controller | Prior to August 1 (PUC Sec. 99312.7(b)) |
| Provide written allocation instructions to the County Auditor for payment of funds. | BCAG | June 30 and thereafter (21 CCR Sec. 6659) |



CHAPTER 4: LTF AND STA USES

How Can We Spend our LTF and STA Funds?

Now that you know what these funds are, you probably want to know what you can use them for. In Butte County, a jurisdiction can spend its LTF and STA funds for the purposes listed below *when it meets the eligibility requirements*. These requirements and other “fine print” matters are explained in Chapters 5 through 7. In addition, only BCAG and Butte County can use LTF to cover TDA administrative costs, while the Cities/Town and County can use LTF for all the other listed purposes.

Local Transportation Fund Purposes in Butte County

- TDA administration costs¹
- General public transit operations and capital
- Contract payments for transit services
- Transit-related research and development projects
- Administration of transit contracts
- Elderly and disabled transit
- Bicycle and pedestrian projects
- Payments to railroad corporations
- Local streets and roads
- Multimodal transportation terminals

TDA law defines priorities for using LTF for the above-listed purposes. The priorities are described at the end of this chapter.

STA Fund Uses in Butte County

- Transit operations
- Contract payments for public transit services
- Administrative and planning cost of contracted public transportation
- Capital requirements of public transportation system

¹ Only BCAG and Butte County can use LTF to cover TDA administrative costs.

- Rail service operations and capital improvements
- Construction and maintenance of intermodal transportation facilities

There are no formal STA funding priorities, although the intent is that BCAG give priority consideration to STA fund claims that:

- offset reductions in federal operating assistance and/or the unanticipated increase in fuel costs,
- enhance existing public transportation services, and
- meet high-priority regional, countywide, or areawide public transportation needs (PUC Sec. 99314.5(d)).

Just so you know, the list of purposes for which these funds can be used could look different in different counties. For some counties, the TDA statute specifically carves out unique purposes for which funds can be used. An example is ferry service in San Diego County. In addition, as reviewed in Chapter 3, money can be taken “off the top” of LTF for certain purposes. Chapter 3 explained that not all of these opportunities are utilized in Butte County. If they were, these additional funding purposes (e.g., Community Transit Service) would be included in the above list. Furthermore, there are some purposes that are simply not applicable in Butte County, such as “provide rail passenger service.” Finally, some funding purposes available in “rural” counties like Butte County (such as streets and roads) are not valid in urban counties.



Making Sense of the Articles

Article 3, Article 4, Article 8...what are all these articles? The TDA statute is divided into sections called “articles.” As a result, claims are often referenced by the Article of the statute under which they are filed. It would seem logical that bicycle and pedestrian claims might be Article 2, transit claims Article 3, rail claims Article 4, and street and road claims Article 5. Unfortunately, it is not quite so simple. Figure 4-1 provides an overview of the Articles and how they relate to funding purposes.



Only those jurisdictions located in counties that had a population less than 500,000 per the 1970 census can file claims under Article 8. (The law makes an exception for San Bernardino County (PUC Sec. 99232)). Butte County jurisdictions can, therefore, file under Article 8.



An "apportionment restriction" county is a county with a population of 500,000 or more in 1970. In these counties, LTF claims cannot be filed under Article 8.



Figure 4-1 The Articles, How they Can be Used and Which Agencies Can File

| | General Public Transit | Elderly & Disabled Transit | Rail | Bike/Ped | TDA Administration Costs | Streets & Roads |
|-------------|---|---|---|---|--------------------------|---|
| LTF | | | | | | |
| Article 2 | | | | | BCAG and/or County | |
| Article 3 | | | Cities/Town & County | Cities/Town & County | | |
| Article 4 | Cities/Town and County meeting requirements | Cities/Town and County meeting requirements | Cities/Town and County meeting requirements | | | |
| Article 4.5 | | CTSA | | | | |
| Article 8 | Cities/Town and County meeting requirements | Cities/Town and County meeting requirements | Cities/Town and County meeting requirements | Cities/Town and County meeting requirements | | Cities/Town and County meeting requirements |
| STA | | | | | | |
| Article 6.5 | Cities/Town and County meeting requirements | Cities/Town and County meeting requirements | Cities/Town and County meeting requirements | | | |



 These articles are not utilized in Butte County, because BCAG does not set aside money "off the top" for this purpose. Thus, there are no Article 3 or Article 4.5 claims in Butte County.

So what does Figure 4-1 say? Here's a summary interpretation:

- If a City, Town or the County wants to use TDA funds to fund its transit system, it can use LTF and STA. For LTF, it can either file a claim for these funds under Article 4 or Article 8, depending on how the jurisdiction fulfills the requirements.
- If a City, Town or the County wants to use TDA funds to pay for a bicycle project, it can only file a claim under Article 8. Yes, it's true that per the statute, bicycle claims can be filed under Article 3. BCAG, however, does not set aside Article 3 LTF for bicycle and pedestrian claims.

To use your TDA money, find the purpose for which you want to use it and look down the column to see under which article(s) you can file. The next several chapters walk through each type of claim and explain how a jurisdiction knows under which article to file as well as the requirements for doing so.

Even though BCAG does not set aside money off the top for Article 3 or Article 4.5 claims, it does not mean that BCAG is passing up the opportunity to use this money. Instead of being taken off the top for these purposes, BCAG keeps these funds in the main LTF account that is apportioned to each jurisdiction. Then it is up the jurisdiction to decide how to spend its apportionment on general public transit, elderly & disabled transit, bicycle & pedestrian projects, rail projects and on local streets & roads. BCAG does not set aside money for Article 3 and Article 4.5 claims, because the County jurisdictions have decided that these do not need to be prioritized above and beyond the rest of the LTF funding purposes.



LTF Priority Funding Order

It was mentioned at the beginning of this chapter that the TDA statute establishes a priority order by which LTF funds are to be distributed. Now that the articles have been explained, we can explain this priority.



Figure 4-2 LTF Priority Funding Order in Butte County

| Priority | Purpose | Amount That Can be Used | Article | PUC Section |
|----------------|--------------------|--|-----------------------|-------------------|
| 1 | TDA administration | As determined by the auditor and BCAG | 2 | 99233.1 |
| equal priority | 2 | Support of public transit systems* | 4 | 99260(a) & 99262 |
| | 2 | Public transit R & D projects | 4 | 99260(b) |
| | 2 | Peak hour service contracts | 4 | 99260.2 |
| | 2 | Payments to rail-road corporation | 4 | 99260.5 |
| | 2 | Rail passenger service | 4 | 99260.6 & 99234.9 |
| | 2 | Separate service to elderly and disabled | 4 | 99260.7 & 99262 |
| | equal priority | 3 | Local streets & roads | 8 |
| 3 | | Bicycle & pedestrian projects | 8 | 99400(a) |
| 3 | | Rail passenger service operations and capital improvements | 8 | 99400(b) |
| 3 | | Public transportation service contract | 8 | 99400(c) |
| 3 | | Special group transportation service contract | 8 | 99400(c) |
| 3 | | Planning & administration of contracted services | 8 | 99400(d) |
| 3 | | Capital expenditures of contracted services | 8 | 99400(e) |
| 3 | | Multimodal transportation terminal | 8 | 99400.5 |



* Support covers both the direct provision of public transit services and contracting for service.

Figure 4-2 shows that all the purposes for which a jurisdiction can use its LTF under Article 4 receive equal priority. Similarly, all purposes under Article 8 receive equal priority. Article 4 claims, however, take priority over Article 8 claims. Thus, a transit claim filed under Article 4 is funded before a claim for streets & roads.

To provide a complete list of funding purposes and their PUC citation, Figure 4-3 recaps STA funding purposes. There is no priority order within STA funds. STA funds are described under Article 6.5 of the TDA statute. Because STA funds come from a separate source than LTF, there is no priority of LTF claims over STA claims or vice versa.

Figure 4-3 STA Funding Purposes Applicable in Butte County

| Purpose | Article | PUC Section |
|---|---------|------------------------------------|
| Transit operations and capital for systems operated by the jurisdiction | 6.5 | 99313.6* and 21 CCR 6730 (a) & (b) |
| Contract payments for public transit services | 6.5 | 99313.6 and 21 CCR 6731 (b) |
| Administrative and planning cost of contracted public transportation | 6.5 | 99313.6 and 21 CCR 6731 (b) |
| Capital requirements of contracted public transportation system | 6.5 | 99313.6 referencing Sec. 99400(e) |
| Construction and maintenance of intermodal transportation facilities | 6.5 | 99313.7 and 21 CCR 6731 (a) |

STA does not assign a priority funding order



*PUC Sec. 99313.6 refers to other sections of the TDA regarding the purposes for which claimants may use STA Funds. It does not specifically state the purposes for which operators can use these funds. The purposes are best defined in the Code of Regulations.

Although STA does not assign a priority order by funding purpose, the intent is that BCAG give priority consideration to STA fund claims that:

- offset reductions in federal operating assistance and/or the unanticipated increase in fuel costs,
- enhance existing public transportation services, and
- meet high-priority regional, countywide, or areawide public transportation needs (PUC Sec. 99314.5(d)).

As has been said numerous times in this document, *there are certain requirements that must be met to file for each purpose and to file under the different Articles.* Turn the page to Chapter 5 and this workbook will finally start to explain the requirements.



CHAPTER 5: TRANSIT CLAIMS

This chapter reviews the eligibility requirements for filing LTF transit claims and STA Fund transit claims. The information in this chapter is summarized in step-by-step format in Chapter 10, "Claim Procedures."

LTF Transit Claims

Chapter 3 explained the amount of LTF available to a jurisdiction and Chapter 4 explained the transit purposes for which a claim can be filed. To claim the LTF apportionment, the next step is to figure out under which article a jurisdiction should file. A jurisdiction will file its LTF transit claim under Article 4 or Article 8 depending on its eligibility requirements. In some cases, a jurisdiction will qualify under both articles.

Can We Claim Under Article 4?



Are You Considered an Operator?

To file under Article 4, a City/Town or County must be considered a transit "operator."

Per the statute:



- **“Operator”** means any transit district, included transit district, municipal operator, included municipal operator, or transit development board” (PUC Sec. 99210).
- A **“Municipal operator”** means a city or county, including any nonprofit corporation or other legal entity wholly owned or controlled by the city or county, which operates a public transportation system,...and which is not included, in whole or in part, within an existing transit district” (PUC Sec. 99209).
- **“Operates”** for purposes of Section 99209...mean(s) that the operator owns or leases the equipment, establishes routes and frequency of service, regulates and collects fares, and otherwise controls the efficiency and quality of the operation of the system, but does not require that operators of rolling stock be employees of a public agency” (PUC Sec. 99209.5).

Interpretation please! To be considered an opera-

tor, a City/Town or County must establish the service provided by setting the route structure, schedules and fares to control the quality and basic operation of the system. A City/Town or County can be considered an operator regardless of whether it leases or owns the transit vehicles and/or regardless of whether it employs or contracts drivers.

Based on this explanation, all the claimants in Butte County can be considered operators when claiming for their own systems, except for the City of Oroville. The City of Oroville contracts with Butte County to establish its service. Butte County jurisdictions also claim part of their TDA money to pay a portion of Butte County Transit service. (Appendix C explains this funding agreement.) When filing claims for Butte County Transit, only Butte County is considered an operator. Figure 5-1 summarizes this information.

Figure 5-1 Summary of Jurisdictions that are Operators



| Jurisdiction | Operator When Claiming for Local Transit? | Operator When Claiming for BCT? |
|------------------|---|---------------------------------|
| City of Biggs | N/A | No |
| Butte County | N/A | Yes |
| City of Chico | Yes | No |
| City of Gridley | Yes | No |
| City of Oroville | No | No |
| Town of Paradise | Yes | No |

Just because a jurisdiction is an operator, however, does not automatically mean it can file under Article 4. There are several additional requirements that a jurisdiction must meet.

Are We Eligible to Claim Under the 50% Expenditure Limitation?

The short answer to the question for Butte County jurisdictions is: “No, the 50% Expenditure Limitation does not apply to any Butte County jurisdictions.” The long answer follows.



One of the most confusing requirements of filing for Local Transportation Funds under Article 4 is PUC Sec. 99268 which says that LTF received under Article 4 cannot equal more than 50% of the operator's operating, maintenance and capital and debt service after subtracting federal grants and STA funds.

In California, most transit operators use LTF to fund more than 50% of their transit operation. So how do they get around this requirement? The Code of Regulations, which is designed to clarify the statute lays out transit service claimant and operator revenue qualifications in 21 CCR 6633.

The qualifications and their applicability in Butte County are summarized in Figure 5-2.

Figure 5-2 LTF Revenue Qualifications in Butte County

| 21 CCR Section | Who It Applies To | How To Qualify | Applicability in Butte County |
|----------------|---|---|---|
| 6633(a) | Operators that began operation before 7/1/74 | Under either the 50% expenditure limitation or fare and local support requirements ¹ | N/A. No operators began operation before 7/1/74 |
| 6633(b) | <ul style="list-style-type: none"> Article 4.5 claimants (e.g. CTSAs), or Article 8 claimants, or A city or county with a population less than 5,000 | May qualify under the performance criteria adopted by BCAG | N/A. BCAG has not adopted unique performance criteria for Article 8 claimants. |
| 6633(c) & (d) | Operators and transit service claimants for which (a) & (b) are N/A and/or that provide service to the elderly & disabled | May qualify under fare & local support requirements | All jurisdictions in Butte County |



Figure 5-2 shows that operators in Butte County can qualify for LTF under Article 4 if they meet their fare and local support ratios. (These ratios are described

¹ There are a few exceptions made for these older operators, but none are applicable to Butte County.

next.) Per 21 CCR 6633(a), the 50% expenditure limitation is applicable only to operators that began operation before July 1, 1974. These older operators can choose if they want to qualify for LTF under Article 4 by meeting the 50% limitation requirement or their fare & local support requirements. Butte County operators, therefore, do not have to worry about the 50% expenditure limitation.

Do We Meet Our Fare and Local Support Recovery Ratio Requirements?

Here are some definitions that will help you understand this section:



- **Fare revenues** include passenger fares for transit service, special transit fares and school bus service revenues (PUC Sec. 99243). Special transit fares include revenues for charter services and fees paid by, for example, a shopping center, university, or employer for service that benefits them. Fares can also include donations made by passengers when a fare is not charged.
- **Operating costs** include the costs of operating a transit system, exclusive of capital depreciation and amortization.
- **Local support** is the amount of local funding used to support the transit system. This could include city general fund money, a local sales tax or other taxes levied directly by the transit system.
- The **farebox recovery ratio** is the ratio of fare revenue received to operating costs.
- The **fare and local support ratio** is the sum of fare revenue and local support to operating costs.



To file under Article 4, an operator must meet the following farebox requirements:

- a. An operator serving an urbanized area (i.e. a population of 50,000 or more within its urbanized boundary per the last decennial census) that commenced operation after FY79, must meet a 20% farebox recovery ratio (PUC Sec. 99268.3 and 21 CCR Sec. 6633.2 (a)).
- b. An operator serving a non-urbanized area that commenced operation after FY79, must meet a 10% farebox recovery



- ratio (PUC Sec. 99268.4 and 21 CCR Sec. 6633.2 (a)).
- c. An operator providing service for the exclusive use of elderly and disabled persons that commenced service after FY79 must meet a 10% farebox recovery ratio (PUC Sec. 99268.5 (a) and 21 CCR Sec. 6633.5).
 - d. If the operator provides *both* exclusive service for elderly and disabled persons, as well as general public transportation services, the operator can also qualify for Article 4 funding if the combined services achieve a 20% farebox recovery ratio if in an urbanized area or 10% if in a non-urbanized area (PUC Sec. 99268.5 (b) and 21 CCR Sec. 6633.5).
 - e. An operator providing service in both urbanized and non-urbanized areas may be required to meet an intermediate percentage if adopted by BCAG (21 CCR Sec. 6633.2 (a)).
 - f. BCAG may set the farebox recovery ratio to 15% for an operator serving an urbanized area, if BCAG makes findings specifying why (PUC Sec. 99268.12 and 21 CCR Sec. 6633.2(d)).

BCAG has not exercised options e and f, so only the 10 and 20% farebox recovery ratios apply in Butte County. Figure 5-3 summarizes each jurisdiction’s farebox recover ratio requirement for filing under Article 4.

Figure 5-3 Article 4 Farebox Recovery Ratio Requirements

| Jurisdiction | Systemwide ¹ | Fixed Route | Elderly & Disabled |
|------------------|-------------------------|-------------|--------------------|
| Butte County | 10% | 10% | 10% |
| City of Chico | 20% | 20% | 10% |
| City of Gridley | 10% | N/A | 10% |
| City of Oroville | 10% | 10% | 10% |
| Town of Paradise | 10% | 10% | 10% |



¹ The systemwide ratio applies when combining fixed route and Elderly & Disabled services to meet the farebox recovery requirement. See "d" above.

Exemptions to the Farebox Recovery Ratio Requirement

Service Extension



When a transit operator expands service, it is recognized that the new route can take a while to achieve the farebox recovery ratio requirement. As such, service extensions are exempt from this requirement until two years after the end of the fiscal year during which they were established (PUC Sec. 99268.8). This exemption applies only if the new service was not provided nor was funded by LTF/STA during any of the prior three fiscal years (21 CCR Sec. 6619.1 and 6633.8).

An extension of public transit service for purposes of the farebox ratio requirement exemption includes:

- Additions of geographic areas or route miles,
- Improvements in service frequency or hours of service greater than 25% of the route total, or
- Addition of new days of service (PUC Sec. 99268.8)



To get this exemption, an operator must track performance data for the extension separately from the rest of the system. In addition, the operator must also submit a report to BCAG that defines the area served by the extension, the revenues it generated and the cost to provide the service. This report must be submitted within 90 days of the end of the fiscal year (PUC Sec. 99268.8).

Newly Designated Urbanized Areas

If a jurisdiction in Butte County grows so that it becomes an urbanized area, BCAG may grant the operator up to five years from July 1 of the year following the census year, to meet the urbanized farebox recovery ratio requirement (PUC Sec. 99270.2).

Work Stoppages

If an operator has two separate work stoppages for 15 days or longer during one fiscal year and at least one is not related to a labor dispute, BCAG may waive the farebox ratio requirement during that fiscal year.



BCAG may only waive the requirement if the waiver is necessary to enable the operator to provide vital public transportation services. (PUC Sec. 99268.11)

What Happens When an Operator Does Not Meet its Farebox Recovery Ratio?

If an operator does not meet the required farebox recovery ratio, a few things can happen.

1. The operator could raise local support money to meet the ratio requirement (PUC Sec. 99268.19).
2. Depending on the circumstances, the operator might be able to qualify and file for LTF under Article 8. (The requirements for filing under Article 8 are reviewed next.)
3. If an operator fails to achieve its fare ratio requirement for two consecutive fiscal years, the operator's eligibility for LTF and STA funds is reduced by the difference between the required fare revenues and the actual fare revenues for the second fiscal year that the required ratio was not maintained. The shortfall in fare revenues is applied against the fiscal year that begins one year after the end of the fiscal year during which the required ratio was not maintained a second time (PUC Sec. 99268.9).

For example, if a rural operator's farebox recovery ratio is 9% in Fiscal Year 1 and 8% in Fiscal Year 2, then beginning in Fiscal Year 4, the operator will have to forfeit 2% of the LTF and STA it could have claimed.

Additional Article 4 Transit Claim Requirements

Meeting the definition of operator and meeting the farebox recovery ratio are the two key requirements for filing under Article 4. The rest of the requirements listed below are fairly routine.

- A transit operator cannot routinely staff a public transit vehicle designed to be operated by one person with two or more persons (PUC Sec. 99264).
- A transit operator's claim cannot include an operating budget that is more than 15% greater than its previous year budget. It also cannot include a substantial increase or decrease in

scope of operations or capital for major new fixed facilities. However, it can include such increases if the claim is supported by documentation that substantiates such change (PUC Sec. 99266).

- The current cost of the operator's retirement system must be fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by BCAG, which will fully fund the retirement system within 40 years (PUC Sec. 99271).
- An operator that has a private pension plan shall be eligible for Article 4 funds only if it:
 - Conducts periodic actuarial studies of its employee pension plans to determine the annual cost of future pension benefits (PUC Sec. 99272);
 - Sets aside and invests funds sufficient to provide for the payment of future pension benefits (PUC Sec. 99272);
 - Includes the actuarially determined amount of pension liability in its annual financial statement (PUC Sec. 99273);
 - Includes in its annual financial statements the amount of cash funds set aside and invested to meet the pension liability (PUC Sec. 99273);
 - Includes in its annual financial statements the amount of any deficit in the pension fund (PUC Sec. 99273); and
 - Includes in its annual financial statements, the financial plan adopted to eliminate any deficit in the pension fund (PUC Sec. 99273).
- Each claimant must include a certification from the Department of the California Highway Patrol that has been completed within the last 13 months indicating that the operator is in compliance with Section 1808.1 of the Vehicle Code. This section requires operators to participate in a pull notice system for obtaining current driver records from the Department of Motor Vehicles (PUC Sec. 99251).

Reporting Requirements

- Claimants must submit an annual certified fiscal audit to BCAG and to the State Controller within 180 days after the close of the fiscal year (PUC Sec. 99245). Upon written request with justification, BCAG may extend the deadline up to 90 days.
- Operators must submit annual State Controller's Reports, documenting their agency operations, to BCAG and the State Controller within 90 days of the end of the fiscal year (PUC Sec. 99243).

- Operators must participate and cooperate with the triennial performance audit (PUC Sec. 99246).

Appendix G includes more information about these reporting requirements.

Can We Claim Under Article 8?

The requirements to file under Article 8 are less stringent than under Article 4. First, a jurisdiction does not have to be an operator. The jurisdiction can contract out its entire transit system – from planning and fare establishment to drivers and vehicles.

Money claimed for transit under Article 8, however, can only be used for payment to a contractor to provide public transportation or special needs public transportation (PUC Sec. 99400(c)). Therefore a City/Town or County that uses its own employees to provide the transportation service, cannot file under Article 8.

To qualify for Article 8 funding, a transit claimant must:

- ensure that its Article 8 funds do not represent more than 50% of the amount required to meet the claimant's total proposed expenditures (PUC Sec. 99405a)

or

- maintain the fare and local support recovery ratio requirements shown in Figure 5-2 (PUC Sec. 99405b)

or

- be subject to regional, countywide, or county subarea performance criteria, local match requirement, or fare recovery ratios adopted by BCAG resolution (PUC Sec. 99405c).



The last “or” above means that if the BCAG Board of Directors chose, it could adopt by resolution a fare-box recovery ratio to allow a jurisdiction to continue to receive LTF money for transit under Article 8, even if the jurisdiction could not meet its farebox recovery ratio required under Article 4.

Other requirements of Article 8 transit claimants are:

- Each claimant must include a certification from the Department of the California Highway Patrol that has been completed within the last 13 months indicating that the operator is in compliance with Section 1808.1 of the Vehicle Code. This section requires operators to participate in a pull notice system for obtaining current driver records from the Department of Motor Vehicles (PUC Sec. 99251).
- Claimants must submit an annual certified fiscal audit to BCAG and to the State Controller within 180 days after the close of the fiscal year (PUC Sec. 99245). Upon written request with justification, BCAG may extend the deadline up to 90 days.

Technically each of the transit claimants in Butte County can file its claim for Local Transportation Funds under Article 8. Figure 5-4 summarizes how agencies in Butte County can file their LTF claims.

Figure 5-4 Summary of Article 4 and Article 8 Eligibility by Jurisdiction



| Jurisdiction | When Claiming for Local Transit | When Claiming for BCT? |
|------------------|---------------------------------|------------------------|
| City of Biggs | N/A | Article 8 |
| Butte County | N/A | Article 4 or 8 |
| City of Chico | Article 4 or 8 | Article 8 |
| City of Gridley | Article 4 or 8 | Article 8 |
| City of Oroville | Article 8 | Article 8 |
| Town of Paradise | Article 4 or 8 | Article 8 |

BCAG Specific Requirements for Both Article 4 and Article 8 Transit Claimants

BCAG’s “productivity improvement program” (PIP), as required by TDA(PUC sec. 99244) outlines additional requirements for transit claimants in Butte County. The PIP is described in Chapter 9.



Should We File Under Article 4 or Article 8?

As Figure 5-3 shows, several jurisdictions in Butte County can file their transit claims under either Article 4 or Article 8. How do you know under which article to file? As a general rule, if eligible, a jurisdiction should file under Article 4 for the following reasons:

- LTF claimed under Article 4 can be used more broadly for transit.
- Transit claims filed under Article 4 take priority over bicycle/ pedestrian and street & road claims filed under Article 8.
- There are more requirements put on an Article 4 claimant that lead to better transit service delivery.
- An agency is eligible for more STA money when claiming under Article 4.

Each of these reasons is explained in more detail below.

LTF Claimed Under Article 4 Can be Used More Broadly

Transit Funding Purposes Under Article 4

Article 4 money can be used for “all purposes necessary and convenient to the development and operation of a public transportation system, including:

- Planning and contributions to the transportation planning process,
- Acquisition of real property,
- Construction of facilities and buildings,
- Purchase and replacement of vehicles, and
- System operation, maintenance and repair” (PUC Sec. 99262)

Payments for the above-listed items can be direct expenses or payment of principle and interest on equipment, other indebtedness or bonds.

Transit Funding Purposes Under Article 8

- Payments to contract operators to provide public transportation or transportation services to those requiring special transportation assistance (PUC Sec. 99400c),
- Payments for administrative and planning cost for contract transportation services (PUC Sec. 99400d),
- Payment for capital expenditures to acquire vehicles and related equipment, bus shelters, bus benches, and communication equipment for the transportation services (PUC Sec. 99400e).

Article 4 Claims Take Priority Over Article 8 Claims

In reality, different departments within a jurisdiction work together to determine how much to claim for transit, how much to claim for bicycle and pedestrian projects and how much to claim for local streets and roads. This decision is lead by the needs and priorities of the local jurisdiction. If, however, transit were threatened by the amount a jurisdiction wanted to claim for other purposes, the Article 4 transit claim would take priority over the other claims.

Article 4 Requirements

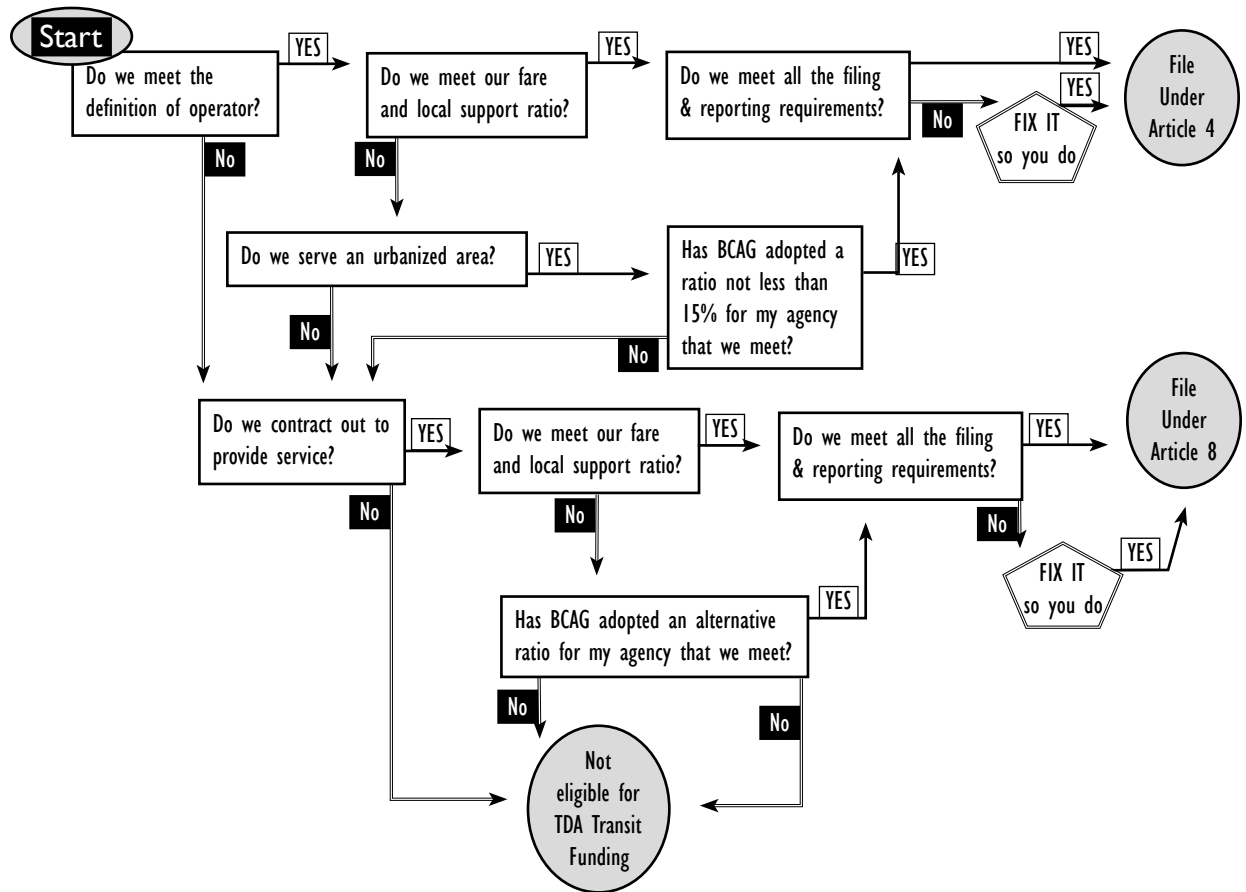
Article 4 claimants must conduct a Triennial Performance Audit which helps monitor service trends and gives transit operators the opportunity for an outside auditor to make service improvement recommendations.

Relationship to STA Funds

STA funding requirements are explained later in this chapter, but there is an important relationship between LTF and STA. Chapter 3 explained that there are two types of STA funds available: population formula funds and revenue formula funds. Only operators that claim LTF under Article 4 are eligible to receive revenue formula funds (PUC Sec. 99314.3). More information about the eligibility requirements for receiving STA is included at the end of this chapter.



Figure 5-5 Jurisdiction Decision Tree



Article 4 Versus Article 8 Summary

Figure 5-4 is a decision-tree showing whether a jurisdiction is eligible to file a transit claim under Article 4 or Article 8.



A jurisdiction that files a claim under Article 4 is considered an **“operator”** and is sometimes also called a **“claimant”** in the legislation. A jurisdiction that files a claim under Article 8 is considered a **“transit service claimant”** or **“claimant.”**

State Transit Assistance Fund

Eligibility Requirements

To receive STA population formula funds, a jurisdiction must be eligible to file an LTF transit claim under either Article 4 or Article 8 (PUC Sec. 99314.5(a) and (b)). To receive STA revenue formula funds, an operator must be eligible to file an LTF transit claim under Article 4 (PUC Sec. 99314.5(a)). Article 8 claimants are not eligible for revenue formula funds, because the revenue formula funds are allocated only to operators (PUC Sec. 99314.3). In addition, STA claimants must meet the following requirements:

- The claimant's proposed expenses must be in conformity with the Regional Transportation Plan, and
- The claimant is making full use of federal funds available under the Federal Transit Act (21 CCR 6754(a)).

Eligibility Requirements to Use STA for Operating Expenses

STA sets some further requirements for operators that want to use STA Funds to cover *operating* costs. These requirements do not apply to STA capital claims. Note that these requirements are only applicable to operators (i.e. Article 4 claimants).

- Operators must be allowed to employ part-time drivers or contract with common carriers operating under a franchise or license (PUC Sec. 99314.5(c)).
- Operators must meet either of the following two efficiency standards (PUC Sec. 99314.6):
 - *Efficiency Standard 1:* An operator's total operating cost per vehicle revenue hour for the most recent fiscal year must not exceed the prior year's operating cost per revenue vehicle hour, by a percentage greater than the percentage change in the Consumer Price Index (CPI) for the same period.
 - *Efficiency Standard 2:* An operator's total operating cost per vehicle revenue hour for the most recent fiscal year must not exceed the average total operating cost per vehicle revenue hour for the three prior years, increased by the average percentage change in the CPI for the same period.



BCAG is allowed to adjust the calculation for operating costs and revenue vehicle hours to account for the following factors:

- Exclusion of cost increases beyond the change in the CPI for fuel, alternative fuel programs, insurance or state or federal mandates, and/or
- Exclusion of start-up costs for new services for a period of not more than two years.

If an operator fails to meet either efficiency standard, BCAG will withhold and retain the operator's STA funding for reallocation to that operator for two years following the year of ineligibility.

Amount of LTF and STA Funds that Can be Claimed for Transit

Yippee, that's everything we need to know about our eligibility to claim TDA for transit, right? Not quite so fast. There are some technicalities about the amount of LTF and STA you can claim for the transit system. The State wants to ensure that an agency does not claim more than the actual transit budget minus the amount received from other sources. Section 6634 of the California Code of Regulations (CCR) explains the total amount of LTF and STA funding that transit claimants are eligible to receive during the fiscal year. The transit claimant's annual fiscal audit will test to ensure that the jurisdiction is not in violation of 21 CCR 6634.

Operating Costs

21 CCR 6634 (a) stipulates that an operator or claimant cannot receive funding for operating costs in an amount that exceeds its fiscal year operating cost minus the sum of:

- Fare revenues received during the Fiscal Year
- The amount of local support required to meet the required farebox ratio
- The amount of federal operating assistance received during the FY

- The amount received during the Fiscal Year from a city or county to which the operator provides service beyond its boundaries
- Any reduced funding eligibility resulting from the operator's failure to meet the required farebox recovery ratio.

Capital and Debt Service Costs

An operator or claimant cannot receive funding for capital costs and debt service purposes in an amount that exceeds the operator's actual Fiscal Year capital requirements and actual Fiscal Year debt service requirements minus any revenues received from other sources for such purposes (21 CCR 6634(b) and (c)).

Elderly & Disabled Services

Transit claimants claiming funds for elderly and disabled transit under Article 4 (PUC Sec. 99260.7) are not eligible to receive more capital funds than actual bus/van purchase expenditures (21 CCR 6634(e)).

Filing a Transit Claim

Chapter 10 summarizes all the requirements explained in this chapter and provides step-by-step instructions for filing your LTF and STA Fund transit claims.



CHAPTER 6: BICYCLE & PEDESTRIAN CLAIMS

Chapter 4 explained that Butte County is not a restricted county, which means that Butte County jurisdictions can file LTF claims under Article 8 (PUC Sec. 99400).

As further explained in Chapter 4, the ability to apply for funds under Article 8 means that eligible jurisdictions can use LTF for more than just transit – specifically bicycle and pedestrian projects and the support of local streets and roads. This chapter reviews the requirements for filing bicycle and pedestrian claims under Article 8. Chapter 7 explains the requirements for filing local streets and roads claims.

The Transportation Development Act made the “restricted”/“unrestricted” county distinction, because it recognized that in rural counties there might not be enough transit need to spend the entire LTF apportionment on transit. By creating Article 8, the legislature gave rural counties more ways to spend their LTF while still ensuring that transit claims were prioritized. Several unrestricted counties (or jurisdictions within those counties), however, have realized that they do in fact have enough transit need to spend all their LTF on transit and have chosen to do so. Just because money is available for non-transit purposes under Article 8, it does not mean that a jurisdiction is required to spread its LTF among these different purposes.



Eligible Projects

BCAG allows Butte County jurisdictions to claim Article 8 funds for bicycle and pedestrian projects deemed appropriate by the jurisdiction. BCAG does not provide guidelines on the types of projects that might be eligible. Some examples, however, of projects for which this money could be claimed include:

- New path or lane construction,
- Sidewalk construction,
- Trail maintenance,
- Bicycle plans,
- Safety education programs,
- Bike parking, and
- Trail signage

Eligibility Requirements

50% Funding Limitation

LTF allocated for bicycle and pedestrian projects under Article 8 cannot represent more than 50% of the amount required to meet the City/Town or County's total proposed expenditures for the project in the year. Capital expenses, however, are exempt from this 50% limitation requirement. BCAG may allocate the total amount budgeted for the project's capital expenses if the project is consistent with the Regional Transportation Plan (PUC Sec. 99405 (a) and (b)).

Minimum Project Requirements

TDA funds can only be allocated to projects that are in conformity with the Regional Transportation Plan (21 CCR 6651) and that are included in a jurisdiction's adopted bike plan. BCAG shall use the general design criteria of the Streets and Highways Code to evaluate bicycle and pedestrian claims (PUC Sec. 99401).

Documentation when Submitting Claim

When submitting a bicycle/pedestrian project claim, the claimant must submit the following to BCAG:

- Claim forms (examples are provided in Appendix H)
- A letter of transmittal to BCAG
- A capital and operating budget for the coming fiscal year for each project



- Project description that includes the time frame for project completion

Reporting Requirements

All claimants are required to submit:

- An annual certified fiscal audit to BCAG and to the State Controller within 180 days after the close of the fiscal year (PUC Sec. 99245). Upon written request with justification, BCAG may extend the deadline up to 90 days.
- A report to the State Controller regarding the expenditure of funds received for bicycle and pedestrian facilities within 90 days after the end of the fiscal year (CCR 6665).
- A letter from the jurisdiction to BCAG at the time of project completion stating that the project has been completed.

Additional information about the annual fiscal audit requirement and the State Controller's Report is included in Appendix G.

Filing a Bicycle or Pedestrian Claim

Chapter 10 provides step-by-step instructions for filing your bicycle or pedestrian LTF claim.



CHAPTER 7: OTHER CLAIMS AND THE UNMET NEEDS PROCESS

As an unrestricted county, Butte County jurisdictions may file Article 8 claims for local streets and roads, multimodal transportation terminals and passenger rail (PUC Sec. 99400(a), 99400(b) and 99400.5 respectively). Rail claims can also be made under Article 4 (PUC Sec. 99260.5 and Sec. 99260.6), but because none of the Butte County jurisdictions “operate” rail passenger service, Article 4 rail claims are not applicable in Butte County.

As explained in Chapter 6, just because money is available for non-transit purposes under Article 8, it does not mean that a jurisdiction is required to spread its LTF among these different purposes. For example, the City of Chico does not claim any of its LTF apportionment for street and roads, while other jurisdictions in Butte County claim a greater percentage of their LTF apportionment for streets and roads than for transit. Some agencies, such as the Modoc County Local Transportation Commission, pass resolutions declaring that their entire LTF apportionment will be spent on transit. How a jurisdiction allocates its LTF depends on the transit needs in that jurisdiction.

Eligible Projects

Street and road projects eligible for Local Transportation Funds include those that are “necessary or convenient to the development, construction, and maintenance of the city’s or county’s streets or highway network, including planning, acquisition of real property and construction of facilities and buildings” (PUC Sec. 99402).

Multimodal transportation facilities include park n’ ride lots, transit centers or other locations where passengers can transfer between modes. A City/Town or County where there is no countywide transit district (i.e. all the jurisdictions in Butte County) may file an LTF claim for the construction and maintenance of multimodal transportation terminals (PUC Sec. 99400.5).

None of the jurisdictions in Butte County is in the business of providing rail service, but there is an Amtrak station located within the City of Chico. Chico and the County provide funding for the maintenance of this station.

Eligibility Requirements

50% Funding Limitation

LTF allocated under Article 8 cannot represent more than 50% of the amount required to meet the City/Town or County's total proposed expenditures for the project in the year. Capital expenses, however, are exempt from this 50% limitation requirement. BCAG may allocate the total amount budgeted for the project's capital expenses if the project is consistent with the Regional Transportation Plan (PUC Sec. 99405 (a) and (b)).

Regional Transportation Plan

TDA funds can only be allocated to projects that are in conformity with the Regional Transportation Plan (21 CCR 6651). BCAG prepares the Regional Transportation Plan.

Unmet Transit Needs Process



Before BCAG can allocate funds for purposes “not directly related to public transportation services, specialized transportation services, or facilities provided for the exclusive use of pedestrians and bicycles,” (PUC Sec. 99401.5) BCAG must first implement the unmet transit needs process. Since the primary purpose of the TDA is to fund transit, the unmet transit needs process is used to prove that there are no “unmet transit needs” that are “reasonable to meet” prior to funding street and road projects.

The unmet transit needs process, however, is not required before BCAG can allocate Article 8 money for rail projects or multi-modal terminals. While the TDA does not explicitly state, it can be interpreted that these types of projects are related to public transportation services.



BCAG is responsible for implementing the unmet transit needs process on an annual basis. The unmet transit needs process is described in PUC Sec. 99401.5 and summarized below.

- BCAG must establish and consult with the Social Services Transportation Advisory Council. The Council is a county-wide body that includes representatives from the elderly and disabled communities, social service providers and other members representing the elderly, the disabled and persons of limited means as appointed by BCAG. The Council is responsible for participating in the annual unmet transit needs process (PUC Sec. 99238).
- BCAG must annually assess the size and location of groups likely to be transit dependent or transit disadvantaged, such as the elderly, disabled and persons of limited means. BCAG must assess the adequacy of existing public transportation services in meeting the demand of these groups, as well as the potential for service or service improvements to meet the demand of these groups.
- BCAG must hold at least one annual unmet transit needs hearing to gather comments on needs that exist.
- After considering all the information it has compiled through the unmet needs process, BCAG must adopt one of the following findings:
 1. There are no unmet transit needs.
 2. There are no unmet transit needs that are reasonable to meet, or
 3. There are unmet needs, including needs that are reasonable to meet.

If BCAG adopts the third finding, then the unmet transit needs shall be funded before any allocations are made for streets and roads within the jurisdiction (99401.5(e)).

While BCAG must hold at least one annual unmet transit needs hearing, BCAG generally holds more than its minimum requirement to provide more opportunity for public input. It should be noted, however, that the unmet transit needs process is specific to the claims filed in, and revenues available to, individual jurisdictions.

For example, if a jurisdiction does not claim any of its LTF for streets and roads, the unmet transit needs process is moot in that jurisdiction (i.e., City/Town or County). Citizens may still voice concerns about transit needs in that particular jurisdiction, but if all the jurisdiction's LTF is going to transit, rail, multimodal terminals, or bicycle and pedestrian projects, BCAG does not *have to* produce findings about the needs expressed in those jurisdictions. BCAG might still decide to produce a finding, but the jurisdiction would have no LTF with which to fund the finding.

BCAG Unmet Transit Needs Definitions

To develop its findings, BCAG is required to adopt definitions of “unmet transit need” and “reasonable to meet.” BCAG adopted the definitions shown in Appendix D.

Documentation when Submitting Claim

When submitting claims for other projects, the claimant must submit the following to BCAG:

- Claim forms (examples are provided in Appendix H)
- A letter of transmittal to BCAG
- A capital and operating budget for the coming fiscal year for each project
- Project description that includes the time frame for project completion

Reporting Requirements

All street & road, rail, and multimodal facility claimants are required to submit:

- An annual certified fiscal audit to BCAG and to the State Controller within 180 days after the close of the fiscal year (PUC Sec. 99245). Upon written request with justification, BCAG may extend the deadline up to 90 days.
- A report to the State Controller regarding the expenditure of funds received for projects within 90 days after the end of the fiscal year (CCR 6665).



Additional information about the annual fiscal audit requirement and the State Controller's Report is included in Appendix G.

Filing a Street and Road Claim

Chapter 10 provides step-by-step instruction for filing your LTF claims discussed in this section.



CHAPTER 8: FUND BALANCES AND CLAIM REVISIONS

There are still some strings attached to TDA money even after a jurisdiction’s claim has been approved. This chapter reviews the requirements on fund balances and claim revisions.

What is a Fund Balance?

Generally a fund balance is “left-over” TDA money. There are several different types of fund balances.

Reserved Funds

Jurisdictions may claim Local Transportation Funds for a capital project that will either take a while to get started or will be on-going for a few years. In response to such a claim, BCAG can reserve money in the Local Transportation Trust Fund for future payment to the claimant for that project (21 CCR 6648).

BCAG must provide a separate allocation instruction so that the County knows to reserve part of a jurisdiction’s apportionment in the fund for this purpose. BCAG must issue separate allocation instructions to authorize payment of these reserved funds. Money reserved in prior fiscal years can only be paid to the jurisdiction to which they were allocated *and only for the specific capital project for which they were reserved*. Money reserved in the current fiscal year may be reallocated and paid to the jurisdiction that reserved it for any eligible expenditure in the same fiscal year by amending the allocation instruction.

Local Transportation Fund capital project reserves that are not authorized for payment within three years cease to be allocated or reserved. This money may be reallocated to the same claimant for the same purpose, to the same claimant for a different purpose or to a different claimant within the same jurisdiction. At least 30 days before the end of any three-year reserve period, BCAG provides written notice to the claimant specifying the date on which the moneys cease to be allocated

or reserved. In addition, at any time *within* the three-year period, BCAG, with the consent of the claimant, may change the allocation of the reserved money. This money is then available to the same claimant for a different purpose.

Unallocated Apportionments

BCAG may allocate less than the total amount apportioned to a jurisdiction. The amount that is not allocated is called an “unallocated apportionment.” A jurisdiction might end up with an unallocated apportionment if BCAG does not allocate funds as claimed because:

- The claimant has not met its farebox recovery ratio for two consecutive years.
- The claimant did not spend its total LTF or STA Fund payments from the previous year and has accumulated a “local fund balance.”
- The jurisdiction did not file a claim, or the claim did not meet all requirements.
- The jurisdiction did not claim its entire apportionment.

BCAG must hold the unallocated apportionment in the LTF for future allocation to that jurisdiction. It cannot be reapportioned to another jurisdiction (PUC Sec. 6655.1).

Unrestricted Fund Balances

Chapter 2 explained that LTF and STA Fund apportionments are based on the amount that the County expects to receive from the State in the coming fiscal year. The County Auditor prepares a conservative estimate, because it is better to receive more money than what was counted on. An unrestricted fund balance is a balance of funds in the TDA account managed by BCAG that accrues due to money received from the State that is in excess of what the County Auditor estimated would be received. As a result, this money has not been allocated (i.e. claimed by any jurisdiction), because it was not made available in the findings of apportionment.

An unrestricted fund balance is the balance that is neither allocated, reserved, nor retained in the fund as an unallocated apportionment (21 CCR 6620).



As a result, the unallocated fund balance is added to the Findings of Apportionment in the coming year (PUC Sec. 6655.5). Chapter 3 explained that this is one of the reasons why there is uncertainty about the Findings of Apportionment each year. When the estimate of LTF for coming year is due in February, the county auditor has a sense of what the county's unallocated fund balance will be from the current year. The exact amount is not known, because the auditor only has two quarterly payments from the State, not all four, by the time the coming year estimate is due. The auditor, however, adds the estimated unallocated fund balance from the current year to the pot to be apportioned in the coming fiscal year.

Local Fund Balances

The last type of fund balance is the balance that a jurisdiction might have in its own transit accounts. This is money that the jurisdiction claimed in previous years that BCAG authorized for payment that has not yet been spent on the purpose for which it was allocated.

Technically, local fund balances should not become significantly large. First of all, a jurisdiction's claim is based upon the project budget submitted with the claim. As such, the jurisdiction is stating that it has a way to spend the funds it is claiming. Secondly, a jurisdiction's annual fiscal audit reveals the balance in each jurisdiction's account. A jurisdiction must deduct its local fund balance from future year claims. For example, if a City/Town or County has a \$100,000 local fund balance for transit operations, it must account for this when filing its next claim. The claim form asks jurisdictions to subtract local fund balances and BCAG checks this information against the information reported in the annual fiscal audit. The claimant may still claim all of its apportionment, but for other purposes, such as a capital



project, bicycle/pedestrian project, or street and road project. The money may also sit in the County Local Transportation Fund as an unallocated apportionment (described above).

Local Fund Balance Accounting

A jurisdiction must track its local fund balances by the purposes for which they were claimed. Any payments made to the jurisdiction for transit operations must be kept separate from payments made for transit capital. More specifically, any payments made under Article 8c (e.g. when a City/Town claims for Butte County) must be tracked separately from any payments made under Article 4 (e.g. payments made for the system the City/Town operates.)¹ Similarly, money received for bike and pedestrian projects must be accounted for independent from other TDA money received. Money received for street and road projects must also be tracked separately. For capital projects, money must be accounted for by project. Once allocated for a purpose, the jurisdiction must spend that allocation for that purpose. For example, a fund balance that has accrued in the transit capital budget cannot be spent on transit operations.

The Problem with Local Fund Balances and Un-allocated Apportionments

It might seem like a good idea to have these fund balances, so that if a transit operation (or street and road department) gets into financial difficulty, there is a cushion of revenue to fall back on before the agency needs to make cuts or defer maintenance. Actually, however, there are several problems with maintaining these fund balances. First is the difficulty of tracking all the funds by purpose as explained above. Secondly, it is not a politically good idea, either locally or at the County level, to hold large fund balances since it appears to be poor management of government funding. While the money can be used for limited purposes and will always go to the jurisdiction to which it was apportioned, local or

¹ Per conversation with Antonio Ortiz, Caltrans, 5/1/03.



County officials might start to question the ability of, for example, the transit system to spend its money in a fiscally responsible manner. This could lead to political pressure to reduce future transit claims and increase future street and road claims. If an agency is claiming funds for a specific purpose, it should be certain, to the best of its abilities, that it can spend the money for that purpose in the coming year.

Claim Revisions

BCAG is responsible for establishing the claim process in Butte County and the process for revising claims. There are a few reasons why a jurisdiction might need to revise its claim.

- The Findings of Apportionment are revised
- A jurisdiction wants to switch around its allocations
- A jurisdiction wants to claim its unallocated apportionment
- A jurisdiction wants to change a capital reserve

Revised Finding of Apportionment

As explained in Chapter 3, the Findings of Apportionment are issued by March 1 of each year. The Findings can change for several reasons as explained in Chapter 3. BCAG might ask jurisdictions to revise their claims as a more accurate estimate is developed. It is very common that claims need to be revised for this reason.

Switching Allocations

Let's say a jurisdiction claimed \$100,000 under Article 8a for a bicycle/pedestrian project. If, at some point during the course of the year, it is decided that the \$100,000 claimed for the bike project is not needed, the jurisdiction can file an amended claim to move the money to an Article 4 operations or capital claim or to another Article 8 claim.

Similarly, if a claimant files for transit operating and capital under Article 4 and finds during the course of the year that it needs less for capital and more for op-

erating than it had anticipated, it could file an amended claim to switch the money from its capital fund to its operating fund.²

The same process holds true for money left over in a jurisdiction's account after the close of the fiscal year. If toward the end of the year, a jurisdiction realizes that it will have a fund balance of \$100,000 for, say, transit capital, it can either subtract that amount from its claim for the coming fiscal year, or it can revise its claim to use it for another purpose, such as transit operations, streets & roads, etc.

Claiming an Unallocated Apportionment

If a jurisdiction has an unallocated apportionment, it can file a revised claim during the course of the year to obtain this money if a need arises.

Changing the Purpose of Reserved Funds

As explained above, funds can be reserved for a capital project for a three-year period. If during the three years, a jurisdiction realizes the capital project will not be completed as planned, it can revise its claim for this money. It can claim it for another capital project or another purpose. If the jurisdiction has not spent the money during the three years, it may submit a revised claim to reserve the money for the same capital project, a different capital project or a different purpose.

² Per Caltrans, 5/1/03.



CHAPTER 9: PRODUCTIVITY IMPROVEMENT PROGRAM

What is a Productivity Improvement Program?

A Productivity Improvement Program (PIP) allows BCAG to monitor a transit operator's or transit claimant's progress toward meeting recommended improvements that can lower transit operating costs.

BCAG is required to identify, analyze and recommend potential improvements on an annual basis for transit operators receiving TDA funds under Article 4 (PUC Sec. 99244). At its discretion, BCAG can also recommend and track productivity improvements for transit claimants receiving TDA funds under Article 8.

How are Recommendations Developed?

The recommendations should include, but are not limited to, the productivity recommendations made in the operator's most recent TDA triennial performance audit (PUC Sec. 99244). BCAG can make recommendations on its own or set up a productivity committee to provide advice on developing productivity improvement recommendations and tracking improvements. BCAG currently does not have such a committee, but if it chose to establish one, its membership would have to consist of:

- Operator management staff
- Organizations of employees of the operators
- Users of the transportation services (PUC Sec. 99244)

What Happens if an Operator Does Not Follow Up on Recommendations?

Before BCAG allocates TDA funds to an operator for the coming fiscal year, BCAG must evaluate the operator's efforts to implement any recommended improvements. If BCAG determines that the operator has not made a reasonable effort to implement the recommended improvements, BCAG shall not approve LTF transit allocations for the coming fiscal year that exceed the

transit allocation for the current fiscal year (PUC Sec. 99244).

How is Progress toward Meeting the Recommendations Tracked?

Each operator and, if applicable, each transit claimant is required to submit the Productivity Improvement Progress Report form on an annual basis with its annual TDA claim form. Each operator or transit claimant is required to provide sufficient information to enable BCAG to determine if a reasonable effort was made to implement the recommendations. A sample form is included in Appendix H.

Types of Recommendations

Productivity improvement recommendations for transit operators or transit claimants are divided into two categories: performance audit recommendations, and specific operator or claimant initiated efforts to improve productivity.

Performance Audit Recommendations

BCAG staff will meet with each transit operator or transit claimant upon completion of the triennial performance audit process to review the audit recommendations and solicit the operator's and claimant's responses to the recommendations. BCAG will notify the operator and transit claimant of their responsibilities to implement the recommendations. At the time of claim submittal (June 1), each operator or transit claimant shall submit a Productivity Improvement Progress Report form. Information provided on the form shall include:

1. A discussion of the work undertaken to implement each recommendation during the current fiscal year,
2. A short discussion of any problems encountered in implementing individual recommendations, and the success or failure of implemented recommendations in improving transit productivity,



3. Next steps the operator or transit claimant will take in continuing to implement the recommendation.

Efforts to Improve Productivity

In addition to implementing the performance audit recommendations, each operator and transit claimant shall indicate if any special efforts have been or will be made to help cover costs and/or increase ridership. These efforts shall be summarized for both fixed-route and demand responsive operations and be included on the annual Productivity Improvement Progress Report.



CHAPTER 10: HOW TO FILE A TDA CLAIM

Well this has all been swell, you say, but I still don't know HOW to file my claim? Where do I begin? What's the first step? With this chapter, we hope to part the clouds and let a ray of sunshine in so that you can file your claim quickly and efficiently and without the amount of mystery that generally surrounds the process. This chapter helps you figure out the numbers you need to put on the claim form and helps you get all your paperwork and required documentation in order. It refers to all the other chapters in this workbook, so that you'll know where to go if you don't understand a certain step or want to know more about it.

Get Your Numbers

see
Chapter
2+3

BCAG will provide you with the Findings of Apportionment in March. You have from this time until June 1st to prepare your TDA claims. The Findings will tell you the amount of LTF and STA Funds that your jurisdiction is expected to receive in the coming fiscal year.

Determine Your Allocation

Basically, you must decide how you want to ask BCAG to allocate these funds to you.

- How much for transit operations?
- How much for transit capital?
- How much for bicycle and pedestrian projects?
- How much for local streets and roads?

see
Chapter
3

Step 1: Set Aside the Money you Need to Claim for Other Transit Systems

In March, BCAG tells the Cities and the Town how much of their apportionments they need to set aside for Butte County Transit (BCT) operations and capital. BCAG also tells Butte County how much it needs to set aside for Oroville, Chico, and Gridley.

see
Appendix
C

Step 2: Determine Your Transit Claim

A. Work with the transit manager in your City/Town to understand the transit budget for the coming year.



How much money is needed from TDA for operations?
How much money is needed for capital? Make sure to include any unmet needs that were found to be reasonable to meet in the budget for the coming year.

A jurisdiction will know how much to claim for transit operations and capital based on its transit budget and plans (e.g. short-range transit plans). Iteratively, knowing how much a jurisdiction is usually apportioned and how much it usually claims for transit guides the jurisdiction's transit budget and planning. The person responsible for preparing a local jurisdiction's transit claim will need to work with the jurisdiction's public works department to understand the transit system's budget and plans for the coming year in order to file the TDA claim.



B. Are there any capital projects for which you want to reserve funds for the next three years?

C. Figure out if you should claim LTF under Article 4 or Article 8.

D. Ensure that you meet all the eligibility requirements.

E. If you are claiming under Article 4, determine if you meet the guidelines to use your STA Funds for operating costs



If yes, decide how much of the transit capital and operating budget you need to claim from LTF and the STA Fund based on what is logical for your internal record-keeping and what works for you.

If no, max out your STA Funds by claiming the total amount for capital. For example, if the transit budget needs \$200,000 in capital in the coming year and your STA Fund apportionment is \$150,000, claim all \$150,000 for capital projects. Then claim the rest from the LTF. Claim all the TDA money you need for operating under LTF.



F. If you are claiming under Article 8, decide how much of the capital and operating budget you need to claim from LTF and the STA Fund based on what is logical for your internal record-keeping and what works for you.

Step 3: Determine the Amount You Want to Claim for Bicycle and Pedestrian Projects

A. Do you claim LTF for local transit funding under Article 4?

If yes and if the amount you need to claim for transit does not exhaust your jurisdiction's LTF apportionment, work with the public works department to determine what, if any, bicycle or pedestrian projects you want to file an LTF claim for. Then follow Step B.

If no, transit claims do not take priority over other claims. Therefore, all the involved parties within your jurisdiction will need to determine how to prioritize funding requests. If bicycle and pedestrian projects make the cut, follow Step B.

B. Separate capital project costs (like bike path construction) from operating costs (like labor to write a bike plan). Make sure your jurisdiction meets all the eligibility requirements.



Step 4: Determine the Amount You Want to Claim for Street & Road Projects, Rail Projects and/or Multimodal Transportation Facilities

A. Do you claim LTF for local transit funding under Article 4?

If yes and if the amount you need to claim for transit does not exhaust your jurisdiction's LTF apportionment, work with the public works department to determine what, if any, other projects you want to file an LTF claim for. Then follow Step B.

If no, transit claims do not take priority over other claims. Therefore, all the involved parties within your jurisdiction will need to determine how to prioritize funding requests. If other projects make the cut, follow Step B.



B. Separate capital project costs (like street construction) from operating costs (like maintenance labor). Make sure your jurisdiction meets all the eligibility requirements.

Prepare Your Claim Forms

Appendix H provides blank and completed sample forms.

Step 1: Obtain claim forms from www.bcag.org/tda/htm

Step 2: Complete the form “Local Transportation Fund (LTF) & State Transit Assistance (STA) Fund Annual Project and Expenditure Plan

A. In the line item, “Project Title” projects could include:



- Local Transit Operations
- Local Transit Capital Project A, B, C, etc. (List each separately)
- Operations Claims for transit systems your jurisdiction does not operate (e.g. BCT claims filed by Cities/Town and Chico claims filed by Butte County, etc.)
- Capital Claims for transit systems your jurisdiction does not operate.
- Capital Reserve for Local Transit Project A, B, C, etc. (List each separately)
- Bicycle and Pedestrian Project A B, C, etc. – Operations (List each separately)
- Bicycle and Pedestrian Project A B, C, etc. – Capital (List each separately)
- Local Street & Road Project A B, C, etc. – Operations (List each separately)
- Local Street & Road Project A B, C, etc. – Capital (List each separately)
- Rail Project A, B, C, etc. (List each separately)
- Multimodal Transportation Facility



B. Complete the second & third columns to show the amount of LTF claimed for each project and the PUC code section under which the LTF is claimed. Use Figure 10-1 as a guide.

Figure 10-1 PUC Section Under Which to File LTF Claims

| Operations | |
|--|--------------------------------------|
| For Systems Your Jurisdiction Operates | Article 4 PUC Sec. 99260(a) or 99262 |
| For Systems Your Jurisdiction Does Not Operate | Article 8 PUC Sec. 99400(c) |
| Contract payments | Article 8 PUC Sec. 99400(c) |
| Planning and administration | Article 8 PUC Sec. 99400(d) |
| Capital | |
| For Systems Your Jurisdiction Operates | Article 4 PUC Sec. 99262 |
| For Systems Your Jurisdiction Does Not Operate | Article 8 PUC Sec. 99400(e) |
| Local Transit Research & Development | Article 4 PUC Sec. 99260(b) |
| Bicycle and Pedestrian Project Operations | Article 8 PUC Sec. 99400(a) |
| Bicycle and Pedestrian Project Capital | Article 8 PUC Sec. 99400(a) |
| Local Street & Road Projects | Article 8 PUC Sec. 99400(a) |
| Rail Projects | Article 8 PUC Sec. 99400(b) |
| Multimodal Transportation Facilities | Article 4 PUC Sec. 99400.5 |

see
Chapter
4+5

C. Complete the fourth & fifth columns using Figure 10-2 as a guide.

Figure 10-2 PUC and CCR Section Under Which to File STA Claims

see
Chapter
4+5

| Operations | |
|---|---|
| For Systems Your Jurisdiction Operates | 21 CCR 6730(a) |
| For Systems Your Jurisdiction Does Not Operate | 21 CCR 6731(b) |
| Contract payments | 21 CCR 6731(b) |
| Planning and administration costs of contracted public transportation | 21 CCR 6731(b) |
| Rail | 21 CCR 6731(a) |
| Capital | |
| For Systems Your Jurisdiction Operates | 21 CCR 6730(b) |
| For Systems Your Jurisdiction Does Not Operate | PUC Sec. 99313.6 referencing Sec 99400(e) |
| Rail | 21 CCR 6731(a) |

D. Complete the columns to the right, identifying how much of the total project budget in the coming fiscal year you are claiming from LTF and STA Funds, how much you have in your local fund balance for the project, and how much is coming from other sources (such as local or federal).

Step 3: Complete the Form, “Local Transportation Fund (LTF) Claim”

Transfer the total LTF amounts for each type of claim to the summary form “Local Transportation Fund (LTF) Claim.” Use Figure 10-1 to help you figure out what to add up to represent each of the following:

Public Transportation (Article 4)

Operating (Operation claims under PUC Sec. 99260(a), 99260(b) or 99262)

Capital (Capital claims under PUC Sec. 99260(b) or 99262)

Capital Reserves (Designate how much of your capital claim should be kept in reserve)

Public Transportation (Article 8)

Operating (Claims filed under 99400(c) and 99400(d))

Capital (Claims filed under 99400(e))

Capital Reserves (Designate how much of your capital claim should be kept in reserve)



Streets and Roads (Article 8) (Street & Road claims filed under 99400(a))

Bicycle and Pedestrian (Article 8) (Bicycle & Pedestrian claims filed under 99400(a))

Rail (Article 8) (Rail claims filed under 99400(b))

Multimodal Transportation Facilities (Article 8) (99400.5)

Step 4: Complete the Form, “State Transit Assistance (STA) Fund Claim”

Transfer the total STA Fund amounts for each type of claim to the summary form “State Transit Assistance (STA) Fund Claim.”

Public Transportation (Article 4)

Operating (Operation claims under 21 CCR 6730(a))

Capital (Capital claims under 21 CCR 6730(a))

Public Transportation (Article 8)

Operating (Claims filed under 21 CCR 6731(b))

Capital (Claims filed under 99400(e))

Step 5: Complete the “Statement of Conformance” Form

This form is a checklist to make sure that your jurisdiction is eligible to file the claim it is submitting. Each item in the checklist references the section of the workbook that explains the meaning of the checklist item. It is the responsibility of the City/Town or County to understand what it is checking and why it is being checked. It is the City/Town or County’s responsibility to ensure that all checks are accurate and true. Sample forms are included in Appendix H.

Documentation to Include with Your Claim

Claimants should submit two copies of the claim forms and one set of the documentation requirements listed in this section.

All Claims

- **A letter of transmittal to BCAG** addressed to Jon Clark, Executive Director, that attests to the accuracy of the claim and all its accompanying documentation. The claim must be signed by the chief financial officer of the claimant (21 CCR 6632).

All Transit Claims



- **A copy of the operating and capital budgets for the coming fiscal year** for any transit system that the jurisdiction operates (21 CCR 6632)



- **Description of capital projects**, including time frame over which project will be funded and implemented
- **Productivity Improvement Progress Report Form**

Article 4 Transit Claims



- **Substantiation of operating budget increases 15% or more over the previous year**, if applicable (21 CCR 6632)
- **Explanation why there is a substantial increase or decrease** in operations or capital for fixed facilities (21 CCR 6632)
- **A certification completed within the last 13 months from the California Highway Patrol** indicating that the operator is in compliance with Section 1808.1 of the Vehicle Code (21 CCR 6632).

Section 1808.1 lists numerous requirements that a transit operator should be familiar with. A brief non-inclusive paraphrased overview includes:

- Obtain reports of drivers' current public records,
- Participate in a pull-notice system,
- Obtain a report from the DMV at least every 12 months to verify that employees' driver's licenses have not been suspended or revoked, employees' traffic violation point counts, and whether the employees have been convicted of certain violations,
- The CHP shall inspect bus maintenance facilities and terminals at least once every 13 months and determine whether transit operators are in compliance with the Vehicle Code Section 1801.1.

- **A statement of projected or estimated revenues and expenditures** from the prior fiscal year (21 CCR 6632). If filing a claim for FY06, the prior year would be FY05. FY05 would not be complete at the time a jurisdiction files its FY06 claim, so this will have to be a projection or estimate. This allows BCAG to compare claims to actual revenues and expenditures.

Bicycle/Pedestrian Claims

- **A capital and operating budget** for the coming fiscal year for each bicycle/pedestrian project
- **Project description** that includes the timeframe for project completion.



Street & Road Claims

- **A capital and operating budget** for the coming fiscal year for each street and road project
- **Project description** that includes the timeframe for project completion.



Figure 10-3 summarizes the eligibility requirements, document submission requirements and reporting requirements for each type of claim. Figure 10-4 summarizes the claim process timeline.

Figure 10-3 Eligibility and Claim Requirements

| | Transit | | | Bike & Ped | Street & Road |
|---|-----------------|-----------|----------------|----------------|------------------|
| | LTF | | STA | | |
| | Article 4 | Article 8 | | | |
| Eligibility Requirements | | | | | |
| Operator | ✓ | | | | |
| Contract Operations | | ✓ | | | |
| Farebox Recovery Ratio | ✓ | ✓ | ✓ | | |
| Vehicle Staffing (PUC Sec. 99264). | ✓ | | | | |
| Operating budget growth (PUC Sec. 99266) | ✓ | | | | |
| Fully fund operator's retirement system | ✓ | | | | |
| Private pension plan requirements | ✓ | | | | |
| Part time employee requirement | | | ✓ | | |
| CHP Inspection (PUC Sec. 99251). | ✓ | ✓ | ✓ | | |
| Reduced transit fares for E & D | ✓ | ✓ | ✓ | | |
| Full use of Federal Funds | | | ✓ | | |
| Must be allowed to employ part-time drivers or contract | | | ✓ | | |
| Efficiency Standards | | | ✓ ¹ | | |
| Productivity Improvement Program | ✓ | ✓ | ✓ | | |
| Conform with RTP | | | ✓ | ✓ | ✓ |
| Included in jurisdiction's bike plan | | | | ✓ | |
| Use general design criteria of Streets & Highways code | | | | ✓ | |
| 50% limitation | | | | ✓ ² | ✓ ³ |
| Funded only after findings of Unmet Transit Needs process | | | | | ✓ |
| Documentation to Submit with Claim | | | | | |
| Claim Forms (2 copies of each) | ✓ | ✓ | ✓ | ✓ | ✓ |
| Letter of Transmittal | ✓ | ✓ | ✓ | ✓ | ✓ |
| Capital & Operating Budget | ✓ | ✓ | ✓ | ✓ ⁴ | ✓ ⁵ |
| Capital Project Description | ✓ | ✓ | | ✓ ⁶ | ✓ ⁷ |
| Letter of completion | | | | ✓ ⁸ | ✓ ⁹ |
| Statement of Estimated Revenues & Expenses for prior FY | ✓ | | | | |
| Reporting Requirements | | | | | |
| Submit annual certified fiscal audit | ✓ | ✓ | ✓ | ✓ | ✓ |
| Submit annual State Controller's Reports | ✓ | ✓ | ✓ | ✓ | ✓ |
| Triennial Performance Audits | ✓ | possibly | | | |
| Service extension report | ✓ ¹⁰ | | | | |

¹ Operators using STA for operating expenses² Operating funds only³ Ibid⁴ For each project⁵ Ibid⁶ Ibid⁷ Ibid⁸ Ibid⁹ Ibid¹⁰ If applicable



Figure 10-4 Claim Process Timeline

| Who | What | When |
|--|---|---|
| State Controller | Provides an estimate of the amount of STA funds to be allocated to Butte County in the coming fiscal year. | Prior to January 31 st (PUC Sec. 99312.7(a)) |
| Butte County Auditor | Prepares an estimate of the amount of LTF funds that will be available in the coming fiscal year. | Prior to February 1 (21 CCR Sec. 6620) |
| BCAG staff and BCAG Board of Directors | Prepares and adopts the Findings of Apportionment. | Prior to March 1 (21 CCR Sec. 6644) |
| Cities /Town and the County | File LTF and STA transit claims. File LTF bicycle, pedestrian and street & road claims | Prior to June 1 ((21 CCR Sec. 6630) and (PUC Sec. 99261)) |
| State Controller | Send an updated estimate of the amount of STA funds to be allocated to Butte County in the coming fiscal year based on amount appropriated in the State Budget Act. | Prior to August 1 (PUC Sec. 99312.7(b)) |
| BCAG | Provide written allocation instructions to the County Auditor for payment of funds. | June 30 and thereafter (21 CCR Sec. 6659) |
| Cities/Town and the County | Submit revised claims. | As needed during fiscal year |