

**APPENDIX A**  
**GLOSSARY OF TERMS**

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## **APPENDIX A: GLOSSARY OF TERMS**

This appendix provides definitions of many of the terms used throughout the workbook. The definitions are organized in alphabetical order. Reading Appendices A and B is a good way to recap your understanding of what you learned in the manual. It's also a good way to understand TDA without having to read the entire manual!

**Allocation:** How a jurisdiction elects to split its TDA apportionment between transit, bicycle, pedestrian, and street & road projects.

**Apportionment:** The share of Butte County's TDA funds earmarked for each jurisdiction.

**Apportionment Restriction County:** A county with a population of 500,000 or more in 1970 (with the exception of San Bernardino County). In these counties, claims cannot be filed under Article 8. Butte County is an "unrestricted county."

**Claimant:** A jurisdiction filing a TDA claim. A claimant might be a city or county that is an operator or a transit service claimant (see definitions for each of these below), or a city or county that is filing a bicycle/pedestrian project claim or a streets & roads claim.

**Community Transit Service:** Community transit refers to transportation services which link intracommunity origins and destinations, including services for those, such as the disabled, who cannot use conventional transit services.

**Consolidated Transportation Service Agency (CTSA):** An agency defined by BCAG that consolidates the provision of Social Service Transportation within Butte County. Social Service Transportation is transportation required by Social Service recipients. The County of Butte is the CTSA for Butte County.

**Independent Auditor:** The State Controller, a certified public accountant, or public accountant who is not an officer or employee of the claimant. The county auditor is not an “independent auditor” with reference to the county or to an operator for which the county auditor serves as a financial officer.

**Fare and Local Support Recovery Ratio:** Sum of fare revenue and local support to operating costs.

**Fare Revenues:** Passenger fares for transit service, special transit fares and school bus service revenues. Special transit fares includes revenues for charter services and fees paid by an entity to support service for their benefit (e.g. a shopping center, university, employer). Fares can also include donations made by passengers when a fare is not charged.

**Farebox Recovery Ratio:** Ratio of fare revenue received to operating costs.

**“Findings of Apportionment”:** The amount apportioned to each jurisdiction for the coming fiscal year is called the “Findings of Apportionment.”

**Fiscal Year:** July 1<sup>st</sup> through June 30<sup>th</sup>

**Jurisdiction:** The geographical area over which a court or government body has the power and right to exercise authority.

**Local Support:** 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.

**Local Transportation Fund (LTF):** The LTF is a local fund into which the state deposits sales tax revenue to be used for transportation purposes defined by TDA. Revenue for the Local Transportation Fund (LTF) comes from ¼ cent of the 7 ¼ percent state sales tax collected in Butte County.

**Mills-Alquist-Deddeh Act:** Another name for the Transportation Development Act.

**Operating Costs:** For the purposes of calculating farebox recover ratios per the TDA, operating costs are defined as all costs of operating a transit system, exclusive of capital depreciation and amortization.

**Operator:** A City/Town or County that is responsible for the following aspects of the transit service: sets route structure, sets schedules, sets fares, controls the quality and basic operation of they 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.

**Population Formula Allocation Funds:** The 50% of STA funds that are apportioned on the basis of population share.

**Productivity Improvement:** A recommended improvement that can lower transit operating costs.

**Productivity Improvement Program (PIP):** A program that allows BCAG to monitor a transit operator's or transit claimant's progress toward meeting recommended improvements that can lower transit operating costs. See Chapter 9.

**Reasonable to Meet:** This is a term used in the unmet transit needs process. The BCAG Board of Directors must determine if unmet transit needs are "reasonable to meet." See Appendix D for a detailed explanation.

**Regional Transportation Planning Agency (RTPA):** An RTPA is responsible for the preparation of all federal and state transportation plans and programs that secure transportation funding for highways, local streets and roads, transit, aviation, rail and bikeway/pedestrian facilities. The Butte County Association of Governments (BCAG) is the Regional Transportation Planning Agency in Butte County.

**Restricted County:** See “Apportionment Restriction County.”

**Revenue Formula Allocation Funds:** The 50% of STA funds that are apportioned on the basis of the relative share of passenger fares and local support revenues collected by the jurisdiction.

**Social Services Technical Advisory Council (SSTAC):** A committee appointed by BCAG made up of representatives from social service providers, the elderly and the disabled. The SSTAC participates in the annual unmet transit needs process.

**SB 325:** Another name for the Transportation Development Act.

**SB 620:** Another name for the State Transit Assistance Fund.

**Specialized Transportation Services:** Transit that primarily serves older adults, people with disabilities, and others whose mobility needs are not addressed by traditional fixed-route service. Typical services include demand-response, feeder, community bus, and route and point deviation services.

**State Transit Assistance Fund (STA Fund):** 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. STA funds are distributed to the counties for transit funding purposes.

**Transit Service Claimant:** In Butte County, a jurisdiction filing a claim for contract transit payments pursuant to Article 8, Sec. 99400(c). (A claimant filing under Article 4 is considered an operator.)

**Transportation Development Act (TDA):** The Transportation Development Act (TDA) provides two



major sources of funding for public transportation: the Local Transportation Fund (LTF) and the State Transit Assistance fund (STA). These funds are for the development and support of public transportation needs that exist in California and are allocated to areas of each county based on population, taxable sales and transit performance. Some counties, such as Butte County, have the option of using LTF for local streets and roads projects, if they can show there are no unmet transit needs.

**Unallocated Apportionment:** BCAG may allocate to a claimant an amount less than the apportionment for their area. The amount that is not allocated is called an “unallocated apportionment.”

**Unmet Transit Need:** BCAG defines what it considers an unmet transit need within Butte County. The definition is provided in Appendix D.

**Unmet Transit Needs Process:** An annual process conducted by BCAG to hear about unmet transit needs from the community and determine if there are no unmet transit needs, there are no unmet transit needs that are reasonable to meet, or there are unmet needs, including needs that are reasonable to meet.

**Unrestricted County:** See “Apportionment Restriction County.”

**Urbanized Area:** An urbanized area refers to the urbanized area boundaries as reported in the latest federal census. An urbanized area has a population of 50,000 or more.

**APPENDIX B**  
**QUESTIONS & ANSWERS**

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## APPENDIX B: QUESTIONS AND ANSWERS

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This Appendix puts most of the topics covered in the workbook in a “question and answer” format to provide an additional way for workbook users to understand TDA. The questions and answers are grouped by the Chapter in which they were discussed in the workbook. The Q & A format does not provide as much detail as the workbook chapters, so users should reference the workbook to better understand the answer to any question. These questions and answers will also be easier to understand after reading the definitions presented in Appendix A.



### **Q. What is the Transportation Development Act?**

A. The Transportation Development Act (TDA) provides state funding to local jurisdictions to improve existing public transportation and encourage regional public transportation coordination. Under certain circumstances, it also provides funding for bicycle and pedestrian projects and local street and road projects.

### **Q. Where can I get a copy of the TDA?**

A. The full text of the Transportation Development Act is available in a Caltrans publication entitled Transportation Development Act - Statutes and California Code of Regulations as well as at its Web site <http://www.dot.ca.gov/hq/MassTrans/tdao.htm>.

### **Q. What is the Local Transportation Fund (LTF)?**

A. The TDA provides two major sources of funding, the Local Transportation Fund (LTF) and the State Transit Assistance (STA) Fund. The Local Transpor-



tation 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. Revenue for the Local Transportation Fund (LTF) comes from  $\frac{1}{4}$  cent of the  $7\frac{1}{4}$  percent state sales tax collected in Butte County.

**Q. How much LTF does Butte County get each year?**

- A. Because LTF comes from  $\frac{1}{4}$  cent of the  $7\frac{1}{4}$  percent state sales tax collected in Butte County, the amount Butte County receives each year depends on the amount of sales tax revenue generated in the County. In FY03, Butte County received about \$5.2 million. (How much will you buy in Butte County this year?)

**Q. What is the State Transit Assistance Fund (STA Fund)?**

- A. The STA Fund provides a second source of TDA funding. STA funds are generated from the state-wide 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. In FY03, Butte County received about \$340,000.

**Q. How much STA Funds does Butte County get each year?**

- A. The amount depends on the amount of STA Funds set aside by the state legislature each year. Then the set-aside is allocated 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. (These are called “population formula allocation” funds.)

The formula allocates the other 50% on the basis of the amount of passenger fares and local support revenues collected by Butte County transit operators compared to the amount collected by transit operators statewide. (These are called “revenue formula allocation” funds.)

see  
Chapter  
3

**Q. Why does the amount of LTF received by Butte County vary from year to year?**

- A. Because sales tax revenues are generally higher in time of economic boom and lower in times of recession, LTF revenues deposited in the County fund vary from year to year.

**Q. Why does the amount of LTF apportioned to a jurisdiction vary from year to year?**

- A. The LTF apportionment varies depending on the amount of sales tax revenues estimated to be received in the County during the coming fiscal year, the amount actually received in the current fiscal year compared to the County’s prior-year estimate, and the relative portion of a jurisdiction’s population to the rest of the jurisdictions in Butte County.

**Q. Why does the amount of STA Funds received by Butte County vary from year to year?**

- A. The State has discretionary control over how much money it puts into the STA account each year. In addition, Butte County’s relative share of the total state population will vary from year to 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.

**Q. Why does the amount of STA Funds apportioned to a jurisdiction vary from year to year?**

- A. The amount will vary depending on the amount of STA received by the County. It will also depend on a jurisdiction's relative population share, whether or not the jurisdiction is a transit "operator," and, if so, the operator's relative farebox revenues to those collected by other operators in Butte County.

**Q. How does BCAG determine how much LTF a jurisdiction gets each year?**

- A. **Step 1:** Each January the County Auditor estimates the amount of LTF revenue the County should receive in the coming year based on economic forecast and past experience.

**Step 2:** To this, the County Auditor adds the estimated "unallocated fund balance" from the current year.

**Step 3:** BCAG takes the total estimate and subtracts any money that must come "off the top" to pay for other TDA funding priorities.

**Step 4:** BCAG apportions the remaining amount to the jurisdictions based on the relative portion of each jurisdiction's population.

**Q. What are the "Findings of Apportionment"?**

- A. The amounts of LTF and STA apportioned to each jurisdiction for the coming fiscal year are called the "Findings of Apportionment."



**Q. Why does BCAG sometimes have to revise the “Findings of Apportionment”?**

- A. BCAG will update the Findings of Apportionment if the County revises its estimate of the amount of LTF that will be received in the coming year. BCAG also updates the Findings if the population figures released by the Department of Finance in May of each year vary from the population figures used in January and February to make the initial Findings.

**Q. How does BCAG determine how much STA Funds a jurisdiction gets each year?**

- A. 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 (the same way that LTF is appropriated). The revenue allocation funds received by Butte County are apportioned to those jurisdictions that file their TDA claims as “transit operators.” The revenue allocation funds are appropriated to the eligible jurisdictions based on the relative share of the jurisdiction’s farebox revenues and local support.

**Q. Does BCAG have to allocate a jurisdiction’s total apportionment?**

- A. No. BCAG may allocate an amount less than a jurisdiction’s apportionment. The amount that is not allocated is called an “unallocated apportionment.” BCAG must hold the unallocated apportionment in the TDA Trust Fund for future allocation to that jurisdiction. It cannot be reapportioned to another jurisdiction.

**Q. Can money apportioned to one jurisdiction be allocated to another jurisdiction?**

- A. No. Once money is apportioned to a jurisdiction, it can only be claimed by that jurisdiction and allocated for the funding purposes defined in the

jurisdiction's claim. In Butte County, however, there is a funding agreement such that the Cities/Town claim part of their apportionment to support Butte County Transit and Butte County claims part of its apportionment to support some of the local transit systems.

**Q. How could a jurisdiction get more TDA money for transit?**

- A. A jurisdiction has little ability to increase the amount of its TDA apportionment. Some counties have developed transit districts or “joint powers authorities” (JPAs), and have allowed several jurisdictions’ TDA money to go directly to the district or JPA for transit purposes. Some counties have also legislatively decided that all TDA money will go toward transit funding. Furthermore, some have developed cooperative funding agreements between jurisdictions, so that a jurisdiction may claim transit funding for another jurisdiction. (This latter arrangement exists in Butte County.) The decision, however, to claim more of a jurisdiction’s apportionment for transit is at the jurisdiction’s discretion.

see  
Chapter  
4

**Q. Article 3, Article 4, Article 8...what are all these articles?**

- A. 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.
- Article 2 is used by counties and RTPAs to claim LTF to pay for TDA administrative costs.
  - Article 3 is used if a county sets aside money “off the top” of LTF for bicycle/pedestrian and rail claims. (Not utilized in Butte County)

- Article 4 is used by local jurisdictions for general public transit, elderly & disabled transit and rail LTF claims.
- Article 4.5 is used by CTSAs for elderly & disabled transit LTF claims. (Not utilized in Butte County)
- Article 6.5 is used by local jurisdictions for general public transit and rail STA claims.
- Article 8 is used by local jurisdictions in “unrestricted counties” for general public transit, elderly & disabled transit, rail, bicycle/pedestrian and street & road LTF claims.

see  
Chapter  
5

**Q. How does a jurisdiction know under which Article to file a transit claim?**

- A. In Butte County, transit claims can be filed under Article 4 or Article 8. Transit claims should be filed under Article 4 if the jurisdiction meets all the eligibility requirements.

**Q. When can a jurisdiction submit its LTF transit claim under Article 4?**

- A. When the jurisdiction meets the following requirements.
- The claimant is an operator.
  - The claimant meets its farebox recovery ratio requirement.
  - The claimant meets the TDA triennial performance audit compliance requirements.
  - The claimant meets TDA reporting requirements

**Q. Which jurisdictions in Butte County are considered transit operators?**

A.

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

**Q. What are the farebox recovery ratio requirements for Butte County jurisdictions?**

A.

	System-wide Requirement	Fixed-Route Requirement	Elderly & Disabled Service Requirement
Butte County	10%	10%	N/A
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%

**Q. When can a jurisdiction submit its LTF transit claim under Article 8?**

A. When the jurisdiction meets the following requirements.

- The claimant contracts out for service.
- Does one of the following:
  - Ensures that Article 8 funds do not represent more than 50% of the amount required to meet the claimant’s total proposed expenditures,



- Maintains at least a system-wide farebox recovery ratio of 20% if serving an urbanized area or 10% if serving a non-urbanized area, or
- Meets subarea performance criteria established by BCAG resolution
- Completes an annual fiscal audit

**Q. Are there any exceptions to the farebox recovery requirements?**

- A. Yes. BCAG is allowed to adopt special requirements for jurisdictions filing their transit claims under Article 8. These requirements would supersede the farebox recovery requirements shown above. The requirement could be a revised recovery ratio, a local match requirement or other performance criteria.

**Q. Are there any exemptions to the farebox recovery requirements?**

- A. TDA allows exemptions to the farebox recovery requirements for new routes, new route extensions, newly urbanized areas, and in the case of work stoppages.

**Q. What happens when a claimant does not meet its farebox recovery ratio?**

- A. It depends:
- It could raise local support money to meet the ratio.
  - It might be able to file for LTF under Article 8.
  - Its TDA funding could be reduced.



**Q. How is TDA funding reduced when a claimant does not meet its farebox recovery ratio?**

- A. When Article 4 claimants fail to achieve the 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. 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.

**Q. What is the Triennial Performance Audit?**

- A. All claimants filing under Article 4 are required by TDA to submit a Triennial Performance Audit. Claimants filing under Article 8 are not required by the statute to submit the audit, but BCAG may still require it of its Article 8 claimants. The audit is conducted every three years by an outside auditor. The audit process is funded with Article 2 TDA funds. The audit checks transit system operating statistics, data gathering methods and compliance with the TDA filing and reporting requirements.

**Q. What is the difference between a "Transit Service Claimant" and an "Operator?"**

- A. Claimants filing transit claims under Article 4 are considered "operators," while claimants filing transit claims under Article 8 are considered "transit service claimants." Both are generically referred to as "claimants," as are those filing under Article 8 for streets & roads or bicycle & pedestrians projects.



**Q. When is a jurisdiction eligible to receive STA Funds?**

- A. To receive STA population formula funds, a jurisdiction must be eligible to file an LTF transit claim under either Article 4 or Article 8. To receive STA revenue formula funds, an operator must be eligible to file an LTF transit claim under Article 4. Article 8 claimants are not eligible for revenue formula funds, because the revenue formula funds are allocated only to operators.

**Q. What are the requirements for using STA Funds?**

- A. A jurisdiction must meet the requirements to claim LTF under either Article 4 or Article 8. In addition, operators (i.e. Article 4 claimants), have to meet the following requirements *if they want to use their STA Funds for operating expenses*.
- Nothing in the operator's operating procedures or requirements can prevent it from employing part-time drivers or contracting for service.
  - The operator must meet one of two efficiency standards.
    - The total operating cost per revenue hour cannot exceed the prior year's operating cost per revenue hour by a percentage greater than the percentage change in the Consumer Price Index (CPI) for the same period.
    - The total operating cost per revenue hour cannot exceed the average total operating cost per revenue hour for the 3 prior years, increased by the average percentage change in the CPI for the same period.

**Q. How much LTF and STA Funds can a jurisdiction claim for transit operations?**

- A. The combined amount of LTF and STA received cannot be greater than actual operating costs minus the sum of all of the following:
- Farebox revenues received,
  - Federal operating assistance received,
  - Local support money used to meet the farebox recovery ratio requirement,
  - Reduced funding eligibility due to a failure to meet the farebox recovery requirement, and
  - Funding received from other jurisdictions for service provided beyond the operator/claimant's boundaries.

**Q. How much LTF and STA Funds can a jurisdiction claim for transit capital and debt service?**

- A. The combined amount of LTF and STA received cannot be greater than actual capital and debt service requirements minus revenues received from other sources for such purposes. Elderly and disabled transit claims under Article 4 are not eligible to receive more capital funds than actual bus/van purchase expenditures.



**Q. Does a jurisdiction in Butte County have to spend all its TDA on transit?**

- A. No. As an “unrestricted county,” Butte County jurisdictions can file claims under Article 8, which allows them to spend some of their TDA money on

bicycle & pedestrian projects or on local streets & roads.

**Q. Can a jurisdiction in Butte County spend all its TDA on transit?**

- A. Yes. A jurisdiction is not obligated to spread its TDA funding among transit, bicycle/pedestrian projects and local streets & roads. The amount spent on transit is dictated by transit need and the transit budget.

see  
Chapter  
7

**Q. What kinds of street & road projects are eligible for LTF under Article 8?**

- A. 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.”

**Q. What multimodal transportation facilities are eligible for LTF under Article 8?**

- A. Park n’ ride lots, transit centers or other locations where passengers can transfer between modes. Jurisdictions in Butte County may file an LTF claim for the construction and maintenance of multimodal transportation terminals.

**Q. What are the eligibility requirements to be able to file an Article 8 claim for local streets & roads, multimodal facilities or rail?**

- A. LTF cannot equal more than 50% of the total project expenses (although capital expenses are exempt) and the project must be in conformity with the Regional Transportation Plan. In addition, before

filing a claim for street & roads, the jurisdiction must first prove that there are no “unmet transit needs” that are “reasonable to meet.”

**Q. What is the unmet transit needs process?**

A. Before allocating money for Article 8 claims for street & road projects, BCAG must go through a process to determine that there are not “unmet transit needs” that are “reasonable to meet.” If a jurisdiction uses all of its LTF for public transportation services, specialized transportation services or facilities provided by for the exclusive use of bicycles and pedestrians, BCAG does not have to implement the unmet needs process in that jurisdiction.

**Q. Who is responsible for implementing the unmet needs process?**

A. Fortunately for Cities/Towns and the County, BCAG is responsible for implementing the process.

**Q. How often does the unmet needs process take place?**

A. Annually, or in those years in which a jurisdiction files an Article 8 claim for street & road projects.

**Q. What are the requirements of the unmet transit needs process?**

- A. BCAG must:
- Establish and consult with the Social Services Transportation Advisory Council.
  - 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.
  - Assess the adequacy of existing public transportation services, or the potential for new service,

to meet the needs of these groups.

- Hold at least one annual unmet transit needs hearing to gather comments on needs that exist.
- Adopt findings about unmet transit needs.

**Q. What are the unmet transit needs findings that the BCAG Board of Directors can adopt?**

- A. 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.

**Q. How do these findings impact LTF funding for local streets and roads?**

- A. If BCAG determines that there are unmet needs that are reasonable to meet, the unmet transit is funded before any allocations are made for streets and roads within the jurisdiction

**Q. What is an unmet transit need?**

- A. BCAG defines what it considers an unmet transit need within Butte County. The definition is long and involved, so check out Appendix D for all the details.

**Q. What makes a need “reasonable to meet?”**

- A. BCAG has established eight criteria that the BCAG Board of Directors considers when it determines if a need is reasonable to meet. Appendix D explains each of the criteria.



**Q. What is a fund balance?**

A. “Left-over” TDA money. There four ways that fund balances can accrue:

- Reserved funds
- Unallocated apportionments
- Unrestricted fund balances
- Local fund balance

**Q. What are reserved funds?**

A. LTF claimed by a jurisdiction for a capital project that will either take a while to get started or will be on-going for a few years. BCAG can reserve the money in the Local Transportation Fund for the jurisdiction’s project for up to three years.

**Q. What is an unallocated apportionment?**

A. The amount of an apportionment that is not allocated to the jurisdiction. BCAG must hold the unallocated apportionment in the Local Transportation Fund for future allocation to that jurisdiction.

**Q. What is an unrestricted fund balance?**

A. The balance in the Local Transportation Fund that is neither allocated, reserved nor retained in the fund as an unallocated apportionment. Unrestricted fund balances accrue when the County receives more LTF than what it estimated.

**Q. What is a local fund balance?**

A. This is the left over amount of TDA funds that a jurisdiction might have in its own transit accounts

at the end of the fiscal year. This is money that the jurisdiction claimed in the past year for a specific purpose that was not completely used for that purpose.

### **Q. What happens to fund balances?**

- A.
- Reserved fund balances can only be spent on the specific capital project for which they were reserved. If the money is not spent within the three years, it becomes available to the jurisdiction to claim again for the same or different purpose.
  - An unallocated apportionment becomes available to the jurisdiction to claim later on in the year or in subsequent years.
  - An unrestricted fund balance is added to the amount of LTF that the County expects to receive in the coming year and is then apportioned to the jurisdictions.
  - Local fund balances are subtracted from a jurisdiction's subsequent claim. If a claimant has \$10,000 in LTF transit funding left over from Year 1 and needs \$300,000 for transit in Year 2, the jurisdiction should claim \$290,000.

### **Q. How does BCAG know if our jurisdiction has a fund balance?**

- A. From the annual fiscal audit required by TDA.

### **Q. What's so bad about having a local fund balance?**

- A. First, a jurisdiction must track all the TDA money it receives by the purpose for which it was received (e.g. transit vs. streets & roads). Accounting must clearly separate any money left over for transit versus other purposes.



Second, it is poor management of government funding.

**Q. Why would a jurisdiction need to revise its claim?**

- A.
- 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

**Q. 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 improvement that can lower transit operating costs?

**Q. Why have a Productivity Improvement Program?**

- A. The TDA requires BCAG to identify, analyze, and recommend potential improvements on an annual basis for Article 4 transit claimants. BCAG can also do this for Article 8 transit claimants, and has chosen to do so.

**Q. What is BCAG's program?**

- A. On an annual basis, at the time that a jurisdiction files its TDA claim, the jurisdiction will be required to complete the Productivity Improvement Program form. This form asks the jurisdiction to document its progress in achieving productivity improvement recommendations.



**Q. How are Productivity Improvement Program recommendations made?**

- A. Recommendations are made the following ways:
- Through the triennial performance audit process
  - BCAG can make recommendations on its own
  - The transit operator/claimant can develop its own recommendations

**Q. What happens if a transit operator/claimant blows off the recommendations?**

- A. If BCAG decides that the operator/claimant has not made a reasonable effort to implement the recommended improvements, BCAG will not approve LTF transit allocations for the coming fiscal year that exceed the allocation for the current fiscal year.

**APPENDIX C**

**BUTTE COUNTY FUNDING AGREEMENTS**



## APPENDIX C BUTTE COUNTY FUNDING AGREEMENTS

Butte County Transit (BCT) provides intercity service to all of Butte County’s key population centers. BCT also provides intra-city travel within the communities it serves, offering some local fixed route service. Because BCT service benefits County, City and Town residents, and because it also provides some overlapping local service, the jurisdictions in Butte County have developed a funding agreement whereby the Cities/Town and County each contribute some of their TDA apportionment to fund BCT.

At the same time, the County contributes some of its TDA to Oroville and Chico. Oroville and Chico’s transit systems provide some service outside their city boundaries, but within the County’s.

Fortunately (for the jurisdictions) BCAG is responsible for determining each jurisdiction’s contributions.

### **How Does BCAG Determine How Much a Jurisdiction Should Claim for BCT Each Year?**

As the funding agreement administrator, BCAG determines the amount of TDA funds that each jurisdiction must claim to support BCT. The steps that BCAG takes to determine the amounts are:

#### **Step 1: Determine the Portion of BCT Costs to be Shared Among Jurisdictions**

The costs to be shared between the County and the Cities/Town for the coming fiscal year are defined by the Butte County Funding Agreement as:

- BCT Budgeted Operating Expenses
  - Federal Revenues to be Received by BCT in the Coming Fiscal Year
  - Budgeted BCT Farebox Revenue
- 
- = BCT Costs to be Shared by County and Cities/Town**

### Step 2: Determine the Relative Share of these Costs to be Borne by Each Jurisdiction

Each jurisdiction’s share of the above total is determined by population and service hours. 50% of the costs are spread between the jurisdictions based on the relative population size of each jurisdiction, and the other 50% are spread between the jurisdictions based on the relative number of service hours each jurisdiction receives. The total percentage that each jurisdiction contributes will vary from year to year as relative proportions change. Figure C-1 provides a hypothetical example of how this split might work.

**Figure C-1 Hypothetical Funding Split Calculation**

<b>Total BCT Budget to Be Funded Per Agreement:</b>	<b>\$600,000</b>				
	<b>By Population \$300,000</b>		<b>By Service Hours \$300,000</b>		
	<b>Relative Share</b>	<b>Amount Due</b>	<b>Relative Share</b>	<b>Amount Due</b>	<b>Total</b>
City of Biggs	2%	\$6,000	5%	\$15,000	\$ 21,000
Butte County	45%	\$135,000	35%	\$105,000	\$240,000
City of Chico	30%	\$90,000	20%	\$60,000	\$150,000
City of Gridley	3%	\$9,000	5%	\$15,000	\$ 24,100
City of Oroville	5%	\$15,000	15%	\$45,000	\$ 60,000
Town of Paradise	15%	\$45,000	20%	\$60,000	\$105,000
<b>TOTAL</b>	<b>100%</b>	<b>\$300,000</b>	<b>100%</b>	<b>\$300,000</b>	<b>\$600,000</b>

### Step 3: Adjust the Relative Share Due to Any Existing Fund Balances

This is where it gets a little tricky. Through FY02, the County invoiced each jurisdiction for BCT service based on the amount budgeted for BCT minus any credit from the previous year. For example, if a jurisdiction's budgeted portion of BCT was \$105,000 (e.g. the amount shown in Figure C-1 to be claimed by Paradise), the County would invoice the jurisdiction \$105,000 minus any leftover balance from the previous year. Because



BCT’s expenses have historically been less than what was budgeted, a credit balance was often amassed in the BCT account. Depending on the credit balance from the previous year, the local jurisdiction might also end up with a BCT fund balance at the end of the year. Figure C-2 shows how the old invoicing system produced fund balances and invoices.

**Figure C-2 Hypothetical Outcome of BCT Invoicing System Used through FY02**

		Year 1	Year 2	Year 3	Year 4
1	Jurisdiction’s Share of BCT Budgeted Fiscal Year Expenses	\$70,000	\$70,000	\$73,000	\$74,000
2	Jurisdiction’s BCT Claim (Row 1 minus Row 6 from previous year) <sup>1</sup>	\$70,000	\$70,000	\$68,000	\$74,000
3	County Invoice (Row 1 minus Row 5 from previous year)	\$70,000	\$65,000	\$73,000	\$70,000
4	Jurisdiction’s Share of Actual BCT Fiscal Year Expenses	\$65,000	\$65,000	\$69,000	\$69,000
5	Jurisdiction’s “Credit” or Fund Balance in County Account (Row 3 minus Row 4)	\$5,000	\$0	\$4,000	\$1,000
6	“Credit” or Fund Balance in Jurisdiction’s Local BCT Account (Row 2 plus Row 6 from previous year minus Row 3)	\$0	\$5,000	\$0	\$4,000

In **FY03** the County, at BCAG's direction, began invoicing each jurisdiction for BCT service based on BCT’s *actual* expenses. For three quarters of the year, the County bills each jurisdiction one quarter of the jurisdiction's portion of the budget. In the fourth quarter, the County bill reconciles actual annual expenses. This explains why the amount billed in the fourth quarter might be different than the amount billed in other quarters. This method can still produce a fund balance at the local jurisdiction as shown in Figure C-3.

<sup>1</sup> The local jurisdiction does not have to reduce the amount of its BCT claim by all or part of the amount of its BCT fund balance. It is in the jurisdiction’s best interest to do so, however, because it frees up more of the jurisdiction’s apportionment for allocation to other funding purposes. The jurisdiction’s local BCT fund balance can **only** be used for BCT expenses, so there is little reason for the jurisdiction not to apply the entire balance to its next year’s claim.

**Figure C-3 Hypothetical Outcome of BCT Invoicing System Used Starting FY03**

		Year 1	Year 2	Year 3	Year 4
1	Jurisdiction's Share of BCT Budgeted Fiscal Year Expenses	\$70,000	\$70,000	\$73,000	\$74,000
2	Jurisdiction's BCT Claim (Row 1 minus Row 6 from previous year) <sup>1</sup>	\$70,000	\$65,000	\$73,000	\$70,000
3	County Invoice (first three quarters)	\$52,500	\$52,500	\$54,750	\$55,500
4	County Invoice (fourth quarter) (reconciles BCT actual FY expenses with jurisdiction's invoice)	\$12,500	\$12,500	\$14,250	\$13,500
5	Jurisdiction's "Credit" or Fund Balance in County Account	\$0	\$0	\$0	\$0
6	"Credit" or Fund Balance in Jurisdiction's Local BCT Account (Row 2 plus Row 6 from previous year minus Row 3)	\$5,000	\$0	\$4,000	\$1,000

**Keeping Track of a Jurisdiction's BCT Fund Balance**

As described in Chapter 3, an apportionment made to a jurisdiction can only be allocated to that jurisdiction. Thus, when a City/Town claims TDA money for BCT, the money is released to the City/Town and not directly to the County. BCAG (as the transit administrator for BCT) invoices each City/Town for its share of BCT costs on a quarterly basis. As explained above, the invoices are based on the actual amount of BCT expenses, while the claims are based on the BCT budget. Historically, BCT's expenses have come in under budget. This means that each year each City/Town could amass a slight BCT fund balance in its own BCT account. This is shown in Row 6 in Figure C-3.

A City/Town must keep track of its BCT Fund Balance separately from any fund balances it may have from other TDA claims (e.g. local transit). The BCT fund balance will be visible in the jurisdiction's annual fiscal audit.



A jurisdiction can, and should, reduce the amount of its BCT claim by any BCT fund balance it has in its City/Town account. There is a space on the annual claim form for a City/Town to identify the fund balance and subtract it from the amount to be claimed for BCT.



## **APPENDIX D**

### **UNMET TRANSIT NEEDS PROCESS – DEFINITIONS**

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## **APPENDIX D: UNMET TRANSIT NEEDS PROCESS – DEFINITIONS**

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This appendix explains the definitions of “unmet transit need” and “reasonable to meet” that have been adopted by BCAG. These definitions are reviewed annually by the Social Services Transportation Advisory Committee (SSTAC) and are subject to change. A revised appendix will be issued whenever the SSTAC revises the definitions. The following definitions were applicable as of October 2003.

### **Unmet Transit Need**

Unmet transit needs are those trips required, but currently unprovided and not scheduled to be provided within Butte County, for individuals dependent on public transit to maintain a minimum standard of living.

### **Reasonable to Meet**

The BCAG Board of Directors determines if an unmet transit need is reasonable to meet. Reasonable to Meet shall include all of the following factors:

- 1) Cost Effectiveness: The cost to provide the service will meet the minimum farebox recovery ratio.
- 2) Economy: The project can be implemented at reasonable cost.
- 3) Community Acceptance: Support exists as indicated through the public hearing process.
- 4) Operational Feasibility: The service must be safe to operate.

**APPENDIX E**

**TRANSIT CLAIMS –  
ROLES AND RESPONSIBILITIES OF BUTTE  
COUNTY JURISDICTIONS AND AGENCIES**

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# APPENDIX E: TRANSIT CLAIMS – ROLES AND RESPONSIBILITIES BUTTE COUNTY JURISDICTIONS

This appendix explains the roles that each jurisdiction in Butte County plays in managing TDA claims.

## Cities/Town

- Each City/Town is responsible for completing its annual TDA claim form.

## Butte County

- Butte County Auditor is responsible for holding the Local Transportation Funds and the State Transit Assistance Fund.
- Each January, the County Auditor prepares an estimate of how much LTF should be available in Butte County in the coming year. The estimate is based on economic forecast and past experience, as well as how much was over/underestimated from the prior fiscal year.

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Chapter  
3

## BCAG

- Determines the amount of LTF revenues that should be “taken off the top” of the Local Transportation Fund prior to apportioning the rest of the fund to the local jurisdictions.
- Determines the “Findings of Apportionment.” Based on information provided by the County auditor and the Department of Finance, BCAG estimates the annual amount of each jurisdiction’s TDA apportionment and provides this information to the jurisdictions by March 1st of each year.
- Corrects the Findings of Apportionment, if necessary, based on revised population figures released in May of each year.
- Obtains the annual STA Fund apportionment from the state controller.
- Provides instructions to the County Auditor for writing checks to each jurisdiction throughout the year. BGAG must provide written instructions at least annually prior to the start of the fiscal year, and must write separate

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instructions for each jurisdiction and for each purpose for which a jurisdiction has claimed LTF.

- Ensures that projects for which TDA is claimed are consistent with the Regional Transportation Plan before allocating TDA money for such projects.
- Programs bicycle, pedestrian, street & road and transit projects funded with TDA in the Regional Transportation Plan.
- Reviews each claim to determine if all necessary information is included, if funding requirements are met, and if the appropriate amount is requested.
- Reviews the annual fiscal audits prepared for each transit claimant.
- Establishes criteria by which Article 8 bicycle and pedestrian claims will be evaluated.
- Is responsible for implementing the unmet transit needs process on an annual basis, which means that BCAG:
  - Establishes and consults with the Social Services Transportation Advisory Council.
  - Annually assesses the size and location of groups likely to be transit dependent or transit disadvantaged, such as the elderly, disabled and persons of limited means.
  - Assesses the adequacy of existing public transportation services, or the potential for new service, to meet the needs of these groups.
  - Holds at least one annual unmet transit needs hearing to gather comments on needs that exist.
  - Adopts findings about unmet transit needs (Board responsibility).

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5/6/7

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Chapter  
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Chapter  
7

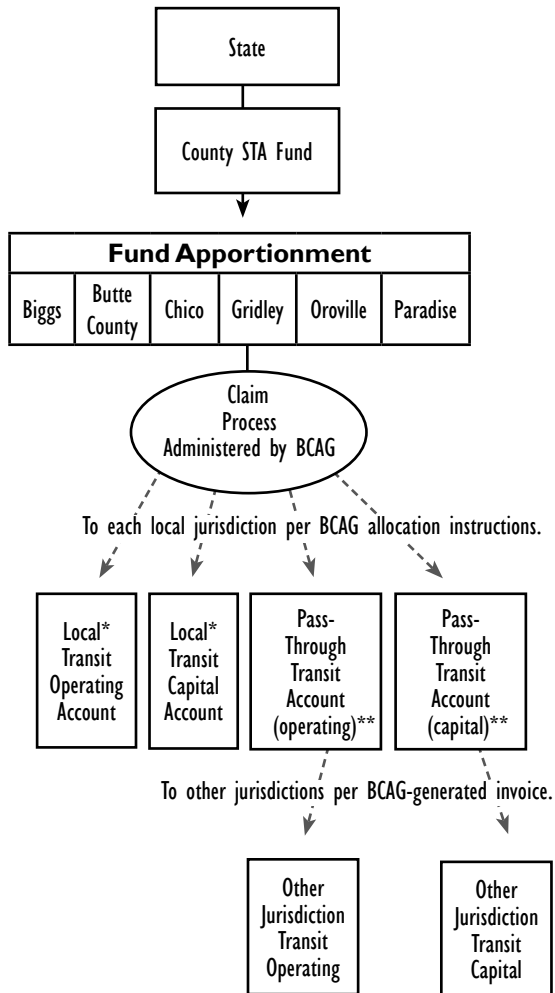
**APPENDIX F**

**FLOW OF TDA REVENUES IN BUTTE COUNTY**

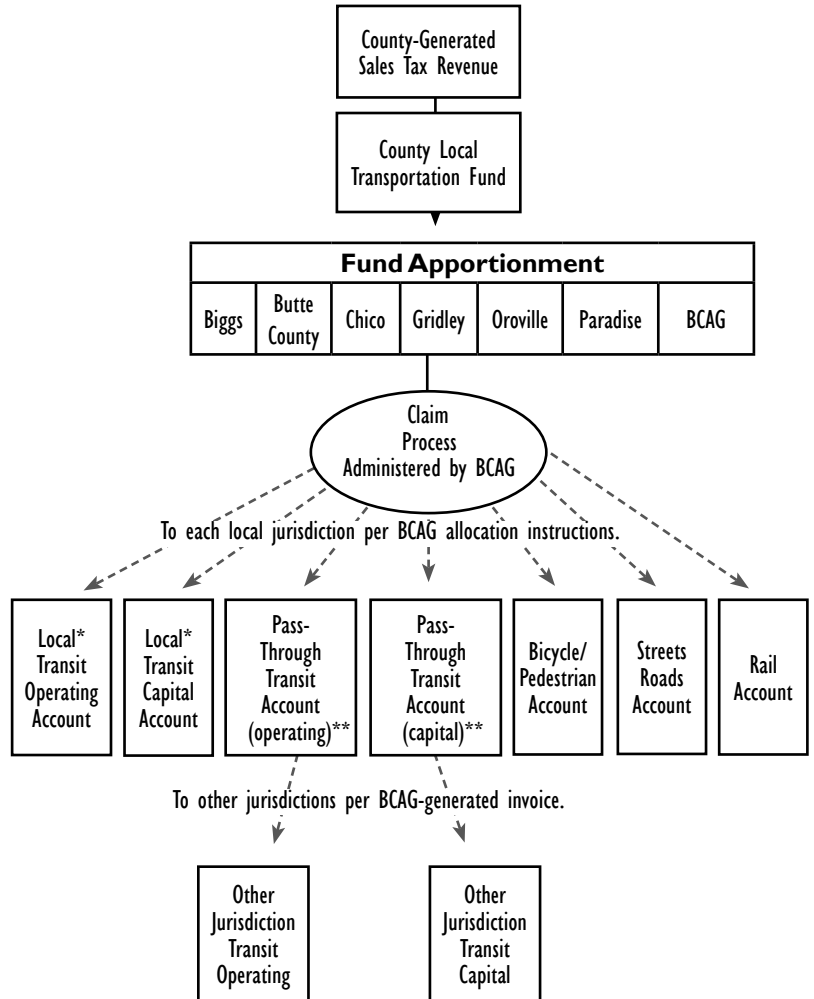


# APPENDIX F: FLOW OF TDA REVENUES IN BUTTE COUNTY

## STA Fund Revenue Flow



## LTF Revenue Flow



\* Local means the jurisdiction's account to fund its own transit system.

\*\*Pass-through account means the jurisdiction's account that it will draw down to finance transit run by another jurisdiction, per the Butte County funding agreement.

## **APPENDIX G**

### **FISCAL AUDITS, COMPLIANCE AUDITS, TRIENNIAL PERFORMANCE AUDITS AND STATE CONTROLLER REPORTS**

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## **APPENDIX G: FISCAL AUDITS, COMPLIANCE AUDITS, TRIENNIAL PERFORMANCE AUDITS AND STATE CONTROLLER REPORTS**

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### **Fiscal Audit Requirements**

#### **BCAG**

BCAG must submit an annual fiscal audit of its accounts and records to the State Controller within 12 months of the end of the fiscal year. The audit must be conducted by the county auditor or a certified public accountant and determine whether BCAG complies with TDA and its administrative rules. The financial statements for the LTF, STA Fund and other revenues of any city/town or county cannot be commingled (21 CCR 6662).

#### **LTF Claimants**

BCAG must ensure that any claimant receiving Local Transportation Funds submits to BCAG an annual certified fiscal audit conducted by an outside agency (PUC Sec. 99245). Thus, any jurisdiction receiving LTF money for transit, bicycle/pedestrian projects, or local streets and roads must submit an annual fiscal audit to BCAG.

The claimant must also submit a copy of the fiscal audit to the State Controller (21 CCR 6663) and the audit must be conducted in accordance with generally accepted accounting principles (21 CCR 6664).

#### ***Timeline***

The annual fiscal audit must be submitted to BCAG within 180 days of fiscal year end, unless BCAG grants a 90-day extension. If the audit report is delinquent, BCAG shall not allocate LTF or STA Funds to the claimant (21 CCR 6664).

### ***What Must be Included***

- Claimant's financial statements for the fiscal year
- Claimant's audited financial statements for the prior fiscal year
- Certification of compliance with the Act that includes:
  - Statement that funds allocated to and received by the claimant were spent in conformance with the rules and regulations of the Act and BCAG, or
  - Specific notes of exceptions where funds were not spent in conformance with the ACT and BCAG.
  - The certification cannot be made as an unqualified statement (e.g. no violation of the law was brought to our attention) (21 CCR 6664).

### ***Audit Scope***

A transit operator or transit claimant may expand the scope of the TDA fiscal audit to meet the audit requirements of other funding sources (21 CCR 6664.1). BCAG cannot require an additional fiscal audit of an operator or transit claimant that has completed such an expanded audit (PUC Sec. 99245.2)

### **Compliance Audits**

In addition to, or as part of, the fiscal audits, each LTF claimant must submit a compliance audit. Like the fiscal audit, it must be made by an independent auditor and submitted within 180 days of the end of the fiscal year, unless BCAG grants a 90-day extension (21 CCR 6664). The requirements of the compliance audit for non-transit claimants and transit claimants are described below.

### **Non-Transit Claimants**

Per 21 CCR 6666, the independent auditor must perform the following tasks at a minimum:

- a) Determine if the claimant spent its TDA money in conformance with the purpose for which the funding was received. For street and road claims, the purpose is defined in PUC Sec. 99402 as the development, construction, and maintenance of the city or county's streets and highways network,



including planning, acquisition of real property, and construction of facilities and buildings. For bicycle and pedestrian claims, the purpose is defined in PUC Sec. 99233.3 as projects for the exclusive use of pedestrians and bicycles.

- b) Determine whether the claimant spent its TDA in conformance with the applicable rules, regulations, and procedures of BCAG and BCAG's allocation instructions.
- c) Determine whether the claimant spent any interest earned on the TDA funds it received only on those purposes for which the funds were originally allocated.

## Transit Claimants

Per 21 CCR 6667, the independent auditor must perform the following tasks at a minimum:

- a) Determine whether the claimant was eligible to receive the funds allocated to it, based on the eligibility requirements of the Article under which the funding was received and the definitions supplied in the TDA.
- b) Determine whether the claimant is maintaining its accounts and records on an enterprise fund basis and is otherwise in compliance with the uniform system of accounts and records adopted by the State Controller.
- c) Determine whether the claimant spent its TDA funds in conformance with the purposes specified by the section of the TDA under which it received funds.

In Butte County, the auditor will look to see if the claimant has complied with the following funding purposes:

### Article 4 Operators:

- Development and operation of the transit system, including planning, acquisition of real property, construction of facilities and buildings, purchase and replacement of vehicles, and system operation, maintenance and report (PUC Sec. 99262)
- Payment of principal and interest on bonds for a public transportation system (PUC Sec. 99263).

### Article 8 Transit Claimants:

- Payment to a contractor for public transportation (PUC Sec. 99400(c))
- Payment to the county or city for its administration of the transit contract (PUC Sec. 99400(d))
- Capital expenditures for vehicles and related equip-

ment, bus shelters, bus benches and transit communication equipment (PUC Sec. 99400(e)).

- d) Determine whether the claimant spent its TDA funds in conformance with the applicable rules, regulations and procedures of BCAG and BCAG's allocation instructions.
- e) Determine whether the claimant spent any interest earned on its TDA funds only for those purposes for which the funds were allocated.
- f) Verify the amount of the claimant's operating costs for the fiscal year, the amount of fare revenues, or fare and local support, required to meet the claimant's farebox recovery ratio.
- g) Verify the amount of the claimant's fare revenues for the fiscal year.
- h) Verify the amount of the claimant's local support for the fiscal year.
- i) Verify the maximum amount the claimant was eligible to receive under the Act during the fiscal year. The maximum amount is explained in 21 CCR 6634 as:

Actual annual operating costs

- Actual annual fare revenues received
- Amount of local support required to meet the farebox recovery ratio
- Amount received from a city of county to which a claimant provides service beyond its boundaries
- Amount of reduced eligibility for noncompliance with the farebox recovery ratio

**= Maximum amount claimant was eligible to receive**

And in 21 CCR 6649 as:

An amount not greater than the what the claimant is eligible to receive as documented in the claim filed, its budgets and financial statements, and its audits.

If the claimant received more than what it should have per the subtraction above, BCAG can demand repayment or deduct the amount from the following claim (21 CCR 6649).



**Tasks j through m apply only to operators (i.e. Article 4 claimants)**

- j) Verify, if applicable, the amount of the operator's expenditure limitation in accordance with the 50% expenditure limitation. (As discussed in Chapter 5, this is not applicable for transit claimants in Butte County.)
- k) In the case of an operator, determine whether the operator's employee retirement system or private pension plan is in conformance with the provisions of PUC Sec. 99271, 99272 and 99273. These requirements in general are:
  - 99271: The retirement system must be fully funded
  - 99272: Operators with a private pension plan must conduct period actuarial studies of its plan to determine the cost of future pension benefits and set aside and invest funds sufficient to pay future pension benefits.
  - 99273: Operators with a private pension plan must file certain annual reports.

If an operator contracts out for drivers, it only has to worry about this requirement for its own transit employees (e.g. management or administrative personnel). It does not have to concern itself with the contractor's retirement benefits. If an operator has a defined contribution retirement system (i.e. employees contribute to a 401K), this requirement would not apply. In Butte County, the City/Town and County operators generally belong to the California Public Employee Retirement System (CalPERS). CalPERS is a defined benefit retirement system that is fully funded and meets this requirement.

- l) In the case of an operator, determine whether the Department of the California Highway Patrol has certified that the operator is in compliance with Section 1808.1 of the Vehicle Code, as required in Public Utilities Code Section 99251. (See Chapter 5 for more information about what is required from Section 1801.1 of the Vehicle Code.)
- m) In the case of an operator, verify, if applicable, its State Transit Assistance eligibility pursuant to PUC Sec. 99314.6. (PUC Sec. 99314.6 describes the 2 efficiency standards that are described in detail in Chapter 5).

- n) In the case of a claimant for community transit services, determine whether it is in compliance with Public Utilities Code Sections 99155 and 99155.5. There are no community transit service claims in Butte County, so this is not applicable.

Of the above requirements, a through j are typically determined through the course of the annual fiscal audit. For conditions k through n, the operator annually certifies that it complies when it completes the Statement of Conformance that is part of the annual claims submittal package. See Appendix H for examples of BCAG claim forms.

### **Triennial Performance Audits**

In addition to the requirements described in the section above, transit operators (i.e. Article 4 claimants) must submit triennial performance audits. BCAG is responsible for designating an outside entity to conduct triennial performance audits of both itself and the operators in Butte County (PUC Sec. 99246 and 21 CCR 6664.5). At its discretion, BCAG can also have triennial performance audits conducted of Article 8 transit claimants.

Triennial performance audits must be completed by June 30<sup>th</sup> of the year following the last year covered by the audit.

### **Operator Triennial Performance Audits**

#### ***BCAG's Responsibilities***

BCAG must:

- Determine the schedule of performance audit reporting (21 CCR 6664.5)
- Select the entity that will conduct the performance audits and consult with the operators about the selection (PUC Sec. 99246)
- Submit the following information to Caltrans and to the State Controller by September 1<sup>st</sup> of each year:
  - The schedule of the performance audits that will be submitted in that fiscal year



- The operators and planning agencies that are subject to performance audits
- Confirm that scheduled performance audits have been completed (21 CCR 6664.5)
- Make sure that operators do not receive Article 4 allocations if their performance audits are not completed (21 CCR 6664.5)
- Certify in writing to Caltrans that the triennial performance audit has been completed. The certification must include the name of the operator audited, the time period covered by the audit and the name of the auditor conducting the audit (21 CCR 6664.6)

### ***Performance Audit Requirements***

The audit must evaluate the efficiency, effectiveness and economy of the transit operation. Caltrans publishes a Performance Audit Guidebook that explains the audit process. The audit must include verification of:

- Operating cost per passenger,
- Operating cost per vehicle service hour,
- Passengers per vehicle service hour,
- Passengers per vehicle service mile, and
- Vehicle service hours per employee (PUC Sec. 99246)

### **BCAG Triennial Performance Audit**

BCAG must designate an independent auditor to conduct a triennial performance audit of BCAG's TDA activities (PUC Sec. 99246 and 21 CCR 6662.5). If BCAG does not submit the performance audit of its own activities to Caltrans within one year of its due date, BCAG will be ineligible for TDA administration and planning funds until the audit report is submitted.

### **Audit of the LTF and STA Fund**

The County Auditor must submit an annual fiscal audit of the Local Transportation Fund to BCAG and the State Controller within 180 days of the end of the fiscal year (21 CCR 6661).

BCAG must submit an annual fiscal audit of the State Transit Assistance Fund to the State Controller within 180 days of the end of the fiscal year (21 CCR 6751). The content requirements of these audits are detailed in 21 CCR 6661 and 6751.

### **State Controllers' Reports**

Claimants receiving LTF for streets and roads or transit must submit annual State Controller Reports. The report forms are available at:

<http://www.sco.ca.gov/ard/local/locprep/index.shtml#forms>.

Street and road claimants must submit within 90 days of the end of the fiscal year or before October 1, while transit claimants must submit within 90 days of the end of the fiscal year (21 CCR 6665).



## **APPENDIX H**

### **TDA FORMS USED IN BUTTE COUNTY**

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## **APPENDIX H: TDA CLAIM FORMS USED IN BUTTE COUNTY**

Appendix H provides a set of blank TDA claim forms followed by completed versions. The five TDA claim forms used in Butte County are:

- The local Transportation Fund (LTF) and State Transit Assistance (STA) Fund Annual Project and Expenditure Plan (TDA Form #1)
- The Local Transportation Fund (LTF) Claim (TDA Form #2)
- The State Transit Assistance (STA) Fund Claim (TDA Form #3)
- The Statement of Conformance (TDA Form #4)
- The Productivity Improvement Progress Report (TDA Form #5)

**LOCAL TRANSPORTATION FUND (LTF) AND STATE TRANSIT ASSISTANCE (STA) FUND  
ANNUAL PROJECT AND EXPENDITURE PLAN**

Claimant: \_\_\_\_\_ Fiscal Year: \_\_\_\_\_

See Chapter 10 of BCAG's Transportation Development Act Workbook for detailed instructions on how to complete this form.

PROJECT TITLE	SOURCE OF FUNDING						LOCAL FUND BALANCE <sup>1</sup>	OTHER	TOTAL <sup>2</sup>
	TDA -- LTF		TDA -- STA		TDA -- STA				
	TDA - LTF	PUC ARTICLE & SECTION	TDA - STA	CCR SECTION	TDA - STA	CCR SECTION			
<b>TOTAL</b>									

<sup>1</sup> A jurisdiction should apply any fund balance it has in its local accounts to off-set the amount of LTF and STA it needs to claim to meet coming fiscal year budget requirements.  
<sup>2</sup> The total equals the sum of the LTF and STA Fund claims, the amount in the jurisdiction's local fund balance and funding from other sources.

**TDA #1**



**LOCAL TRANSPORTATION FUND (LTF) CLAIM**

Claimant: \_\_\_\_\_

Fiscal Year: \_\_\_\_\_

*See Chapter 10 of BCAG's Transportation Development Act Workbook for detailed instructions on how to complete this form.*

TYPE OF CLAIM	AMOUNT OF CLAIM
Public Transportation (Article 4)	\$ _____
Public Transportation (Article 8)	\$ _____
Streets & Roads (Article 8)	\$ _____
Bicycle/Pedestrian (Article 8)	\$ _____
Rail (Article 8)	\$ _____
<b>TOTAL</b>	<b>\$ _____</b>

It is understood by this claimant that payment of the claim is subject to approval by BCAG, based on the availability of funds for distribution and the provision that claimed monies will be used only for those purposes for which the claim is approved and in accordance with the terms of the allocation instructions.

Further in signing this claim, the Chief Financial Officer of the claimant certifies that, to the best of his/her knowledge, the financial information contained herein is reasonable and accurate.

Authorized Representative:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print/type name, title

**TDA #2**

**STATE TRANSIT ASSISTANCE (STA) FUND CLAIM**

**Claimant:** \_\_\_\_\_ **Fiscal Year:** \_\_\_\_\_

See Chapter 10 of BCAG's Transportation Development Act Workbook for detailed instructions on how to complete this form.

Public Transportation (Article 4)	\$ _____
Public Transportation (Article 8)	\$ _____
Streets & Roads (Article 8)	\$ _____
Bicycle/Pedestrian (Article 8)	\$ _____
Rail (Article 8)	\$ _____
<b>TOTAL</b>	<b>\$ _____</b>

It is understood by this claimant that payment of the claim is subject to approval by BCAG, based on the availability of funds for distribution and the provision that claimed monies will be used only for those purposes for which the claim is approved and in accordance with the terms of the allocation instructions.

Further in signing this claim, the Chief Financial Officer of the claimant certifies that, to the best of his/her knowledge, the financial information contained herein is reasonable and accurate.

Authorized Representative: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print/type name, title

**TDA #3**



### STATEMENT OF CONFORMANCE

The Statement of Conformance must be completed and signed by the submitting claimant's Administrative Officer or his/her designee.

\_\_\_\_\_ hereby certifies that the Transportation Development Act claim for the fiscal year \_\_\_\_\_ in the amount of \$ \_\_\_\_\_ (LTF) and \$ \_\_\_\_\_ (STA) for a total of \$ \_\_\_\_\_ conforms with the requirements of the Transportation Development Act and applicable rules and regulations as specified in Attachment A.

CERTIFIED:

By: \_\_\_\_\_

Date: \_\_\_\_\_

**TDA #4**

**STATEMENT OF CONFORMANCE ATTACHMENT A**  
**CONFORMANCE REQUIREMENTS FOR CLAIMANTS**  
**Standard Assurances**

- 1) 180 Day Certified Fiscal Audit *(required for all claims)*  
Claimant assures that it has submitted a satisfactory independent fiscal audit, with required certification, to BCAG and to the State Controller not more than 180 days after the end of the prior fiscal year.  
*(Refer to PUC Section 99245, CCR Section 6664 and/or The BCAG TDA Workbook Appendix G)*
- 2) 90 Day Annual State Controller Report *(required for all transit claims)*  
Claimant assures that it has submitted this report to the State Controller in conformance with the uniform system of accounts and records not more than 120 days after end of the prior fiscal year.  
*(Refer to PUC Section 99243, CCR Section 6665 and/or The BCAG TDA Workbook Appendix G)*
- 3) Elderly/Disabled *(required for all transit claims)*  
Assurance that the transit operator in question is in compliance with PUC Section 99155 pertaining to reduced transit fares for elderly and disabled persons and Section 99155.5 pertaining to dial-a-ride and paratransit services.
- 4) Farebox Recovery Ratio Requirements *(required for all transit claims)*  
Claimant filing a claim for LTF or STA funds certifies that it will maintain for the project that ratio of fare revenues and local support to operating cost required under PUC Sections 99268.3, 99268.4, 99268.5(a), 99268.5(b), 99268.12, 99270.1, and 99270.2, as appropriate.  
*(Refer to PUC Section 99268, CCR Section 6633.2 and/or The BCAG TDA Workbook Chapter 5)*
- 5) CHP Terminal Inspection *(required for all transit claims)*  
Claimant certifies that it has been certified by the Department of the California Highway Patrol within the last 13 months to be 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.  
*(Refer to PUC Section 99251 /or The BCAG TDA Workbook Chapter 5.)*
- 6) Implementation of Productivity Improvements *(required for all transit claims)*  
Claimant certifies that the operator has made a reasonable effort to implement the productivity improvements recommended pursuant to PUC Section 99244.  
*(Refer to The BCAG TDA Workbook Chapter 9)*
- 7) Triennial Performance Audit *(required for Article 4 transit claims)*  
Claimant assures that it has submitted this report to BCAG on a triennial basis per the BCAG-set schedule by June 30th of the year following the last year covered by the audit.  
*(Refer to PUC Section 99248, CCR Section 6664.5 and/or The BCAG TDA Workbook Appendix G)*

**TDA #4**



- 8) Vehicle Staffing (required for Article 4 claims only)  
Claimant certifies that it does not routinely staff a public transit vehicle designed to be operated by one person with two or more persons.  
(Refer to PUC Section 99264 or The BCAG TDA Workbook Chapter 5.)
- 9) Operating Budget (required for Article 4 claims only)  
Claimant certifies that its operating budget is not more than 15% greater than its previous year budget unless supported by documentation that substantiates such change.  
(Refer to PUC Section 99266 or The BCAG TDA Workbook Chapter 5.)
- 10) Extension of Service (required for Article 4 claims only)  
Claimant who receives and allocation of LTF funds for extension of service pursuant to PUC Section 99268.8 certifies that it will file a report of these services pursuant to CCR Section 6633.8(b) within 90 days after close of the fiscal year in which that allocation was granted.  
(Refer to The BCAG TDA Workbook Chapter 5)
- 11) Retirement System (required for Article 4 claims only)  
Claimant certifies that
- a) The current cost of its retirement system is fully funded with respect to the officers and employees of its public transportation system; or
  - b) The operator is implementing a plan approved by BCAG which will fully fund the retirement system for such officers and employees within 40 years; or
  - c) The operator has a private pension plan which sets aside and invests, on a current basis, funds sufficient to provide for the payment of future pension benefits and which is fully compliant with the requirements stated in PUC Sections 99272 and 99273 explained below:
    - o Conducts periodic actuarial studies of its employee pension plans to determine the annual cost of future pension benefits (PUC Sec. 99272);
    - o Sets aside and invests funds sufficient to provide for the payment of future pension benefits (PUC Sec. 99272);
    - o Includes the actuarially determined amount of pension liability in its annual financial statement (PUC Sec. 99273);
    - o Includes in its annual financial statements the amount of cash funds set aside and invested to meet the pension liability (PUC Sec. 99273);
    - o Includes in its annual financial statements the amount of any deficit in the pension fund and (PUC Sec. 99273)
    - o Includes in its annual financial statements, the financial plan adopted to eliminate any deficit in the pension fund (PUC Sec. 99273).
- (Refer to The BCAG TDA Workbook Chapter 5 or Appendix G)
- 12) Part-Time Employees (required for STA claims only)  
Claimant certifies that it is not precluded by any contract entered into on or after June 28, 1979 from employing part-time drivers or contracting with common carriers of persons operating under a franchise or license. Claimant further certifies that no person who was a full-time employee on June 28, 1979 shall have his/her employment terminated or his/her regular hours of employment, excluding overtime, reduced as a result of its employing part-time drivers or contracting with such common carriers.  
(Refer to PUC Section 99314.5(c) or The BCAG TDA Workbook Chapter 5)



- 13) Conformance with the Regional Transportation Plan (required for STA claims transit bike/ped and street-road claims)  
Claimant certifies that all of the purposes for claim expenditures are in conformance with the Regional Transportation Plan.  
(Refer to CCR 6754(a) or The BCAG TDA Workbook Chapter 5)
- 14) Full Use of Federal Funds (required for STA claims only)  
Claimant certifies that it is making full use of federal funds available under the Federal Transit Act.  
(Refer to CCR 6754(a) or The BCAG TDA Workbook Chapter 5)
- 15) Efficiency Standards (required for transit operator claimants claiming STA for operating purposes)  
Operators certifies that it meets one of the following two efficiency standards (PUC Sec. 99314.6):
- a) 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 hours, by a percentage greater than the percentage change in the Consumer Price Index (CPI) for the same period.
  - b) 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.
- (Refer to PUC Section 99314.6 or The BCAG TDA Workbook Chapter 5)
- 16) Consistency with Bicycle Plan (required for bicycle claims only)  
Claimant certifies that all of the purposes for claim expenditures are in conformance with the City/Town or County bicycle plan.  
(Refer to The BCAG TDA Workbook Chapter 6)



**Productivity Improvement Progress Report**

1. List the recommendations provided in your last Triennial Performance Audit and your progress toward meeting them.

Recommendation	Implementation Status*

\* Indicate whether the recommendation has been fully implemented, partially implemented, or not implemented.

2. For any recommendation in #1 above that has been fully implemented, describe the work your agency has undertaken to implement each performance audit recommendation.
3. For any recommendation in #1 above that has been partially implemented, describe the work your agency has undertaken to implement each performance audit recommendation and the steps it will take to fully implement the recommendation.
4. For any recommendation in #1 above that has not been implemented, explain why the recommendation has not been implemented and describe the work your agency will undertake to implement each performance audit recommendation.
5. Describe any problems encountered in implementing individual recommendations.
6. Indicate any areas where special efforts have been made in the last fiscal year to help cover costs and/or increase ridership for both fixed-route and demand responsive operations.
7. Indicate any areas where special efforts will be made in the next fiscal year to help cover costs and/or increase ridership for both fixed-route and demand responsive operations.
8. Describe the success or failure of implemented recommendations in improving transit productivity.

**TDA #5**

## Completed Form Examples

This section provides examples of the following forms after they have been completed:

- The local Transportation Fund (LTF) & State Transit Assistance (STA Fund Annual Project & Expenditure Plan (TDA Form #1)
- The Local Transportation Fund (LTF) Claim (TDA Form #2)
- The State Transit Assistance (STA) Fund Claim (TDA Form #3)
- The Productivity Improvement Progress Report (TDA Form #5)



**LOCAL TRANSPORTATION FUND (LTF) AND STATE TRANSIT ASSISTANCE (STA) FUND**  
**ANNUAL PROJECT AND EXPENDITURE PLAN**

**Claimant: City of Chico**

**Fiscal Year: 2004-2005**

See Chapter 10 of BCAG's Transportation Development Act Workbook for detailed instructions on how to complete this form.

PROJECT TITLE	SOURCE OF FUNDING						TOTAL
	TDA -- LTF		TDA -- STA		LOCAL FUND BALANCE	OTHER	
	TDA - LTF	PUC ARTICLE & SECTION	TDA - STA	CCR SECTION			
BCT Operations	\$95,000	Art. 8 99400(c)	\$50,000	6731(b)	\$5,000		\$150,000
BCT Capital (Vehicle Reserve)	\$15,000	Art. 8 99400(e)					\$15,000
CATS Transit Operations	\$650,000	Art. 4 99260(a)	\$50,000	6730(a)	\$75,000		\$775,000
CATS Transit Capital - 10 bus shelters	\$25,000	Art. 4 99262					\$25,000
CATS Transit Capital Reserve (Vehicles)	\$50,000	Art. 4 99262					\$50,000
CATS/Clipper Transit Capital Reserve - new maintenance facility	\$200,000	Art. 4 99262				\$800,000	\$1,000,000
Clipper Transit Operations	\$600,000	Art. 4 99620(a)					\$600,000
Bicycle - network connector XYZ	\$100,000	Art. 8 99400(a)					\$100,000
Amtrak - station maintenance	\$50,000	Art. 8 99400(b)					\$50,000
<b>TOTAL</b>	<b>\$1,785,000</b>		<b>\$100,000</b>		<b>\$80,000</b>	<b>\$800,000</b>	<b>\$2,765,000</b>

**TDA #1**

**LOCAL TRANSPORTATION FUND (LTF) CLAIM**

**Claimant: City of Chico**

**Fiscal Year: 2004-2005**

*See Chapter 10 of BCAG's Transportation Development Act Workbook for detailed instructions on how to complete this form.*

<u>TYPE OF CLAIM</u>	<u>AMOUNT OF CLAIM</u>
Public Transportation (Article 4)	\$ <u>1,525,000</u>
Public Transportation (Article 8)	\$ <u>110,000</u>
Streets & Roads (Article 8)	\$ <u>0</u>
Bicycle/Pedestrian (Article 8)	\$ <u>100,000</u>
Rail (Article 8)	\$ <u>50,000</u>
<b>TOTAL</b>	<b>\$ <u>1,785,000</u></b>

It is understood by this claimant that payment of the claim is subject to approval by BCAG, based on the availability of funds for distribution and the provision that claimed monies will be used only for those purposes for which the claim is approved and in accordance with the terms of the allocation instructions.

Further in signing this claim, the Chief Financial Officer of the claimant certifies that, to the best of his/her knowledge, the financial information contained herein is reasonable and accurate.

Authorized Representative:

\_\_\_\_\_ Signature

\_\_\_\_\_ Date

\_\_\_\_\_ Print/type name, title

**TDA #2**



**STATE TRANSIT ASSISTANCE (STA) FUND CLAIM**

**Claimant: City of Chico**

**Fiscal Year: 2004-2005**

See Chapter 10 of BCAG's Transportation Development Act Workbook for detailed instructions on how to complete this form.

Public Transportation (Article 4)	\$ <u>50,000</u>
Public Transportation (Article 8)	\$ <u>50,000</u>
Streets & Roads (Article 8)	\$ _____
Bicycle/Pedestrian (Article 8)	\$ _____
Rail (Article 8)	\$ _____
<b>TOTAL</b>	<b>\$ <u>100,000</u></b>

It is understood by this claimant that payment of the claim is subject to approval by BCAG, based on the availability of funds for distribution and the provision that claimed monies will be used only for those purposes for which the claim is approved and in accordance with the terms of the allocation instructions.

Further in signing this claim, the Chief Financial Officer of the claimant certifies that, to the best of his/her knowledge, the financial information contained herein is reasonable and accurate.

Authorized Representative:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print/type name, title

**TDA #3**

**Productivity Improvement Progress Report**

1. List the recommendations provided in your last Triennial Performance Audit and your progress toward meeting them.

Recommendation	Implementation Status*
<i>Report system expenses, revenues and farebox recovery ratio to the board on a monthly basis. Closely monitor the system's ability to meet its standard. Currently, _____ does not know its farebox ratio until the end of the year when determined by the fiscal auditor.</i>	<i>Partially implemented</i>
<i>Track operating costs and revenues for the rural and urban fixed routes and the County routes to better monitor costs and revenues and assess which services are most in danger of jeopardizing the farebox recovery ratio requirement. The information can be used to evaluate fares and service strategies.</i>	<i>Fully implemented</i>

\* Indicate whether the recommendation has been fully implemented, partially implemented, or not implemented.

2. For any recommendation in #1 above that has been fully implemented, describe the work your agency has undertaken to implement each performance audit recommendation.

*With the start of the fiscal year, \_\_\_\_\_ began compiling operating costs and revenues by type of fixed route service: rural, urban and County. Each system's data is aggregated to form the total operating costs and revenues for the fixed route service.*

3. For any recommendation in #1 above that has been partially implemented, describe the work your agency has undertaken to implement each performance audit recommendation and the steps it will take to fully implement the recommendation.

*In December, \_\_\_\_\_ began showing expenses, revenues and farebox recovery ratio for the fixed route in the board's monthly packet. (For the past three years, we have been doing this for the dial-a-ride system.) This fall, we anticipate being able to combine our fixed-route and dial-a-ride statistics to report the systemwide information on a monthly basis to the board.*

4. For any recommendation in #1 above that has not been implemented, explain why the recommendation has not been implemented and describe the work your agency will undertake to implement each performance audit recommendation.

**TDA #5**



5. Describe any problems encountered in implementing individual recommendations.

*Because we are going from actual to accrual based accounting, there have been some delays.*

*We decided to wait to consult with our annual fiscal auditor before compiling data between the fixed and demand-responsive service to ensure that the data we present to the board is consistent with the results that will be found in the annual fiscal audit.*

6. Indicate any areas where special efforts have been made in the last fiscal year to help cover costs and/or increase ridership for both fixed-route and demand responsive operations.

*By tracking performance indicators separately, and setting route performance indicators with our board, we eliminated Route D after its third consecutive year of not meeting the indicators.*

7. Indicate any areas where special efforts will be made in the next fiscal year to help cover costs and/or increase ridership for both fixed-route and demand responsive operations.

8. Describe the success or failure of implemented recommendations in improving transit productivity.

*Our board is much more aware of our cost structure now that we have shown the statistics for the different types of fixed routes separately. We will use this information to work with the different contractors to lower costs and determine why some contractors are more efficient than others.*

**TDA #5**