



SACOG Board of Directors

Item #08-3-3
Consent

March 13, 2008

SACOG Guidelines for Distribution of Proposition 1B Transit – Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) – Bond Funds

Issue: What guidelines should SACOG use to assess projects and allocate and administer the “regional” portion of Proposition 1B transit bond funds under the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) program?

Recommendation: The Transportation Committee unanimously recommends that the Board adopt the attached guidelines for the allocation of PTMISEA funds and direct staff to initiate the process to solicit applications and administer the selection process for funds available in FY 2007-08.

Committee Action/Discussion: Funds are available in FY 2007-08 through Proposition 1B under the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) program, totaling \$600 million statewide. For the SACOG region, a total of \$21.5 million is available; \$13,985,311 comes through SACOG as the Regional Transportation Planning Agency (RTPA), and an additional \$7,597,257 goes directly to the region’s transit operators. PTMISEA funds are allocated to regions and transit operators on the same formula used for the allocation of State Transit Assistance funds; that is, half of the funds are distributed based on population (SACOG four counties = 4.7% of state) and the other half are distributed to the operators based on fare revenue (region’s operators = 2.5% of state). PMITSEA funds also flow to the Placer and El Dorado RTPAs and transit operators in those counties separately from SACOG.

Caltrans is the administrative agency for these funds and has developed guidelines under which regional agencies and transit agencies can request the funds. Each RTPA must develop its own guidelines for how it intends to allocate the funds to eligible transit projects in its area of jurisdiction.

SACOG staff prepared draft guidelines, reviewed those guidelines with the Transit Coordinating Committee (TCC) and prepared the attached final guidelines. These final guidelines are being sent to the TCC with a request for final comments before the Transportation Committee meeting. Any additional comments and changes will be presented to the Transportation Committee at your March meeting.

Approved by:

Mike McKeever
Executive Director

MM:JEB:gg

Key Staff: Pete Hathaway, Director of Transportation Planning, (916) 340-6235
James E Brown, Supervising Senior Planner, (916) 340-6221
Gary Taylor, Associate Planner, (916) 340-6279

Project Evaluation Form

Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA)

Project Sponsor:				
Project Location:				
Project Title:				
Project Category: (select one)				
<input type="checkbox"/> Rehabilitation, Safety or Modernization Improvement <input type="checkbox"/> Capital Service Enhancement or Expansion <input type="checkbox"/> New Capital Project <input type="checkbox"/> Bus Rapid Transit <input type="checkbox"/> Rolling Stock Procurement				
Project Description (including useful life of capital)				
<hr/> <hr/> <hr/> <hr/>				
Project Requirements:				
Transit Capital Project	Yes	No		
Included in SRTP or MTIP (or current amendment- must be exempt project)	Yes	No		
Fully Funded Project or an Operable Segment	Yes	No		
Begin Project within Two Years	Yes	No		
Expenditures Incurred After August 24, 2007	Yes	No		
Not for Cost Increases of a Programmed Project	Yes	No		
Asset's Useful Life is Sufficient for Bond Law	Yes	No		
Has a State Controller's Office Recognized Sponsor	Yes	No		
Project Evaluation Criteria:				
Environmental & engineering procurement is 100% funded 5 + 5 points	Environmental & engineering plans are complete 5 + 5 points	Measurement of performance 10 points	Cost-effective solution 10 points	Priority for service / project in the adopted SRTP 10 points
Project has benefits that extend beyond one operator 10 points	With PTMISEA funds, the project is 100% funded 10 points	Other funds are secure in the project budget & schedule 10 points	Cost overruns & savings responsibilities are defined 10 points	Agency is below the proportional share of PTMISEA funds released to date 10 points

Also complete Attachments A-1, A-2, and A-3.

Description of Major Benefits and Outcomes
Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA)

PROJECT SPONSORS: Please check the appropriate bond category the funding will be used for and complete the corresponding information for project type, outputs and benefits/outcomes. If you are funding more than one project, complete a separate sheet for each project. Examples are provided. Project Sponsors will use this table to report progress to the Department semi-annually and for annual audits. The information will be reported to the Legislature and the Department of Finance and will be available on the Governor's Bond Accountability Website for the public.

Project Category (Check Only 1)	Project Type (Example shown)	Outputs (Provide the number of items to be obtained)	Benefits/Outcomes Expected (Provide the expected result of project.)	Outcome Progress Report (Due 6 & 12 months after allocation)	Financial Progress Report (Due 6 & 12 months after allocation)
1) Improvements: <input type="checkbox"/> Rehabilitation, or <input type="checkbox"/> Safety, or <input type="checkbox"/> Modernization	State your project here: _____	State your output here: _____	State expected benefit/outcome here: _____ _____		
	Examples: Transit Fleet Rehabilitation Transit Information Systems	Examples: Total number of vehicles to be rehabilitated/refurbished Total number of AVL or next bus signs to be installed	Examples: Extend bus life by 10 years Increase safety 10% Improve on-time performance 10%		
2) Capital Service: <input type="checkbox"/> Enhancement or <input type="checkbox"/> Expansion	State your project here: _____	State your output here: _____	State expected benefit/outcome here: _____ _____		
	Examples: Install Equipment Add commuter rail lines Bus lines	Examples: Total number AFC to be installed Total number new commuter lines or bus routes to be installed	Examples: Improve on-time performance 10% # of riders increased by 100 Increase commuter lines 10%		
3) Capital Projects: <input type="checkbox"/> New	State your project here: _____	State your output here: _____	State expected benefit/outcome here: _____ _____		
	Examples: Commuter lines Buy buses	Examples: Total number of miles or lines or buses	Examples: # of riders increased by 200 Increase lines or routes by 10%		
4) BRT: <input type="checkbox"/> Improvements	State your project here: _____	State your output here: _____	State expected benefit/outcome here: _____ _____		
	Examples: Commuter lines or miles Buy buses	Examples: Total <u>number</u> of BRT miles or access ramps to be built Total <u>number of priority</u> signalization equipment to install	Example: # of riders increased by 200		
5) Rolling Stock Procurement for: <input type="checkbox"/> Expansion Or <input type="checkbox"/> Replacement Or <input type="checkbox"/> Rehabilitation	State your project here: _____	State your output here: _____	State expected benefit/outcome here: _____ _____		
	Example: Purchase new vehicles	Example: Total number of new vehicles purchased and type	Examples: # of riders increased by 200 Increase life of fleet by _____% Reduce service costs by _____%		

SACOG Guidelines for Distribution of PTMISEA Funds

INTRODUCTION

Proposition 1B, approved by the voters of the State of California in November 2006 included \$3.6 Billion of funding for establishment of the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA). These funds will be made available over a ten year period from FY 2007-08 through 2016/17.

Funds are available in FY 2007-08 through Proposition 1B under the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) program. For the SACOG region a total of \$21.58 million is available; \$13,985,311 is available through SACOG as the RTPA, and an additional \$7,597,257 is available directly to the region's transit operators.

The PTMISEA funds are allocated to the region and the operators on the same formula used for the allocation of State Transit Assistance funds, that is half of the funds are distributed based on population and the other half are distributed to the operators based on fare revenue.

Caltrans is the administrative agency for these funds and has developed guidelines under which regional agencies and transit agencies can request the funds. The Caltrans guidelines do not specify how the regional agencies are to allocate the funds to the eligible transit projects in their area of jurisdiction. The responsibility for development and adoption of guidelines for distribution of the regional funds lies with the regional agencies.

The PTMISEA program will allocate \$3.6 billion over the ten year life of the Bond Act. The schedule for the release of the bonds and related funding is subject to an annual action of the legislature. In FY 2007-08 the state budget included the allocation of approximately \$600 million of PTMISEA funds. The Governor's proposed 2008/09 budget currently contains an additional \$350 million of PTMISEA funds. Over the life of the bond act the region should receive an estimated \$129 million; \$83.9 million of "regional" funds and \$45.6 million of operator funds.

In the first year of PTMISEA funding, the operators have agreed to use approximately \$830,000 of regional PTMISEA funds to support the Universal Fare Card Project.

PROCESS

On an annual basis, SACOG staff will work with the Transit Coordinating Committee to determine if there are any multi-operator projects important to the region that should be funded with an allocation of the "regional" PTMISEA funds (e.g. PUC Section 99313 funds).

SACOG staff shall prepare a ten year program of projects and an annual assessment of potential "regional" priority projects that could be funded using "regional" PTMISEA funds.

All operators that wish to claim PTMISEA funds will be required to submit a ten year program of projects with proposed uses for PTMISEA funds, including both the “Regional/99313” and the “Operator/99314” funds.

Eligible Projects:

The following projects are eligible for PTMISEA funds. This list is not in priority order.

1. Rehabilitation, safety or modernization improvements
2. Capital service enhancements or expansions
3. New capital projects, including new services
4. Bus Rapid Transit Improvements
5. Rolling stock procurement, rehabilitation or replacement

Project Requirements:

1. Project must be in operator’s adopted Short Range Transit Plan
2. Project must be in the adopted MTP and MTIP or able to be amended into the MTP and MTIP as necessary.
3. Project scope must be clearly defined.
4. Project funding plan must demonstrate that funds are expected to be available to complete the project or a usable project segment.
5. Project schedule must show project is ready to expend bond funds.
6. Project funds must be encumbered within two years of allocation and expended within two years of encumbrance. These two year deadlines may be extended by SACOG on a case by case basis if the operator demonstrates that the project will be delivered on time.

PROJECT EVALUATION CRITERIA

	<u>Points</u>
<u>Deliverability</u>	
Environmental studies (5) and engineering/procurement (5) are 100% funded	10
Environmental documents (5) and engineering plans (5) are complete	10
<u>Benefits</u>	
Project yields measurable and positive performance outcomes	10
Project or service represents a cost effective service solution	10
Service or project is shown as a priority in the adopted SRTP	10
Project has benefits that extend beyond one operator	10
<u>Project Funding Commitments</u>	
With PTMISEA funds, the project is 100% funded	10

Other funds are secure in the project budget and schedule	10
Responsibility for cost overruns and return of savings are defined	10

Equity

Agency is below its proportional share of PTMISEA funds released to date	10
Total Maximum Points	<u>100</u>

As part of the “regional funding” project selection and evaluation process, the priority for the use of these funds shall include:

- Bus Replacement
- Bus Rehabilitation
- Bus Expansion
- Facility Improvements necessary for fleet maintenance
- Facility Improvements necessary for fleet expansion
- Rail system improvements
- Any other eligible project that the operator states is a high priority project

The project selection and evaluation process will also consider the following factors as part of the project selection process:

- Fair and equitable distribution of PTMISEA funds incrementally over time
- Fair and equitable distribution of funds and county target funding levels over the life of the Bond Act
- Ability to fund major projects for operators in a flexible and reasonable timeframe
- Ability to program funds for operators not currently listed under “operator - 99314” funding category
- Set aside of some portion of funds for “regional projects.”
- Ability to backfill PTA/STIP funds already programmed but whose schedule has been or will be pushed back by the California Transportation Commission.

- A performance standard that if a project sponsor does not encumber funds that have been approved for a project, or expend funds which have been encumbered within two years those funds revert to the regional pot for redistribution to regional priority projects or other operator projects. These two year deadlines may be extended by SACOG on a case by case basis if the operator demonstrates that the project will be delivered on time.

APPLICATION DEADLINE

Those operators that wish to submit applications for the Caltrans April 2008 funding cycle must have their applications submitted to SACOG by March 25, 2008. Those applications will be reviewed and recommendations submitted to the SACOG Board for action at their April 17, 2008, meeting. SACOG will publish an annual application cycle once Caltrans finalizes the schedule for the statewide program. Caltrans has set the date for submittal of applications for the next two cycles as September 30, 2008, and March 30, 2009. SACOG will accept applications for the regional funds on August 1, 2008, and February 1, 2009.

FORM OF APPLICATION

Those operators submitting an application/funding request for regional funds must submit the application on the attached forms:

1. Project Evaluation Form
2. Description of Major Benefits and Outcomes
3. Total Project Cost and Funding Plan
4. Description of Project Schedule and Milestones
5. Additional project description, scope, schedule and budget information, performance and cost effectiveness information, and supporting documentation should not exceed 10 pages

In an effort to reduce duplication of effort and paperwork, forms 2, 3 and 4 are the same forms that will be submitted to Caltrans with the final funding request.

ANNUAL PROGRESS REPORT

Operators will be required to submit an annual report on the progress of implementing the approved projects.

PTMISEA FUNDING ESTIMATES

The following tables contain an estimate of the amount of PTMISEA funds that are projected to be available over the ten year life of the Proposition 1B Bond Act. Bond funds will not be made available evenly over the ten years: the Legislature released 16.7% of the total \$3.6 billion bond authorization for FY 2007/08, and the budget proposes to release an additional 9.7% for 2008/09. These estimates are based on population and revenue factors that were used in the statewide STA allocations for FY 2007-08. As these factors will change on an annual basis, these estimates should only be considered as an estimate.

PTMISEA Funding Estimate Over the Ten Year Life of the Bond Act
 "Regional Funds - 99313"

Ten Year Target	County	2007 Population	%
\$3.36 Million	Yuba	70,745	4.007
\$9.22 Million	Yolo	193,983	10.987
\$4.46 Million	Sutter	93,919	5.319
\$66.85 Million	Sacramento	1,046,804	79.685
\$83.9 Million		1,765,451	100%

PTMISEA Funding Estimate Over the Ten Year Life of the Bond Act
 "Operator Funds - 99314"

Ten Year Estimate	Operator	2007/08 Allocation	%
\$1,220,000	Davis	\$ 202,689	2.670
\$399,828	Elk Grove	\$ 65,205	0.858
\$131,282	Folsom	\$ 21,877	0.2879
\$42.39 Million	Regional Transit	\$7,063,415	92.971
\$985,689	YCTD	\$ 163,224	2.161
\$478,161	YST	\$ 79,667	1.048
\$45.6 Million		\$7,597,257	100%