



Transportation Development Act Guidelines



**Sacramento Area Council of Governments
1415 L Street, Suite 300
Sacramento, CA 95814**

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THE SACOG TRANSPORTATION DEVELOPMENT ACT GUIDELINES

Executive Summary

The Sacramento Area Council of Governments (SACOG) Transportation Development Act (TDA) Guidelines update is intended to provide a useful reference for TDA claimants and the SACOG staff to continue to provide a clear and understandable process for the filing and administration of TDA claims now and into the future. The Transportation Development Act provides funding for public transit operators, local cities and counties for transit operations and capital projects and for local street and roadway projects and bicycle and pedestrian projects. In March 2009, the TDA Guidebook published by the California Department of Transportation was updated to reflect changes in TDA statutes and regulations since the last book was released in 2005. The SACOG TDA Guidelines are authorized under Section 99261 of the California Public Utilities Code.

The Sacramento Area Council of Governments is the designated regional transportation planning agency responsible for administering the TDA funds for the counties of Sacramento, Sutter, Yolo and Yuba and the cities and transit operators therein. There are 23 jurisdictions that include transit providers, cities, counties and a Consolidated Transportation Services Agency (CTSA) that are eligible to receive funds through the Local Transportation Fund (LTF) and the State Transit Assistance Fund (STA). All jurisdictions are eligible for LTF in one or more of the following areas: transit operations, transit capital, pedestrian and bicycle projects (2% of Sacramento County's LTF is automatically designated for bicycle and pedestrian purposes), local TDA administration, and streets and roads projects. Eligibility for STA Funds is broken down by population of each jurisdiction (Section 99313) and by fare revenue (Section 99314) for transit operators. The amount of funding available can be found on SACOG's website at <http://www.sacog.org/transit/appportionment.cfm>.

Each jurisdiction is considered a claimant and is eligible to file claims with SACOG on an annual basis to fund transit operations and capital, pedestrian and bicycle projects (2% of the Sacramento County LTF), and street and road projects. The eligibility to file for streets and roads projects by a city or county is based upon the latest unmet transit needs finding. The findings are an outcome of the unmet transit needs process.

An annual unmet transit needs process is conducted by SACOG in the four county region to determine possible additional transit needs through public input and review by the Social Service Transportation Advisory Councils (SSTAC). The public comments and determinations made by the SSTAC are then brought to the SACOG Board for a final public hearing and determination as to whether the received public unmet transit needs comments fall into one of three categories. The categories are:

- There are no Unmet Transit Needs
- There are no Unmet Needs that are Reasonable to Meet
- There are are Unmet Transit Needs that are Reasonable to Meet

For a claimant to fund a local roadway project with Local Transportation Funds there must be no unmet transit needs or no unmet transit needs that are reasonable to meet. Or, if there are unmet

transit needs that are reasonable to meet, the transit need must be fulfilled first before LTF can be used for a roadway project. Additionally, claimants must maintain the existing level of service from prior years before LTF can be spent for roadway projects. The unmet transit needs process does not apply to the State Transit Assistance Funds.

Comments are received from the public hearings, postal mail, e-mail, online, phone, fax and through walk in suggestions to the SACOG staff. The comments are compiled and ordered by transit operator and location and brought to the appropriate SSTAC serving county where the comments are relevant for consideration. The SSTAC evaluates each comment and determines if it fits the definition of an unmet transit need that is reasonable to meet. The SSTAC determinations are then brought to the SACOG Board for final review and action following the final SACOG Board public hearing to solicit feedback and unmet transit need comments not submitted previously or heard at the prior hearings.

TDA claimants are responsible for submitting the required claim documentation to SACOG. The SACOG staff then works with each claimant to prepare their claim for review and action by the SACOG Board. Once the claim resolution is voted upon and passed by the SACOG Board, SACOG staff then prepares an allocation letter or instruction that is sent to the respective county auditor for payment to the claimant. If a claimant cannot meet the requirements outlined in these guidelines and the TDA Statutes found at <http://www.dot.ca.gov/hq/MassTrans/Docs-Pdfs/TDA11-17-2009B.pdf>, SACOG staff will work with the claimant to the extent possible to resolve any issues related to statutory or regulatory compliance so that the claim can be reviewed and approved by the SACOG Board. However, many requirements cannot be resolved or implemented by SACOG staff that must be resolved and implemented by the individual claimants. The SACOG staff's first priority is to assist the claimants in obtaining funding to continue providing transit service, and developing and implementing bicycle and pedestrian projects and local streets and roadway projects.

The attached TDA Guidelines is an update of the 2007 TDA Guidelines. Among the most important changes is the addition of a ten-year capital and operations plan requirement for transit operators. This new requirement will be implemented in claims filed for FY 2011-2012. It requires that transit operators provide SACOG with an updated ten-year plan that includes operations, fleet replacement, expansion, and overhaul plans and facility improvements or expansions. The addition of the ten-year plans will allow both operators and the SACOG staff to track projects as outlined in their short range transit plans over time. An example of a ten-year plan is provided in Appendix xx. Staff at SACOG will provide guidance on the preparation of the plans to assist operators so that they may have their TDA claim brought to the SACOG Board in a timely manner.

The SACOG Transportation Development Act (TDA) Guidelines update is intended to be a useful reference for TDA claimants and to reflect SACOG's process for meeting the statutory and regulatory requirements contained in the Caltrans TDA Guidebook. The inclusion of the ten-year capital and operations plan is a change designed to increase predictability for future capital expenses and operations costs. The staff at SACOG will assist transit operators in building the plans. The unmet needs process will continue to provide valuable feedback in determining the

allocation of LTF in the four counties. The next TDA Guideline update will occur in FY 2015/16 or if there are significant changes to the TDA Guidebook that affect the claims process.

THE TRANSPORTATION DEVELOPMENT ACT

The Transportation Development Act (TDA)*, administered by the Department of Transportation within the State of California Business Transportation and Housing Agency, provides two major sources for the funding of public transportation in California through regional planning and programming agencies such as the Sacramento Area Council of Governments (SACOG). The first, the county Local Transportation Fund (LTF), has been in existence since 1972. The second, the State Transit Assistance (STA) fund, came into being in 1979.

1. LOCAL TRANSPORTATION FUND (LTF)

The TDA creates in each county a local transportation fund for the transportation purposes specified in the Act. Revenues to the LTF are derived from 1/4¢ of the retail sales tax collected statewide. The 1/4¢ is returned by the State Board of Equalization to each county according to the amount of sales tax collected in that county.

Payments from the LTF are made by the county auditor, but only in accordance with written allocation instructions issued in compliance with the Act by the county's Regional Transportation Planning Agency (RTPA). The RTPAs are designated by the Director of the Department of Transportation and are statutorily-created agencies, councils of governments, or local transportation commissions. SACOG is the RTPA for the four counties (Sacramento, Sutter, Yolo & Yuba) and the jurisdictions within those counties. Though the counties of Placer and El Dorado, as well as the cities within, are members of SACOG, the Placer County Transportation Planning Commission and the El Dorado County Transportation Commission administer TDA funds for those areas.

Revenues to a county's LTF must be apportioned by population to areas within the county, and allocations to claimants in a given area may not exceed the apportionment of that area. For a county without a transit district, apportionments are made for the incorporated area of each city and for the county unincorporated area. The apportionment area for the Sacramento Regional Transit District includes the entire area of the City of Sacramento and City of Rancho Cordova as well as a majority of the population of the unincorporated area of the County of Sacramento (95.25%) within the active legislative boundaries of the Regional Transit District in fiscal year 2010/11, excluding cities in the county that have retained the right to join the district at a later time.

* For the specifics of the Act, reference should be made to Transportation Development Act Statutes and California Code of Regulations for March 2009. Section numbers refer to the Public Utilities Code (Division 10, Part 11, Chapter 4, Articles 1-8) and the California Code of Regulations (Title 21, Chapter 3, Articles 1-7) which are found in the above document.

Funding Order

Funding from the LTF can be described as a three-step process: (1) apportionment, (2) allocation, and (3) payment. Apportionment is the required division of available funds by population to jurisdictions within each county (cities and unincorporated portions of the counties).

Once funds are apportioned to a given jurisdiction, they are available only for allocation to claimants for that jurisdiction. Allocation is the discretionary action of the SACOG Board of Directors designating funds for a specific claimant for a specific purpose. Payment is authorized by the allocation instructions, which may call for payment in a lump sum, in installments, or as funds become available. For some purposes, LTF funds may be allocated "off the top," that is, before apportionment. Allocations are made off the top to the county auditor and to SACOG to administer the Act.

After administration fees are deducted, up to 2% of the available funds countywide may be set aside to be allocated for pedestrian and bicycle facilities anywhere in the county. These allocations are not restricted by area apportionment. **It is SACOG policy that the 2% allocation for pedestrian and bicycle facilities applies only to the jurisdictions of Sacramento County.**

► Similarly, up to 5% of the remaining available funds before apportionment may be set aside to be allocated under Article 4.5 of the Act for community transit services, including services for those, such as the elderly or disabled, who cannot use conventional transit services. In most counties, claims may be filed under Article 4.5 only by a Consolidated Transportation Service Agency (CTSA) designated by the TPA pursuant to the Social Service Transportation Improvement Act (AB 120, 1979). CTSA's in the SACOG area are Paratransit, Inc. (for the area within the activated boundaries of the Sacramento Regional Transit District), Sacramento County (for the remainder of Sacramento County), the Yolo County Transit Authority (for Yolo County), and the Yuba-Sutter Transit Authority (for Sutter and Yuba Counties). It is SACOG policy that 5% of the available LTF funds in the area covered by the activated boundaries of the Sacramento Regional Transit District be allocated to Paratransit, Inc., for the purpose of providing service to the elderly and disabled under Article 4.5.

All of the remaining funds are apportioned by population and are available for allocation under Articles 4 and 8 of the Act.

Allocations under Article 4 are available to operators everywhere in the State for the support of "public transportation systems," as defined in the Act. Generally, an operator must be a city, county, or transit district; a public transportation system must be owned or controlled by the operator and provide transportation services to the general public (i.e. the system's service may not be provided only for elderly and disabled persons).

Other transit services, including services provided exclusively for elderly and disabled persons, may be funded under Article 4.5 (as described above, not subject to apportionment) or under Article 8. Generally, Article 8 is available only in small counties with less than 500,000

inhabitants as of 1970, while Article 4.5 is available to cities, counties, operators, and CTAs in large counties, and is only available to CTAs in small counties (see apportionment restriction areas described below).

Under various sections of Article 8, funds may be allocated to cities and counties either for transit services provided under contract or for local streets and roads, including pedestrian and bicycle facilities. The SRTD may also file a transit claim under Article 8, as well as under Article 4, for the apportionment for the incorporated and unincorporated area of Sacramento County, excluding cities in the county that have retained the right to join the district at a later time. For cities and counties, the chief distinction between Article 4.5 and Article 8 transit services, other than area availability, is that under Article 4.5 the city or county itself may operate the community transit service. Under Article 8, transit service must be provided under a contract between the city or county and a private entity which operates the service or in cities and counties under 5,000 population which operate their own service.

Article 8 allocations may not be made for street and road purposes until a TPA determines, after a public hearing, analysis, and a review of the Metropolitan Transportation Plan, that there are no unmet transit needs within the jurisdiction of the claimant that are reasonable to meet with the use of TDA funds. In the SACOG area, annual unmet transit needs findings are made for Yuba, Sutter, and Yolo Counties, the area of Sacramento County outside of the Sacramento Regional Transit District, and for the SRTD. Unmet needs findings in Placer County and El Dorado County are made by the Placer County Transportation Commission and the El Dorado County Transportation Commission respectively.

Claims for streets and roads may include those purposes necessary and convenient to the development, construction, and maintenance of the city or county's streets and highways network, including planning and contributions to the transportation planning process, acquisition of real property, and construction of facilities and buildings. The claimant may not use LTF for more than 50% of the amount of a capital project unless that project has been found to be not inconsistent with SACOG's Metropolitan Transportation Plan.

Claims for pedestrian and bicycle facilities and bicycle safety education programs may also be funded under Article 8. SACOG requires that jurisdictions making bicycle and pedestrian claims certify that the requested amounts and purposes are consistent with adopted Capital Improvement Programs.

Apportionments in Sacramento County

There is an apportionment restriction in the Act that applies to the Sacramento Regional Transit District. In this area, the apportionment may only be allocated for public transportation, 5% of this amount goes to community transit services, and 2% for pedestrian and bicycle facilities purposes. The apportionment may not be used for streets and roads purposes. Outside of the SRTD within Sacramento County, the apportionment not needed for public transit purposes or the 2% that goes to pedestrian and bicycle facilities, if a determination is made by SACOG that the funds are not needed for bicycle and pedestrian purposes, can be used for streets and roads purposes. SACOG apportions LTF in the RT District to Sacramento Regional Transit District

for public transportation, to Paratransit, Inc. for community transportation services, and to the City and the County of Sacramento for pedestrian and bicycle purposes. (Section 99232)

Cities within the County of Sacramento which are outside the activated boundaries of the Sacramento Regional Transit District (Citrus Heights, Elk Grove, Folsom, Galt and Isleton) but which provide transit service or contract with the district for transit service may also file claims for streets and roads purposes, provided that SACOG makes a finding of "no unmet transit needs reasonable to meet". The County of Sacramento may also file a claim under Article 8 for streets and roads projects, however it will not be approved unless SACOG determines at a public hearing for which 30 days' notice has been given, that there are no unmet transit needs in the unincorporated county or SRTD as defined by SACOG's adopted unmet transit needs finding process (See below, 4. Unmet Transit Needs Finding Process). In the case of these five cities, if it is determined that LTF monies are needed for public transportation services, not less than 25% of the apportionment shall be allocated for that purpose. (Section 99232.5)

Appendix A lists the LTF allocation purposes and priorities that are allowable under TDA law and SACOG policy for the SACOG-area jurisdictions and operators.

2. STATE TRANSIT ASSISTANCE PROGRAM (STA)

The State Transit Assistance (STA) program was created under Chapter 161 of the Statutes of 1979 (SB 620) The program provides a second source of Transportation Development Act (TDA) funding for transportation planning, public transportation, and community transit purposes as specified by the Legislature. Unlike LTF, STA funds may not be allocated for fund administration, streets, roads, or pedestrian/bicycle facility purposes.

STA funds are currently derived from a statewide excise tax on gasoline at a rate that generates the equivalent of the previous sales tax on gasoline and the statewide sales tax on diesel fuel both of which are deposited in the Transportation, Planning and Development account. This is based on legislation passed in March 2010 (Assembly Bills 6 and 9). The March 2010 changes to the Statutes may be subject to further modification based on the interpretation of Propositions 22, 25 and 26 which were passed in the November 2010 election. Currently, STA funds can be used for both operating and capital expenses without a need to perform a performance based calculation of efficiency based upon the California CPI index. The calculation requirement is temporarily suspended until FY 2012-2013. It is not know at the time of this guideline revision if the suspension will be extended or made permanent. The future of the STA fund is not certain and SACOG recommends transit claimants take into account the uncertainty of this funding source. The following is a description of STA funds under the former process.

STA funds are derived from the Statewide sales tax on motor vehicle fuel (gasoline) and use fuel (diesel), both of which are deposited in the Transportation Planning and Development Account in the State Transportation Fund. The money is appropriated to the State Controller for allocation by formula to each regional planning entity such as SACOG. The formula allocates 50% of the funds on the basis of the population of the region compared to the population of the state, and the remaining 50% is allocated according to the prior-year proportion of regional transit operator revenues compared with statewide transit operator revenues. STA allocations are

deposited in each regional entity's STA fund. The process for allocation and payment of funds from the STA fund is similar to that for LTF.

Legislation passed in 1990 requires that operators receiving STA funds must meet either of the following efficiency standards -

- (1) The operator's total operating cost per revenue vehicle hour in the latest year for which audited data are available does not exceed the sum of the preceding year's total operating cost per revenue vehicle hour and an amount equal to the product of the percentage change in the State of California Consumer Price Index for the same period multiplied by the preceding year's total operating cost per revenue vehicle hour (Section 99314.6(a)(1)); and
- (2) The operator's average total operating cost per revenue vehicle hour in the latest three years for which audited data are available does not exceed the sum of the following values: the average of the total operating cost per revenue vehicle hour in the three years preceding the latest year for which audited data are available; and an amount equal to the product of the average percentage change in the Consumer Price Index for the same period multiplied by the average total operating cost per revenue vehicle hour in the same three years. [Section 99314.6(a)(2)] SACOG may adjust the calculation of operating costs and revenue vehicle hours to account for either or both of the following factors as it deems appropriate to encourage progress in achieving the objectives of efficiency, effectiveness, and productivity: (1) exclusion of cost increases beyond the change in the Consumer Price Index for fuel, alternative fuel programs, insurance, or state or federal mandates, and (2) exclusion of startup costs for new services for a period of not more than two years. (Section 99314.6 (b))

Funds withheld from allocation to an operator because the operator could not meet the above conditions shall be retained by SACOG for reallocation to that operator for two years following the year of ineligibility. Funds not allocated before the commencement of the third year shall be reallocated to cost-effective high priority regional transit activities, as determined by SACOG. If there are no such activities, the unallocated funds shall revert to the Controller. (Section 99314.6(c))

Revenue-Based STA

The STA funds that are allocated to SACOG on the basis of regional operator revenues (which include fares and local support) are subsequently allocated to transit operators (the City of Folsom, Sacramento Regional Transit District, the Yuba-Sutter Transit Authority, the Yolo County Transit Authority, City of Elk Grove, and the City of Davis) based on each operator's revenues compared to the others.

Population-Based STA

Fifty percent of statewide STA funds are allocated on the basis of the population of a region compared to the population of the state as a whole. By SACOG policy, this population-based pot is likewise allocated by jurisdictional areas and transit district areas on the basis of population in these areas compared to the population of the SACOG region as a whole. Eligible claimants for

population-based STA funds are counties, cities, CTSAs, and the Sacramento Regional Transit District.

In the situation where there are two or more eligible claimants (as, for instance with Sacramento Regional Transit and Paratransit, Inc., within the Sacramento Regional Transit District area), SACOG will determine an allocation. The allocation procedure to be used is currently being evaluated and when developed will be included in this document as Appendix G.

Appendix B lists the STA allocation purposes that are allowable under TDA law and SACOG policy for the SACOG-area jurisdictions and operators.

3. FARE AND LOCAL SUPPORT REQUIREMENTS

Definitions

Operating Cost includes all costs in the operating expense object classes except for the following: depreciation and amortization, subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission, direct costs for providing charter services, and vehicle lease costs. For purposes of computing the farebox recovery ratio of a transit service, the costs associated with ridesharing services can be excluded.

Fare Revenue includes all revenues in the following account classes of the uniform system of accounts and records: (Section 99205.7)

- 401.000 Passenger Fares for Transit Services
- 402.000 Special Transit Fares
- 403.000 School Bus Service Revenues

Fare revenue also includes the amount of revenue received by an entity under contract for transit services yet not transferred to the claimant. Additionally, the definition of fare revenues includes fares collected (1) for a specified group of employees, members, or clients, or (2) to guarantee a minimum revenue on a line operated especially for the benefit of the paying entity (e.g. an employer, shopping center, university, etc.), or (3) cash donations made by individual passengers in lieu of a prescribed fare. Fare revenue does not include other donations or general operating assistance, whether from public or private sources.

Local Support includes all of the revenues in the following revenue account classes of the uniform system of accounts and records adopted by the State Controller pursuant to Section 99243:

- 406.000 Auxiliary Transportation Revenues
- 408.000 Taxes Levied Directly by Transit System
- 409.010 Local Cash Grants and Reimbursements - General Operating Assistance
- 410.000 Local Special Fare Assistance
- 440.000 Subsidy from Other Sectors of Operation

The Uniform System of Accounts complete list can be found at:

<http://www.ntdprogram.gov/ntdprogram/pubs/reference/USOA.pdf>

In order to qualify for funding under TDA (from either LTF or STA), a transit claimant must maintain a ratio of fare revenues and local support to operating cost, as defined above, greater than the ratio it had during 1978/79 and greater than 20% if the claimant is in an urbanized area, or 10% if the claimant is in a non-urbanized area. (Section 6633.2(a)(1) and(2))

In addition, the claimant must maintain a ratio of fare revenues plus local support to operating cost greater than the ratio it had during 1978/79 if its ratio was greater than 20% in an urbanized area or 10% in a nonurbanized area. (Section 6633.2(b))

SACOG may set the required ratio of fare revenues to operating cost at not less than 15% for an operator in a county with a population of 500,000 or less, if the operator provides services in an urbanized area and specific findings are made by SACOG justifying the reasons for its actions. (Section 6633.2(d))

If fare revenues are insufficient to meet the applicable ratio of fare revenues to operating cost required, an operator may satisfy that requirement by supplementing its fare revenues with local funds, as defined above. (Section 6633.2(f)(3))

SACOG maintains a farebox requirement policy for service which operates within both urbanized and non-urbanized areas (see Appendix F - "Farebox Requirements for Urbanized and Non-Urbanized Service" as adopted by the SACOG Board of Directors on March 18, 1982).

Exemptions and Waivers

Service to Elderly and Disabled Persons

For a claimant that provides only services to elderly and disabled persons, the ratio of fare revenues to operating cost shall be at least 10% or the ratio that the claimant had for the services in 1978-79, whichever is greater. For a claimant that provides both services to elderly and disabled persons and services to the general public, either its services to elderly and disabled persons shall meet the 10% fare ratio, or its services combined shall meet the fare ratio required under Section 6633.2. (Section 6633.5)

Article 4.5 or 8(c) Claimants

Each claimant for funds under Articles 4.5 or 8(c) may request that SACOG review the claimant's farebox recovery ratio requirement and identify alternative methods for meeting the farebox requirement in lieu of the state-mandated farebox recovery ratio. Alternative options may include performance criteria, local match requirements, or a modified farebox recovery ratio. SACOG may review a claimant's farebox recovery ratio without the request of the claimant if justification for the review and any recommended alternatives is provided. (Sections 99275.5(c)(5) and 6633(b))

50% Expenditure Limitation

An operator that began operation before July 1, 1974 may qualify for funding without meeting the mandated farebox requirement if not more than 50% of its operation, maintenance, capital and debt costs (less federal grants and STA revenues) are funded by the Local Transportation Fund. In the SACOG area, this applies to the Sacramento Regional Transit District and Unitrans. However, these operators may receive up to 100% LTF funding for capital improvements to a grade-separated mass transit system, for capital intensive transit-related improvements (if SACOG finds that every effort has been made by the operator to obtain federal funds for such improvements), or for extension of service. (Section 6633.1)

Capital-Intensive Improvements

A claimant may claim any unallocated funds resulting from the limitations of Section 99268 may be used for capital-intensive transit-related improvements. Every effort shall be made to obtain federal funds for the purposes of this section. Such improvements shall include, but not be

limited to, park-and-ride lots, terminal facilities, bus shelters, exclusive bus lanes, and the acquisition of vehicles and rolling stock for replacement purposes.

Extension of Service

A claimant may receive exemptions from the various ratio requirements that apply to it for services provided to new areas or along new routes. The exemptions apply until the end of the second full fiscal year of operation. The claimant must submit a report on the extension of services to SACOG within 90 days after the end of the fiscal year. This report will have in it (1) a description of the area served and the routes included, (2) the amount of fare revenues generated by the extension and the method used to derive the amount, and (3) the amount of the operating cost for the extension and the method used to allocate costs between the extension of services and the claimant's other services. (Sections 99268.8, 6619.1, 6633.8)

Newly-designated Urbanized Areas

In a newly designated urbanized area, SACOG may grant an operator up to five years from the July 1 following the census to meet the new farebox requirements. (Section 6633.2)

Small Urbanized Areas

If an operator is serving an urbanized area in a county with a population of less than 500,000, SACOG may establish for that operator a required ratio of fare revenue to operating cost of no less than 15%. Prior to setting the required ratio, SACOG shall make findings specifying the reasons for its actions. SACOG shall ensure that the following factors, for the jurisdiction of the claimant, have been considered in the transportation planning process:

- (a) The size and density of the urban area in which the services to the general public are provided;
- (b) The proportion of the operator's ridership which is transit dependent, including elderly, disabled, and low income patrons, as appropriate. (Section 6645.1)

Waiver of Ratios for Labor Disputes

A waiver can be granted by SACOG if during any fiscal year both of the following occurred, and if the waiver is necessary to enable the operator to provide vital public transportation services: (1) two separate work stoppages for 15 days or longer due to labor disputes, and (2) at least one of the work stoppages was not related to a labor dispute with the operator. (Section 99268.11)

If a claimant fails to meet a required ratio for a fiscal year, its TDA funding level will be reduced by the amount of required revenues that was not maintained. There is a 3-year penalty cycle, with the penalty imposed in the second year after a noncompliance year. A grace year is allowed if it is the first time that the claimant has ever failed to meet the ratio, and no penalty is imposed. A claimant subject to the penalty shall demonstrate to SACOG how it will achieve the required ratio during any penalty year. (Sections 99268.9, 6633.9)

4. UNMET TRANSIT NEEDS FINDINGS PROCESS

(Sections 99401.5, 99401.6, 99408, 99238)

The TDA statutes provide that SACOG area jurisdictions located outside of the SRTD may use their LTF apportionments for streets and roads purposes, if it is found by SACOG that they have no unmet transit needs that are reasonable to meet (Sections 99232, 99232.5). In the case of Sacramento County, the unincorporated portion located outside the activated boundaries of the SRTD may use LTF funds for streets and roads purposes only if it is found by SACOG that there are no unmet transit needs in this area and that there are no unmet transit needs in the SRTD. Unmet transit needs are identified through an annual public hearing and evaluation process overseen by SACOG.

Short Range Transit Plans (SRTPs) are five year plans updated every three years and reviewed annually. SACOG requires the integration of the annual unmet transit needs process with the short range planning process so that needs brought up in the TDA-mandated public participation process and in SSTAC meetings can be studied and evaluated by staff and others as part of overall transit planning. Determination of whether or not an unmet need is reasonable to meet (as defined below) is also made annually.

According to TDA statute, SACOG appoints members to a Social Service Transportation Advisory Council (or SSTAC), one for each county which is required to have an unmet transit needs finding process. There are at this time three SSTACs - for Yolo County, Sutter County, Yuba County, and Sacramento County. The SSTAC members participate in the identification of transit needs and the determination as to whether they are reasonable to meet. They preside, along with a SACOG Board member, at unmet transit needs public hearings. Afterwards, they attend meetings in order to discuss unmet transit needs and whether or not they are reasonable to meet. On the basis of recommendations made by the SSTACs and SACOG staff, the SACOG Board of Directors holds a public hearing and adopts a resolution making one of the following three findings for each jurisdiction in the RTPA area, and for the SRTD: that "there are no unmet transit needs", that "there are no unmet transit needs that are reasonable to meet", or that "there are unmet transit needs including needs that are reasonable to meet". If there is an "unmet transit need reasonable to meet" finding, the jurisdiction within which this needs falls would have to fund or implement a service to meet that need before LTF monies could be released to be used for streets and roads purposes.

► *The Social Service Transportation Advisory Council (SSTAC)*

The composition of the SSTAC is set forth in the statutes and consists of representatives of potential transit users who are: 60 and older (1); physically disabled (1); social service providers for seniors, including a transportation provider (2); social service providers for the physically disabled, including a transportation provider (2); social service provider for persons of limited means (1); a commuter (1), and representatives of the CTSA, including a transit operator (2). Because of the presence of urbanized areas within the rural counties in the region, SACOG also seeks the participation of at least one transit rider who is a commuter in order to obtain input on commuter needs.

The SSTAC participates in the unmet transit needs finding process by assisting in the identification of transit needs, and in making a recommendation to the SACOG Board regarding unmet transit needs that are reasonable to meet. Important steps in this annual process are summarized below:

1. **(February):** Subcommittees of the SSTAC and a representative of the SACOG Board of Directors conduct at least one public hearing to receive public comments regarding unmet transit needs.
2. **(March):** Based on the testimony gathered in Step 1 as well as from SSTAC members themselves, SACOG staff identifies potential unmet transit needs that should be evaluated in the short range transit planning process.
3. **(March):** SACOG staff prepares an analysis of unmet transit needs identified in the annual review to determine if they are reasonable to meet, and makes a recommendation for the SACOG Board's consideration. Staff utilizes the adopted SACOG criteria of community acceptance, equity, potential ridership, and cost effectiveness in determining whether a need is reasonable to meet. An important consideration is the ability of the service to maintain the required farebox recovery ratio that is required of the transit operator under the TDA statutes.
4. **(March - April):** SACOG staff and the SSTAC meet to discuss the SACOG staff analysis and recommendation. The SSTAC then formulates its own recommendation to the SACOG Board which may, or may not, agree with the staff recommendation.
5. **(April):** The SACOG Board receives reports from the SACOG Board subcommittees regarding public hearing results. The SACOG Board then holds a final public hearing to receive any additional testimony regarding unmet transit needs that may be reasonable to meet. The Board then reviews the recommendations of both.

SACOG staff and the SSTAC and makes one of the following three possible findings (one finding for jurisdiction and the SRTD):

- (1) There are no unmet transit needs.**
- (2) There are no unmet transit needs that are reasonable to meet.**
- (3) There are unmet transit needs, including needs that are reasonable to meet.**

► ***Definition of Unmet Transit Need***

The following definition has been adopted by SACOG and is consistent with TDA statute:

Those needs identified as unmet transit needs which have been considered as part of the transportation planning process, i.e. in the appropriate Short Range Transit Plan (SRTTP) Update/Annual Review of each jurisdiction, the Americans with Disabilities Act (ADA) Complementary Paratransit Service Plan, or the Metropolitan Transportation Plan (RTP), that have not been implemented or funded.

The following criteria shall be used in determining an unmet transit need:

- a. The size, location and socio-economic characteristics of identifiable groups likely to be dependent on transit (including but not limited to the elderly, disabled, and persons limited means), including individuals eligible for paratransit and other special transportation services pursuant to the federal Americans with Disabilities Act of 1990, trip purposes (such as medical, nutrition, shopping, business, social, school and work), and geographic boundaries and/or major origin and destination points.
- b. The adequacy of existing public transportation services and specialized transportation services, including privately and publicly provided services, in meeting the identified demand.
- c. An analysis of the potential alternative public transportation and specialized transportation services that would meet all of part of the demand.

► *Definition of Reasonable to Meet*

An unmet transit need that meets the definition above and that meets all of the following criteria shall be considered reasonable to meet:

1. Community Acceptance - That there is a demonstrated interest of citizens in a new or additional transit service to satisfy the unmet transit need, as indicated through the public hearing process or other means of communication.
2. Equity - That the proposed new or additional service is needed by, and will benefit, either the general public or the elderly and disabled population as a whole.
3. Potential Ridership - That the proposed transit service will maintain new service ridership performance standards established for the transit operator in the Short Range Transit Plan. Ridership performance standards can include passengers per hour and passengers per mile.
4. Cost Effectiveness - That the proposed new or additional transit service will not affect the ability of the overall system to meet the State mandated farebox recovery requirements after a two-year exemption period, if the service is eligible for the exemption. If the exemption is not used, that the service meets minimum farebox return requirements as stated in the TDA statutes or established by SACOG.

If an existing service fails to meet ridership or cost effectiveness standards for a full fiscal year, or if a new service fails to meet these standards after one full fiscal year of operation, reasonable efforts will be made for an additional year to rectify the situation, using marketing methods established in the SRTP. If a service has not met performance standards for a two year period, and efforts to improve service productivity have been documented by the operator to be unsuccessful, the service will be subject to termination as not being a transit need that is reasonable to meet.

The following factors shall not be used in the determination of reasonable to meet:

- The fact that an identified transit need cannot be fully met based on available resources shall not be the sole reason for finding that a transit need is not reasonable to meet.
- A determination of needs that are reasonable to meet shall not be made by comparing unmet transit needs with the need for streets and roads.

If an unmet transit need, which is by definition included in the Short Range Transit Plan, is met or is in the process of being met (for instance, it appears in a transit operator's budget), then it is dropped from further consideration. If it is not met, but is considered not reasonable to meet, it will be reevaluated in future years until it is determined that it is no longer an unmet transit need.

5. Reports and Audits

Reports to Controller

SACOG submits, within 90 days after the end of the fiscal year, an annual financial transactions report to the State Controller which includes a summary of the apportionment and use of LTF and STA in the region. This includes the apportionment amounts, final allocations by claimant and purpose, and fund balances. SACOG also transmits annually, within 12 months of the end of the fiscal year, a report of an audit of its own accounts and records by an outside auditor. (Sections 99406, 6660, 6662)

LTF and STA Audits

Annually and within 180 days after the end of the fiscal year, SACOG submits a report of a fiscal and compliance audit of the financial statements of the county LTF to the State Controller. The audit is conducted in accordance with generally accepted auditing standards by a certified public accountant and includes a determination of compliance with TDA rules and regulations. (Section 6661)

SACOG shall submit to the State Controller, annually and within 180 days after the end of the fiscal year, a report of a fiscal and compliance audit of the financial statements of its State Transit Assistance fund. The audit, performed by a certified public accountant shall include a determination of compliance with the Act and the administrative rules and regulations. (Section 6751)

Fiscal Audits

SACOG is responsible to ensure that all claimants to whom it allocates funds shall submit to it an annual certified fiscal audit conducted by an independent auditor. This audit shall be submitted to SACOG and to the State Controller within 180 days after the end of the fiscal year. However, an extension of up to 90 days may be granted if deemed necessary. No allocation can be made to any claimant that is delinquent in its submission of an audit. The audit report shall include a certification of compliance with the Act. (Sections 99245, 6663, 6666, 6667)

Performance Audits

SACOG hires qualified independent consultants to make a performance audit of its activities and the activities of each operator to whom it allocates funds. In the case of operator performance audits, SACOG works with the operators to define a scope of work and to choose the consultant who performs the audit. The performance audit evaluates the efficiency, effectiveness, and economy of the operation of the entity being audited. Performance audits are conducted triennially pursuant to a schedule established by SACOG (see Appendix F). No operator is eligible to receive an allocation for any fiscal year until it has completed a performance audit for the three-year period ending one year prior to the beginning of the fiscal year of the proposed allocation. SACOG certifies in writing to the Director of the Department of Transportation that performance audits of operators under its jurisdiction due that fiscal year have been completed.

SACOG maintains a committee of transit operators, the Transit Coordinating Committee, the members of which advise SACOG on transit performance audits.

With respect to an operator providing public transportation services, the performance audit shall include, but not be limited to, a verification of the operator's 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. It may include performance evaluations both for the entire system and for the system excluding special, new, or expanded services instituted to test public transportation service growth potential.

Under Sections 6662.5 and 6663(b) performance audits of transportation planning and programming entities and transit operators require by the TDA statutes must be made available to the public.

(Sections 99246-99249, 6662.5, 6663, 6664.5)

6. CLAIM SUBMITTAL

SACOG's claim submittal forms are found in Appendix E. Extra copies of the packet are available from SACOG or may be copied out of this book. SACOG requires that the following forms and documents be submitted:

- TDA-1 Annual Transportation Development Act Claim
- TDA-2 Project and Expenditure Plan (for the fiscal year of the claim)
- TDA-3 Status of Previously Approved Projects, Non-transit operating claimants only (Operating and Capital)
- TDA-4 Statement of Conformance (see Appendix E, TDA-4 for a list of standard assurances)
- TDA-5 TDA Claim Certification Form
- Resolution by governing body that authorizes filing of claim

Appendices A and B contain the allowed purposes and priorities for LTF and STA funding. Also included are the Article and Section numbers to be used when filling out TDA-2.

If the claim is for transit service, operators (including JPA operators such as YSTA and YCTD) must confirm that the following documents are on file at SACOG:

- CHP Certification in compliance with Section 1808.1 of the Vehicle code (completed within past 13 months)
- A statement of projected or estimated revenues and expenditures for the prior fiscal year
- An adopted or proposed budget for the fiscal year of the claim and the prior fiscal year
- Overall expenditures Year-to-Date (YTD)
- YTD operating costs
- Basic Financial Operating Data incl. - RVH by mode, cost per revenue vehicle hour, revenue vehicle hours overall, cost by mode, overall costs
- Information which would determine the claimant's eligibility to receive revenue-based STA funds under the qualifying efficiency standards, including calculations to determine the claimant's ability to use STA funds for operations.
- Most recent State Controller's Report (SCR) and National Transit Database (NTD) report (if applicable)
- Signed copy of transit service contract (if applicable)
- Area wide Transfer Agreement and Resolution (if applicable)

►New as of State Fiscal Year 2011-12

- Copy of Ten-Year Capital Program and Operations Plan
See template in Appendix J

Appendix D shows the Area wide Transfer Policy as adopted by the SACOG Board of Directors on January 21, 1982.

Article 4.5 Claims

Under Article 4.5, SACOG defines "community" as the area in Sacramento County, including the City of Sacramento and the City of Rancho Cordova, which lies within the activated portion of the Sacramento Regional Transit District. For this purpose, "community transit services" shall be intra-community services for those, such as the elderly and disabled, who cannot use conventional transit services.

Prior to approving a claim filed under Article 4.5, SACOG shall make the following findings (Article 99275.5):

1. That the proposed community transit service is responding to a transportation need currently not being met in the community of the claimant.

Claimant shall:

- Clearly define the proposed service population, both in magnitude and geographic location.
- Identify past, current, and proposed efforts at providing a definition of the magnitude and location of the service population to be served.
- List existing transportation services available to proposed service population and the reason that the proposed service population cannot utilize this service.
- Describe community involvement in the design of the program proposed.

2. That the service shall be integrated with existing transit services, if appropriate.

Claimant shall:

- Provide an inventory of transportation service providers within the proposed service area.
- Describe alternatives to the proposed service.
- Provide evidence of efforts made to notify other operators of the proposed program and efforts to provide the proposed service through extension of existing services or contract with existing operators.

3. That the claimant has prepared an estimate of revenues, operating costs, and patronage, and a marketing program.

Claimants shall:

- Prepare and submit in its claim the information required in Section 6632 of the Administrative Code. This information includes, but is limited to, a five-year financial plan, a proposed budget, maps of proposed service area, timetables, fare schedules, estimated vehicle miles traveled, and passengers.
- Prepare a budget and financial plan indicating all funding sources to be used in the proposed program (including farebox revenue, local, state, federal, and private sources).
- Describe proposed methods of marketing the proposed service in the community and the specific population to be served.

- All other claim Submittal documents described above.
4. That a reasonable farebox recovery in relation to other operators in the county is proposed by the claimant.

Claimants shall:

- Specify the projected percentage of operating costs recovered through the farebox.
 - Demonstrate in its financial plan that there will be an increase in farebox recovery over the proposed program schedule.
5. That the claimant is in compliance with Sections 99155 and 99155.5 regarding reduced transit fares for elderly and disabled persons and non-discrimination towards these groups.

If there are competing claims under Article 4.5, funds will be allocated to a claimant based on the following criteria:

1. The commitment of local, state, federal, and private program funds to participate in the project.
2. Percentage of operating revenue recovered from farebox.
3. Projected cost of service (per passenger/mile/hour/etc.), as compared to similar services in the area.
4. Extent to which the project responds to demonstrated and unmet community needs.
5. Degree of coordination with other public, private, and non-profit operators.
6. Level of community involvement in the project planning, implementation, and evaluation process.
7. Reasonableness and justification of estimated demand for proposed project.
8. Degree of management capability to administer the use of TDA funds and to operate a transportation project.
9. Suitability of proposed marketing program to reach and attract potential riders.
10. Appropriateness of proposed equipment needs, costs, and level of service.

Article 8 - Sacramento County

The following procedure will be carried out in approving Article 8 transit claims for LTF apportioned to the area of unincorporated Sacramento County located outside the SRTD:

- a. The LTF funds will first be used to meet at a minimum reasonable transit needs within the unincorporated area;
- b. any remaining LTF funds will be used to meet reasonable transit needs within the SRTD;
- c. if SACOG has determined at a public hearing, for which 30 days notice has been given, that there are no unmet transit needs within the SRTD, and then Sacramento County may file a claim for any remaining funds for streets and roads projects.

► **Claim Schedule**

Claims for transit projects should be submitted as soon as possible after May 1. Claims from Sacramento Regional Transit District must be received by June 30. Claims will be reviewed by staff and a recommendation regarding funding will be presented to the SACOG Board of Directors. ***SACOG cannot allocate funds for streets and roads in an eligible jurisdiction until 20 days after the Department of Transportation acknowledges receipt of the finding that there are no unmet transit needs reasonable to meet in that jurisdiction.***

A claim may be amended at the end of each quarter. A request for an amendment should include a cover letter and a Board resolution detailing modifications to the existing program with revised budget figures, project descriptions, and reason for the amendment. Please call SACOG for help with the format to be used for claim amendments.

7. Annual Schedule

Appendix G outlines the annual schedule of TDA-related activities and documents. Refer to Appendix F for multi-year schedule which contains the SACOG schedule for Short Range Transit Plan updates, Annual Reviews of SRTPs, and Performance Audits.

APPENDIX A

LTF Allocation Purposes and Priorities for SACOG Jurisdictions

Purposes	Article/Section	Claimants	Amount
Purposes 1 through 5 are in priority order			
1) TDA Administration	Article 3 Section 99233.1	SACOG and counties	As necessary
2) Planning and Programming	Article 3 Section 99233.2 Article 4 Section 99262 and/or Article 8 Section 99402	SACOG	Up to 3%
3) Pedestrian & bicycle facilities	Article 3 Section 99233.3, Section 99234	Cities and counties, including the County of Sacramento	Countywide, 2% of remaining money
4) Rail passenger service operations & capital improvements	Article 3 Section 99233.4, Section 99234.9	Cities, counties, and operators	Up to cities/counties apportionment
5) Community Transit Services	Article 3 Section 99233.7 and/or Article 4.5 Section 99275.5	Cities, counties, operators and CTSAs	Countywide, Up to 5% of remaining money
Article 4 – the following do not have any priority order.			
6) Support of public transportation	Article 4 Section 99260(a)	SRTD, jurisdiction outside SRTD	Up to area apportionment
7) Public transportation R & D projects	Article 4 Section 99260(b)	SRTD, jurisdiction outside SRTD	Up to area apportionment
8) Peak hour service contracts	Article 4 Section 99260.2(a)	SRTD, jurisdiction outside SRTD	Up to area apportionment
9) Rail passenger ticket purchases	Article 4 Section 99260.2(b)	SRTD	Up to SRTD apportionment
Article 8 – the following purposes do not have any priority order.			
10) AMTRAK payments	Article 8 Section 99400(b)	Yolo, Sutter, Yuba counties jurisdictions, Sacramento Co. outside SRTD	Up to cities/counties apportionment
11) Public or special group transportation service contract	Article 8 Section 99400(c)	Yolo, Sutter, Yuba counties jurisdictions, Sacramento Co. outside SRTD	Up to cities/counties apportionment
12) Planning/administration of contracted services	Article 8 Section 99400(d)	Yolo, Sutter, Yuba counties jurisdictions, Sacramento Co. outside SRTD	Up to cities/counties apportionment

13) Capital expenditures of contracted services	Article 8 Section 99400(e)	Yolo, Sutter, Yuba counties jurisdictions, Sacramento Co. outside SRTD	Up to cities/counties apportionment
14) Streets/roads projects and planning	Article 8 Section 99402, 99400(a)	Yolo, Sutter, Yuba counties jurisdictions, Sacramento Co. outside SRTD	Up to cities/counties apportionment
15) Multimodal transportation terminal	Article 8 Section 99400.5	Yolo, Sutter, Yuba counties jurisdictions, Sacramento Co. outside SRTD	Up to cities/counties apportionment
16) Pedestrian/bicycle facilities	Article 8 Section 99400(a)	Yolo, Sutter, Yuba counties jurisdictions, Sacramento Co. outside SRTD	Up to cities/counties apportionment
17) Contracted services	Article 8 Section 99400©	SRTD	Up to apportionment of Sacramento County
Source: Transportation Development Act. Jan. 2005, California Department of Transportation, pg. 16			

APPENDIX B

STA Allocation Purposes and Priorities for SACOG Jurisdictions

Purpose	Article/Section	Claimants	Amount
1) Operating cost of public transportation system	Subchapter 2.5, Article 4, Section 6730(a)	Operators	Up to total population-based revenue-based apportionment
2) Capital requirements of public transportation system	Subchapter 2.5, Article 4, Section 6730(b)	Operators	Up to total population-based revenue-based apportionment
3) Subsidy of passenger rail	Subchapter 2.5, Article 4, Section 6730(c)	Operators	Up to total population-based revenue-based apportionment
4) Transportation planning	Subchapter 2.5, Article 4, Section 6730 & Article 8, Section 99400(c) & (d)	Operators	Up to total population-based revenue-based apportionment
5) AMTRAK payments	Subchapter 2.5, Article 4, Section 6731(a)	Counties, cities, SRTD	Up to total population-based revenue-based apportionment
6) Contracts for public or special group transportation service: related planning and administration	Subchapter 2.5, Article 4, Section 6731(b)	Counties, cities, SRTD	Up to total population-based revenue-based apportionment
7) Transportation planning	Subchapter 2.5, Article 4, Section 6731 & Article 8, Section 99400(c) & (d)	Counties, cities, SRTD	Up to total population-based revenue-based apportionment
8) Community transit services	Subchapter 2.5, Article 4, Section 6731.1	All CTSA's	Up to total population-based revenue-based apportionment
Source: Transportation Development Act, Jan. 2005, California Department of Transportation			

APPENDIX C

Farebox Requirements for Urbanized and Non-Urbanized Service

(Adopted by the SACOG Board on March 18, 1982)

Applicability

These rules and regulations shall apply to the Yuba-Sutter Transit Authority (YST) and YoloBus for calculating fare revenue requirements per Public Utilities Code Sections 99268.2, 99268.3, and 99268.4.

Defining Urbanized and Non-Urbanized Area

For the purpose of these rules and regulations, the boundaries of the urbanized areas are those reported in the latest Federal Decennial Census. Non-urbanized areas are all other areas outside the boundaries of the urbanized areas.

Defining Service in Urbanized and Non-Urbanized Areas

For the purpose of these rules and regulations, urbanized service shall be all service provided by an operator of transit service claimant, which is provided in an urbanized area; non-urbanized service shall be all service provided by an operator or transit service claimant in a non-urbanized area.

Determining Required Fare Ratio

A claimant's required fare ratio shall be determined by the following formula:

$$R = \frac{.1 \text{ NU} + .2 \text{ U}}{\text{NU} + \text{U}}$$

R is the required ratio

NU is the operating costs in non-urbanized areas

U is the operating costs in urbanized areas

Definitions

Operating cost in the urbanized area (U) shall include the cost of all fixed-route lines and demand responsive service operating entirely within an urbanized area.

Operating cost in the non-urbanized area (NU) shall include the cost of all fixed-route lines and demand responsive service operating entirely within the non-urbanized area.

For fixed-route lines operating partly within an urbanized area and partly within a non-urbanized area, cost shall be apportioned in proportion to the service hours in each of the non-urbanized area and the urbanized area.

For demand responsive systems serving an urbanized area and non-urbanized area, the cost shall be apportioned to the urbanized area.

APPENDIX D

Area-Wide Transfer Policy

(Adopted by the SACOG Board on January 21, 1982)

Introduction

In order to provide for a coordinated, effective, and efficient “area-wide” public transportation system, which ensures trip continuity by permitting riders to travel throughout the region on public transportation, the SACOG Board of Directors hereby adopts the following Area-Wide Transfer Policy.

Policy

Transfers among transit operators in the region shall be implemented through individual inter-operator agreements and coordinated with adoption of an “Area-Wide Transfer Policy”, which will include, but not be limited to, the following:

- 1) A coordinated system of transfer fares, passes, and schedules easily understood and convenient to riders.
- 2) Operators’ agreement as to transfer cost, retention of fares, revenue passenger counting, and other aspects dealing with operator revenue as mutually determined by the operators in the coordination of transfers.
- 3) The development of an operational definition of “times transfer mutually acceptable to operators, and the establishment of mutually agreed upon” timed transfer zones when necessary. In negotiation these arrangements, the following factors will be considered:

Economic feasibility

Passenger convenience

- 4) Development of a public information program easily accessible to riders, including such information as a description of the service network, service schedules, and cost of transfers.
- 5) The Transportation Coordinating Committee (TCC) will be responsible for an annual review of the inter-operator agreement between the carries affected by the Area-Wide Transfer Policy.
- 6) An outline of each transit operator’s area for transfer coordination, specifying particular transfer relationships between operators. Operators will be responsible for coordination of transfers only within those areas and with specific operators.
- 7) Where agreed upon transfer arrangements have been made, operators will coordinate any route alignment changes with affected interfacing carriers prior to moving the route. Any such route alignment changes affecting transfer arrangements will be reflected in Short Range Transit Plan updates. (Section 99280)
- 8) By April 1, 1982, operators will have initiated a good faith discussion toward instituting a transfer agreement.

- 9) The following process is outlined for the resolution of differences should operators become unable to continue their good faith discussion toward a transfer agreement due to unresolved issues:

Any unresolved issues occurring in the negotiation of transfer agreements will be brought before the TCC for mediation, at the request of one of the operators involved.

The TCC Chair will appoint a subcommittee composed of members representing the areas affected by these transit systems. The subcommittee will schedule a special meeting to resolve the issue, and will invite representatives of the transit properties concerned to contribute to the discussion.

If, after the mediation process, either party is still in disagreement with TCC's recommendation for resolution, either party may appeal the recommendation to SACOG for final review. A decision regarding resolution of transfer issues by SACOG will be a consideration in SACOG's review of SB 325 claims.

APPENDIX E

TRANSPORTATION

DEVELOPMENT ACT

CLAIM PACKET

Sacramento Area Council of Governments
1415 L Street, Suite 300
Sacramento, CA 95814

**TRANSPORTATION DEVELOPMENT ACT
CLAIM CHECKLIST**

Please check the following, items as being either included with the attached TDA claim package or are on file at SACOG.

Item	Claimant	Attached	On file
• TDA-1 Annual Transportation Development Claim	All claimants	_____	N/A
• TDA-2 Project and Expenditure Plan (for the fiscal year of this claim and the prior fiscal year)	All claimants	_____	N/A
• TDA-3 Status of Previously Approved Projects	All claimants	_____	N/A
• TDA-4 Statement of Conformance	All claimants	_____	N/A
• TDA-5 TDA Claim Certification	All claimants	_____	N/A
• Resolution by governing body that authorized the claim	All claimants	_____	N/A
• CHP Safety Compliance Report (Completed within the past 13 months)	Claimants for transit service	_____	_____
• Statement of projected or estimated revenues and expenditures for the prior fiscal year	Claimants for transit service	_____	_____
• Adopted or proposed budget for the fiscal year of the claim and the prior fiscal year	Claimants for transit service	_____	_____
• Signed copy of transit service contract	Claimants for transit service	_____	_____
• Area wide transfer agreement, resolution	Claimants that allow inter-sys. transfers	_____	_____
• Information establishing eligibility under efficiency criteria	Claimants for revenue- based STA funds	_____	_____
• Certification that claim is consistent with Capital Improvement Program	Claimants for bike/ped facilities	_____	_____
• Compliance w/ PUC Sec. 99155 & 99155.5	Claimants for transit service	_____	_____
• STA Operator Qualifying Criteria calculation based on section 99314.6	Claimants for transit service	_____	_____
• Copy of Ten Year Capital & Operations Program	Claimants for transit service	_____	_____

TDA-1

TRANSPORTATION DEVELOPMENT ACT CLAIM

TO: Sacramento Area Council of Governments
1415 L Street, Suite 300
Sacramento, CA 95814

FROM: Claimant _____
Address _____
City _____ Zip Code _____
Contact Person _____
Phone _____ Email _____

The above claimant hereby requests, in accordance with authority granted under the Transportation Development Act and applicable rules and regulations adopted by the Sacramento Area Council of Governments (SACOG), that its request for funding be approved as follows:

LTF _____ (FY 2_/2____)
_____ (FY ___/___)
_____ (FY ___/___)
_____ (FY ___/___)

STA _____ (FY 2_/2____)
_____ (FY ___/___)
_____ (FY ___/___)
_____ (FY ___/___)

Submitted By _____
Title _____
Date _____

TDA-3
STATUS OF PREVIOUSLY APPROVED PROJECTS

Instructions: Describe the status of all prior fiscal year TDA claim projects and any projects from previous years, which are still active.

- Include both operating and capital projects
- Approved amounts should be as specified in TDA claims approved by SACOG
- Expenditures should be to date
- Project status should be either "Complete" or "Active"

Fiscal Year	Project Title	Amount Approved		Expenditures		Project Status
TOTAL		\$	\$	\$	\$	

TDA-4
STATEMENT OF CONFORMANCE

Form TDA-4 must be completed and signed by the Administrative Office of the submitting claimant.

The _____ hereby certifies that the Transportation Development Act claim for fiscal year(s) _____ 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. (See Attachment A for listing of conformance requirements)

Certified by Chief Financial Officer _____
Title _____
Date _____

TDA-5

TDA Claim Certification Form

I, _____, Chief Finance Officer for the _____, do hereby attest, as required under the California Code of Regulations, Title 21, Division 3, Chapter 2, Section 6632, to the reasonableness and accuracy of the following:

- (a) The attached budget or proposed budget for FY 200_/200_.
- (b) The attached certification by the Department of the California Highway Patrol verifying that _____ is in compliance with Section 1808.1 of the Vehicle Code, as required in Public Utilities Code Section 99251.
- (c) The estimated amount of _____ maximum eligibility for moneys from the local transportation fund and the state assistance fund, as defined in Section 6634, is \$ _____.

(Signature)
Chief Financial Officer
_____(agency name)

(Date)

ATTACHMENT A
CONFORMANCE - TDA CLAIMANTS
Standard Assurances

- 1) 180-Day Certified Fiscal Audit (*Applies to all claims; SACOG administers fiscal audits for all operators in the region, with the exception of the Sacramento Regional Transit District*) - Assurance that the claimant has submitted a satisfactory independent fiscal audit, with required certification, to SACOG and to the State Controller not more than 180 days after the end of the prior fiscal year (Sections 99245 and 6664).
- 2) 90-Day Annual State Controller Report (*Applies to all transit claims*) – Assurance that claimant has submitted this report to the State Controller in conformance with the uniform system of accounts and record not more than 90 days after the end of the prior fiscal year (110 days for electronically submissions) (Section 99243). Claimant should also supply a copy of the State Controller report (SCR) to SACOG no more than 120 days after the end of the prior fiscal year.
- 3) Use of Federal Funds (*Applies to all Article 4 claims*) –
 - Claimant filing a claim for TDA funds for capital intensive projects pursuant to Section 99268.7 certifies that it has made every effort to obtain federal funding for any project which is funded pursuant to Section 99268.7.
 - Claimant qualifying for funds pursuant to Section 99268.1 and filing a claim for TDA funds in excess of the amount allowed by Section 99268 certifies that such funds are required in order to obtain maximum federal operating funds in the year such funds are claimed pursuant to Section 6633.1.
- 4) Elderly/Disabled (*Applies to all transit claims*) – That the transit operator is in compliance with Section 99155 pertaining to reduced transit fares for elderly and disabled persons and Section 99155.5 pertaining to dial-a-ride and paratransit services.
- 5) Farebox Recovery Ratio Requirements (*Applies to 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 Sections 99268 (including all subparts), 99270.1, 99270.2, and under the “Farebox Requirements for Urbanized and Non-Urbanized Service” adopted by the SACOG Board of Directors on March 18, 1982, whichever is appropriate.

Exceptions:

- 6) 50% Expenditure Limitation (*Applies only to claims for LTF*) – Claimant certifies that it was in compliance with Section 99268 certifying that it (the claim) will not exceed 50% of the amount required to meet operating, maintenance, capital and debt service costs of the transit system after deduction of approved federal grants and STA funds estimated to

be received for the system. (A claimant can received up to 100% of capital costs for grade-separated mass transit projects under Section 99268 and 99281, for capital intensive transit-related projects under Section 99268.7. and for extension of services under Section 6619.1 and 6633.8)

- 7) Extension of Services (*Applies only to LTF claims*) - Claimant who received an allocation of LTF funds for extension of service pursuant to Section 99268.8 certifies that it will file a report of these services pursuant to Section 6633.8(b) within 90 days after close of the fiscal year in which that allocation was granted.
- 8) Retirement System (*Applies only to LTF claims*) - Claimant certifies that (1) the current cost of its retirement system is fully funded with respect to the officers and employees of its public transportation system; or (2) the operator is implementing a plan approved by SACOG which will fully fund the retirement system for such officers and employees within 40 years; or (3) the operator has a private pension plan which sets aside and invests, on a current bases, funds sufficient to provide for the payment of future pension benefits and which is fully compliant with the requirements stated in Section 99272 and 99273.
- 9) Maximum Use of Local Transportation Funds (*Applies only to Sacramento Regional Transit STA claim*) - That the operator is receiving the maximum allowable amount from the Local Transportation Fund.
- 10) Part-Time Employees (*Applies only to claims for STA*) - 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 it employing part-time drivers or contracting with such common carriers.
- 11) Conformance with the Metropolitan (Regional) Transportation Plan (*Applies only to claims for STA*) - Claimant certifies that all of the purposes for claim expenditures are in conformance with the current Short Range Transit Plan, which is an appendix to the Metropolitan (Regional) Transportation Plan.
- 12) Full Use of Federal Funds (*Applies only to STA claims*) - Claimant certifies that it is making full use of federal funds available under the Urban Mass Transportation Act of 1964, as amended.
- 13) Implementation of Productivity Improvements (*Applies only to STA claims*) - Claimant certifies that the operator has made a reasonable effort to implement the productivity improvements recommended pursuant to Section 99244.

APPENDIX F
Short Range Transit Plan and Audit Schedule (place in alpa order)

	Fiscal Year					
Agency	FY 2010/2011	FY 2011/2012	FY 2012/2013	FY 2013/2014	FY 2014/2015	FY 2016/2017
City of Davis/UNITRANS	SRTP		Performance Audit			SRTP & Performance Audit
City of Elk Grove	SRTP		Performance Audit			SRTP & Performance Audit
City of Folsom	SRTP		Performance Audit			SRTP & Performance Audit
Paratransit, Inc.		SRTP	Performance Audit			Performance Audit
SACOG			Performance Audit			Performance Audit
Sacramento County			Performance Audit	SRTP		Performance Audit
Sacramento Regional Transit District	SRTP		Performance Audit			SRTP & Performance Audit
Yolo County Transportation District		SRTP	Performance Audit			Performance Audit
Yuba-Sutter Transit				SRTP		Performance Audit

*Financial Audits of all TDA claimants are conducted each year. Contact SACOG's Director of Finance for more information on the monthly schedules.

APPENDIX G

TDA Fiscal Year

August

- LTF funds can be released to claimants.
- Send annual schedule of performance audits and list of operators/claimants to Caltrans.

September

- SACOG submits a list and schedule for any performance audits to Caltrans for the current fiscal year.

September 28th

- Deadline for operators to submit farebox exemption paperwork for new transit services.
- Deadline for SACOG to submit annual financial transaction report to the State Controller for the prior fiscal year.
- Deadline for operations report from transit operators and service claimants to be submitted to State Controller.
- Deadline for non-transit claimants to submit expenditure reports to county controllers.

October-November

- Short Range Transit Plans (SRTPs) and Performance Audits scheduled for the fiscal year are started.

December

- SACOG submits LTF and STA fiscal and compliance audits for the prior fiscal year to the State Controller. SACOG submits its own report of account audits to the State Controller.

January

- Revised *TDA Statutes and California Code of Regulations* published by Caltrans.
- State Controller sends preliminary STA estimate to SACOG before January 10th.
- County auditors provide LTF estimates, for the next fiscal year, to SACOG before February 1st.

January, cont.

- SACOG and the transit operators begin the Unmet Transit Needs process, scheduling hearing locations and holding hearings.

February

- SACOG approves LTF Apportionment for the next fiscal year before March 1st.
- SACOG revises TDA guidelines if necessary.
- SACOG continues Unmet Transit Needs hearings.

March

- SACOG provides claimants with LTF Findings, Claim Forms, and TDA guidelines.
- Claims for LTF and STA can be submitted to SACOG.
- SACOG completes Unmet Transit Needs hearings.

April

- SACOG compiles and circulates minutes from the Unmet Transit Needs Public hearings.
- Social Service Transportation Advisory Council (SSSTAC) Meetings are held in each county to evaluate the Unmet Transit Needs analysis.
- SACOG receives preliminary STA fund estimates from the State Controller's office.

May

- SACOG adopts allocation of STA funds.

June

- SACOG Board holds final Public Hearing on all Unmet Transit Needs Findings.
- Jurisdictions adopt SRTPs.
- SACOG submits any completed performance audits for the fiscal year.

*County Auditors also make Quarterly Audit reports on the status of funds to SACOG.

APPENDIX H

Required Farebox Ratios

Claimant	Service Area(s)	Claim Article	Required Fare Ratios		
			Fixed Route Ratio	Dial-A-Ride	
				General Public Ratio	Elderly & Disabled Ratio
Folsom Stage Line	Urban	4	20%	N.A.	10%
SRTD	Urban	4	25.5%	N.A.	N.A.
Paratransit, Inc.	RT Boundary	4.5	N.A.	N.A.	N.A.
Elk Grove Transit (e-TRAN)	Urban	4	20%	N.A.	10%
SCT/Link (Sacramento Co.)	Rural/Urban	4	10%/20%	10%/20%	10%
YCTD	Urban/Rural	4	13.5%	N.A.	10%
Unitrans	Urban	4	20%	N.A.	10%
Live Oak	Rural	8	N.A.	10%	10%
Wheatland	Rural	8	N.A.	10%	10%
Yuba-Sutter Transit	Urban/Rural	4	14.6%	N.A.	N.A.

Source: 1998 Triennial Performance Audits

APPENDIX I

Where to obtain information on the Transportation Development Act (TDA)

Online: <http://www.dot.ca.gov/hq/MassTrans/State-TDA.html>

Questions regarding the TDA Claims process:

Contact:

Edward Coviello or Lacey Symons

Sacramento Area Council of Governments (SACOG)

Attention TDA Claims

1415 L Street, Suite 300

Sacramento, CA 95814

916-321-9000

or email: TDA_Claims@sacog.org.