

**Metropolitan Transportation Commission
Programming and Allocations Committee**

November 8, 2017

Agenda Item 3a

MTC Resolution No. 4268, Revised

Subject: Revise the FY 2017-18 Fund Estimate distribution of State Transit Assistance (STA) to reflect actual STA receipts for FY 2016-17, the latest distribution factors and revenue forecast released by the State Controller’s Office for FY 2017-18, and add the new STA State of Good Repair Program.

Background: **Reconcile Actual FY 2016-17 STA Revenue:** On August 8, 2017 the SCO issued the final payment of FY 2016-17 STA revenue to regional transportation planning agencies across California. In the Bay Area, final FY 2016-17 STA revenue totaled approximately \$101 million which is about \$0.8 million higher than estimated in the FY 2017-18 Fund Estimate adopted in February 2017 (MTC Resolution 4268, Revised). However, a total of about \$0.6 million in rescissions were necessary for nine operators due to changes in FY 2016-17 revenue forecasts from when these operators originally claimed their funds in calendar year 2016. All rescissions were completed through delegated authority in August 2017. Details on the breakdown between Population-Based and Revenue-Based funding for FY 2016-17 is shown in Attachment 1. STA claimants should have received their final allocations in late August 2017.

FY 2017-18 STA | Senate Bill 1 and Assembly Bill 1113: During this year’s state legislative session, two bills (Senate Bill 1 and Assembly Bill 1113) were passed which have a significant impact on the STA program. Senate Bill (SB) 1 increased the state diesel sales tax rate by 3.5 percentage points and directed funds derived from the increase to the STA program. As a result of SB 1, the Bay Area is now expecting over \$57 million in additional STA revenue in FY 2017-18 over what was expected for this fiscal year before SB 1’s passage. STA program revenues are expected to increase again in FY 2018-19 as the diesel sales tax increase will be in effect for the full fiscal year as opposed to only for three quarters in FY 2017-18. Table 1 below details the changes in estimated revenue, and the proposed revision of the Fund Estimate incorporates these revised revenue amounts.

Table 1. Est. FY 2017-18 STA Revenue in the Bay Area, Before/After SB 1

STA	Pre-SB 1	Post-SB 1
Revenue-Based	\$81,827,763	\$121,966,872
Population-Based	\$28,624,767	\$45,757,459

This year the Legislature also approved Assembly Bill (AB) 1113 which was jointly developed by MTC and the California Transit Association (CTA). AB 1113 was developed in order to modernize the STA allocation process at the State Controller’s Office (SCO) after the SCO unexpectedly changed its STA program policies in 2015. The implementation of AB 1113 means that two new Bay Area transit operators will now receive STA Revenue-Based funds for the first time in FY 2017-18: SMART and Vacaville City Coach. In addition, AB 1113 directed the SCO to use the most recent available transit operator financial data (FY 2015-16) to calculate the STA Revenue-Based program shares. Because the financial data the SCO was using prior to SB 1 was from FY 2013-14, many operators across the state and in the Bay Area will see a larger than normal change in their STA Revenue-Based share with this update to the Fund Estimate. MTC and CTA staff are continuing to work with

operators and the SCO to ensure AB 1113 is implemented as intended and streamlines the STA program moving forward.

FY 2017-18 STA Population-Based Funds: As mentioned above, the STA Population-Based program is now expecting \$17 million in additional funds in FY 2017-18. STA Population-Based funds are programmed by the Commission and can only be allocated to eligible transit operators, MTC, or consolidated transportation services agencies (CTSAs). Use of the funds is currently governed by MTC Resolution 3837, Revised. MTC staff are currently working with transit operators and other stakeholders to examine whether an update to this policy is warranted. MTC staff anticipate presenting an update to the Committee in the coming months. As a result of this review, the proposed revision to the Fund Estimate places the newly available STA Population-Based funds due to SB 1 (\$17 million in FY 2017-18) into a reserve until the Commission takes action on the overall STA Population-Based program policy.

STA State of Good Repair Program: SB 1 also established a new STA State of Good Repair (SGR) Program funded by a new Transportation Improvement Fee (a value-based vehicle registration fee). This new program will bring over \$37 million to the Bay Area in FY 2017-18 and is focused on funding transit capital state of good repair projects. The funds from the STA SGR Program follow the same state-wide distribution policies as the regular STA program, with a Revenue-Based and Population-Based program. However, unlike regular STA program funds, recipients of STA SGR Program funds must have their projects pre-approved by Caltrans. This proposed revision to the Fund Estimate incorporates the STA SGR Program, lists apportionments for operators in the Revenue-Based program, and places the approximately \$10 million in anticipated Population-Based funds in a reserve pending the outcome of the current review of MTC Resolution 3837, Revised as described above.

Issue: Several transit operators, including Golden Gate Transit, SamTrans, and Santa Clara VTA are seeing large swings in STA revenue, above what would be expected due to SB 1, in FY 2017-18. MTC staff believe the source of these large revenue swings lies in the financial transactions reports filed by transit operators with the SCO. Transit operators should expect some continued STA variability over the next few years as the SCO works to modernize its financial transactions reports to ensure consistency between transit operators in collecting operating revenue and cost data.

Recommendation: Refer MTC Resolution No. 4268, Revised to the Commission for approval.

Attachments: Attachment 1 – STA Program Apportionments
MTC Resolution No. 4268, Revised

STA Revenue-Based Program Apportionments

Apportionment Jurisdictions	FY2016-17 Apportionments			FY2017-18 Apportionments			FY2017-18 Nov-17 Apportionment Share
	FY2016-17 Sep-16 Estimate	FY2016-17 Nov-17 Actual	FY2016-17 Adjustment, \$	FY2017-18 Feb-17 Estimate	FY2017-18 Nov-17 Estimate	FY2017-18 Adjustment, \$	
ACCMA - Corresponding to ACE	\$186,347	\$187,798	\$1,451	\$205,018	\$166,953	(\$38,065)	0.1%
Caltrain	\$3,877,168	\$3,907,288	\$30,120	\$4,265,650	\$5,558,219	\$1,292,569	4.6%
CCCTA	\$438,211	\$441,617	\$3,406	\$482,118	\$531,871	\$49,753	0.4%
City of Dixon	\$3,400	\$3,427	\$27	\$3,740	\$4,635	\$895	0.0%
ECCTA	\$202,949	\$204,524	\$1,575	\$223,284	\$246,192	\$22,908	0.2%
City of Fairfield	\$85,636	\$86,301	\$665	\$94,216	\$117,283	\$23,067	0.1%
GGBHTD ¹	\$3,432,072	\$3,458,733	\$26,661	\$3,775,956	\$2,581,035	(\$1,194,921)	2.1%
City of Healdsburg ²	(\$744)	\$0	\$744	\$395	\$0	(\$395)	0.0%
LAVTA	\$177,130	\$178,506	\$0	\$194,878	\$248,346	\$53,468	0.2%
Marin Transit	\$639,229	\$644,196	\$4,967	\$703,278	\$914,624	\$211,346	0.7%
NVTA	\$44,265	\$44,609	\$344	\$48,700	\$60,029	\$11,329	0.05%
City of Petaluma	\$9,942	\$10,018	\$76	\$10,939	\$29,271	\$18,332	0.02%
City of Rio Vista	\$530	\$535	\$5	\$860	\$1,650	\$790	0.001%
SamTrans	\$2,384,429	\$2,402,954	\$18,525	\$2,623,342	\$5,473,295	\$2,849,953	4.5%
SMART	\$0	\$0	\$0	\$0	\$686,214	\$686,214	0.6%
City of Santa Rosa	\$97,323	\$98,080	\$757	\$107,075	\$128,509	\$21,434	0.1%
Solano County Transit	\$199,935	\$201,486	\$1,551	\$219,967	\$262,321	\$42,354	0.2%
Sonoma County Transit	\$105,377	\$106,195	\$818	\$115,935	\$151,562	\$35,627	0.1%
City of Union City	\$29,967	\$30,198	\$231	\$32,969	\$76,392	\$43,423	0.1%
Vacaville City Coach	\$0	\$0	\$0	\$0	\$19,725	\$19,725	0.0%
VTA	\$9,173,929	\$9,245,198	\$71,269	\$10,093,131	\$19,328,819	\$9,235,688	15.8%
VTA - Corresponding to ACE	\$199,485	\$201,034	\$1,549	\$219,473	\$130,543	(\$88,930)	0.1%
WCCTA	\$229,652	\$231,437	\$1,785	\$252,662	\$318,703	\$66,041	0.3%
WETA	\$943,358	\$950,689	\$7,331	\$1,037,880	\$1,237,512	\$199,632	1.0%
Subtotal - STA Revenue-Based	\$22,459,586	\$22,634,823	\$173,860	\$24,711,465	\$38,273,703	\$13,562,238	31.4%
AC Transit	\$6,938,750	\$6,992,655	\$53,905	\$7,633,993	\$14,057,804	\$6,423,811	11.5%
BART	\$15,941,572	\$16,065,418	\$123,846	\$17,538,873	\$27,236,238	\$9,697,365	22.3%
SFMTA	\$29,034,278	\$29,259,837	\$225,559	\$31,943,432	\$42,399,127	\$10,455,695	34.8%
Subtotal - STA Revenue-Based	\$51,914,600	\$52,317,910	\$403,310	\$57,116,298	\$83,693,169	\$26,576,871	68.6%
Bay Area Revenue-Based Total	\$74,374,186	\$74,952,733	\$578,547	\$81,827,763	\$121,966,872	\$40,139,109	100.00%
Statewide Revenue-Based Total	\$133,436,500	\$134,529,750	\$1,093,250	\$146,896,000	\$234,242,500	\$87,346,500	N/A
Bay Area Population-Based Total	\$25,890,283	\$26,215,027	\$324,744	\$28,624,766	\$45,757,459	\$17,132,693	N/A
Statewide Population-Based Total	\$133,436,500	\$134,529,750	\$1,093,250	\$146,896,000	\$234,242,500	\$87,346,500	N/A

¹ MTC staff are working with Golden Gate Transit staff to understand why their revenue share has decreased significantly, resulting in reduced FY 2017-18 STA Revenue-Based funds.

² Healdsburg no longer directly provides transit service; Sonoma County Transit is now the service provider in Healdsburg.

Attachment 1 - STA Population-Based Program Apportionments

Apportionment Jurisdictions	FY2016-17 Apportionments			FY2017-18 Apportionments		
	FY2016-17 Sep-16 Estimate	FY2016-17 Nov-17 Actual*	FY2016-17 Adjustment, \$	FY2017-18 Feb-17 Estimate*	FY2017-18 Nov-17 Estimate*	FY2017-18 Adjustment, \$
Northern Counties/Small Operators						
Marin	\$768,516	\$778,281	\$9,765	\$850,744	\$850,744	\$0
Napa	\$415,316	\$420,593	\$5,277	\$459,753	\$459,753	\$0
Solano	\$1,250,753	\$1,266,645	\$15,892	\$1,384,578	\$1,384,578	\$0
Sonoma	\$1,469,867	\$1,488,543	\$18,676	\$1,627,136	\$1,627,136	\$0
CCCTA	\$1,456,880	\$1,475,391	\$18,511	\$1,612,760	\$1,612,760	\$0
ECCTA	\$880,020	\$891,203	\$11,183	\$974,179	\$974,179	\$0
LAVTA	\$602,059	\$609,709	\$7,650	\$666,477	\$666,477	\$0
Union City	\$210,768	\$213,446	\$2,678	\$233,319	\$233,319	\$0
WestCAT	\$194,096	\$196,563	\$2,467	\$214,864	\$214,864	\$0
Subtotal	\$7,248,275	\$7,340,374	\$92,099	\$8,023,810	\$8,023,810	\$0
Regional Paratransit						
Alameda	\$795,864	\$805,977	\$10,113	\$881,019	\$881,019	\$0
Contra Costa	\$563,379	\$570,536	\$7,157	\$623,657	\$623,657	\$0
Marin	\$108,702	\$110,083	\$1,381	\$120,332	\$120,332	\$0
Napa	\$88,156	\$89,277	\$1,121	\$97,588	\$97,588	\$0
San Francisco	\$631,454	\$639,477	\$8,023	\$699,017	\$699,017	\$0
San Mateo	\$311,337	\$315,293	\$3,956	\$344,649	\$344,649	\$0
Santa Clara	\$891,704	\$903,033	\$11,329	\$987,113	\$987,113	\$0
Solano	\$243,442	\$246,536	\$3,094	\$269,489	\$269,489	\$0
Sonoma	\$348,692	\$353,122	\$4,430	\$386,000	\$386,000	\$0
Subtotal	\$3,982,730	\$4,033,334	\$50,604	\$4,408,864	\$4,408,864	\$0
Lifeline¹						
Alameda	\$1,689,721	\$2,005,223	\$315,502			\$0
Contra Costa	\$1,068,509	\$926,911	(\$141,598)			\$0
Marin	\$195,613	\$196,599	\$986			\$0
Napa	\$151,720	\$195,141	\$43,421			\$0
San Francisco	\$935,481	\$1,037,352	\$101,871			\$0
San Mateo	\$629,074	\$424,675	(\$204,399)			\$0
Santa Clara	\$1,725,178	\$1,823,970	\$98,792			\$0
Solano	\$477,758	\$375,665	(\$102,093)			\$0
Sonoma	\$588,692	\$571,029	(\$17,663)			\$0
MTC Means-Based Discount Project	\$0	\$0	\$0			\$0
JARC Funding Restoration	\$0	\$0	\$0			\$0
Lifeline Reserve for Cycle 5	\$0	\$0	\$0	\$8,260,121	\$8,260,121	\$0
Subtotal	\$7,461,746	\$7,556,565	\$94,819	\$8,260,121	\$8,260,121	\$0
Transit Emergency Contingency Fund	\$333,333	\$333,333		\$333,333	\$333,333	\$0
MTC Regional Coordination Program	\$6,864,199	\$6,951,421	\$87,222	\$7,598,638	\$7,598,638	\$0
STA Population-Based SB 1 Reserve	\$0	\$0	\$0	\$0	\$17,132,693	\$17,132,693
Bay Area Total	\$25,890,283	\$26,215,027	\$324,744	\$28,624,766	\$45,757,459	\$17,132,693
Statewide Total	\$133,436,500	\$134,529,750	\$1,093,250	\$146,896,000	\$234,242,500	\$87,346,500

¹Lifeline Program actuals for FY 2016-17 reflect actual amounts of Lifeline Cycle 4 funding commitments for each county.