



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407

## Policies and Procedures

No. 20

SUBJECT:

Board Approval: 6/18/15

ALLOCATION OF STATE TRANSIT ASSISTANCE FUNDS

PURPOSE:

To establish procedures for allocating State Transit Assistance (STA) funds in the San Diego Metropolitan Transit System (MTS) area.

BACKGROUND:

The STA Program was created under Chapter 161 of the Statutes of 1979 (Senate Bill (SB) 620), revised by Chapter 322 of the Statutes of 1982 (Assembly Bill 2551), and again revised by Chapter 105 of the Statutes of 1989 (SB 300). The fund, which is derived from the California statewide sales tax on diesel fuel, provides a second source of Transportation Development Act (TDA) funding for transportation planning and mass transportation purposes as specified by the State Legislature.

STA funding is appropriated to the State Controller by the State Legislature for allocation. The formula allocates 50 percent of the funds according to population and the remaining 50 percent is allocated according to operator revenues from the prior fiscal year.

PROCEDURE:

### 20.1 Funding Priorities

In the allocation of STA monies to eligible operators, it is the intent of the State Legislature that MTS give priority consideration to claims for the following purposes (PUC Section 99314.5[c]):

1. to offset reductions in federal operating assistance;
2. to offset unanticipated increases in the cost of fuel;
3. to enhance existing public transportation services; and



4. to meet high-priority regional, countywide, or areawide public transportation needs.

## 20.2 Required Findings

MTS is required to make all of the findings listed below before it can allocate funds to an operator or a transit service claimant (21 California Code of Regulations [CCR] 6754). It is the responsibility of the claimant to provide MTS with sufficient information upon which to make these findings. In order to allocate STA monies, MTS must find that:

1. The claimant's proposed expenditures are in conformance with the Regional Transportation Plan.
2. The level of passenger fares and charges is sufficient to enable the operator or transit service claimant to meet the fare revenue requirements of PUC Sections 99268.2, 99268.3 99268.4, 99268.5, and 99268.9, as they may be applicable to the claimant.
3. The claimant is making full use of federal funds available under the Urban Mass Transportation Act of 1964 as amended.
4. The sum of the claimant's allocations from the STA fund and local transportation funds does not exceed the amount the claimant is eligible to receive during the fiscal year (21 CCR 6634).
5. Priority consideration has been given to claims to offset reductions in federal operating assistance and unanticipated increases in the cost of fuel, to enhance existing public transportation services, and to meet high-priority regional, countywide, or area wide public transportation needs.
6. For claims of operations (21 CCR 6730), MTS may allocate funds only if in the resolution allocating the funds it finds the following:
  - a. The operator has made a reasonable effort to implement the productivity improvements recommended pursuant to PUC Section 99244. This finding shall make specific reference to the improvements recommended and to the efforts made by the operator to implement them.
  - b. The operator has been certified within the last 13 months by the Department of California Highway Patrol to be in compliance with Section 1808.1 of the Vehicle Code as required by PUC section 99251.
  - c. The operator is in compliance with the eligibility requirements of PUC Section 99314.6 or 99314.7.
7. MTS may authorize an operator to exchange funds pursuant to PUC section 99314.4(b) only if, in the resolution allocating the funds made available pursuant to PUC section 99231, it finds that the operator is eligible to receive STA funds.

## 20.3 Funding Allocation

The MTS operating and capital budgetary process begins in January of each year, when the agency receives estimates of all subsidy funding sources

(Federal, State and Local), as well as projects the impacts of operational revenues.

The development of operating and capital budgets are reviewed through a series of meetings with the MTS Budget Development Committee (BDC) and MTS Board of Directors from January through June, and organizational / financial priorities are developed through these meetings.

Based upon these Board priorities, the effective / efficient use of the various funding sources received by MTS, and the regulatory requirements of each funding source, staff develops the funding allocation (including STA) for the upcoming fiscal year and presents the proposed allocation at a public budget hearing for MTS Board of Director adoption.

#### 20.4 Timetable

The following timetable lists the key dates in the annual STA Program cycle:

<u>Date</u>	<u>Action</u>
January 31	State Controller provides MTS with a preliminary estimate of the amount of STA monies to be allocated to it during the fiscal year (PUC Sec 99312.7).
June 30	MTS transmits fiscal audit to State Controller (21 CCR 6662).
August 1	State Controller provides MTS with a revised estimate of STA monies to be allocated to it during the fiscal year (21 CCR 6720).
September 30	MTS submits allocation resolution to the County Auditor (21 CCR 6659).
October 15	MTS submits State Controller (21 CCR 6751) report relative to STA funds.
Quarterly	State Controller allocates STA monies to claimants (21 CCR 6720).

#### POLICY.20.ALLOCATION STA FUNDS

Original Policy approved on 1/10/83.  
This Policy supersedes Policy dated March 7, 1985.  
Policy revised/renumbered on 2/12/04.  
Policy revised on 6/18/15.