



March 13, 2024

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer 

Subject: Approval of Local Transportation Fund Fiscal Year 2024-25 Apportionment Estimates Amendment

Overview

The Orange County Transportation Authority, as the transportation planning agency and county transportation commission for Orange County, is responsible for developing estimates used in apportioning revenues earned and deposited in the Orange County Local Transportation Fund. Transportation Development Act regulations require that the apportionments for fiscal year 2024-25 be determined, and prospective claimants be advised of the amounts. On February 26, 2024, the Orange County Transportation Authority Board of Directors approved the fiscal year 2024-25 Local Transportation Fund apportionment amounts. An amendment to these apportionment amounts is presented for approval.

Recommendation

Approve the amendment to the Local Transportation Fund fiscal year 2024-25 apportionment estimates.

Background

The Transportation Development Act (TDA) of 1971 established a funding source dedicated to transit and non-transit-related projects. The funding source consists of two parts: the Local Transportation Fund (LTF) and the State Transit Assistance Fund (STAF). The LTF is derived from a one-quarter cent general sales tax collected statewide. LTF revenues are collected by the California Department of Tax and Fee Administration and returned monthly to the local jurisdictions, such as Orange County, based on the volume of sales during each month. The STAF is generated from the sales tax on diesel and funded through the Public Transportation Account. STAF revenues are appropriated to local agencies by formula on a quarterly basis. The

Orange County Transportation Authority (OCTA) is the Transportation Planning Agency responsible for the allocation of the LTF within Orange County. The LTF funds are deposited in the Orange County LTF account at the Orange County Treasury and administered by the Orange County Auditor-Controller (OCAC). Upon instructions from OCTA, LTF funds are distributed by the OCAC among the various administrative, planning, and program apportionments as specified in the TDA.

Discussion

The TDA Statutes and California Code of Regulations guidelines provide instructions on how apportionments should be calculated and allocated. Prior to March 1 of each year, OCTA must determine and advise all prospective claimants of their apportionments from the LTF for the following fiscal year (FY). OCTA makes this determination by using the estimate of funds available for apportionment and allocation furnished by the OCAC.

In Orange County, OCTA has designated the Orange County Transit District (OCTD) as the public transportation services operator and the Consolidated Transportation Services Agency. Therefore, OCTD is the claimant for Article 4 and 4.5 funds, which are used primarily to fund bus operations.

OCTA provides LTF funds to other claimants including the Southern California Association of Governments (SCAG) and Laguna Beach Municipal Transit Lines (LBMTL). SCAG is eligible to receive up to three-fourths of one percent of annual revenues for transportation planning. The LBMTL, a department within the City of Laguna Beach (City), is eligible to receive funding from the LTF in Orange County for providing public transportation services throughout the City. The estimate of LTF revenues for FY 2024-25 has been estimated by the OCAC at \$232,624,566 and was approved by the OCTA Board of Directors (Board) on February 26, 2024.

On February 26, 2024, the Board approved the FY 2024-25 Local Transportation Fund apportionment amounts. Upon further review, a miscalculation was identified in the calculations for Article 4 claimants. Specifically, the calculation pertaining to the City inadvertently utilized an incorrect population percentage. As a result, the apportionment amounts approved for Article 4 Orange County Transit District (Public Transit Services) and Laguna Beach Municipal Transit Lines (Public Transit Services) were incorrect. While the total apportionment amount of \$232,624,566 remains correct, the apportionment amount for OCTD (Public Transit Services) should be \$212,667,523.41 instead of \$214,076,564.37, and the apportionment

amount for Laguna Beach Municipal Transit Lines (Public Transit Services) should be \$1,532,505.04 instead of \$123,464.08. The amended FY 2024-25 apportionment is summarized in the following table:

LTF Revenues	
Estimated FY 2024-25 Sales and Use Tax Receipts	\$232,624,566.00
Article 3 payments:	
Orange County Auditor-Controller – Administration	\$6,198.86
Orange County Transportation Authority – County Transportation Commission Administration	165,916.00
Orange County Transportation Authority – County Transportation Commission Planning	5,234,052.73
Southern California Association of Governments – Regional Planning	1,744,684.25
Subtotal – Article 3 funding	\$7,150,851.84
Articles 4 and 4.5 payments:	
Orange County Transit District – Consolidated Transportation Service Agency Funding – Article 4.5	\$11,273,685.71
Orange County Transit District – Public Transit Funding – Article 4	212,667,523.41
Laguna Beach Municipal Transit Lines – Public Transit Funding – Article 4	1,532,505.04
Subtotal – Articles 4 and 4.5 funding	\$225,473,714.16
Total funds apportioned	\$232,624,566.00

On February 29, 2024, OCTA notified the claimants of the LTF apportionments approved by the Board on February 26, 2024, as OCTA is required to notify claimants of their apportionments by March 1. Furthermore, claimants were informed of this miscalculation and OCTA’s plan to return to the Board to obtain approval of the corrected apportionments.

Summary

Staff recommends approval of the amended LTF FY 2024-25 apportionment estimates.

Attachment

None.

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