



# Orange County Transportation Authority

## Fiscal Year 2018-19 Budget Workshop Questions & Answers

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**1. Question: What does the sunset of the Orange County Taxi Administration Program (OCTAP) mean for OCTA, the member cities, and the County?**

**Answer:** Under AB 1069, OCTA would no longer serve as the administrator of OCTAP as it is currently formed effective January 1, 2019. As a result, OCTA's FY 2018-19 budget includes a complete drawdown of the OCTAP operating reserves and requires external funding from the member agencies to support operations for the period between July 1, 2018 and December 1, 2018.

Under AB 1069, the obligation to regulate taxicabs is the responsibility of only the cities and counties where taxicabs are "substantially" located, unless the cities form a Joint Powers Authority or enter in to an agreement with a transit agency (such as OCTA) for the purpose of administering or regulating taxicabs. The cities will have three options available: 1. Each city takes responsibility for regulating taxicabs that operate within their city, 2. Cities work together and form a Joint Powers Authority to regulate taxicabs, 3. Cities request that the County Transportation Commission (OCTA) regulate taxicabs on behalf of those cities that make the request.

OCTA continues to help facilitate discussions on the future of OCTAP, however the final determination of how taxicabs will be regulated is up to the member agencies to decide. Should OCTA be requested to administer the OCTAP beyond December 2018, staff would bring that decision to the OCTA Board of Directors for consideration.

**2. Question: What direction are cities impacted by AB 1069 anticipated to go in regulating taxis within their jurisdictions?**

**Answer:** There is no clear direction from any city at this point. OCTA has been working with the Orange County City Managers Association to facilitate discussions and will continue to do so as OCTAP winds down over the coming months.

**3. Question: Is there any indication how many cities might opt into a Joint Powers Authority agreement for the administration of the Taxicab Program?**

**Answer:** No, there are no indications at this point as to how many cities might opt into a Joint Powers Authority agreement.

**4. Question: Does the budget include the impact of the upcoming change to the 6c electronic toll collection protocol?**

**Answer:** Yes, the budget include funds for the new 6c sticker and switchable transponders. In addition, OCTA continues to work with the Riverside County Transportation Commission on a



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strategy for the transition and proposed new account structure. A presentation will be made to the State Route 91 Advisory Committee in early June on the strategy and a recommended approach will be presented to the OCTA Board of Directors in July 2018.

**5. Question: Why is there a difference between the Local Transportation Authority (LTA) and Local Transportation Fund (LTF) growth rates in the budget workshop staff report and the budget workshop presentation?**

**Answer:** The growth rates shown on page 2 of the FY 2018-19 Budget Workshop staff report are the annual sales tax growth rates forecasted by MuniServices. MuniServices anticipates annual growth in LTA sales tax (M2) of 3.7 percent and LTF sales tax (bus program) of 3.1 percent for the proposed budget.

The growth rates shown on slide 2 of the budget workshop presentation are budget-to-budget growth rates. These growth rates take into account MuniServices growth rates as well as OCTA's year-end sales tax assumption. OCTA anticipates that annual sales tax receipts for both LTA and LTF will exceed the current year budget. As a result, MuniServices growth rates are applied to an estimated annual sales tax figure that exceeds the current year budget amount. See the following tables for each calculation.

\$ millions	Budget Workshop Staff Report		
	FY 2017-18 Estimated Y/E Actuals	MuniServices Forecasted Rates	FY 2018-19 Proposed Budget
LTA	\$ 320.3	3.70%	\$ 332.2
LTF	\$ 165.4	3.10%	\$ 170.9

Budget Workshop Presentation		
FY 2017-18 Budget	FY 2018-19 Proposed Budget	Budget to Budget Growth Rate
\$ 317.4	\$ 332.2	4.7%
\$ 162.2	\$ 170.9	5.4%

**6. Given the historic length of the economic recovery, how has OCTA accounted for the impact of the next recession?**

**Answer:** OCTA relies on the economic forecasts provided by MuniServices and the three universities, California State University Fullerton, Chapman University, and University of California Los Angeles to forecast the impact of the next recession on OCTA's sales tax revenue. OCTA has not received any forecasts that suggest a recession next year. To address the difficulty with predicting the timing and severity of recessions over the long term, the three universities build the impacts of recessions into their long-term growth rates.



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### 7. Question: Does OCTA have a plan in place if Senate Bill 1 (SB 1) is repealed?

**Answer:** OCTA is in the process of developing a plan should SB 1 be repealed. The largest impact to OCTA should SB 1 be repealed would be to the bus program. The proposed budget includes \$19.2 million of SB 1 funds to support bus service. OCTA has adequate reserves to minimize impacts to service levels in FY 2018-19, but would anticipate larger reductions to expenditures, which would likely impact service, in FY 2019-20 to help offset the operating deficit caused by the loss in revenue.

### 8. Question: Please provide a summary of ridership for OCTA's bus services.

**Answer:** The table below provides a summary of actual ridership for fixed-route and paratransit services from FY 2012-13 through the FY 2016-17. The estimates for FY 2017-18 are annual estimates based on ridership through April 2018, and the data for FY 2018-19 has been estimated for development of the budget.

Boardings/Trips		Fiscal Year					
Service Type	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 Estimate	2018-19 Budget
Fixed Route	51,203,664	48,850,791	47,021,445	43,222,668	39,680,991	38,715,059	38,151,900
Percentage +/-		-4.6%	-3.7%	-8.1%	-8.2%	-2.4%	-1.5%
<i>On Demand Service</i>							
OC Flex							135,000
<i>Paratransit</i>							
ACCESS	925,274	912,811	935,914	966,269	965,052	949,880	965,310
ADA Taxi Service	260,600	258,549	262,469	287,111	307,918	308,439	314,975
Same Day Taxi Service	52,902	70,459	93,440	103,191	129,487	161,859	202,257
Special Agency Service	197,927	222,586	238,499	226,030	252,739	265,881	281,800
Total	1,436,703	1,464,405	1,530,322	1,582,601	1,655,196	1,686,059	1,764,342
Percentage +/-		1.9%	4.5%	3.4%	4.6%	1.9%	4.6%

### 9. Question: What is the reason for the budget increase in OCTD overhead allocation between FY 2017-18 and FY 2018-19?

**Answer:** The assumptions used for development of the FY 2017-18 budget underestimated actuals for the fiscal year. OCTA anticipates the OCTD overhead allocation for FY 2017-18 will be \$38.2 million, and has budgeted an increase to \$39.2 million for the FY 2018-19 budget.



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### 10. Question: Please provide a summary of staffing requests for FY 2018-19.

**Answer:** The table below provides a summary of new hires and reductions by department for OCTA and by title for LOSSAN.

OCTA New Hires		FTE
Express Lanes		4.0
Operations Planning & Scheduling		1.0
Public Information Office		1.0
Human Resources		1.0
Learning & Development		1.0
Total OCTA New Hires		8.0

OCTA Reductions		FTE
Operations Planning & Scheduling		(1.0)
Public Information Office		(0.5)
Total OCTA Reductions		(1.5)

Net OCTA New Hires	6.5
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LOSSAN New Hires		FTE
LOSSAN Accounting Analyst, Senior		1.0
LOSSAN Marketing Specialist, Senior		1.0
LOSSAN Marketing Specialist, Principal		1.0
LOSSAN Planning and Analysis Manager		1.0
Total LOSSAN New Hires		4.0

Grand Total	10.5
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