



**October 23, 2019**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer 

**Subject:** State Transit Assistance Fund and Senate Bill 1 State of Good Repair Claims for Fiscal Year 2019-20

### **Overview**

The Orange County Transit District is eligible to receive funding from the State Transit Assistance Fund for providing public transportation services throughout Orange County. In order to receive these funds, the Orange County Transit District, as the public transit and community transit services operator, must file claims with the Orange County Transportation Authority, the transportation planning agency for Orange County.

The Orange County Transportation Authority is eligible to receive funding from the Senate Bill 1 State of Good Repair Program that is funded by the Transportation Improvement Fee on vehicle registrations. Funding recommendations for fiscal year 2019-20 were presented to the Board of Directors on August 12, 2019. Upon approval of the statewide list of fiscal year 2019-20 projects by the California Department of Transportation, the Orange County Transportation Authority must file claims on a quarterly basis to receive the funding.

### **Recommendations**

- A. Adopt Resolution No. 2019-079 to authorize the filing of State Transit Assistance Fund claims, in the amount of revised estimate of \$38,396,928, or up to the actual allocation published by the State Controller's Office, to support public transportation.
- B. Authorize the filing of Senate Bill 1 State of Good Repair claims, in the amount of the revised estimate of \$5,933,032, or up to the actual allocation published by the State Controller's Office, to help sustain and upgrade the Orange County Transportation Authority's bus system.

### ***Background***

#### **State Transit Assistance Fund (STAF)**

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: Local Transportation Fund, which is derived from 1/4 cent of the general sales tax collected statewide, and the STAF, which is generated from the statewide 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 STAF revenues are distributed by the State Controller's Office (SCO) and returned quarterly to each regional entity based on the amount of the appropriation approved in the state budget. Estimates are typically provided in January, with revised estimates provided in August of each year. In Orange County, the STAF funds are deposited in the Orange County STAF Account (Fund 185) in the Orange County Treasury and administered by the Orange County Auditor-Controller (OCAC). STAF funds are distributed by the OCAC to the Orange County Transit District (OCTD) based on claims against the STAF as specified in the TDA.

#### **State of Good Repair (SGR)**

The SGR Program is funded by a portion of the new Transportation Improvement Fee on vehicle registrations due on or after January 1, 2018. The SCO annually publishes estimates of SGR funding levels per Public Utilities Code Sections 99313 and 99314. Estimates are typically provided in January, with revised estimates provided in August of each year. SGR funds are expected to be allocated quarterly beginning November 2019, upon receipt of the approved recipients from the California Department of Transportation and filing of claims by Orange County Transportation Authority (OCTA).

### ***Discussion***

#### **STAF**

Section 6732 of Title 21 of the California Code of Regulations requires OCTD to file a claim with OCTA to receive its STAF allocation for providing public transportation services. OCTD utilizes STAF revenues to fund ongoing capital requirements and operations of the bus program. OCTA has acknowledged that OCTD has met the required findings as per California Code of Regulations 6754, in order to be eligible to receive STAF funding.

In August 2019, the SCO determined that OCTA would receive \$38,396,928 of STAF for fiscal year (FY) 2019-20, which includes the increase from Senate Bill 1 (SB 1) funds. The SCO estimates OCTA to receive approximately 5.5 percent of an expected statewide STAF Program of \$696,519,000.

#### **SGR**

In August 2019, the SCO determined that OCTA would receive \$5,933,032 of SGR for FY 2019-20. On August 12, 2019, the OCTA Board of Directors (Board) approved the SB1 SGR Program recommendations for FY 2019-20. The funding recommendations included replacement of up to seven iShuttle buses, up to six El Dorado cutaways with 40-foot buses, and the emergency equipment at the Anaheim and Irvine bus bases.

SCO is anticipated to begin releasing FY 2019-20 funds to transit agencies, beginning November 2019. OCTA will then be able to submit claims to receive these funds on a quarterly basis.

#### ***Summary***

The STAF provides funding to the OCTD for public transit services. In order to receive these funds, OCTD must file the appropriate STAF claims with OCTA. Staff recommends the OCTA Board to adopt Resolution No. 2019-079 to file these claims.

The SGR Program provides funding for transit capital projects or services to maintain or repair a transit operator's existing transit vehicle fleet or transit facilities that improve existing transit services, and transit services that complement local efforts. Staff recommends the OCTA Board to authorize filing of claims to receive SGR funds.

***Attachment***

- A. Resolution 2019-079 of the Orange County Transportation District,  
Authorizing the Filing of State Transit Assistance Fund Claims

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