



**October 13, 2021**

**To:** Finance and Administration Committee

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

**Subject:** State Transit Assistance Fund Claims for Fiscal Year 2021-22

### **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. 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.

### **Recommendation**

Adopt Resolution No. 2021-078 to authorize the filing of State Transit Assistance Fund claims, in the amount of \$36,415,760, or up to the actual allocation published by the State Controller's Office, to support public transportation.

### **Background**

The Transportation Development Act (TDA) of 1971 established a funding source dedicated to transportation projects. The funding source consists of two parts: the Local Transportation Fund, which is derived from 1/4 cent of the general sales tax collected statewide, and the State Transit Assistance Fund (STAF), which is generated from the statewide sales tax on diesel.

STAF revenues are distributed by the State Controller's Office (SCO) on a quarterly basis 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 administered by the Orange County Auditor-Controller.

***Discussion***

The Orange County Transit District (OCTD) is required to file a claim with OCTA to receive its STAF allocation for providing public transportation services. OCTA has acknowledged that OCTD has met the required findings as per California Code of Regulations 6754 to be eligible for STAF funding. AB 90 (Chapter 17, Statutes of 2019) amended the TDA, providing transit operators temporary exemption from meeting efficiency standards for fiscal year (FY) 2020-21 and FY 2021-22. This relief is provided considering a higher than usual cost of transit services and a decline in fare revenues due to the coronavirus. For these two FYs, OCTA can use STAF for capital and operating purposes without demonstrating the eligibility standards.

In July 2021, the SCO determined that OCTA would receive \$36,415,750 of STAF for FY 2021-22. OCTD will utilize STAF revenues of \$19,970,462 to fund ongoing capital requirements and \$16,445,298, to fund operations of the Bus Program. These amounts may change based on actuals reported by the SCO.

***Summary***

The STAF provides funding to the OCTD for public transit services. To receive these funds, the OCTD must file the appropriate STAF claims with OCTA. Staff recommends the Board of Directors adopt Resolution No. 2021-078 to file these claims.

***Attachment***

- A. Resolution 2021-078 of the Orange County Transit District, Authorizing the Filing of State Transit Assistance Fund Claims

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