



October 22, 2025

To: Finance and Administration Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: State Transit Assistance Fund Claims for Fiscal Year 2025-26

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. 2025-078 to authorize the filing of State Transit Assistance Fund claims, in the amount of \$43,487,476, 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 a quarter 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 fuel.

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 the Orange County Transportation Authority (OCTA) to receive its STAF allocation for providing public transportation services. OCTD must meet the required finding 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. AB 149 (Chapter 81, Statutes of 2021) extended the exemption of meeting the STA efficiency standard through FY 2022-23. SB 125 (Chapter 54, Statutes of 2023) extended this exemption through FY 2025-26.

In August 2025, the SCO estimated that OCTA would receive \$43,487,476 of STAF for FY 2025-26. OCTD will utilize the entire STAF revenues to fund ongoing capital requirements. 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. 2025-078 to file these claims.

Attachment

- A. Resolution 2025-078 of the Orange County Transit District, Authorizing the Filing of State Transit Assistance Fund Claims

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