



MADERA CTC

Madera County Transportation Commission



Transportation Development Act

GUIDEBOOK

WWW.MADERACTC.ORG

MCTC
2001 HOWARD
ROAD, SUITE 201
MADERA, CA 93637

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TRANSPORTATION DEVELOPMENT ACT GUIDEBOOK

VOLUME I

TDA OVERVIEW AND BACKGROUND

CHAPTER 1 - INTRODUCTION

1.1 GUIDEBOOK PURPOSE

The Madera County Transportation Commission (MCTC) Transportation Development Act (TDA) Guidebook was developed to provide a useful reference for claimants of TDA funds and MCTC staff to continue to provide a clear and understandable process for the filing and administration of TDA claims now and into the future.

The intent of this guidebook is to help those managing the claim process to understand:

- What the TDA is;
- What the different categories of TDA funds are and their allowable uses;
- What the TDA requirements are and the reasons for the requirements;
- What MCTC's responsibilities are in administering the TDA program and how those impact the TDA claim review, approval and schedule;
- How to complete claims; and
- How the process fits together in Madera County, the City of Madera and the City of Chowchilla.

The objective of the guidebook is to increase program understanding and thereby expedite the administrative process. The guidebook has nine chapters and is organized in two Volumes, intended to make it easier for the reader to work through the different topics. Volume I is a reference document which provides detailed background information on the TDA and uses of its funds; while Volume II provides the TDA claimant with instructions and MCTC policies for filing a TDA claim.

1.2 TDA OVERVIEW

The **Transportation Development Act (TDA)** provides a State funding source for use by local jurisdictions at the county level to improve existing public transportation and encourage regional public transportation coordination. It also provides some funding for bicycle and pedestrian projects and when certain conditions are met, streets and roads. The main purpose and priority of TDA, however, is to provide funding for public transportation.

The TDA provides two major sources of funding, the Local Transportation Fund (LTF) and the State Transit Assistance (STA) Fund. The following provides background on each of these two funding sources:

The **Local Transportation Fund (LTF)** is a local fund into which the state deposits sales tax revenue to be used for transportation purposes defined by TDA. The State Department of Tax and Fee Administration, based on sales tax collected in each county, returns the general sales tax revenues to each county's LTF. Madera County is the local jurisdiction responsible for holding the fund.

Revenue for Madera County's Local Transportation Fund comes from $\frac{1}{4}$ of one percent of the state general sales tax collected in Madera County (both incorporated and unincorporated areas). Given the fluctuation of sales tax revenues during varying economic environments, LTF revenues deposited in the County fund vary from year to year.

The **State Transit Assistance (STA)** fund provides a second source of TDA funding for transportation planning, public transportation, and community transit purposes as specified by the Legislature. The STA program was created under Chapter 161 of the Statutes of 1971 (SB 620). STA funds are generated from the statewide sales tax on diesel fuel, which is deposited in the Transportation Planning and Development Account in the State Transportation Fund. Unlike LTF, STA funds may not be allocated for fund administration, streets, roads, or pedestrian/bicycle facility purposes.

The STA funds are appropriated by the Legislature to the State Controller's Office (PUC Sec. 99312). That Office then allocates the tax revenue, by formula, to each Regional Transportation Planning Agency (RTPA), for which MCTC is the RTPA. The formula allocates 50% of the funds based on Madera County's population compared to the total state population. The other 50% is allocated based on the amount of passenger fares and local support revenues collected by the transit operator in Madera County compared to the amount collected by transit operators statewide.

Public participation is a key component of the TDA. Public meetings are held to discuss transportation needs and hear concerns. Regional planning agencies, such as the Madera County Transportation Commission (MCTC), are required to establish a Social Service Transportation Advisory Council (SSTAC), comprised of the transit-dependent, including persons with disabilities, older adults, and low-income representatives. The SSTAC role is to participate and advise MCTC of transit needs and coordinate transit services with other specialized transportation services (private and social service agencies). SSTAC members work with local agencies in developing unmet transit needs criteria, which are used in making project approval decisions. The SSTAC is governed by the adopted rules located in Appendix C.

To ensure **program compliance**, fiscal and performance audits are conducted. Fiscal audits are conducted annually and include transit operator's expense-to-revenue ratio, known as farebox recovery. Performance audits are conducted every three years and include performance measures that verify the efficiency and effectiveness of planning agencies and transit operators. Both fiscal and performance audits are conducted by an independent auditor designated by the transportation planning agency.

The TDA **funds are distributed** in payments monthly to the County by the State and are held in trust in the County Treasury until disbursed to recipients. The County Auditor makes payments from the funds based on instructions received from MCTC. Claimants receive payments on a reimbursement basis. It is MCTC's responsibility to ensure that payments are made and funds are used in compliance with the TDA statutes. Both the LTF and STA funds have stringent performance and fiscal audit requirements for approved expenditures.

1.3 GOVERNING LEGISLATION AND SOURCE OF INFORMATION

The legislature establishes overall policies, including determining funding sources and distribution, and spending priorities through state statutes such as Revenue and Taxation Code, Streets and Highways Code, and Government Code. The Legislature appropriates funds through the annual budget for transportation projects and has authority to designate transportation projects statutorily.

The Transportation Development Act was signed by the Governor on November 4, 1971 and became effective July 1, 1972. The TDA is also known as SB 325 and the Mills-Alquist-Deddeh Act. Several bills have since amended the TDA. The STA Fund is also sometimes referred to as SB 620.

The TDA program is governed by the rules and statutes contained in the Public Utilities Code (PUC), the California Code of Regulations (CCR), and by non-TDA statutes contained in the California Vehicle Code (CVC). These rules and statutes will be referenced throughout this Guidebook.

The TDA statute is divided into sections called “articles”. As a result, claims for TDA funds are often referenced by the Article of the statute under which they are filed. There are nine (9) TDA Articles. Each Article has different requirements and provisions. Chapters 3 through 5 detail these requirements and the claims process for each funding purpose.

The full text of the TDA is available in a California Department of Transportation (Caltrans) publication entitled Transportation Development Act (TDA) Statutes and California Code of Regulations <https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/f0009844-tda-07-2018-a11y.pdf>

The MCTC TDA Guidebook is authorized under Section 99261 of the California Public Utilities Code.

CHAPTER 2 - HOW TDA FUNDS ARE ALLOCATED

2.1 WHO CAN USE THE MONEY?

Several different agencies can use Transportation Development Act (TDA) money for several different purposes. To do so, agencies must meet the eligibility requirements set forth in the TDA. Figure 2-1 shows the agencies eligible in Madera County per the TDA.

Figure 2-1 Local Agencies that Can Use Local Transportation Funds

Eligible Agencies Per TDA	Eligible Agencies in Madera County
County Auditor	Madera County Auditor-Controller
Regional Transportation Planning Agency (RTPA)	Madera County Transportation Commission (MCTC)
Transit Operators	City of Chowchilla
Transit Districts	There are no transit districts in Madera County
Consolidated Transportation Service Agencies (CTSAs)	There are no CTSAs in Madera County
County	Madera County
Cities/Towns	City of Madera

2.2 LOCAL TRANSPORTATION FUND -- USES AND ALLOCATION PROCESS

Local Transportation Funds (LTF) may be claimed by local agencies under Articles 3, 4, 4.5 and 8 of the TDA legislation. Claimants should apply for the funding programs that are most appropriate for their transit operations. The choice will depend on the type of claimant, purpose for which the money will be used, administrative and fiduciary responsibilities associated with the funding program, and the amount of money available. Figure 2-2 lists the claimant categories and associated articles.

Figure 2-2 Applicable Claimant Categories

Claimant Categories	Articles
Transit Operators	4
Consolidated Transportation Services Agency (CTSAs) – Responsible for services to Social Service recipients	4.5
Transit Service Claimant – city and/or county filing for contract payments	8 (c)
City and County	
- Streets & roads	8 (a)
- Bicycle & pedestrian	3, 8(e)
- Capital assistance (bus shelters, etc.)	8(e)

The TDA legislation establishes priorities among the programs that may be funded by the Local Transportation Fund (LTF). For some purposes, funds from the LTF may be allocated “off the top” that is, before apportionment. Figure 2-3 shows these purposes in priority order, as set forth in the TDA.

Figure 2-3 LTF Allocation Purposes and Priorities for Madera County

Priority	Purpose	Article/Section	Eligible Claimants In Madera County	Amount Allowed per TDA
1 – Off the Top	TDA Administration	Article 3 PUC 99233.1	MCTC and County Auditor	As necessary
2 – Off the Top	Pedestrian & Bicycle Facilities	Article 3 PUC 99233.3, 99234	Taken off the top for Cities and County	Countywide, up to 2% of remaining money
3 – Off the Top	Community Transit Services	Article 4.5 (Section 99275), PUC 99233.7	Not utilized in Madera County	Countywide, up to 5% of remaining money
4 – Equal Priority	Public Transportation	Article 4 PUC 99233.8	Transit Operator/County	
	Support of public transportation systems	Article 4 PUC 99260(a), 99262	Transit Operator/County	Remaining Area Apportionment after Priorities 1-3
	Aid to research & development projects	Article 4 PUC 99260(b)	Transit Operator/County	Funded after priorities 1-3 are funded
	Peak hour service contract	Article 4 PUC 99260.2(a)	Transit Operator/County	
	Claims for separate service to elderly & handicapped	Article 4 PUC 99260.7	Cities, County, Joint Powers Agency	
5 – Equal Priority	Public transportation service contract	Article 8 PUC 99233.9, 99400(c)	Transit Operator Contract/County/Cities	Remaining Area Apportionment after Priority 4 is Funded
	Capital expenditures	Article 8 PUC 99400(e)	Transit Operator/County/Cities	
	Local streets & roads; pedestrian and bicycle projects	Article 8 PUC 99400(a), 99402, 99407	Cities & County	
	Multimodal transportation terminal	PUC 99400.5	Cities and County	

Funding from the LTF can be described as a three-step process: (1) apportionment, (2) allocation, and (3) payment. The following is a description of the process for Madera County:

1. Apportionment

Apportionment is the required division of available funds by population to jurisdictions within each county. Once funds are apportioned to a given jurisdiction in Madera County, they are available only for reimbursement to claimants for that jurisdiction. Reimbursement is the discretionary action of MCTC designating funds for a specific claimant for a specific purpose.

Per the TDA, MCTC divides the remaining amount anticipated, after taking “off the top” amounts (see Figure 2-3), to be deposited in the fund over the coming fiscal year to the County (PUC Sec. 99231).

- Given the uncertainty of sales tax revenues (LTF fund source), each January, the County Auditor develops an estimate of what the coming year should bring. The estimate is based on economic forecast and past experience. The auditor prepares a conservative estimate which is due by February 1st.
- Prior to March 1st, MCTC informs the Member Agencies of this amount, called the apportionment (21 CCR Sec. 6644). The amount apportioned to each jurisdiction for the coming fiscal year is called the “findings of apportionment.” The MCTC must adopt the findings of apportionment by March 1st of each year for the coming fiscal year (21 CCR Sec. 6644).

The MCTC shall, from an analysis and evaluation of the total amount anticipated to be available in the LTF and for which the fund is intended, and consistent with the provisions of this chapter, annually determine the amount to be apportioned to each claimant by population.

All operators and city or county governments with responsibility for providing services to a given area collectively may file claims for only those moneys that represent that area's apportionment.

Once money is apportioned to a jurisdiction, the money can only be allocated to that jurisdiction unless an agreement is made so that a portion of a jurisdiction's apportionment goes to another jurisdiction.

2. Allocation

Allocation is the step where the jurisdiction decides what they want to do with their apportionments in the coming year. The jurisdiction files an “application” with MCTC requesting dollar amounts for different purposes. For example, the jurisdiction might claim all its LTF apportionment for transit, or they might claim the majority for transit, some for bicycle projects, and some for streets and roads. The total amount of the application cannot be more than the amount apportioned to a jurisdiction.

Given the intent of the TDA is to fund public transportation, each jurisdiction claiming funds through the TDA must prove certain things to be able to use it for other purposes (refer to Chapter 5). Before MCTC releases the money allocated to a jurisdiction, the claimant must meet several requirements. If these

requirements are not met, MCTC can hold on to an apportionment (or part of it) and not allocate it until requirements are satisfied (21 CCR Sec. 6633.9). Please refer to Chapter 6 for the required documentation.

3. Payment

This is the step where the jurisdiction receives the money. Based on the amount claimed, MCTC provides instructions to the County Auditor for writing checks to the County and/or Cities throughout the year. MCTC must provide written instructions at least annually prior to the start of the fiscal year, although the instructions could be delayed if agreed to by the claimant (21 CCR Sec. 6659).

Since the RTPA can set the “terms and conditions” for payment, MCTC currently authorizes payment on a reimbursement basis as money becomes available.

2.3 STATE TRANSIT ASSISTANCE FUNDS - USES AND ALLOCATION PROCESS

Money from the STA Fund is obtained similarly to LTF; through apportionment, allocation, and payment. This fund is allocated under PUC Sections 99313 and 99314. The entire amount received by the County from the State is available for distribution to the Cities and County, as no money is taken “off the top” of STA. Figure 2-4 summarizes the funding purposes for STA. There is no priority order within STA funds. STA funds are described under Article 6.5 of the TDA statute.

Figure 2-4 STA Funding Purposes Applicable in Madera County

Purpose	PUC Section
Transit operations and capital	99313.6 and 21 CCR 6730 (a) & (b)
Contract payments for public transit services	99313.6 and 21 CCR 6731 (b)
Administrative and planning cost of contracted public transportation	99313.6 and 21 CCR 6731 (a) & (b)
Capital requirements of contracted public transportation system	99313.6 referencing Sec. 99400(e)
Construction and maintenance of intermodal transportation facilities	99313.6 and 21 CCR 6731 (a)

The amount of STA funds received by Madera County each year depends on the following factors:

1. The amount of STA funds designated by the State legislature each year.
2. The relative size of the County’s population of the RTPA jurisdictions within the state. Half (50%) of the STA funds are allocated by the State Controller to the transportation planning agencies, for Madera County it is MCTC, based on the relative size of their populations.

The State Controller informs MCTC in January of the estimated amount of STA that it will receive for the coming fiscal year. In August, which is after the start of the fiscal year and after local jurisdictions have been allocated funds, the State Controller updates the estimate. The updated estimate is made after the legislature determines how much money is appropriated to the Transportation Planning and Development Account. Based on the adopted State Budget, the amount of STA funds originally estimated in January usually changes by August. Therefore, it is possible an approved application is greater than the amount of STA available.

1. Apportionment

The population formula apportionment funds received by Madera County are apportioned to each eligible jurisdiction within Madera County based on relative share of that jurisdiction's population. The revenue apportioned funds received by Madera County are apportioned to those jurisdictions that file their TDA applications as "transit operators" or for contracted services. Presently, the County of Madera, the City of Madera and the City of Chowchilla are the only agencies eligible to apply in Madera County. MCTC informs the County and the Cities of the amount of STA that is estimated to be available in the coming fiscal year while it informs the County and Cities about the LTF findings of apportionment.

2. Allocation

Similar to LTF, the County and the Cities file an application with MCTC for its STA Funds. STA applications are a little more straight-forward, because the purposes for which STA can be used are narrower than LTF. As a result, there are fewer sections of the code to understand in order to file a STA application.

3. Payment

MCTC follows the same process to instruct the County to make payments from the STA fund to the jurisdictions as was described above for LTF.

2.4 STATE OF GOOD REPAIR PROGRAM ALLOCATION PROCESS

On April 28, 2017 Governor Brown signed Senate Bill (SB) 1 (Chapter 5, Statutes of 2017), known as the Road Repair and Accountability Act of 2017. SB 1 provides \$50 billion in new transportation funding over the new decade to repair highways, bridges and local roads, to make strategic investments in congested commute and freight corridors, and to improve transit service. Approximately \$105 million is distributed annually to transit operators in California for eligible transit maintenance, rehabilitation and capital projects. This investment in public transit is known as the State of Good Repair (SGR) Program.

The SGR Program is funded from a portion of a new Transportation Improvement Fee on vehicle registrations due on or after January 1, 2018. In cooperation with the SCO, SGR funds are allocated under the TDA STA program beginning in fiscal year 2017-18. SGR money is distributed to state and local governments in urbanized areas for repairs and upgrading of rail and bus rapid transit systems that are at least seven years old. Allocations for the SGR program are calculated pursuant to the distribution formulas in PUC sections 99313 and 99314. Prior to receiving an apportionment of SGR program funds in a fiscal year, local agencies must submit a list of projects proposed to be funded to MCTC by September 1st. MCTC reports to the State

Controller the eligible agencies that will receive an allocation pursuant to sections 99313 and 99314.

CHAPTER 3 - TRANSIT CLAIMS

Eligible claimants for transit are the County of Madera, the City of Madera, and the City of Chowchilla. This chapter describes the eligibility requirements to apply for funds for planning, operating, capital, and/or administering public transportation services.

Since the TDA statute is divided into sections, or “articles”, claims are referenced by the article of the statute under which they are filed. Unfortunately, the TDA does not group all claim types, such as transit, into one article; instead, transit claimants are eligible to receive funding under different articles for different purposes. The following will describe each article for which transit claims are filed.

3.1 ELIGIBLE TRANSIT CLAIMS

Both funding sources, LTF and STA, are available to fund associated costs for operating general public transit including operations and capital, administration and planning, and transit-related research and development projects. Figure 3-1a and 3-1b lists the different fund sources for which a jurisdiction may file transit claims and for what purposes.

A jurisdiction will file its LTF transit claim under Article 4 or Article 8 depending on its applicability and eligibility. In some cases, a jurisdiction may qualify under both articles. Once a claimant is determined to be eligible for funding under either Article 4 or Article 8 of LTF, they are then eligible to file a claim for STA funds.

Figure 3-1a Eligible TDA Statutes to File Transit Claims for Operating and Planning

Article	Section	Purpose	Eligible Claimants
LTF Article 4	PUC 99260 (a) or 99262	All purposes necessary to operate the system including planning	Jurisdiction operating transit
STA	CCR 6730 (a)	Operating cost of operator’s public transportation system	Jurisdiction operating transit
LTF Article 4	PUC 99260 (b)	Public transportation research and demonstration projects	Jurisdiction operating transit
LTF Article 8	PUC 99400 (c)	Contract payments for operations	Jurisdiction contracting for transit operations
LTF Article 8	PUC 99400 (d)	Administration and planning costs associated with operations	Jurisdiction contracting for transit operations
STA	CCR 6731 (b)	Operating, administrative and planning costs for Article 8 transit	Jurisdiction contracting for transit operations

Figure 3-1b Eligible TDA Statutes to File Transit Claims for Capital

Article	Section	Purpose	Eligible Claimants
LTF Article 4	PUC 99262	Capital for acquisition of real property, construction of facilities and buildings, purchase and replacement of vehicles, and	Jurisdiction operating transit system
STA	CCR 6730 (a)	Capital requirements of operator’s public	Jurisdiction operating transit system
LTF Article 8	PUC 99400 (e)	Capital for vehicles and equipment, bus shelters and benches, and communication equipment	Jurisdiction contracting for transit operations
LTF Article 8	PUC 99400.5	Multi-modal Transportation Facilities	City and County

ARTICLE 4 VERSUS ARTICLE 8 TRANSIT CLAIMS

The main difference in funding under Article 4 and Article 8 is the definition of eligible “transit operator”. For purposes of Article 4, the city or county acting as transit operator is responsible for the direct operation of the service. In contrast, Article 8 (PUC Section 99400 (c)) only applies to claimants that contract for operation of their transit services with outside vendors. Under Article 8, the jurisdiction can contract out its entire transit system – from planning and fare establishment to drivers and vehicles.

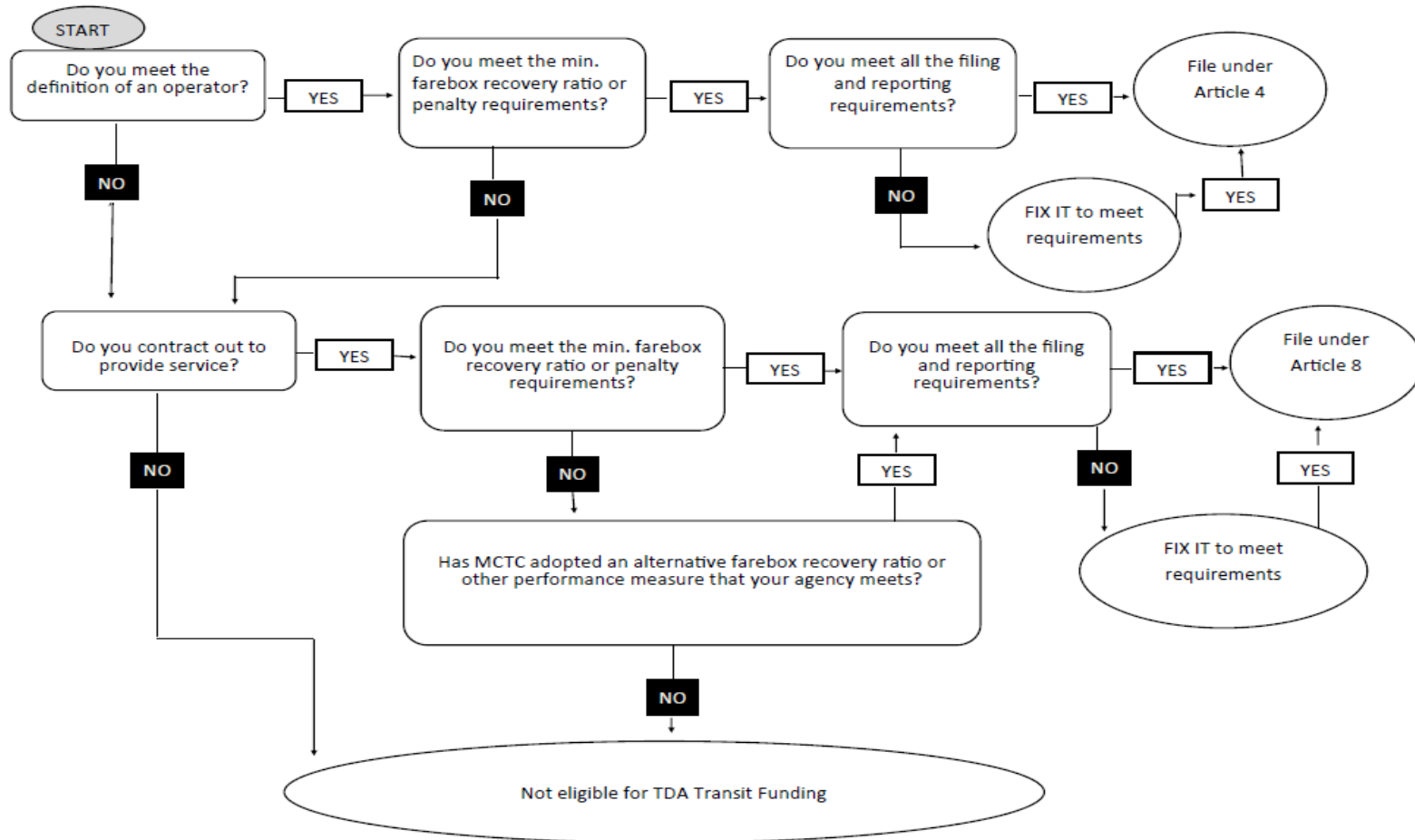
LTF claimed under Article 4 can be used more broadly for transit. Claims made by transit operators for support of public transportation systems under Article 4 may include reimbursement for all purposes necessary and convenient to the development and operation of the transit service. Funds are available under this article for the support of public transportation systems that are operated in-house by a city or county, as well as public transportation research and demonstration programs, and the construction of grade separation projects (PUC Section 99262). Payments for Article 4 claims can be direct expenses or payment of principal and interest on equipment, other indebtedness or bonds.

Under Article 8, claimants may seek funding for administration and planning costs, and capital investments in transit vehicles, bus shelters and benches, and communication equipment. Claimants may be paid for the administrative and planning expenses associated with contracting for transit services as described in PUC Section 99400 (c).

The requirements to file under Article 4 and 8 differ slightly as well. Requirements under Article 8 are generally less stringent than under Article 4. Section 3.2 of this chapter discusses claimant eligibility requirements.

Figure 3-2 illustrates the decision process to assist local jurisdictions in choosing what Article is more applicable to file a transit claim for LTF.

Figure 3-2 LTF Transit Claimant Decision Trees



ARTICLE 4.5 TRANSIT CLAIMS

Article 4.5 claims may be filed for community transit services (trip origin and destination both located within community boundaries), including such services for those, such as persons with disabilities, who cannot use conventional transit services (PUC Section 99275). An eligible organization must be designated by the regional planning agency (MCTC) in order to claim funds under this Article.

Pursuant to PUC Section 99233.7, MCTC may allocate up to 5% of the remaining LTF for Article 4.5 purposes after apportionments for administrative purposes and for bicycle and pedestrian funds. There are no designated Article 4.5 claimants in Madera County, therefore, no funds are reserved for this use.

STATE TRANSIT ASSISTANCE TRANSIT CLAIMS

State Transit Assistance funds can only be used for transit purposes. The California Code of Regulations (CCR), which includes the rules and requirements of this program, outlines the types of transit expenditures applicable to the jurisdictions of Madera County that are allowable. These include transit operations, transit capital, and community transit services (CCR Section 6730).

3.2 CLAIMANT ELIGIBILITY REQUIREMENTS

The TDA stipulates various requirements, such as a specified level of productivity, each transit claimant must comply with in order to receive funding for transit operations and capital purposes. These requirements vary based on the source of funds (i.e., LTF Article 4, LTF Article 8, or STA). For simplicity purposes, this section is organized by first, the requirements for all TDA transit claims, and then second, the specific requirements or exceptions under each fund source.

REQUIREMENTS FOR ALL TRANSIT CLAIMANTS

Jurisdiction must either directly operate the transit system or contract with a private entity to operate the transit system to receive LTF and STA funds for transit. The following are six (6) requirements all TDA transit claimants in Madera County must comply with, regardless of the article filed under.

1

Farebox Ratio Requirement

Farebox recovery ratio = total fare revenues divided by total expenses (minus certain exclusions). Used as an indicator of the financial health of the transit service.

Minimum farebox requirement - An operator filing under Article 4 is required to meet a minimum farebox recovery ratio in order to retain eligibility for funding. The farebox recovery ratio for non-urban rural transit systems, in general, must meet a minimum standard of **10 percent**.

If an Operator Does Not Meet its Farebox Recovery Ratio

- a. If an operator fails to achieve its fare ratio requirement for two consecutive fiscal years, the operator’s eligibility for LTF and STA funds is reduced by the difference between the required fare revenues and the actual fare revenues for the second fiscal year that the required ratio was not maintained (PUC Sec. 99268.9 and CCR 6633.9). For example, if a rural operator’s farebox recovery ratio is 9% in Fiscal Year 1 and 8% in Fiscal Year 2, then beginning in Fiscal Year 4, the operator will have to forfeit 2% of the LTF and STA it could have claimed.
- b. Exceptions apply specific to Article 4 and Article 8 claimants. Please refer to appropriate section below.

2

Triennial Performance Audit (PUC 99246) – Only for LTF claims

The California Public Utilities Code requires that all transit operators and Regional Transportation Planning Agencies that receive TDA have a triennial performance audit conducted of their activities.

Operators must participate and cooperate with the Triennial Performance Audit which helps monitor service trends and gives transit operators the opportunity for an outside auditor to make service improvement recommendations carried forward by MCTC.

3

Implementation of Productivity Improvements

Claimants must make a reasonable effort to implement the productivity improvements recommended by the Triennial Performance Audit through MCTC (PUC Section 99244). Please refer to Chapter 9 which discusses the Productivity Improvement Program.

4

CHP Inspection (PUC Section 99251)

Certification from the Department of California Highway Patrol that has been completed within the last 13 months indicating that the operator is in compliance with Section 1808.1 of the Vehicle Code. The certification may be issued following a terminal inspection, or a terminal reinspection conducted within 60 days thereafter, by the Department of the California Highway Patrol.

5

180-Day Annual Certified Fiscal Audit

MCTC is responsible to ensure that all claimants to whom it allocates funds shall submit to it an annual certified fiscal audit conducted by an independent auditor. This audit shall be submitted to MCTC and to the State Controller within 180 days after the end of the fiscal year. However, an extension of up to 90 days may be granted if deemed necessary. MCTC will not allocate a claimant’s full LTF apportionment until a TDA audit has been completed and received by MCTC. The audit report shall include a certification of compliance with the Act. (Sections 99245, 6663, 6666, 6667).

6

Annual State Controller’s Reports

Operators must submit annual State Controller’s Reports, documenting their agency operations, to MCTC and the State Controller within seven months of the end of the fiscal year (PUC Section 99243).

SPECIFIC ARTICLE 4 REQUIREMENTS AND EXCEPTIONS

In addition to the above listed requirements for TDA transit claims, Article 4 provides for some exceptions, as well as additional requirements. These include the following:

1. Meets definition of transit operator

To file under Article 4, a City or County must be considered a transit “operator”. To be considered an operator, a City or County must establish the service provided by setting the route structure, schedules, and fares to control the quality and basic operation of the system. A City or County can be considered an operator regardless of whether it leases or owns the transit vehicles and/or regardless of whether it employs or contracts drivers.

2. Exceptions to farebox recovery requirement

There are two financial standards applicable to Article 4 claimants, referred to as the “50 percent expenditure limitation” and the “farebox recovery ratio”.

50 Percent Expenditure Limitation (PUC Section 99268)

Not applicable in Madera County for transit claims. Transit operators established after 1974 are exempt from this provision of the TDA. In general, this provision limits LTF funding for a transit system to 50 percent of the transit system’s budget. Funds received from the STA program, and certain capital expenditures for grade separated mass transit, are exempted for the calculation.

Farebox Ratio Requirement

Article 4 provides for exceptions to the general rules for farebox ratios for the following types of transit services:

- *Exclusive service for elderly and disabled persons (PUC Section 99268.5)*
Not currently applicable in Madera County.
- *Exemption for extension of services (PUC Section 99268.8)*
Required ratios of fare revenues to operating cost shall not apply to an extension of public transportation services until two years after the end of the fiscal year in which the extension of services was put into operation.

This may include additions of geographical areas or route miles, or improvements in service frequency or hours of service greater than 25 percent of the route total, or the addition of new days of service, and for transit service claimants also includes the addition of a new type of service, such as van, taxi, or bus.

- *New urbanized areas (PUC Section 99270.2)*
Not currently applicable in Madera County.
- *Farebox revenues supplementation (PUC Section 99268.19)*
If fare revenues are insufficient to meet the applicable ratio of fare revenues to operating cost required, an operator may satisfy that requirement by supplementing its fare revenues with local funds. “Local funds” means any non-federal or non-state grant funds or other revenues generated by, earned by, or distributed by an operator.

3. Additional requirements:

- A transit operator cannot routinely staff a public transit vehicle designed to be operated by one person with two or more persons (PUC Sec. 99264).
- A transit operator’s claim cannot include an operating budget that is more than 15% greater than its previous year budget. It also cannot include a substantial increase or decrease in scope of operations or capital for major new fixed facilities. However, it can include such increases if the claim is supported by documentation that substantiates such change (PUC Sec. 99266).
- The current cost of the operator’s retirement system must be fully funded with respect to the officers and employees of its public transportation system, or the operator is

implementing a plan approved by MCTC, which will fully fund the retirement system within 40 years (PUC Sec. 99271).

- An operator that has a private pension plan shall be eligible for Article 4 funds only if it:
 - Conducts periodic actuarial studies of its employee pension plans to determine the annual cost of future pension benefits (PUC Sec. 99272);
 - Sets aside and invests funds sufficient to provide for the payment of future pension benefits (PUC Sec. 99272);
 - Includes the actuarially determined amount of pension liability in its annual financial statement (PUC Sec. 99273);
 - Includes in its annual financial statements the amount of cash funds set aside and invested to meet the pension liability (PUC Sec. 99273);
 - Includes in its annual financial statements the amount of any deficit in the pension fund (PUC Sec. 99273); and
 - Includes in its annual financial statements, the financial plan adopted to eliminate any deficit in the pension fund (PUC Sec. 99273).

SPECIFIC ARTICLE 8 REQUIREMENTS AND EXCEPTIONS

To file under Article 8 for operating and capital transit claims, a jurisdiction must meet the following additional requirements:

1. Contract operations

The claimant must be using these funds for payment to an entity which is under contract with a county or city for public transportation or for transportation services for any group, as determined by the transportation-planning agency, requiring special transportation assistance (PUC Section 99400 (c)).

2. Exceptions to farebox recovery ratio requirement

Article 8 provides for an exception to the minimum farebox recovery ratio requirement. Article 8 claimants must meet one of the following three rules:

- Ensure that its Article 8 funds do not represent more than 50% of the amount required to meet the claimant's total proposed expenditures (PUC Sec. 99405 (a));
OR
- Maintain the fare and local support recovery ratio requirements and be subject to the penalty if not maintained (CCR 6633.9);
OR
- Be subject to regional, countywide, or county subarea performance criteria, local match requirement, or fare recovery ratios adopted by MCTC resolution (PUC Sec. 99405 (c)).

The last “or” above means that if the MCTC Board chooses, it could adopt by resolution a farebox recovery ratio to allow a jurisdiction to continue to receive LTF money for transit under Article 8, even if the jurisdiction could not meet its farebox recovery ratio required under Article 4.

SPECIFIC STA FUND REQUIREMENTS AND EXCEPTIONS

The following are additional eligibility requirements to receive STA operating and capital funds.

1. Must be eligible to claim LTF Article 4 or Article 8 funding

2. Population formula funds (PUC Section 99313)

50 percent of STA funds available is based on each regions' total population relative to the state. This is called "population formula funds". To receive STA population formula funds, a jurisdiction must be eligible to file an LTF transit claim under either Article 4 or Article 8 (PUC Sec. 99314.5 (a) and (b)).

3. Revenue formula funds (PUC Section 99314)

50 percent of STA funds is distributed according to the ratio of the sum of the region's prior year fare revenues and local contributions relative to those statewide. These are called "revenue formula funds". Only transit operators eligible to claim LTF funding under Article 4 may also apply for STA revenue formula funds (PUC Sec. 99314.5 (b)). Currently, no STA revenue funds are appropriated to Madera County because there are no Article 4 claimants.

4. Conform with Regional Transportation Plan (RTP)

The claimant's proposed expenses must be in conformity with the RTP.

5. Full use of federal funds

Claimant is making full use of federal funds available under the Federal Transit Act (21 CCR 6754 (a))

6. Efficiency Standards – Only applicable to claims for operating costs (i.e., does not apply to STA capital claims)

Either of the following two efficiency standards must be met in order to receive STA funding for operating purposes (PUC Sec. 99314.6):

- *Efficiency Standard 1:* An operator's total operating cost per vehicle revenue hour for the most recent fiscal year must not exceed the prior year's operating cost per revenue vehicle hour, by a percentage greater than the percentage change in the Consumer Price Index (CPI) for the same period.
- *Efficiency Standard 2:* An operator's total operating cost per vehicle revenue hour for the most recent fiscal year must not exceed the average total operating cost per vehicle revenue hour for the three prior years, increased by the average percentage change in the CPI for the same period.

The operator can adjust the calculation for operating costs and revenue vehicle hours to account for the following factors:

- Exclusion of cost increases beyond the change in the CPI for fuel, alternative fuel programs, insurance or state or federal mandates, and/or

- Exclusion of start-up costs for new services for a period of not more than two years.

If an operator fails to meet either efficiency standard, MCTC will withhold and retain the operator's STA funding for reallocation to that operator for two years following the year of ineligibility.

7. Employ part-time drivers – Only applicable to claims for operating costs

Operators must be allowed to employ part-time drivers or contract with common carriers operating under a franchise or license (PUC Sec. 99314.5(b)).

3.3 AMOUNT OF LTF AND STA FUNDS THAT CAN BE CLAIMED FOR TRANSIT

There are some technicalities about the amount of LTF and STA an operator can claim for the transit system. The State wants to ensure that an agency does not claim more than the actual transit budget minus the amount received from other sources. Section 6634 of the California Code of Regulations (CCR) explains the total amount of LTF and STA funding that transit claimants are eligible to receive during the fiscal year. The transit claimant's annual fiscal audit will test to ensure that the jurisdiction is not in violation of 21 CCR 6634.

OPERATING COSTS

21 CCR 6634 (a) stipulates that an operator or claimant cannot receive funding for operating costs in an amount that exceeds its fiscal year operating cost minus the sum of:

- Fare revenues received during the Fiscal Year
- The amount of local support required to meet the required farebox ratio
- The amount of federal operating assistance received during the FY
- The amount received during the Fiscal Year from a city or county to which the operator provides service beyond its boundaries
- Any reduced funding eligibility resulting from the operator's failure to meet the required farebox recovery ratio.

CAPITAL AND DEBT SERVICE COSTS

An operator or claimant cannot receive funding for capital costs and debt service purposes in an amount that exceeds the operator's actual Fiscal Year capital requirements and actual Fiscal Year debt service requirements minus any revenues received from other sources for such purposes (21 CCR 6634(b) and (c)).

3.4 REPORTING REQUIREMENTS

When submitting a transit claim, claimants should submit one copy of the claim forms (Appendix A) and one set of the documentation requirements to the MCTC for approval:

- A letter of transmittal to MCTC;
- Application form (see Appendix A);

- A copy of the operating and capital budgets for the coming fiscal year for the transit system the jurisdiction operates (21 CCR 6632) (Form D1, D2);
- Description of capital projects, including time frame over which project will be funded and implemented;
- A certification completed within the last 13 months from the California Highway Patrol indicating that the operator is following Section 1808.1 of the Vehicle Code (21 CCR 6632);
- Statement identifying and substantiating the reason or need for an increase in operating budget in excess of 15% or more over the previous year, if applicable (21 CCR 6632);
- Explanation why there is a substantial increase or decrease in operations or capital for fixed facilities, if applicable (21 CCR 6632);
- A statement of projected or estimated revenues and expenditures from the prior fiscal year (21 CCR 6632). If filing a claim from FY14, the prior year would be FY13. FY13 would not be complete at the time a jurisdiction files its FY14 claim, so this will have to be a projection or estimate. This allows MCTC to compare claims to actual revenues and expenditures; and
- If claiming Article 8(c) transit funds, copy of signed contract with whom claimant is contracting for transit service.

A step-by-step instruction for filing a claim can be found in Chapter 6.

CHAPTER 4 - BICYCLE AND PEDESTRIAN CLAIMS

The Transportation Development Act (TDA) provides limited funding for non-transit purposes, including bicycle and pedestrian facilities. MCTC allows Madera County jurisdictions to apply for funds for bicycle and pedestrian projects deemed appropriate by the jurisdiction.

If the City or County wants to use TDA funds to pay for a bicycle and/or pedestrian project, it can file an application under Article 3 and Article 8 (with leftover LTF funds). As further explained in Chapter 2 and illustrated in Figure 2-3, two (2) percent of LTF funds (after administrative costs are taken off the top) are put into a pedestrian and bicycle account (PUC Section 99233.3). An application for these funds is filed under Article 3. If a jurisdiction wanted to utilize excess LTF money (after transit needs are met) for bicycle and pedestrian facilities, it may do so through filing a claim under Article 8.

According to the TDA, MCTC is required to adopt rules and regulations delineating procedures for the submission of applications for bicycle and pedestrian projects, authorized under Article 3 (PUC Section 992 34) and Article 8 (PUC Section 99400 (a)) of the Local Transportation Fund (LTF), and stating criteria for which they will be analyzed and evaluated.

4.1 ELIGIBLE PROJECTS

Eligible applications include facilities for the exclusive use of bicyclists and pedestrians. Projects must be derived from the latest Regional Transportation Plan for Madera County which is updated every four years.

Projects eligible under Article 3 specifically include:

- Bicycle safety education programs (limited to 5% of funds available for bicycle and pedestrian purposes);
- Construction, including related engineering expenses, of those facilities;
- Maintenance of bicycling trails, which are closed to motorized traffic;
- Projects that serve the needs of commuting bicycles, including, but not limited to, new trails swerving major transportation corridors, secure bicycle parking at employment centers, park and ride lots, and transit terminals where other funds are unavailable;
- Development of bicycle and pedestrian facilities plan (may not be more than once every five years);
- Re-striping class II bicycle lanes (limited to 20% of annual amount available for bicycle and pedestrian purposes); and
- There are no guidelines on the types of bicycle and pedestrian projects that might be eligible under Article 8.

4.2 ELIGIBILITY REQUIREMENTS

As with all other TDA claims, claimants are required to submit:

- An annual certified fiscal audit to MCTC and to the State Controller within 180 days after the close of the fiscal year (PUC Sec. 99245). Upon written request with justification, MCTC may extend the deadline up to 90 days; and
- A report to the State Controller within seven months after the close of the fiscal year regarding the expenditure of funds received for bicycle and pedestrian facilities (CCR 6665).

MCTC requires that jurisdictions making bicycle and pedestrian applications certify that the requested amounts and purposes are in conformity with the Regional Transportation Plan (21 CCR 6651) and that are included in a jurisdiction's adopted bicycle and pedestrian plans.

In evaluating bicycle and pedestrian applications, MCTC shall use the general design criteria established pursuant to Section 156.4 of the Streets and Highways Code (PUC Sec. 99401).

4.3 AMOUNT AVAILABLE FOR USE

ARTICLE 3

For Article 3 claims, MCTC allocates two (2) percent of the LTF for bicycle and pedestrian facilities pursuant to PUC Section 99233.3 and CCR Section 6655.2. These moneys are annually reserved in the fund for allocation to claimants for pedestrian and bicycle facilities or bicycle safety education programs.

ARTICLE 8

For Article 8 claims, each jurisdiction may determine, if there are remaining LTF funds after transit needs are met, if they want to use these funds or a portion thereof for bicycle and pedestrian facilities. As described in Chapter 2 and illustrated in Figure 2-3, Article 8 claims are allocated by population only when there are remaining LTF funds after the needs under the higher priority claims (Articles 3, 4, and 4.5) are funded.

50% Funding Limitation

LTF allocated for bicycle and pedestrian projects under Article 8 cannot represent more than 50% of the amount required to meet the City's or County's total proposed expenditures for the project in the year. Capital expenses, however, are exempt from this 50% limitation requirement. MCTC may allocate the total amount budgeted for the project's capital expenses if the project is consistent with the Regional Transportation Plan (PUC Sec. 99405 (a) and (b)).

4.4 REPORTING REQUIREMENTS

When submitting a bicycle/pedestrian project application, the claimant must submit the following to MCTC:

- Application form (See Appendix A);
- A letter of transmittal to MCTC;
- Bicycle and pedestrian project description, including time frame for project completion, and financial plan (Form E);
- Certification of compliance with eligibility requirements in Section 4.2 (i.e., fiscal audit, RTP, etc.); and

The application form must be accompanied by a resolution from the claimant's governing board approving the application and its submittal to MCTC and the Standard of Assurance. Approval of the application by the MCTC Board then programs the funds for that jurisdiction's bicycle and pedestrian facility projects.

A step-by-step instruction for filing an application can be found in Chapter 6.

CHAPTER 5 - OTHER CLAIMS AND THE UNMET TRANSIT NEEDS PROCESS

Madera County jurisdictions may file for LTF under Article 8 for local streets and roads, and multimodal transportation terminals (PUC Sec. 99400 (a), 99400 (b) and 99400.5). The eligibility to file for streets and roads projects by a city or county is based upon the latest unmet transit needs finding.

Before MCTC can approve an application for funding of streets and roads projects under Article 8, an unmet transit needs process must be conducted. Given the purpose of the TDA is to provide funding for transportation services, use of TDA funds for streets and roads is given a lower priority; therefore, a condition for approval of applications for this purpose is the finding that there are no unmet transit needs that could be reasonably met. Please refer to Chapter 2, Figure 2-3 for a more detailed description of LTF funding priorities.

5.1 ELIGIBLE PROJECTS

Street and road projects eligible for LTF include those that are “necessary or convenient to the development, construction, and maintenance of the city or county’s streets or highway network, including planning, acquisition of real property, and construction of facilities and buildings” (PUC Sec. 99402).

The City or County may also file an LTF Article 8 claim for the construction and maintenance of multimodal transportation terminals (PUC Sec. 99400.5). Multimodal transportation facilities include park and ride lots, transit centers, or other locations where passengers can transfer between modes.

5.2 ELIGIBILITY REQUIREMENTS

REGIONAL TRANSPORTATION PLAN

TDA funds can only be allocated to projects that are in conformity with the Regional Transportation Plan (21 CCR 6651). MCTC prepares the Regional Transportation Plan every four years.

5.3 AMOUNT AVAILABLE FOR USE – UNMET TRANSIT NEEDS

50% FUNDING LIMITATION

LTF allocated under Article 8 cannot represent more than 50% of the amount required to meet the City/Town or County’s total proposed expenditures for the project in the year. Capital expenses, however, are exempt from this 50% limitation requirement. MCTC may allocate the total amount budgeted for the project’s capital expenses if the project is consistent with the Regional Transportation Plan (PUC Sec. 99405 (a) and (b)).

UNMET TRANSIT NEEDS PROCESS

Before MCTC can allocate funds for purposes “not directly related to public transportation services, specialized transportation services, or facilities provided for the exclusive use of pedestrians and bicycles” (PUC Sec. 99401.5), MCTC must first implement the unmet transit needs process. Since the primary purpose of the TDA is to fund transit, the unmet transit needs process is used to prove that there are no “unmet transit needs” that are “reasonable to meet” prior to funding street and road projects.

The Unmet Transit Needs process must be completed on an annual basis before MCTC, as the administrator of the TDA funds, can approve an application for funding of streets and roads projects under Article 8 of the Public Utilities Code. The Unmet Transit Needs process requires MCTC to perform specific tasks, which are:

1. MCTC must establish and consult with the Social Services Transportation Advisory Council.
2. MCTC must perform an annual assessment of transportation needs within Madera County, including an assessment of the size and location of potentially transit dependent groups, analysis of the adequacy of existing transportation systems in providing service for those groups, and analysis of the potential for transit service to provide service that would meet the demand of those groups.
3. MCTC must adopt a definition of "unmet transit need" and "reasonable to meet."
4. MCTC must hold an annual Unmet Transit Needs hearing to solicit comments on unmet transit needs that may exist.
5. MCTC must consider all the available information obtained in the above actions and adopt an Unmet Transit Needs finding. This finding shall be one of the following:
 - There are no unmet transit needs
 - There are no unmet transit needs that are reasonable to meet
 - There are unmet transit needs including needs that are reasonable to meet

Unless the Unmet Transit Needs process is completed, MCTC cannot approve an LTF application by any jurisdiction for streets and roads funding. Further, if the MCTC Board of Directors adopts a finding that there are unmet transit needs, including those which are reasonable to meet, then the unmet need must be funded before the jurisdiction can apply for funds for street and road projects. The funding to meet the unmet transit need must be reflected in the claimant's transit budget for any application for streets and roads funding to be approved.

MCTC adopted the current **definitions of “unmet transit needs” and “reasonable to meet”** on December 2, 2009. The definitions are as follows:

Unmet Transit Need Definition

The MCTC definition of the term “unmet transit needs” includes all essential trip requests by transit-dependent persons for which there is no other convenient means of transportation. The MCTC definition of the term “reasonable to meet” is applied to all related public or specialized transportation services that:

- Are feasible
- Have community acceptance
- Serve a significant number of the population
- Are economical
- Can demonstrate cost effectiveness by having a ratio of fare revenues to operating cost at least equal to 10 percent

5.4 REPORTING REQUIREMENTS

DOCUMENTATION WHEN SUBMITTING AN APPLICATION

When submitting applications for other projects, the claimant must submit the following to MCTC:

- Application form (See Appendix A)
- A letter of transmittal to MCTC

REPORTING REQUIREMENTS

All street & road, rail, and multimodal facility claimants are required to submit:

- An annual certified fiscal audit to MCTC and to the State Controller within 180 days after the close of the fiscal year (PUC Sec. 99245). Upon written request with justification, MCTC may extend the deadline up to 90 days; and
- A report to the State Controller within seven months days after the close of the fiscal year regarding the expenditure of funds received for projects (CCR 6665).

Additional information about the annual fiscal audit requirement and the State Controller’s Report is included in Chapter 8.



TRANSPORTATION DEVELOPMENT ACT GUIDEBOOK

VOLUME II

MCTC TDA APPLICATION/CLAIM PROCESS

CHAPTER 6 - FILING A TDA APPLICATION

In order to receive the annual allocation of Local Transportation Funds (LTF) and State Transit Assistance (STA) funds, jurisdictions must apply to MCTC for approval. The key parts of the application are the amount of funding requested and the purpose for which the funds will be used. MCTC requires this information to ensure claimants follow the requirements of the Transportation Development Act (TDA).

6.1 TDA APPLICATION INSTRUCTIONS AND REQUIRED DOCUMENTATION

Appendix A includes the forms which must be completed and submitted to MCTC to obtain TDA (both LTF and STA) funds.

Claimants should submit one copy of the application and one set of the documentation requirements listed in this section to the MCTC for approval.

All Applications

- A letter of transmittal to MCTC addressed to the Executive Director that attests to the accuracy of the application and all its accompanying documentation. The application must be signed by the department head of the claimant (21 CCR 6632);
- A resolution by Board/Council demonstrating the public process of allocating TDA funds;
- A project description (Form E) of each project and its conformity to the RTP;
- The Standard Assurances provides the applicant with a checklist of eligibility requirements and documentation.

All Transit Applications

- A copy of the operating and capital budgets for the coming fiscal year for the transit system the jurisdiction operates (21 CCR 6632);
- Description of capital projects, including time frame over which project will be funded and implemented; and
- Form C - Productivity Improvement Progress Report.

Article 4 Transit Applications

- A certification completed within the last 13 months from the California Highway Patrol indicating that the operator is in compliance with Section 1808.1 of the Vehicle Code (21 CCR 6632);
- Statement identifying and substantiating the reason or need for an increase in operating budget in excess of 15% or more over the previous year, if applicable (21 CCR 6632);
- Explanation why there is a substantial increase or decrease in operations or capital for fixed facilities, if applicable (21 CCR 6632); and
- A statement of projected or estimated revenues and expenditures from the prior fiscal year (21 CCR 6632). If filing an application from FY14, the prior year would be FY13. FY13 would not

be complete at the time a jurisdiction files its FY14 claim, so this will have to be a projection or estimate. This allows MCTC to compare claims to actual revenues and expenditures.

Article 8 Transit Applications

- If applying for Article 8(c) transit funds, copy of signed contract with whom claimant is contracting for transit service

Non-Transit Claims - Bicycle/Pedestrian, Streets & Roads Applications

- Application Form A
 - Project description (Form E) that includes the timeframe for project completion.

Figure 6-1 summarizes the eligibility requirements, document submission requirements, and reporting requirements for each type of application. Figure 7-1 summarizes the application process timeline.

Figure 6-1 Eligibility and Claim Requirements

	Transit			Bike & Ped	Street & Road
	LTF		STA		
	Article 4	Article 8			
Eligibility Requirements					
Operator	X				
Contract Operations		X			
Farebox Recovery Ratio	X ¹	X ¹	X ²		
Vehicle Staffing (PUC Sec. 99264)	X				
Fully fund operator’s retirement system	X				
Private pension plan requirements	X				
Part time employee requirements			X		
Reduced transit fares for elderly and disabled	X ¹	X ¹	X ¹		
Full use of Federal Funds			X		
Must be allowed to employ part-time drivers or contract			X		
Efficiency Standards			X ¹		
Productivity Improvement Program	X	X	X		
Conform with RTP			X	X	X
Included in jurisdiction’s bike plan				X	
Use general design criteria of Streets & Highways code				X	
50% Limitation				X	X
Funded only after findings of Unmet Transit Needs process					X
Use of fund balances and deferred revenues	X	X	X	X	X

Documentation to Submit with Application

Application Forms	X	X	X	X	X
Letter of Transmittal	X	X	X	X	X
Capital & Operating Budget	X	X	X		
CHP Inspection (PUC Sec. 99251)	X	X	X		
Statement of Estimated Revenues & Expenditures for prior FY	X				
Statement of operating budget growth >15% (PUC Sec. 99266)	X				

Reporting Requirements

Submit annual certified fiscal audit	X	X	X	X	X
Submit annual State Controller’s Reports	X	X	X	X	X
Triennial Performance Audits	X ¹	X ¹			
Service extension report (if applicable)	X ¹				

¹Operating funds only

²For Article 8 claimants, MCTC may adopt performance criteria or a lower farebox recovery ratio on a temporary or permanent basis. If no separate ratio or criteria has been adopted by MCTC, the Article 8 transit claimant must meet the TDA minimum farebox recovery ratio.

6.2 OTHER CLAIM POLICIES

AMENDMENT OF APPLICATIONS

For amendments to applications, the same materials for the submittal of the original application forms should be submitted with an explanation of specific amendments. The amendment requires approval by the MCTC Board prior to payment of reimbursement.

PAYMENT OF CLAIMS

TDA claims submitted by local agencies to MCTC are reviewed by MCTC staff. If all claim information is in order, MCTC staff prepares a reimbursement instruction and submits it to the County Auditor's office. This reimbursement instruction directs the Auditor's office to issue payment to the appropriate claimant for the requested purposes. Payment is made by the County Auditor to the claimant, commensurate with receipt of sales tax revenues by the County Auditor's office.

CARRYOVER

TDA funds may be used to cover actual expenses during the fiscal year of the application only. If not all the allocated funds are used, the funds should be moved to the following year by way of an amendment.

AUDIT POLICY

To help ensure that TDA audits are completed in a timely manner and the requirements of the TDA are met, MCTC will not reimburse a claimant's LTF apportionment until a TDA audit has been completed and received by MCTC (as required by PUC Section 99245 and CCR Section 6664). No reimbursement will be paid until a TDA audit has been received by MCTC.

BICYCLE AND PEDESTRIAN ACCOUNT

MCTC allocates 2% "off the top" of the annual LTF allocation for bicycle and pedestrian facilities and projects pursuant to PUC Section 99233.3.

PLANNING AND PROGRAMMING

MCTC allocates 3% of the annual LTF allocation for transportation planning and programming purposes pursuant to PUC Section 99233.2.

CHAPTER 7 - MCTC TDA CLAIM SCHEDULE

The following Figure 7-1 summarizes the TDA claim steps in an annual timeline and identifies the agency responsible for each step.

Figure 7-1 Responsibilities and Timeline for Apportionment, Allocation and Payment

Who	What	When
State Controller	Provides an estimate of the amount of STA funds to be allocated to Madera County in the coming fiscal year (PUC sec. 99312.7)	January 31
County Auditor	Prepares an estimate of the amount of LTF funds that will be available in the coming fiscal year (21 CCR Sec. 6620)	February 1
MCTC staff	Advises claimants of their estimated apportionments (21 CCR Sec. 6644) and (PUC Sec. 99230)	March 1
Cities and County	Files LTF and STA applications (budget for funding) with MCTC (21 CCR Sec. 6630, 6732)	April 1
MCTC staff	Submits to the State Controller the transit operators that are STA-eligible operators	June 15
MCTC staff	Give allocation instructions to County Auditor and claimants (CCR Sec. 6659) and (PUC Sec. 99235)	June 30*
MCTC staff	Submits fiscal audit to the State Controller (CCR Sec. 6662)	June 30
State Controller	Provides revised STA estimates to be allocated to Madera County (PUC Sec. 99312.7)	August 1
MCTC staff	Submits unmet transit needs finding documentation to Caltrans (PUC Sec. 99401.6)	August 15 (this date is flexible)
MCTC staff	Submits to Caltrans and the State Controller a schedule of performance audit reports to be submitted during the fiscal year (CCR Sec.6664.5)	September 1
MCTC staff	Submits annual financial transaction reports to the State Controller (PUC Sec. 99406, 21 CCR Sec. 6660)	January 31
Cities and County	Submit reports of operation to MCTC and the State Controller (PUC Sec. 99243, CCR Sec. 6637)	January 31
Cities and County	Non-transit claimants submit expenditure reports to the State Controller (CCR Sec. 6665)	January 31
MCTC staff	Submits fiscal and compliance audit of STA fund to the State Controller	December 31, no later than March 31

Cities and County	Submits fiscal and compliance audits to MCTC and State Controller (PUC Sec. 99245, PUC Sec. 99276, CCR Sec. 6663, CCR Sec. 6664)	December 31, no later than March 31
County	Submits fiscal and compliance audits of LTF to MCTC and the State Controller (CCR Sec. 6661)	December 31, no later than March 31
MCTC Staff	Submits annual SGR Expenditure Reports to the Department of Transportation	December 31
Cities and County	Submits annual SGR Audit Report to the Department of Transportation (PUC 99245)	December 31
Cities and County	Submits revised applications	As needed during fiscal year
County Auditor	Reports status of funds to MCTC (CCR 6622)	Quarterly
MCTC staff	Submit Performance Audits to Caltrans (PUC Sec. 99246-99249)	Triennial

**According to the TDA, MCTC shall convey at least one allocation instruction annually and prior to the beginning of the fiscal year for each transit service claimant, which has filed an annual application. MCTC may, however, delay an allocation instruction until after the beginning of the fiscal year with the consent of the operator or transit service claimant.*

CHAPTER 8 - MANAGEMENT OF THE TDA PROGRAM

8.1 APPROPRIATING AND ALLOCATING FUNDS

ROLE OF THE STATE CONTROLLER

The State Controller notifies MCTC of the annual appropriation that is available to the County for State Transit Assistance (STA) funds. This process begins as an estimate of funds available in January, and then more accurate updates are transmitted to MCTC throughout the year. The State Controller has an adopted uniform system of accounts and records for use in reporting TDA funding activities. In this regard, the Controller requires certain annual fiscal reports of each TDA claimant from MCTC.

ROLE OF THE COUNTY AUDITOR

The County Auditor manages a local transportation fund within the County Treasury and pays claimants from this fund according to directions it receives from MCTC. Funds are dispersed to claimants by reimbursement.

The County Auditor shall also maintain accounting records of the fund in accordance with the State Controller's Manual of Accounting Standards and Procedures for Counties (CCR 6622). At quarterly intervals, the County Auditor shall report the status of the fund to MCTC. The report of the status of the fund shall include a statement that shows the beginning fund balance, the amount and source of revenues received, the amount and recipient of payments made identified by allocation instruction, and the ending fund balance. Portions of the fund balance held in reserve shall be identified by amount and purpose. Interest earned on funds held shall be retained in reserve.

ROLE OF MCTC

MCTC is the regional transportation planning agency (RTPA) for the cities and unincorporated areas within the County of Madera. In this role it has the responsibility each year to *apportion* and *allocate* TDA funds that have been *appropriated* to its jurisdiction.

Each year, a state *appropriation* of STA funds is earmarked to MCTC as the RTPA for Madera County. From the total sum *appropriated*, MCTC makes an *apportionment* to each of the eligible claimants in its jurisdiction, based on population. MCTC then notifies all the eligible claimants of their annual TDA apportionment.

Through the application process, claimants indicate the programs and projects they would like to fund during the next fiscal year. After a review of the applications, MCTC *allocates* the funds according to the accepted applications, and notifies the County Auditor of these allocations. In notifying the County Auditor of the TDA allocations that have been made to each of the eligible claimants, MCTC is also required to convey allocation instructions regarding dispersal of the funds.

In summary, MCTC as administrator of TDA funds has the following responsibilities:

- Apportions LTF and STA funds to eligible claimants;
- Ensures compliance and claimant eligibility of TDA funds prior to reimbursement;
- Approves and reimburses LTF and STA funds to eligible claimants;
- Manages claims process for LTF and STA funding; and
- Monitors use of the funds to ensure fiscal responsibility

8.2 SUMMARY OF IMPORTANT REPORT DATES

Time Period	Activity
January to May	County Auditor provides an annual revenue estimate of LTF funding to MCTC
	MCTC advises claimants of their apportionments
	MCTC conducts Unmet Transit Needs Public Hearings
	Claimants submit applications
	MCTC adopts definitions for Unmet Transit Needs and Reasonable to Meet criteria
May to July	MCTC adopts Unmet Transit Needs determination
July to September	MCTC issues allocation instructions to County Auditor
October to December	MCTC submits TDA Annual Report and Financial Transactions for RTPA's to the State Controller
	MCTC reviews and evaluates fiscal audits of claimants
	Transit claimants submit report to State Controller and MCTC

8.3 REQUIRED AUDITS AND REPORTS

The following fiscal reports and audits are required of TDA claimants, and the regional transportation planning agency.

State Controller's Annual Report of Financial Transactions of Transit Operators

The annual report to the State Controller includes basic financial information from TDA claimants including a list of all sources of revenues, purposes of expenses, and capital additions to equity for transit purposes. Transit services are required by the State Controller's uniform accounting system to maintain records and to file reports on a full accrual enterprise basis of accounting.

Annual Certified Fiscal Audit (180 Day Report)

An annual certified fiscal and conformance audit conducted by an independent Certified Public Accountant of every TDA claimant must be submitted to MCTC and the State Controller within 180 days of the fiscal year end.

Triennial TDA Performance Audits

A triennial TDA Performance Audit is a systematic process of evaluating an organization's effectiveness, efficiency, and economy in the conduct of its operations. The objectives of the audit are

to provide a means for evaluating an organization's operating performance, and to seek ways to enhance that performance by making recommendations for improvements to its administrative processes and operational functions.

Triennial performance audits are conducted of all California's regional transportation planning agencies, such as MCTC. According to the *Caltrans Performance Audit Guidebook*, and state code, transit operators that receive TDA allocations under Article 8 are not mandated to commission triennial performance audits of their operations. However, the Guidebook encourages these audits because they are beneficial to improving transit operations.

Report of Streets and Roads Expenditures

Expenditures for streets and highway purposes must be reported annually to the State Controller. The *Transit Operators and Non-Transit Claimants Annual Report* includes a list of the jurisdictions for which funds have been allocated, the amount of the allocations, and the total funds available to each jurisdiction.

MCTC Semi-Annual Transit Operators' Report

At least twice a year, MCTC will collect performance data from the transit operators. The information includes the following:

- Revenue vehicle miles
- Days of Service
- Revenue vehicle hours
- Ridership
- Fare revenues
- Operating costs
- Subsidy

The reports will show several performance measures. These include the following:

- Passengers per hour
- Passengers per mile
- Passengers per day
- Vehicle hours per employee
- Operating cost per passenger
- Operating cost per vehicle revenue hour
- Subsidy per passenger
- Operating cost per hour
- Operating cost per mile
- Farebox ratio

Required TDA Reports

- Triennial Performance Audit
- Annual Fiscal Audit
- Annual State Controller Report

- Annual Unmet Transit Needs Findings Report
- Annual Street/Road Report to State Controller

8.4 GUIDELINES FOR AUDIT OF TDA COMPLIANCE

GUIDELINES FOR AUDIT OF TDA COMPLIANCE

This guide has been prepared to meet the requirements of the Transportation Development Act (TDA) with respect to conformance audits of claimants. The Public Utilities Code (PUC) sections, California Code of Regulations (CCR) sections, and MCTC Guidelines included herein are significant in auditing claimant's compliance with TDA requirements.

It is MCTC's opinion that a conformance review of the sections referred to in this guide will meet the requirements of PUC Section 99245 and CCR Sections 6664, 6666, and 6667 for most claimants. In the event that certain claimants are subject to sections not stated herein, the provisions of the TDA and the California Code of Regulations for the audit year shall control the determination of conformance. The annual fiscal audit shall include a certification that funds allocated to the claimant were expended in conformance with applicable laws, rules, and regulations of the TDA and allocation instructions of MCTC.

A report of a fiscal and compliance audit made by an independent auditor shall be submitted by each claimant within 180 days after the end of the fiscal year. MCTC may, under special circumstances, grant an extension of up to 90 days as it deems necessary (CCR 6664). No reimbursement shall be made to any claimant that is delinquent in its submission of a fiscal and compliance audit report. The audit shall be conducted in accordance with generally accepted auditing standards of the claimant's financial statements for the fiscal year, which shall be prepared in accordance with generally accepted accounting principles.

AUDITING FOR CONFORMANCE

General Guidelines

Application of the following procedures will provide a standard approach in auditing for conformance and should be applied during the preliminary stages of the fiscal audit:

- Obtain and review relevant documents and statements;
- Review tasks in CCR 6666 or 6667 (whichever is applicable);
- Interview responsible personnel as to compliance with laws, rules and regulations;
- Seek verification of above interviews; and
- Document the conformance review.

The procedures are described in detail in the following text.

Obtain and Review Relevant Documents and Statements:

- TDA claim(s) corresponding to fiscal year being audited and related allocation instructions.

- Statement by claimant that an effort was made to obtain federal funds for any major capital-intensive improvement.
- Management statements designating exceptions, waivers and/or provisions of the TDA that claimant may be subject to that are not identified in CCR 6666 or 6667 (whichever is applicable).
- Copy of Short-Range Transit Development Plan.
- Copy of State Controller's Uniform System of Accounts and Records for Transit Operators.
- Current copy of Transportation Development Act Statutes and California Code of Regulations, and the MCTC Guide to the Transportation Development Act.
- Books, records, financial reports, and other pertinent data of claimant.

Review Tasks in CCR 6666 or 6667; whichever is appropriate

Interview Personnel

Interview responsible personnel as to compliance with laws, rules and regulations. Upon identification of the applicable laws, rules, and regulations relating to conformance tasks, responsible personnel representing claimant should be questioned as to claimant's compliance. Comments and observations should be encouraged in addition to yes or no responses. If nonconformance is suggested or determined, further discussion should be held with senior personnel.

Seek Verification

Seek verification of above interviews. Two of the facts that generally determine the amount of evidence necessary to verify conformance are:

- The procedures and systems of controls used by the claimant to ensure reliability of management information; and
- The significance of the conformance area. (The auditor should obtain more evidence to verify compliance if procedures or controls are not adequate or the conformance area is significant.)

The process of verifying conformance may involve:

- Testing the records and procedures of the claimant;
- Observing the operations and physical assets of the claimant;
- Analyzing information and data; and
- Interviewing additional personnel.

The procedures selected to verify conformance answers are a matter of judgment on the part of the auditor. However, regardless of the method selected, the auditor should be satisfied that the answers given during the conformance interviews are accurate and correct in all material respects.

Document the Review

The determination of conformance with applicable laws and regulations should be documented. A simple and effective method of documenting the conformance review is to use a columnar work paper to record the responses and the comments of the claimant and the types of procedures used to verify the responses and comments.

CHAPTER 9 - PRODUCTIVITY IMPROVEMENT PROGRAM

9.1 WHAT IS A PRODUCTIVITY IMPROVEMENT PROGRAM?

A Productivity Improvement Program (PIP) allows MCTC to monitor a transit operator's or transit claimant's progress toward meeting recommended improvements that can lower transit operating costs. MCTC is required to identify, analyze, and recommend potential improvements on an annual basis for transit operators receiving TDA funds under Article 4 (PUC Sec. 99244). At its discretion, MCTC can also recommend and track productivity improvements for transit claimants receiving TDA funds under Article 8.

9.2 HOW ARE RECOMMENDATIONS DEVELOPED?

The recommendations should include, but are not limited to, the productivity recommendations made in the operator's most recent TDA triennial performance audit (PUC Sec. 99244). MCTC can make recommendations on its own or set up a productivity committee to provide advice on developing productivity improvement recommendations and tracking improvements.

TYPES OF RECOMMENDATIONS

Productivity improvement recommendations for transit operators or transit claimants are divided into two categories: performance audit recommendations, and specific operator or claimant-initiated efforts to improve productivity.

PERFORMANCE AUDIT RECOMMENDATIONS

MCTC staff will meet with each transit operator or transit claimant upon completion of the triennial performance audit process to review the audit recommendations and solicit the operator's and claimant's responses to the recommendations. MCTC will notify the operator and transit claimant of their responsibilities to implement the recommendations. At the time of application submittal, each operator or transit claimant shall submit a Productivity Improvement Progress Report form. Information provided on the form shall include:

1. A discussion of the work undertaken to implement each recommendation during the current fiscal year;
2. A short discussion of any problems encountered in implementing individual recommendations, and the success or failure of implemented recommendations in improving transit productivity; and
3. Next steps the operator or transit claimant will take in continuing to implement the recommendation.

EFFORTS TO IMPROVE PRODUCTIVITY

In addition to implementing the performance audit recommendations, each operator and transit claimant shall indicate if any special efforts have been or will be made to help cover costs and/or increase ridership. These efforts shall be summarized for both fixed-route and demand responsive operations and be included on the annual Productivity Improvement Progress Report.

9.3 WHAT HAPPENS IF AN OPERATOR DOES NOT FOLLOW UP ON RECOMMENDATIONS?

Before MCTC reimburses TDA funds to an operator, MCTC must evaluate the operator's efforts to implement any recommended improvements.

If MCTC determines that the operator has not made a reasonable effort to implement the recommended improvements, MCTC shall not approve LTF transit reimbursements for the coming fiscal year that exceed the transit reimbursement for the current fiscal year (PUC Sec. 99244).

9.4 HOW IS PROGRESS TOWARD MEETING THE RECOMMENDATIONS TRACKED?

Each operator and, if applicable, each transit claimant are required to submit the Productivity Improvement Progress Report form on an annual basis with its annual TDA application form. Each operator or transit claimant is required to provide enough information to enable MCTC to determine if a reasonable effort was made to implement the recommendations. A sample form is included in Appendix A (Form C).



TRANSPORTATION DEVELOPMENT ACT GUIDEBOOK

APPENDICES

APPENDIX A

APPLICATION FORMS

The attached forms must be completed and submitted to MCTC to obtain TDA (both LTF and STA) funds. Please review Chapter 6 for documentation needed to submit with a TDA application.

The following TDA application forms used in Madera County, the City of Madera and the City of Chowchilla are:

1. Transportation Development Act Application Summary Form (Form A)
2. Applications (Form A.1, A.2)
3. Resolution (Form B)
4. Productivity Improvement Progress Report (Form C)
5. Proposed Transit Operating Budget (Form D1)
6. Proposed Transit Capital Budget (Form D2)
7. Project Description and RTP Conformity (Form E)
8. Standard Assurances (Form F)

APPENDIX B

GLOSSARY OF TERMS

Allocation

This is the process by which a jurisdiction elects to split its TDA apportionment between transit, bicycle, pedestrian, and street and road projects. Also refers to the division of total annual TDA funding among eligible claimants in the MCTC region.

Apportionment

The share of Madera County's TDA funds earmarked for each jurisdiction, generally according to population. For each fiscal year, it is the maximum amount for which claimants in any one area may apply.

Assignment

Monies which a city, county, or transit district authorizes to be claimed by an agency other than itself. Assignments are normally made to support the operation of a joint powers transit authority and to undertake cooperative projects. This action may also be referred to as a "transfer".

CEQA

California Environmental Quality Act enacted in 1970 which requires environmental reporting on all "projects" which significantly affect the environment.

Claimant

A city, county, consolidated transportation service agency, or operator that is eligible to file a TDA claim. Other terms, such as applicant, mean the same.

Consolidated Transportation Service Agency

This type of agency is eligible for Article 4.5 funds under specific funding criteria as amended into the TDA by AB 120, and including an agency formed to consolidate social service transit operations in order to increase service and cost-effectiveness, to improve driver training, vehicle dispatching and maintenance, and to provide better administration of social service transit operations.

Demand Responsive

Transit service provided without a fixed-route and without a fixed schedule that operates in response to calls from passengers or their agents to the transit operator or dispatcher. Service is usually provided using cars, vans, or buses with fewer than 25 seats.

Depreciation

An expense that records the diminishing value of certain assets, does not represent an actual cash outlay.

Elderly

Refers to persons 65 years of age or older.

Enterprise Fund

A method of accounting which treats an activity like a commercial entity, and which encompasses a complete set of self-balancing accounts. This enables the preparation of financial statements which depict the financial position and results of operations by fiscal period.

Fare Revenue

This revenue includes all revenues in the following uniform system of accounts revenue classes:

- 401.000 Passenger Fares for Transit Service
- 402.000 Special Transit Fares
- 403.000 School Bus Service Revenues

Fare revenue also includes cash donations made by individuals in lieu of prescribed fares. Also, in the case of claimants allocated funds to pay contract transit costs to another entity, fare revenues include the amount of fares received by the entity providing the service and not transferred to the claimant.

Farebox Recovery Ratio

Transit systems funded by TDA claimants are required to maintain certain expense to revenue ratios. The formula for calculating the ratio is total fare revenue divided by the total cost of transit operations.

Fiscal Year

The state fiscal year begins July 1 and ends on June 30.

General Public Transportation

Transportation services which are provided using vehicles for use by the general population within a given service area.

Person with Disabilities

Any individual who by reason of illness, injury, age, congenital malfunction, or other permanent or temporary incapacity or disability, including, but not limited to, any individual confined to a wheelchair, is unable, without special facilities or special planning or design, to use public transportation facilities and services as effectively as a person who is not so affected. As used in law, a temporary incapacity or disability is a condition which lasts more than 90 days. (PUC Section 99206.5)

Joint Powers Agreement

A legally binding agreement between two or more units of government which establishes a multi-jurisdictional special district with specified powers and responsibilities, such as to provide public transportation.

Local Transportation Fund (LTF)

This is the fund established in each county pursuant to the Transportation Development Act (TDA). Into this fund is deposited $\frac{1}{4}$ of 1 cent of state general sales tax generated in each county and returned to the county of origin to be used for transportation purposes.

Municipal Operator

A city or county, including any nonprofit corporation or other legal entity wholly owned or controlled by the city or county, which operates a public transportation system, or which on July 1, 1972, financially supported, in whole or in part, a privately owned public transportation system, and which is not included, in whole or in part, within an existing transit district. It also refers to a county which is located in part within a transit district and which operates a public transportation system in the unincorporated area of the county not within the area of the district. (PUC Section 99209 and 99209.1)

NEPA

The National Environmental Policy Act, enacted in 1969, requires environmental reporting on all federally funded “projects” which significantly affect the environment.

Nonprofit Corporation

Any corporation organized for any lawful purposes which does not contemplate the distribution of gains, profits, or dividends to the members thereof, such as religious, social, and public transportation corporations.

Nonurbanized Area

An area having a population of less than 50,000 as defined by population figures from the latest Federal Census. An operator serves a “nonurbanized area” if 50 percent or more of the population of its service area is located within the boundaries of a nonurbanized area.

Operating Cost

All costs in the operating expense object classes exclusive of the costs in the depreciation and amortization expense object class of the uniform system of accounts and records adopted by the State Controller pursuant to PUC Section 99243 and exclusive of all subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission and of all direct costs for providing charter services, and exclusive of all vehicle lease costs. (PUC Section 99247)

Operator

Includes any transit district, included transit district, municipal operator, included municipal operator, or transit development board. For the purposes of filing an Article 4 Public Transportation Claim a transit district, included municipal operator, or municipal operator must own or lease the equipment, establish routes and service frequencies, regulate and collect fares, and otherwise control the efficiency and quality of the operation of the system.

Passenger Miles

The total number of miles traveled by transit passengers, so that a bus that carries 5 passengers for a distance of 3 miles incurs 15 passenger miles.

Performance Audit

Independent triennial performance audits are required to be conducted of transportation planning agencies, and operators receiving Article 4 funding. The purpose of these audits is to evaluate the efficiency, effectiveness, and economy of the operation of the entity being audited. The audits are completed in accordance with the Comptroller General’s *Standards for Audit of Governmental Organizations, Programs, Activities, and Functions*. (PUC Section 99246)

Private Corporation or Entity

A corporation, company, association, or joint stock association engaged in transacting business for compensation within the state.

Productivity Improvement Program

A program that allows MCTC to monitor a transit operator’s or transit claimant’s progress toward meeting recommended improvements that can lower transit operating costs. Recommendations are developed by the SSTAC whose membership consists of representatives from management of the operators, employee organizations, and users of transportation services.

Regional Transportation Plan (RTP)

The plan adopted every four (4) years by the MCTC to establish transportation policies, and by the state to guide development of transportation services and facilities in California. The RTP relates transportation to land use, population, environmental and social policy issues, and is required by state and federal law.

Regional Transportation Planning Agency (RTPA)

An RTPA is responsible for the preparation of all federal and state transportation plans and programs that secure transportation funding for highways, local streets and roads, transit, aviation, rail and bikeway/pedestrian facilities. The MCTC is the RTPA for Madera County.

Reserve

An allocation of TDA monies to be held in the fund by the County Auditor for a period not to exceed three years.

State of Good Repair (SGR)

A transportation funding program contained in the Road Repair and Accountability Act of 2017 (SB 1). This fund supplements existing funding sources for public transit services. SGR funds are generated from a portion of the Transportation Improvement Fee on vehicle registrations. These funds will be allocated under the State Transit Assistance Program formula. Half of the funds are allocated according to population and half according to transit operator revenues. (PUC 99312.1)

Social Services Technical Advisory Council (SSTAC)

A committee appointed by MCTC made up of representatives from social service providers, the elderly and the disabled. The SSTAC participates in the annual unmet transit needs process. This includes a finding by resolution that in its area (a) there are no unmet transit needs, (b) there are no unmet transit needs that are reasonable to meet, (c) there are unmet transit needs, including needs that are reasonable to meet. (PUC Section 99238)

Specialized Transportation Services

Transit that primarily serves older adults, people with disabilities, and others whose mobility needs are not addressed by traditional fixed-route service. Typical services include demand-response, feeder, community bus, and route and point deviation services.

State Transit Assistance Fund (STA)

One of the two transportation funding programs contained in the Transportation Development Act (TDA). This fund was created by the passage of SB 620 in 1979 to supplement existing funding sources for public transit services. STA funds are generated from the statewide sales tax on diesel fuel, state sales tax revenue from the excise tax, and Proposition 42. Each year during the budget process, the State Legislature designates the amount of money available for STA.

Transit District

A public district organized pursuant to state law and designated in the enabling legislation as a transit district or rapid transit district to provide public transportation service. (PUC Section 99213)

Transit Service Claimant

In Madera County, a jurisdiction may file a claim for contract transit payments pursuant to Article 8 (c). A claimant filing under Article 4 is considered an operator.

Transportation Development Act (TDA)

State law, SB 325, enacted in 1971, with subsequent amendments that created a Local Transportation Fund in each county in which $\frac{1}{4}$ of 1 cent of local sales taxes are deposited annually, to be used for transportation purposes. Also includes the State Transit Assistance Fund (STA) enacted in 1979 as SB 620.

Transportation Improvement Program (TIP)

A federal and state mandated document that lists a four-year program of transportation projects for federal, state, and local funding.

Transportation Planning Agency (TPA)

An agency that has responsibility for administering the transportation funds available for the area under its jurisdiction. MCTC was established as a planning agency under PUC Section 99214 (c).

Uniform System of Accounts

The chart of accounts and financial reporting format specified in the State Comptroller General's *Standards for Audit of Governmental Organizations, Programs, Activities, and Functions*. (PUC Section 99246) This financial accounting system is required of all TDA funding recipients.

Unmet Transit Needs Process

TDA requires that before any Article 8 funds can be allocated for street and road purposes, MCTC must afford opportunities for citizen participation, called the “Unmet Needs” process. The SSTAC is to be involved in this process in order to hear the transit needs of transit dependent or disadvantaged persons. A least one public hearing must be held annually, and the findings must be forwarded to MCTC and Caltrans concerning whether there are any unmet transit needs that are judged reasonable to meet in the jurisdiction. (PUC Sections 99238, 99401)

Urbanized Area

An urbanized area has a population of 50,000 persons or more, according to the most recent federal census. An operator serves in an urbanized area if 50 percent or more of the population of its service area is located within the boundaries of an urbanized area, with exceptions as specified in PUC Section 6645.

APPENDIX C

SOCIAL SERVICE TRANSPORTATION ADVISORY COUNCIL RULES

The Social Services Transportation Advisory Council (SSTAC) was established under the requirements of the Transportation Development Act. The SSTAC serves as an advisory body to the Madera County Transportation Commission (MCTC) regarding the transit needs of residents of the Madera Region, including, but not limited to, transit dependent and transit disadvantaged persons such as the elderly, disabled, and persons of limited means.

The SSTAC shall be governed by the following rules.

A. RESPONSIBILITIES

1. Advise MCTC on the following:
 - a. Transit needs of the general public (e.g. hours of service, new bus routes, shorter headways, etc.) including, but not limited to, transit dependent and transit disadvantaged persons such as the elderly, disabled, and persons of limited means.
 - b. Coordination between transit service providers in the region.
 - c. Other issues the membership believes are relevant to transit in the Madera Region (i.e. potential review of transit grant applications, coordination/consolidation of specialized transit services, connections to interregional transit services, etc.)
2. Annually participate in the identification of transit needs in the Madera Region, including unmet transit needs that may exist and that may be reasonable to meet by establishing or contracting for new public transportation or specialized transportation services.
3. Annually review and recommend action by MCTC which finds, by resolution, that:
 - a. there are no unmet transit needs;
 - b. there are no unmet transit needs that are reasonable to meet; and/or
 - c. there are unmet transit needs, including needs that are reasonable to meet.

B. PARTICIPANTS

1. SSTAC meeting participation shall include seven members per statutory guidelines (see Public Utilities Code Section 99238 below):
 - (a) One representative of potential transit users who is 60 years of age or older.
 - (b) One representative of potential transit users who is disabled.
 - (c) Two representatives of local social service providers for seniors, including one representative of a social service transportation provider, if one exists.

- (d) Two representatives of local social service providers for the disabled, including one representative of a social service transportation provider, if one exists.
 - (e) One representative of a local social service provider for persons of limited means.
 - (f) Two representatives from the local consolidated transportation service agency, designated pursuant to subdivision (a) of Section 15975 of the Government Code, if one exists, including one representative from an operator, if one exists.
 - (g) The MCTC Board of Commissioners may appoint additional members in accordance with the procedure in subdivision (b) of Section 99238 of the Government Code.
2. In appointing council members, MCTC shall strive to attain geographic and minority representation among council members.

C. TERM OF OFFICE

1. The term of appointment shall be for three years and may be renewed.

D. VACANCIES

- 1. A vacancy shall be created when a member: resigns; completes their term of appointment and does not wish to be reappointed; misses three consecutive regular meetings without good cause; or when a member can no longer carry out their responsibilities as a council member.
- 2. If a member resigns during his/her term, MCTC's Executive Director may fill vacancies, in consultation with the SSTAC or SSTAC Chair, for the remainder of the original term.
- 3. The MCTC Board of Commissioners approves three-year appointments.
- 4. All SSTAC positions shall be advertised every three years to either extend the tenure of current positions or appoint new members.

E. ELECTION OF OFFICERS

1. During the first meeting of the calendar year, the council shall elect a Chair and Vice Chair to serve for one year. Upon resignation of an officer, a special election shall be held.

F. DUTIES OF OFFICERS

1. **Chair:** The Chair shall preside at all SSTAC meetings. The Chair may appoint committees, conduct elections to fill the positions of Chair and Vice Chair, prepare and sign correspondence reflecting SSTAC votes or input provided, and may delegate his/her responsibility to sign correspondence. The Chair or his/her designee should report to the MCTC Board of Commissioners on recommendations of the SSTAC.

2. **Vice Chair:** In the absence of the Chair, the Vice Chair shall perform the duties of the Chair.
3. **Secretary:** The Secretary shall be a staff member of MCTC. The Secretary shall provide information and general assistance; take meeting notes for all SSTAC meetings; prepare agendas, SSTAC letters and other correspondence, as requested by the Chair; and prepare and distribute special notices, agenda announcements, staff reports and other materials.

G. ORGANIZATION AND PROCEDURES

1. **Meetings:** The SSTAC shall meet at least twice per year, typically in April. Additional meetings may be held as needed. Alternate times and dates to those scheduled must be agreed upon by a majority of the members in order to carry out the responsibilities described above. The meetings shall be open to the public in compliance with the Ralph M. Brown Act (Government Code Section 54950 et seq.) and shall be held at the Madera County Transportation Commission office. If an alternate location is required, it must be an accessible location in order to facilitate the attendance of physically disabled members of the SSTAC and the community in general. In the event both the Chair and Vice Chair are absent, the majority of a quorum may appoint a presiding officer for that meeting.
2. **Quorum:** A quorum shall constitute one-half (1/2) plus one (1) of the current membership.
3. **Voting:** Actions are generally taken by consensus of all participants. If a vote is required, it shall be by a voice vote unless any member requests a roll call vote. Where a vote is taken, passage requires four votes.
4. **Limitation of Discussion:** Discussion on any matter by council members or the general public may be limited to such length of time as the Chair may deem reasonable under the circumstances.
5. **Conduct of Meetings:** Meetings are generally to be conducted in accordance with the principles of Robert's Rules of Order.
6. **Meeting Notes:** Meeting notes recording the members and visitors present, motions entertained, and actions taken at each meeting shall be prepared by MCTC staff and posted on the MCTC website.
7. **Rules:** These rules may be amended by a majority vote of the SSTAC members and subsequent approval by the MCTC Board of Commissioners.
8. **Communications:** Official communications shall be in writing and shall be approved by the SSTAC or SSTAC Chair. Official communications approved by the SSTAC Chair shall be shared with the SSTAC as soon as reasonably practical. The Chair, or his/her designee, should make presentations to the MCTC Board for unmet transit needs findings.

Approved by MCTC Policy Board on March 18, 2020.