

SHASTA COUNTY RTPA POLICY AND PROCEDURE MANUAL		Number
		6-3
SECTION: TDA Guidelines & Procedures	Policy to Determine Transportation Development Act (TDA) Revenue to Be Made Available to Eligible Transit Operators	
APPROVAL DATE: October 27, 1998		
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**PROCEDURE TO DETERMINE
TDA REVENUE TO BE MADE AVAILABLE TO
ELIGIBLE TRANSIT OPERATORS**

BACKGROUND

The Transportation Development Act (TDA) requires that Shasta County Regional Transportation Planning Agency (RTPA) annually carry out an unmet transit needs finding process for the County of Shasta. This process serves two purposes: it determines whether there are needs for new public-transit service which can reasonably be met, and it determines how certain state transportation funds can be spent. The funds in question are the Local Transportation Fund, derived from ¼ cent of the 7.25 cent retail tax collected statewide. The ¼ cent is returned by the State Board of Equalization to each county according to the amount of tax collected in that county. This money must be spent on public-transit service, unless the Unmet Needs Process finds that there aren't any unmet transit needs. In those cases, state law permits the use of these funds on road improvements.

The services provided by eligible transit operators are often identified as transit needs that are reasonable to meet. The amount of revenue to be made available to the eligible operator is based on the operator's actual costs as defined in PUC Section 99262. This cost information is submitted to the RTPA by the operator each year in the form of the transit operator's budget, financial statements, and a copy of its annual report to the State Controller's Office. The RTPA staff reviews the reports in accordance with PUC Section 99266, which requires that funds not be allocated to an operator whose claim includes funds for an increase in operating budget in excess of 15 percent above the preceding year or for a substantial increase or decrease in scope of operations or capital budget provisions for new fixed facilities, unless supportive data that substantiates the changes accompany the claim.

Since the transit operator's cost information is not available at the beginning of the Unmet Needs Process, the RTPA must anticipate what the transit operator's costs will be and allocate or "spread" that cost among the claimants. Claimants will be directed by the RTPA to claim the appropriate amounts for transit and the amounts, if any, available for Streets and Roads.

It should always be kept in mind that these figures may be adjusted for action that may be taken through the unmet needs process. Additionally, adjustments to actual cost will always be made

after year-end information is known. In the event these adjustments are minor they would be incorporated in the next claiming cycle.

After transit needs are funded the jurisdiction may claim any remaining apportionment for Streets and Roads purposes.

PROCEDURES

The following procedure is designed to streamline this process and to base the amount of revenue to be made available to eligible transit operators on actual operating costs:

1. The cost per service hour for the year just completed is calculated. The State Controller's Report for the preceding year and the audited figures should be used for this process. Major adjustments (in excess of 10% increase per line item or \$10,000) from these historical figures should be explained.
2. This cost per service hour is adjusted by known cost increases. Known cost increases may include but not be limited to: adjustments in contracts, or wage increases approved by the agency's board, and agency staff charges for time charged to the transit provider.
3. For those costs which are not increased or adjusted in step number 2, they would be adjusted by the change in the Consumer Price Index.
4. A Contingency factor equal to 3% of the calculated costs would be applied.
5. This calculated cost by hour would then be multiplied by the anticipated number of service hours to be provided in the succeeding year to arrive at the revenue necessary. Generally, this would be similar to the service hours provided in the preceding year. However, there will always be adjustments that may come up as a result of the unmet needs process, which will typically be held after these calculations have been done. These would need to be addressed accordingly. This also may require transit operator to provide budget amendments.
6. Other revenues that are expected to be received are subtracted from the total operating cost to arrive at the TDA requirement. This would represent that amount of TDA resources which will be made available to the transit operator to provide the service level requested by the RTPA.