

STAFF REPORT



MEETING DATE:	April 30, 2025
SUBJECT:	Receive Findings of Apportionment Report for the Fiscal Year 2025/26 Local Transportation Fund (LTF)
AGENDA ITEM:	7-5
STAFF CONTACT:	Jessica Carlson, Chief Fiscal Officer

SUMMARY:

Annually, the Shasta County Auditor provides SRTA an estimate of the available Local Transportation Fund (LTF) for the Shasta Region for the upcoming fiscal year based on projected revenues from the one-quarter percent (0.25%) of general sales tax collected for transit (primary) and non-transit (secondary) transportation needs. SRTA prepares and notifies local agencies of their estimated LTF apportionment. Final Fiscal Year (FY) 2025/26 payments will be determined by the Transportation Development Act (TDA) budget and brought to the SRTA Board of Directors in June for approval.

STAFF RECOMMENDATION:

It is recommended that the board of directors receive the estimated FY 2025/26 LTF apportionments (Attachment A).

DISCUSSION:

Background – As the designated Regional Transportation Planning Agency (RTPA) for the Shasta Region, SRTA is responsible for administering TDA funds. TDA provides funding to support public transportation services first and foremost and may be used for eligible non-transit uses after all other public transportation services are funded, based on a specific list of priorities (see Priority Uses below). TDA revenue includes State Transit Assistance (STA) and LTF:

- STA comes from the state sales tax on diesel fuel and can only be used for public transit (operations, capital, and planning purposes). STA revenue may not fund SRTA's administration costs nor streets and roads projects. Historically, STA significantly covers the transit operating costs of the Redding Area Bus Authority (RABA) and Shasta County's Burney Express (operated by RABA as Route 299X).
- LTF is one-quarter percent (0.25%) of the general sales tax collected within the region. LTF revenue must be apportioned, by population, to areas within Shasta County. LTF-eligible areas include, but are not limited to, transit districts, cities, and counties.

Priority Uses – The uses of LTF are prescriptive and based on a priority order established under existing governing codes (Attachment B):

- **TDA Administration and planning** – First, LTF provides funding for transportation planning activities relating to TDA administration such as audits; transit planning and coordination; local match for grants; and activities ineligible for reimbursement from other grant programs, such as indirect (overhead) costs. SRTA uses these administration funds as local match to federal and state formula and competitive planning grants awarded to the agency, to fulfill prior board-approved reserve commitments or payback for borrowed funds for capital asset repairs, and transportation planning not billable through the Overall Work Program (OWP).
- **Pedestrian and bicycle facilities** – Second, two percent (2%) of the remaining LTF is designated to SRTA's Non-Motorized program for pedestrian and bicycle facility projects, amenities, and programmatic support for cities, Shasta County, and other regional partners. The SRTA Board of

Directors approve use of the funds based on regional goals and needs, generally as local match for competitive grants, and requests submitted by regional partners for consideration. Non-Motorized funds have contributed to securing over \$45 million in capital active transportation and road improvements in the region over the last five years.

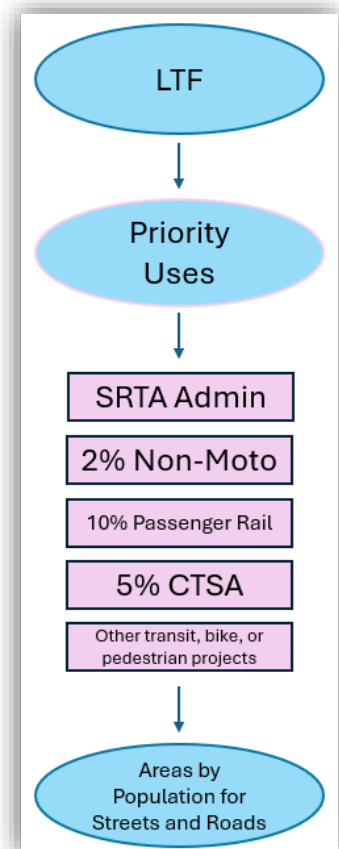
- **Passenger rail service** – Third, up to ten percent (10%) of remaining LTF can be for rail passenger service. However, such services do not currently exist in the region beyond the once-daily Amtrak nationwide service. Therefore, the Shasta Region does not implement this set-aside in the TDA Budget.
- **Consolidated Transportation Services** – Fourth, up to five percent (5%) of remaining LTF is designated for consolidated transportation service agency (CTSA) services which serve individuals with mobility impairments or seniors who cannot use conventional transit services. Dignity Health Connected Living (DHCL) is currently the designated CTSA provider for the Shasta Region. However, RABA has requested to become the CTSA, using DHCL as the operator, starting in FY 2025/26.
- **Other public transit services, active transportation projects, and local streets and roads construction and maintenance** – Finally, additional projects can be funded with remaining LTF funds under Article 4 and Article 8 of the Public Utilities Code, like other public transportation services or projects, bicycle and pedestrian projects, and construction and maintenance of streets and roads. See Attachment B for a table summarizing the priority of projects to be funded with LTF funds, consistent with California’s Public Utilities Code, the TDA Statutes and California Code of Regulations Handbook, and SRTA policies.

LTF funds are passed through the County Treasurer from the State Controller’s Office. Funds for each priority are each held in an individual account by SRTA, designated for its specific use.

Article 8 Estimates for Other Uses, Streets, and Roads – Public transit needs vary from region to region, so TDA provisions allow any remaining unallocated LTF, in counties with populations under 500,000, to be used for local streets and road construction and maintenance, as well as other transportation purposes after allocating funds for the above-described priorities.

The County Auditor prepares the fiscal year quarter percent tax revenue projections from financial data provided by the California Department of Tax and Fee Administration (CDTFA), and up to ninety percent (90%) of those projections can be used for the Findings of Apportionment. The CDTFA did not provide the necessary information until March 24, 2025, after the TDA-required report deadline of March 1. Ninety percent (90%) of the FY 2025/26 projections is estimated to be \$9,598,326, an increase of three percent (3%) from FY 2024/25.

Estimated payments for each LTF claimant are formulated in proportion to each jurisdiction’s population. Population estimates are provided by the California Department of Finance (DOF) and are updated in May each year. In 2024, the Shasta Region was estimated to have a total population of 179,195. The estimated funds shown below (\$7,340,804) are available for Article 4 transit uses and Article 8 uses, like streets and roads, after the priority use requirements have been met. Prior fiscal year final allocations are provided for comparison.



Findings of Apportionment

	Anderson	Redding	Shasta Lake	Shasta County**	Total
FY 2025/26 Article 8 Estimates	\$448,284	\$3,787,092	\$415,022	\$2,690,406	\$7,340,804
Percentage Share by Population	5.93%	50.60%	5.49%	37.98%	100%
FY 2022/23 Allocations	\$480,503	\$4,028,117	\$444,140	\$2,875,940	\$7,828,700
FY 2021/22 Allocations	\$492,865	\$3,225,316	\$490,640	\$3,287,183	\$7,496,004
FY 2020/21 Allocations	\$497,691	\$4,433,579	\$517,958	\$3,145,707	\$8,594,935
FY 2019/20 Allocations	\$403,870	\$3,597,800	\$399,690	\$2,624,882	\$7,026,242

*Fiscal Years' 2024/25 and 2023/24 allocations not included as the final figures have not been audited.

**Population not within other cities.

OTHER AGENCY INVOLVEMENT:

The Technical Advisory Committee met on April 9, 2025, to review and discuss LTF Apportionments.

FISCAL AND POLICY COMMITTEE REVIEW:

The Fiscal and Policy Committee met on April 14, 2025, to review and discuss LTF Apportionments.

ALTERNATIVES:

This is an informational item only as required under California Code of Regulations Section 6644 and requires no board action. The board of directors may request additional information from staff.

FISCAL IMPACT:

Estimated FY 2025/26 LTF payments are six percent (6%) lower than FY 2022/23 actuals. In FY 2022/23, more taxes were collected than the estimates resulting in higher final allocations comparative to most FYs. After TDA funds are independently audited each year, a "true-up" is calculated to reconcile the budgeted apportionments to what was actually paid out during the fiscal year. The precaution of using only ninety percent (90%) of the projected tax to be collected often results in more LTF funds than budgeted, leaving those unallocated. These funds are carried over into the current FY 2025/26 budget and proportionately disbursed. Any transit obligations funded in excess of the budget are also considered. Therefore, actual apportionments may change after the FY 2023/24 true-up process has been completed, and any reconciliations are brought forward. The TDA budget and final claimant disbursements will be presented to the board of directors in June.



Sean Tiedgen, AICP, Executive Director

Attachments:

A: Estimated FY 2025/26 LTF Apportionments

B: TDA Funding Priorities for the Shasta Region and Applicable Laws

SHASTA REGIONAL TRANSPORTATION AGENCY - FISCAL YEAR (FY) 2025/26 ESTIMATED LOCAL TRANSPORTATION FUND (LTF) APPORTIONMENTS									
(SRTA Policy)									
		Anderson	Redding	Shasta Lake	County		SRTA	CTSA	Bike & Ped
Local Transportation Fund (LTF)	Totals	Budget	Budget	Budget	Budget		Budget	Budget	Budget
Local Transportation Fund- FY 2025/26 (Estimate)	9,598,326								
Less: Local Transportation Fund (LTF) for SRTA Administration (1305.3)	(1,713,466)						1,713,466		
Less: Article 3 - Bicycle and Pedestrian (2%) (1307.1)	(157,697)								157,697
Less: Article 4.5 - LTF to fund Consolidated Transportation Agency (CTSA) (5%) (1309.3)	(386,358)							386,358	
Total Estimated LTF Available	7,340,804								
Apportionment Percentage (Population*)	100.00%	6.11%	51.59%	5.65%	36.65%				
Estimated Amount to be Apportioned	7,340,804	448,284	3,787,092	415,022	2,690,406				
Total Estimated Apportionment for Article 4 (Transit) and Article 8 (Streets & Roads) Claims	9,598,326	448,284	3,787,092	415,022	2,690,406		1,713,466	386,358	157,697

Actual apportionments may change after the 2023/24 true-up process has been completed.

*City and County Populations from Department of Finance estimates, E1 issued May 2024

Attachment B: TDA Funding Priorities for the Shasta Region

Priority of projects to be funded with LTF funds, consistent with California's Public Utilities Codes and SRTA policies.

<i>Priority</i>	<i>Purpose</i>	<i>Amount That Can be Used</i>	<i>Article</i>	<i>PUC Section (hyperlinked)</i>
1	TDA Administration	As determined by SRTA	3	99233.1
2	Pedestrian and bicycle facilities	Up to 2%	3	99233.3
2	Planning by statutorily created agencies	Up to 3% (None in Shasta)	3	99233.2
3	Consolidated Transportation Services	Up to 5% of remaining funds	4.5	99233.7
3	Support of public transit	Up to area apportionment	4	99260 (a) and 99262
3	Public transit research and demonstration projects	Up to area apportionment	4	99260 (b)
3	Separate service to elderly and disabled	Up to area apportionment	4	99260.7 and 99262
4	Public transportation service contract	Up to area apportionment	8	99400 (c)
4	Special group transportation service contract	Up to area apportionment	8	99400 (c)
4	Bicycle and pedestrian	Up to area apportionment	8	99400 (a)
4	Capital expenditures for contracted services	Up to area apportionment	8	99400 (e)
4	Local streets and roads	Up to area apportionment	8	99232.1

Applicable Laws (links to websites underlined):

<u>Transportation Development Act (TDA)</u>	
California Public Utilities Code (PUC)	
• <u>PUC 99230</u>	Findings of Apportionment are provided to the jurisdiction by SRTA annually
• <u>PUC 99232</u>	LTF can be used for “other uses” in populations under 500K, including streets and roads
• <u>PUC 99234</u>	Provisions for Non-Motorized funds
• <u>PUC 99262</u>	LTF can be used for SRTA’s assets
• <u>PUC 99275</u>	CTSA is an eligible claimant
California Code of Regulations (CCR)	
• <u>CCR Title 21 § 6644</u>	Findings of Apportionments are due annually by March 1 st
• <u>CCR Tit. 21 § 6646</u>	TDA admin for SRTA used for all activities related to planning including required local match.
• <u>CCR Tit. 21 § 6655.2</u>	Up to 2% set aside for Non-Motorized facilities and education reserved with SRTA.
• <u>CCR Tit. 21 § 6655.3</u>	Up to 5% set aside for CTSA reserved with SRTA.
SRTA’s <u>TDA Policies</u>	
(Title 4, 4.20.050, <i>Apportionment, Allocation and Payment</i> , page 368)	