STAFF REPORT

MEETING DATE:	**April 25, 2024**
SUBJECT:	**Receive Findings of Apportionment Report for the Fiscal Year 2024/25 Local Transportation Fund (LTF)**
AGENDA ITEM:	**7-6**
STAFF CONTACT:	**Jessica Carlson, Chief Fiscal Officer**

SUMMARY:

Annually, the Shasta County Auditor provides to 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) 2024/25 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 2024/25 LTF apportionments (Attachment A).

DISCUSSION:

Background – As the designated regional transportation planning agency (RTPA) for the Shasta Region, SRTA is responsible for administering Transportation Development Act (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 Local Transportation Funds (LTF):

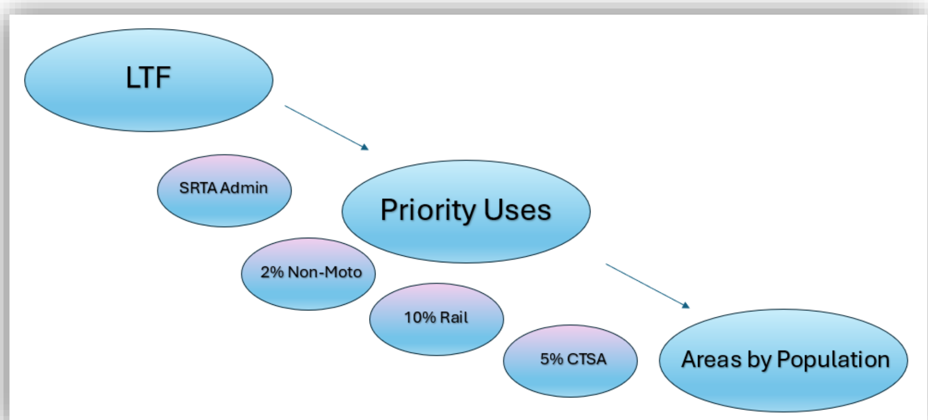
- STA comes from the state sales tax on diesel fuel and can only be used for public transit (operations, capital, and planning purposes). STA revenue may not fund SRTA's administration costs nor streets and roads projects. Historically, STA significantly covers the transit operating costs of the Redding Area Bus Authority (RABA) and Shasta County's Burney Express (operated by RABA).
- 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. An area can be a transit district, city, county, etc.

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

- **TDA Administration –** 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 admin 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 city and county pedestrian and bicycle facility projects. SRTA and regional partners use this money as local match for competitive grant programs. Non-Motorized funds have successfully brought in over $45 million in capital active transportation and road improvements to the region during the last three ATP grant cycles.
- **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 (and not applicable to the Shasta Region).
- **Consolidated Transportation Services –** Fourth, up to five percent (5%) of remaining LTF is designated for consolidated transportation service agency (CTSA) services, which serve individuals who cannot use conventional transit services, such as the disabled or seniors. Dignity Health Connected Living (DHCL) is currently the designated CTSA provider for the Shasta Region, under contract with SRTA.
- **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.

Each of the TDA prioritized funds are passed through the County Treasurer from the State Controller's Office. They 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 California Department of Tax and Fee Administration (CDTFA) did not provide the necessary information until March 5, 2024, after the TDA required report deadline of March 1. The Shasta County Auditor prepares the fiscal year quarter percent tax revenue projections from financial data provided by the CDTFA and up to 90 percent of those projections can be used for the Findings of Apportionment. This portion of LTF is estimated to be $9,302,489 in 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 2023, the Shasta Region was estimated to have a total population of 179,436. The estimated funds shown below ($7,115,409) 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 2024/25 Article 8 Estimates	$437,267	$3,666,635	$405,149	$2,606,358	**$7,115,409**
Percentage Share by Population	6.15%	51.53%	5.69%	36.63%	**100%**
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' 2023/24 and 2022/23 allocations not included as the final figures have not been audited.

OTHER AGENCY INVOLVEMENT:
The Technical Advisory Committee met on April 11, 2024, to review and discuss LTF Apportionments.

FISCAL AND POLICY COMMITTEE REVIEW:
The Fiscal and Policy Committee met on April 15, 2024, 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 2024/25 LTF payments are one percent higher than actual payments in FY 2021/22, the most recently audited year. 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 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 2024/25 budget and proportionately disbursed. Any transit obligations funded in excess of the budget are also considered. Therefore, actual apportionments may change after the FY 2022/23 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 2024/25 LTF Apportionments
B: TDA Funding Priorities for the Shasta Region and Applicable Laws

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.

Priority	*Purpose*	*Amount That Can be Used*	*Article*	*PUC Section (hyperlinked)*
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):

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