STAFF REPORT

MEETING DATE:	**February 23, 2023**
SUBJECT:	**Approve Preliminary Estimates of Local Transportation Fund (LTF) Apportionments for Fiscal Year (FY) 2023/24**
AGENDA ITEM:	**8-8**
STAFF CONTACT:	**Jessica Carlson, Chief Fiscal Officer**

SUMMARY:

Estimates of Local Transportation Fund (LTF) apportionments have been prepared by the Shasta County Auditor for Fiscal Year (FY) 2023/24 (see Attachment A). Final apportionments will be determined by the Transportation Development Act (TDA) budget and brought to the SRTA Board of Directors in April for approval.

STAFF RECOMMENDATION:

It is recommended that the board of directors approve the preliminary estimate of FY 2023/24 LTF apportionments (Attachment A).

DISCUSSION:

Background – The Transportation Development Act (TDA) provides funding to be allocated to transit and non-transit related purposes that comply with the regional transportation plan. The TDA funds a wide variety of transportation programs, including planning and programming activities, pedestrian and bicycle facilities, community transit services, public transportation, and bus and rail projects. TDA revenue includes State Transit Assistance (STA) and Local Transportation Funds (LTF).

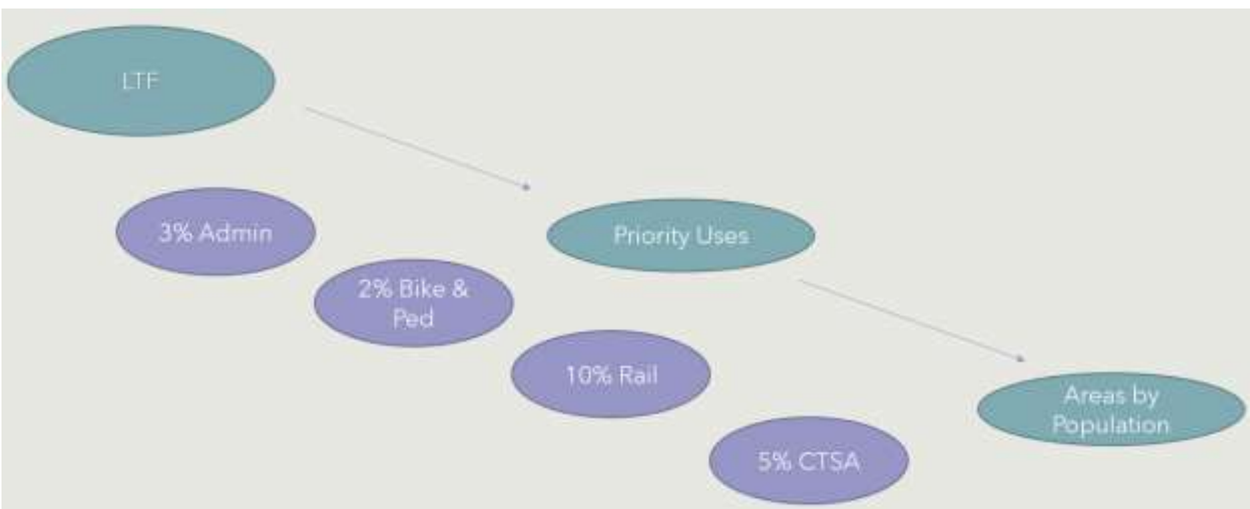
STA comes from the state sales tax on diesel fuel and can only be used for public transit operations, capital, or planning purposes. STA funds may not be allocated to fund the transportation planning agency's administration costs, or streets and roads projects. Historically, STA covers a significant portion of RABA's operation of the public transportation system and Shasta County's Burney Express.

LTF comes from one-quarter cent of the general sales tax within the region. LTF revenue must be apportioned, by population, to areas within the county. An area can be a transit district, city, county, etc. Uses of LTF are designated in a priority order:

- First, for SRTA activities including TDA administration and audits, transit planning and coordination, local match for grants, and activities ineligible for reimbursement, such as indirect (overhead) costs. SRTA uses these funds as local match to federal and state formula and competitive planning grants awarded to the agency, to maintain the building and other agency assets, and to fulfill reserve commitments per prior board approval for repairs, TDA planning, and TDA Loan repayment.

- Second, 2% of LTF is designated to SRTA's Non-Motorized program for city and county pedestrian and bicycle facility projects. SRTA uses this money as local match for competitive grant programs. Non-Motorized funds have been successful in bringing in over $39 million in capital active transportation and road improvements to the region during the last two ATP grant cycles.
- Third, up to 10% of the remaining money can be prioritized for rail passenger service. However, such services do not currently exist in the region beyond the once-daily Amtrak service.
- Fourth, up to 5% of remaining funds are designated for consolidated transportation service agency (CTSA) services. The CTSA for the Shasta Region is currently operated by Dignity Health Connected Living (DHCL) under contract with SRTA.
- Finally, additional projects can be funded with remaining LTF funds under Article 8 of the Public Utilities code, including streets and roads, and other public transportation, bicycle, and pedestrian projects. See Attachment B for a table summarizing the priority of projects to be funded with LTF funds, consistent with California's Public Utilities Codes 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.



As the designated regional transportation planning agency (RTPA) for Shasta County, SRTA is responsible for administering TDA funds. This includes authorizing funding to local transportation agencies and ensuring public participation processes and needs assessments are provided.

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. TDA regulations require SRTA to advise recipients of their estimated LTF apportionment for the upcoming fiscal year no later than March 1. Estimated apportionments for FY 2023/24 in the Shasta Region are formulated in proportion to each jurisdiction's population and are shown below after the priority use requirements have been met. Prior fiscal year final allocations are provided for comparison.

	Anderson	Redding	Shasta Lake	Shasta County	Total
FY 2023/24 Apportionment (estimates)	$490,212	$4,109,996	$452,590	$2,928,675	**$7,981,472**
Percentage Share	6.14%	51.49%	5.67%	36.69%	**100%**
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**
FY 2018/19 Allocations	$403,551	$3,500,774	$401,079	$2,591,839	**$7,957,100**
FY 2017/18 Allocations	$369,026	$3,201,277	$366,766	$2,370,102	**$7,435,000**

*Fiscal Years' 2021/22 and 2022/23 allocations not included as the final figures have not been audited.

The TDA budget and final apportionments will be presented to the board of directors in April.

OTHER AGENCY INVOLVEMENT

The LTF apportionments are split by population between the cities of Anderson, Redding, and Shasta Lake, and the county of Shasta. The apportionments were not available for the Technical Advisory Committee (TAC) to receive concurrence, so an informational report was presented.

ALTERNATIVES:

The board of directors may request additional information from staff.

FISCAL IMPACT:

TDA funding has increased each year for the last five years. Estimated FY 2023/24 LTF apportionments are seven percent higher than five years ago. After TDA funds are independently audited each year, a "true-up" is calculated to reconcile the budgeted apportionments to what was actually allocated and expended during the fiscal year. Any unexpended/unallocated funds are carried over into the current 2023/24 budget and proportionately disbursed. Therefore, actual apportionments may be higher after the FY 2021/22 true-up process has been completed, and unexpended/unallocated funds are brought forward.

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Sean Tiedgen, AICP, Executive Director

Attachments:

A: FY 2023/24 Estimated LTF Apportionments

B: TDA Funding Priorities for the Shasta Region

SHASTA REGIONAL TRANSPORTATION AGENCY - 2023/24 ESTIMATED LTF APPORTIONMENTS

(SRTA Policy)		Anderson	Redding	Shasta Lake	County		SRTA	CTSA	Bike & Ped
Local Transportation Fund	**Totals**	**Budget**	**Budget**	**Budget**	**Budget**		**Budget**	**Budget**	**Budget**
Local Transportation Fund- FY 2023/24 (Estimate)	9,638,405								
Less: Local Transportation Fund (LTF) for SRTA Administration (1305.3) (23/24)	(1,065,395)						1,065,395		
Less: Article 3 Allocation- Bicycle and Pedestrian (2%) (1307.1)	(171,460)								171,460
Less: Article 4.5- LTF to fund CTSA (5%) (1309.3)	(420,077)							420,077	
Total Estimated LTF Available	**7,981,472**								
Apportionment Percentage (Population)	**100.00%**	**6.14%**	**51.49%**	**5.67%**	**36.69%**				
Estimated Amount to be Apportioned	**7,981,472**	**490,212**	**4,109,996**	**452,590**	**2,928,675**				
Total Estimated Apportionment for Article 4 (Transit) and Article 8 (Streets & Roads) Claims	**9,638,405**	**490,212**	**4,109,996**	**452,590**	**2,928,675**		**1,065,395**	**420,077**	**171,460**

Actual apportionments may be higher after the 2021/22 true-up process has been completed.

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*
1	TDA Administration	As determined by SRTA	3	99233.1
2	Regional bicycle and pedestrian	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) and99262
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	Local streets and roads	Up to area apportionment	8	99400 (a)
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)