



*Humboldt County Association of Governments  
Regional Transportation Planning Agency*

# **HCAOG TDA RULES**

**RULES and REGULATIONS  
for the administration of the  
TRANSPORTATION  
DEVELOPMENT  
ACT**

*Amendment  
February 2017*

# HCAOG TDA RULES

## RULES and REGULATIONS

### for the administration of the TRANSPORTATION DEVELOPMENT ACT

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<b>ANNUAL DEADLINE</b>	<b>#</b>	<b>REPORT</b>	<b>RESPONSIBILITY</b>
July 1 triennially	#1	Performance Audits of Transportation Planning Entities and Operators	HCAOG
July-September	#2	Solicitation for STA fund “Program of Projects”	HCAOG
August 1	#3	Revised State Transit Assistance (STA) Estimates	State Controller
August 15	#4	Unmet Transit Needs Report of Findings	HCAOG
September 1	#5	Schedule of Performance Audits	HCAOG
September 30	#6	Reports of Extension of Services	Operators, transit claimants
September 30	#7	Annual Financial Transaction Report (formerly called “fund allocation report”)	HCAOG
September 30	#8	Report of Operations (formerly called “financial statement”)	Operators, transit claimants
September 30	#9	Non-Transit Expenditure Reports	Non-transit claimants
October 7	#10	Quarterly Status of Funds for first quarter (Q1)	County Auditor
October 7	#11	Delinquency Notifications for Report of Operations (#8) and Non-Transit Expenditure Reports (#9)	HCAOG
December 30	#12	Fiscal & Compliance Audits of State Transit Assistance Fund and Local Transportation Fund	HCAOG
December 30	#13	Certified Fiscal & Compliance Audits	All claimants
December 30	#10	Quarterly Status of Funds for second quarter (Q2)	County Auditor
January 31	#14	Preliminary State Transit Assistance Estimate	State Controller
February 1	#15	Local Transportation Fund Estimate	County Auditor
March 1	#16	Findings & Notice of LTF Apportionments	HCAOG
March 31	#10	Quarterly Status of Funds for third quarter (Q3)	County Auditor
April 1	#17	Annual LTF & STAF Claims	All claimants
June 30	#18	Allocation Instructions	HCAOG
June 30	#10	Quarterly Status of Funds for fourth quarter (Q4)	County Auditor
June 30	#19	Fiscal Audit of Transportation Planning and Programming Entities	HCAOG

## **I. INTRODUCTION**

### **A. TRANSPORTATION DEVELOPMENT ACT (TDA)**

*The TDA Guidebook* (Caltrans, April 2013)<sup>1</sup> provides this summary of the Transportation Development Act:

The TDA provides two funding sources:

- (1) Local Transportation Fund (LTF), which is derived from a ¼ cent of the general sales tax collected statewide.
- (2) State Transit Assistance (STA) fund, which is derived from the statewide sales tax on diesel fuel.

The TDA funds a wide variety of transportation programs, including planning and program activities, pedestrian and bicycle facilities, community transit services, public transportation, and bus and rail projects. Providing certain conditions are met, counties with a population under 500,000 (according to the 1970 federal census) may also use the LTF for local streets and roads, construction and maintenance. The STA fund can only be used for transportation planning and mass transportation purposes.

Public participation is a key component of TDA. Public meetings are held to discuss transportation needs and hear concerns. Regional planning agencies are required to establish Social Service Transportation Advisory Councils (SSTAC), comprised of the transit-dependent, including disabled, elderly and low-income representatives. SSTAC members work with local agencies in developing transit unmet needs criteria, which are used in making project approval decisions.

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.

### **B. HCAOG ADMINISTRATIVE RULES FOR TDA**

The Humboldt County Association of Governments (HCAOG), acting in its official capacity as the Regional Transportation Planning Agency (RTPA), has prepared these TDA Rules and Regulations (Rules). The Rules clarify roles and responsibilities in administering the Local Transportation Fund (LTF) and the State Transportation Assistance Fund (STAF), pursuant to the Transportation Development Act (TDA). These Rules are intended to help HCAOG committees and staff, TDA claimants, transit operators, the County Auditor, and consulting auditors understand and adhere to the TDA. These Rules augment and do not supersede the Guidelines prepared by the California Department of Transportation (Caltrans).

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<sup>1</sup> Online at [http://www.dot.ca.gov/hq/MassTrans/Docs-Pdfs/STIP/TDA\\_4-17-2013.pdf](http://www.dot.ca.gov/hq/MassTrans/Docs-Pdfs/STIP/TDA_4-17-2013.pdf) (as of June 2014).

The authority for an RTPA to publish rules and regulations is set forth in the Act, under the California Code of Regulations (CCR) and Public Utilities Code (PUC). Specific authorizing language includes: “The transportation-planning agency shall adopt rules and regulations delineating procedures for the submission of claims under Section 99234 and subdivision (a) of Section 99400 and stating criteria by which they will be analyzed and evaluated” (PUC §99401(a)). Other authorizing sections of the Act are under California Government Code §29532 (b), and PUC sections §99241, §99241.5, and §99261.

### C. AMENDMENT OF RULES

These rules may be amended provided that the Humboldt County Association of Governments gives 30-days' notice to eligible claimants prior to taking action.

## II. ELIGIBILITY FOR CLAIMS

### A. REVIEW OF ANNUAL TRANSIT CLAIMS

HCAOG is responsible for analyzing the following conditions, which the State has placed on public transit claims:

HCAOG is required to make the following findings before allocating funds to an operator or a transit service claimant. HCAOG must make the findings in the resolution allocating the funds. [CCR §6754 (*Required Findings*)]

(1) HCAOG may allocate funds to an operator or a transit service claimant if it finds all of the following:

(a) The claimant’s proposed expenditures conform to the Regional Transportation Plan.

(b) The level of passenger fares and charges is sufficient to enable the operator or transit service claimant to meet the fare revenue requirements of PUC sections 99268.2, 99268.3, 99268.4, 99268.5, and 99268.9, as they may be applicable to the claimant. (See sidebar.)

(c) The claimant is making full use of federal funds available under the Urban Mass Transportation Act of 1964, as amended.

(d) The sum of the claimant’s allocations from the State Transit Assistance Fund and from the Local Transportation Fund does not exceed the amount the claimant is eligible to receive during the fiscal year. Claims must comply with applicable rules under part III, Eligible Programs, subpart A.

(e) Priority consideration has been given to claims to offset reductions in federal operating assistance and the unanticipated increase in the cost of fuel, to enhance existing public transportation services, and to meet high priority regional, countywide, or area-wide public transportation needs. [CCR §6754(a)]

99268.2	Alternative Revenue Ratios for Older Operators;
99268.3	Revenue Ratios for Older Operators;
99268.4	Revenue Ratios for Newer Non-Urbanized Area Operators;
99268.5	Fare Ratio Requirement for Exclusive Services to Elderly and Handicapped Persons;
99268.9	Non-compliance with Required Revenue Ratios.

(2) HCAOG may allocate funds to an operator for the public transportation system or community transit service (per CCR §6730, PUC §99275 and §99275.5) only if it finds:

(a) The operator has made a reasonable effort to implement the productivity improvements recommended pursuant to PUC §99244. This finding shall specifically refer to the improvements recommended and to the efforts made by the operator to implement them.

Recommended productivity improvements include, but are not limited to, those identified in the performance audits (conducted pursuant to PUC §99246) and HCAOG's adopted 5-year Transit Development Plan. If HCAOG determines that an operator has not made a reasonable effort to implement recommended improvements, HCAOG shall not allocate to the operator, for the next fiscal year, more than its allocation amount for the current fiscal year. [PUC §99244]

Productivity and Performance

HCAOG, as the RTPA, shall consider the recommendations of the Technical Advisory Committee for the various transit programs when approving claims for funds, and the degree to which the operators are implementing prior year audit findings and productivity recommendations.

(b) A certification by the Department of the California Highway Patrol verifying that the operator is in compliance with section 1808.1 of the Vehicle Code, as required in PUC §99251. The certification shall have been completed within the last 13 months, prior to filing claims.

(c) The operator is in compliance with the eligibility requirements of PUC §99314.6 (*State Transit Assistance; Operator's Qualifying Criteria*). [CCR §6754(b)]

(d) For claims filed pursuant to Article 4.5, that the proposed community transit service is responding to a transportation need currently not being met in the community of the claimant and that the service shall be integrated with existing transit services, if appropriate. [PUC §99275.5(c)] A consolidated transportation service agency may file claims under article 4.5 of the Act for its operating costs, to the extent specified in section 6634(a), and for its costs in purchasing vehicles and communications and data processing equipment, to the extent specified in section 6634 (f). Claims may also be filed by a consolidated transportation service agency for state transit assistance funds as specified in section 6731.1.

(3) HCAOG may authorize an operator to exchange funds (per PUC §99314.4(b)) only if it finds that the operator is eligible to receive State Transit Assistance funds. HCAOG must make this finding in the resolution allocating the funds for the area's apportionment (per PUC §99231). [CCR §6754(c)]

(4) HCAOG shall not allocate funds to a claimant not in compliance with PUC sections 99155 (*Reduced Transit Fares*) and 99155.5 (*Dial-A-Ride and Paratransit Services*).

**Table 1. Required Farebox Recovery Ratios for TDA Funds<sup>1</sup>**

Transit Operator	Service Area	Minimum Fare Ratio	Fixed Route	On-Demand Elderly & Disabled Service
A&MRTS	City of Arcata	18.8%	yes	yes
ETS	City of Eureka	22.4%	yes	yes
<b>HTA</b>				
RTS	Trinidad to Scotia	26.4%	yes	no
Willow Creek	Arcata to Willow Ck	10.0%	yes	no
So. Humboldt-Intercity	Eureka to Benbow	10.0%	yes	no
So. Humboldt-Deviated	Miranda to Benbow	10.0%	yes	no
Senior Transit	City of Fortuna	10.0%	no	yes
<b>Third Party Transit Services</b>				
DAR provided by CAE Transport Inc.		10.0%	no	yes
Blue Lake Rancheria	Blue Lake to Arcata	10.0%	yes	no
K-T Net	Willow Creek to Weitchpec and Orleans	10.0%	yes	yes
Adult Day Health Care-Mad River	McKinleyville to Arcata and Eureka	N/A	yes	no
Humboldt Senior Resource Center	Greater Eureka Area and Rio Dell	N/A	Yes	no

<sup>1</sup> Per CCR§6633.2–Fare and Local Support Ratios and CCR§6633.5–Fare Ratio for Service to Elderly and Handicapped Persons.

**Table 2. Redwood Transit Service (RTS) Shared-Cost Assessments<sup>1</sup>**

HTA Member <sup>2</sup>	RTS Mainline	RTS Willow Creek	Arcata Dial-A-Ride/Lift	So. Hum Local	So. Hum Intercity
County of Humboldt	50.00%	100%	60%	100%	100%
City of Eureka	22.61%				
City of Arcata	14.35%		40%		
City of Fortuna	9.93%				
City of Rio Dell	2.80%				
City of Trinidad	0.31%				
<b>Total</b>	100.00%	100%	100%	100%	100%

<sup>1</sup> Adopted by the Humboldt Transit Authority (HTA) Board of Directors on June 20, 2012.

<sup>2</sup> HTA is a Joint Powers Authority (JPA)

### **III. ELIGIBLE PROGRAMS**

#### **A. LOCAL TRANSPORTATION FUND (LTF)**

Table 3, below, shows the order in which LTF moneys are allocated. Following the table, we describe what services and/or equipment is eligible for funding under each priority.

**Table 3. Local Transportation Fund (LTF) Priority Funding Order**

<b>Priority</b>	<b>Article</b>	<b>Section*</b>	<b>Revenue Amount</b>
1st: <b>TDA Administration:</b> – County Auditor – HCAOG	Article 3	99233.1	As necessary
2nd: <b>Planning &amp; Programming</b> – HCAOG	Article 3	99233.2(a)	As necessary
3rd: <b>Pedestrian &amp; Bicycle Facilities</b> – 2% to pedestrian & bicycle	Article 3	99233.3 99233.4	Countywide, ≤ 2% of money remaining after higher priorities
4th: <b>Community Transit Services</b> – consolidated transportation service agencies	Article 4.5; Article 7	99233.7; 6681, 6682	Countywide, ≤ 5% of money remaining after higher priorities
5th: <b>Public Transit</b> <i>Equal priority:</i> – Public transportation systems – Support of public transportation systems – Aid to research & development projects – Claims for separate service to elderly & handicapped	Article 3 Article 4	99233.8 99260(a), 99262 99260(b) 99260.7	≤ Area apportionment
<i>Conditional upon finding of unmet transit needs:</i>			
6th: <b>Article 8 Miscellaneous Allocations</b> <i>Equal priority:</i> – Local streets and roads – Entities contracted to provide public transportation services – Facilities exclusively for bicycles and pedestrians – Multimodal transportation terminal	Article 8	99400, 99402 99400 (c,d,e) 99407 99400.5	≤ Area apportionment

\*PUC sections start with “9”; CCR sections start with “6.”

#### **LTF Allocations by Priority**

HCAOG shall allocate the local transportation funds in the following sequence:

##### **1<sup>st</sup> Priority – TDA Administration (Article 3)**

Allocations go first to the Humboldt County Auditor for expenses incurred in performing auditing and administrative duties assigned to it under the Act. Thereafter, funds go to HCAOG for its expenses in performing its administrative responsibilities under the Act. [PUC §99233.1]



**2<sup>nd</sup> Priority – Planning & Programming** (Article 3)

LTF funds are allocated to HCAOG for conducting the transportation planning and programming process. HCAOG budgets the necessary amount to be allocated for this purpose. [PUC §99233.2]

**3<sup>rd</sup> Priority – Pedestrian and Bicycle Allocations** (Article 3)

Pursuant to Article 3, of the money remaining in the fund after allocations to higher purposes, 2% shall be a set-aside for pedestrian and bicycle allocations. These funds shall be made available to the county and cities for facilities provided for the exclusive use of pedestrians and bicycles, unless HCAOG finds that the money could be used to better advantage for public transportation or for local street and road purposes to develop a balanced transportation system. Claimants are not precluded from claiming funds for pedestrian and bicycle facilities from their respective annual apportionments and they may do so pursuant to the current HCAOG regional bicycle plan, their respectively adopted bicycle plans, or individual needs. [PUC §99233.3]

HCAOG will reserve moneys in the fund for later allocation to claimants for pedestrian and bicycle facilities or bicycle safety education programs pursuant to PUC §99233.3 without designating the claimants to receive allocations from the amount. The entire apportionment of fiscal year 2014-15 shall be held in reserve to initiate the establishment of a reserve target of \$500,000. Each year thereafter, 50% of the 2% set aside will add to the reserve until the target is met. Beginning December 2015, and on an annual basis thereafter, there will be a call for projects for funds not designated as reserve funds. However, at any time, if an urgent regional priority projects comes up, any claimant can request a call for projects for consideration of allocation. Such moneys may be allocated upon approval of the HCAOG Board to claimants on such terms and conditions as HCAOG may determine in accordance with PUC §99234 (*Claims for Pedestrian and Bicycle Facilities*). Whenever HCAOG finds that the amount, or any portion of the amount, so reserved could be used to better advantage for other purposes, that amount shall be added to the apportionments determined in accordance with CCR §6644 (*Report of Apportionments*). [CCR §6655.2] Quarterly status of LTF funds will be provided to HCAOG's Technical Advisory Committee (TAC).

Under this priority, claimants may apply for pedestrian and bicycle allocations that include, but are not limited to:

- Class II Striping – Up to 20 percent of the amount available each year to a city or county for pedestrian and bicycle allocations (PUC §99233.3) may be allocated to re-stripe class II bicycle lanes. [PUC §99234(i)]
- Comprehensive Bicycle and Pedestrian Facilities Plan – A portion of the amount available to a city or county for this purpose (§99233.3 *Pedestrian and Bicycle Allocations*) may be allocated to develop a comprehensive bicycle and pedestrian facilities plan or active transportation plan, with an emphasis on bicycle projects intended to accommodate bicycle commuters rather than recreational bicycle users. An allocation under this subdivision may not be made more than once every five years per jurisdiction. [PUC §99234(h)]
- Non-Motorized Program Match – To fund a jurisdiction's required local match for a non-motorized grant project.

- Operations and Maintenance – For the costs of operating and maintaining regional bicycle and pedestrian facilities.

**4<sup>th</sup> Priority – Allocations for Consolidated Transportation Service Agencies** (Articles 4.5 & 7)

HCAOG may make funds available for claims filed by the CTSA(s). For this purpose HCAOG may allocate up to a maximum of five percent (5%) of the sum of all area's apportionments after subtracting any amounts allocated for rail services pursuant to PUC §99233.4. The amount made available for claims filed by CTSA's shall be subtracted from all area's apportionments in equal proportion after subtracting any amounts allocated for purposes of higher priority. [CCR §6644(d)]

A CTSA may file claims for its operating costs to the extent specified in CCR §6634(a), and for its costs in purchasing vehicles and communications and data processing equipment, to the extent specified in CCR §6634(c) (*Eligibility for Funds*). [CCR §6681] (See CCR §6634 below in section C, "Amounts Eligible to Claim for LTF and STAF.")

A CTSA may provide transportation services itself or contract for services. The contract shall be awarded on the basis of competitive bidding. [CCR §6683]

**5<sup>th</sup> Priority – Allocations for Public Transportation Systems** (Articles 3 & 4)

HCAOG may allocate local transportation funds to operators for claims presented pursuant to Article 4 for the following public transportation purposes:

- Support of public transportation systems provided directly or through contracted services. Public transportation systems is defined by PUC §99211.
- Separate service for elderly or handicapped – Transportation services using vehicles for the exclusive use of elderly or handicapped persons (direct or contracted service). For this purpose claimants may also file a claim for funds made available pursuant to PUC §99313 (*State Transit Assistance; Population Formula Allocations*). [PUC §99260.7, §99262]

50-Percent Expenditure Limitation for Funds Allocated Under Article 4

In a fiscal year, an operator may expend funds received under PUC Article 4 to cover no more than 50 percent of costs for operating, maintenance, and capital and debt service requirements of the system after deducting therefrom any approved federal grants estimated to be received and STA funds estimated to be allocated (pursuant to Section 99314.5, *Eligibility for State Transit Assistance*). [PUC §99268, CCR 6633.1] This 50-percent expenditure limitation was the original "performance" standard prior to the insertion of farebox recovery into law. This regulation was in the original TDA legislation in 1971 while farebox recovery was added 10 years later, post Proposition 13. Proposition 13 in 1978 severely curtailed available transit revenues which included property tax and other sources that are no longer used. Prior to Proposition 13, transit operators would only be eligible for up to 50-percent of TDA and would get the rest from other local sources. PUC 99268.2 allows older operators (those created prior to 1978-79) to receive additional TDA above the 50% limitation if they meet farebox recovery. "Newer" operators created after 1978-79 are only eligible for TDA under farebox recovery. If a transit operator does not want to abide by the farebox recovery rules, and

is considered an older operator (created prior to 1978-79), HCAOG can use the 50-percent limitation under PUC 99268.

Exceptions to the 50-percent expenditure limitation are:

(1) Capital-intensive transit improvements, for which an operator may receive local transportation funds equaling up to 100 percent of its cost. Improvements include, but are not limited to, park-and-ride lots, terminal facilities, bus waiting shelters, exclusive lanes for buses, and acquiring vehicles and rolling stock for replacement purposes. To be eligible for this exception, HCAOG must find that the operator has made every effort to obtain federal funds for such improvements. [CCR §6633.1(b)]

(2) Extension of transit service: An operator may receive local transportation funds equaling up to 100 percent of its operating cost for an extension of its public transportation system that has been operating for less than two fiscal years. An operator is eligible for this exception only if the extension is within the definition of CCR §6619.1 (*Extension of Public Transportation Services*) and the operator/claimant submits a report on the extension of services as outlined in report #5 (in part IV) of these Rules. [CCR §6633.1(c)]

#### **6<sup>th</sup> Priority – Allocations per Article 8**

HCAOG may allocate funds to the county and cities for claims approved pursuant to Article 8 (commencing with PUC §99400). The following purposes are allowed under Article 8, and each has equal priority:

- **Pedestrian and Bicycle Facilities and Programs** – For expenses related to constructing and engineering facilities provided for the exclusive use by pedestrians and bicyclists or for bicycle safety education programs. [PUC §99407, §99234(a,b)] This can include local streets and roads projects that are provided for pedestrians and bicyclists to use. [PUC §99400(a)]
- **Streets and Roads Claims** – For claims under Article 8, claims for streets and roads may include those purposes necessary and convenient to develop, construct, and maintain the city or county's streets and highways network, including planning and contributions to the transportation planning process, acquiring real property, and constructing facilities and buildings. [PUC §99402]
- **Contracted Public Transportation Services** – Payment to any entity that is under contract with a city or the county for public transportation or for transportation services for any group, as HCAOG has determined, that requires special transportation assistance. [PUC §99400(c)] Claims for such services may also be for capital expenditures to acquire vehicles and related equipment, bus shelters, bus benches, and communication equipment for transportation services, notwithstanding any other provision of PUC chapter 4 (*Transportation Development*). [PUC §99400(e)] The city or county shall be considered an operator for these purposes, and subject to PUC sections 99268.3 (*Revenue Ratios for Older Operators*), 99268.4 (*Revenue Ratios for Newer Non-Urbanized Area Operators*), 99268.5 (*Fare Ratio Requirement for Exclusive Services to Elderly and Handicapped Persons*), 99268.9 (*Non-compliance with Required Revenue Ratios*), as the case may be. [PUC §99405(f)]

*Contract Requirements:* If the county or city is being served by an operator, the contract entered into by the county or city shall specify (i) the level of service to be provided, (ii) the operating plan to implement that service, and (iii) how that service is to be coordinated with the public transportation service provided by the operator. [PUC §99400(c)]

*Finding for Contracted Services:* Prior to approving any claim filed per this section (PUC Article 8, §99400(c)) HCAOG shall make a finding that the transportation services contracted for are responding to a transportation need not currently being met within the community or jurisdiction of the claimant, and that, where appropriate, the services are coordinated with the existing transportation service. [PUC §99400(c)]

*City or County Administrative Costs:* HCAOG may pay funds to the county or a city for their administrative and planning cost with respect to contracted transportation services under §99400(c). [PUC §99400(d)]

- Multi-modal Facilities – If there is no countywide transit district, a county may file a claim for constructing and maintaining multi-modal transportation facilities to be located anywhere in the county. [PUC §99400.5]

For any purpose specified in Section 99400 (Article 8), HCAOG’s allocation may in no year exceed 50 percent of the amount required to meet the city’s or county’s total proposed expenditures for that purpose. HCAOG can waive this requirement for major new facilities if they are consistent with the Regional Transportation Plan [PUC §99405(a), (b)]

The 50-percent allocation limitation shall not apply to a city or county for services under contract pursuant to subdivision (c) of Section 99400. The city or county shall be considered an operator for these purposes, and subject to Sections 99268.3, 99268.4, 99268.5, 99268.9<sup>2</sup>, and shall be subject to regional or county wide performance criteria, local match requirements and fare recovery for those services. [PUC §99405(c)] Furthermore, the 50-percent allocation limitation shall not apply to funds to a city or county with a population of less than 5,000, or if allocated for street and road purposes. [PUC §99405(d)]

To the extent necessary to perform its duties under Article 8, HCAOG shall have full access to the books, records, and accounts of the claimant cities and counties. [PUC §99401(c)]

## **B. STATE TRANSPORTATION ASSISTANCE (STA) FUND**

The State Legislature allocates funds to each county based on the same formula: 50% is based on the county’s population compared to the total state population; the other 50% is based on the amount of passenger fares and local support revenues that transit operators collected in the county compared to the amount that transit operators collected statewide. All of Humboldt County’s STA fund allocation is available for the cities, county, and operators, as no money goes to HCAOG or the County Auditor for STAF administration costs.

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<sup>2</sup> See sidebar on page 4 for subsections’ titles.

State Transportation Assistance funds may be used for transportation planning & mass transit only. Table 4 below describes uses eligible for STA funding.

**Table 4. Purposes Eligible for State Transit Assistance (STA) Funds**

Purpose	Legislation
For public transportation purposes, including community transit services.	PUC Article 6.5, §99313.3, CCR Article 6, §6731.1
Payment to an operator under contract for transportation services or for their related administrative cost.	CCR Article 6, §6731(b)
Payments to cities or county (and transit districts) for administrative and planning costs related to transportation services under contract.	PUC Article 8, §99400(d)

The TDA does not prioritize these purposes; however, the HCAOG Board has approved the following prioritization:

**STA Fund Allocations by Priority**

HCAOG shall allocate the state transportation assistance funds in the following sequence:

**1st Priority - \$200,000 Contingency**

A contingency of \$200,000 will remain in the STA fund account to cover shortages in any particular fiscal year. The STA fund allocation is based on an estimate provided by the State Controller. The total allocation received by the end of the fiscal year could be higher or lower than the approved allocations. HCAOG will maintain a reserve of \$200,000 to ensure that all claimants receive their approved allocations. Starting with the FY 2017-18 a total of \$100,000 will be taken off the top. In subsequent years, an amount equal to the contingency shortfall will be the top priority.

**2nd Priority - Consolidated Transportation Service Agency (CTSA) & Supplemental DAR Service.**

STA funds are available to the region and shall be allocated for public transportation purposes, including community transit services.

The CTSA may request STA funds for clearly defined and budgeted STA duties which include the oversight and administration of the Dial-A-Ride contract.

**3rd Priority – Capital Purposes - Vehicle Purchase or Grant Match for Vehicle Purchases.**

Transit capital projects, which are essential to sustain, replace, rehabilitate, or expand the existing bus fleet.

**Criteria for requesting Capital:**

1. Vehicle replacement must be shown as a need on the Master Vehicle Inventory list.
2. Entity must seek additional funds available for all that would apply through federal and/or state grants such as Federal Transit Assistance (FTA) 5310, FTA 5311, 5311(f), Low-Carbon Transit Operations Program (LCTOP) funds, Tribal Transit funds, or other available resources. When submitting the annual allocation request entities shall provide evidence of attempted grant or alternative funding requests.
3. Maximum of \$50,000 can be used for the local match for federal and state programs.

**4th Priority - Equipment:**

Equipment projects, which are essential to sustain, replace, rehabilitate, or expand services, i.e., charging stations, radios, dispatch equipment, bus stop improvements security equipment, website upgrades, licenses etc.

**Criteria for requesting Equipment:**

1. Entity must seek additional funds available through federal and/or state grants such as Federal Transit Assistance (FTA) 5310, FTA 5311, or other available resources. When submitting the allocation request entities shall provide evidence of attempted grant or alternative funding requests.

**5th Priority – Existing Operating:**

An allocation of STA funds may be requested for operational including general maintenance, parts and tires, fuel, facility improvements, security equipment, etc. Operating assistance will be considered a top priority if the entity meets the following criteria.

**Criteria needs for requesting Operational funds:**

1. Operator must qualify under Section 99314.6 of the TDA Guidelines:

*"funds shall not be allocated for operating purposes pursuant to Sections 99313 and 99314 to an operator unless the operator meets either of the following efficiency standards:*

*A) The operator's total operating cost per revenue vehicle hour in the latest year for which audited data are available does not exceed the sum of the preceding year's total operating cost per revenue vehicle hour **and** an amount equal to the product of the percentage change in the Consumer Price Index for the same period multiplied by the preceding year's total operating cost per revenue vehicle hour.*

*B) The operator's average total operating cost per revenue vehicle hour in the latest three years for which audited data are available does not exceed the sum of the average of the total operating cost per revenue vehicle hour in the three years preceding the latest year for which audited data are available and an amount equal to the product of the average percentage change in the Consumer Price Index for the same period multiplied by the average total operating cost per revenue vehicle hour in the same three years.*

STA claims will not be processed without evidence of efficiency standard.

2. The entity does not have a need for bus replacement as shown on the Master Vehicle Inventory list.
3. Entity cannot use that years LTF funds on non-transit purposes. LTF claims must be submitted with or prior to the submittal of the STA claim.
4. Entity must provide evidence that the additional funds available through federal and or state grants such as Federal Transit Assistance (FTA) 5310, FTA 5311, 5311(f), tribal transit funds, or other available resources have been attempted.

**STA requests submitted after the project solicitation deadline will NOT be considered.**

### **C. AMOUNTS ELIGIBLE TO CLAIM FOR LTF AND STA FUND**

Operators are eligible to receive moneys from the LTF and STA fund for amounts that do not exceed (for the fiscal year) [CCR §6634]:

- (1) Operating costs minus the sum of: fare revenues, local support received to meet ratios, federal operating assistance, city or county payments for providing services beyond its boundaries, and, as applicable, the amount of reduced eligibility under §6633.9 (*Non-compliance with Required Revenue Ratio*).
- (2) For capital and debt service purposes: The operator's actual capital requirements and actual debt service requirements minus revenues for such purposes from other sources.
- (3) For transportation services equipment (vehicle and related equipment, bus shelters, bus benches and communication equipment): The actual cost minus the claimant's revenues for such purposes from other sources.
- (4) For service to elderly & handicapped or community transit services: Operating costs and actual expenditures for the purchase of buses or vans, which include equipment, parts, and accessories for the vehicles and for capitalized administrative and planning costs directly related to the purchase of the vehicles. For LTF allocations for purchasing buses or vans for these purposes, claimants can receive no more than the amount of actual expenditures for the purchase of buses or vans. [PUC §99260.7, §99275].
- (5) For a CTSA: Operating costs, and actual expenditures for the purchase of communications and data processing equipment essential to providing, consolidating, and coordinating social service transportation.

## **IV. TDA REQUIRED REPORTS**

This section describes the reports that the TDA requires of HCAOG, the County Auditor, and TDA claimants. The reports are listed in the order of their deadlines within the fiscal year beginning July 1. If a deadline date falls on a weekend, the deadline shall be the next business day. Unless otherwise stated, the reports are required annually.

Deadline*	TDA Required Report
July 1 Triennially	Performance Audits of Transportation Planning Entities and Operators (#1)
RESPONSIBILITY: HCAOG	<p>Triennially on July 1, HCAOG shall submit the performance audit of its activities to Caltrans, and shall certify in writing that the triennial performance audit of operators to whom it allocates funds has been completed.</p> <p>HCAOG is responsible for scheduling and for the conduct of the triennial performance audits. HCAOG is responsible for contracting with a suitable auditing firm which will be held to the performance auditing requirements of the Act. The performance audits prepared pursuant to this section shall be made available to the public. [Ref. PUC sections 99246, 99247, 99248, 99249 and CCR sections 6662.5, 6663, 6664.5]</p> <p>1. Performance Audits of HCAOG HCAOG shall designate an independent entity to make a performance audit of its activities carried out with respect to the Act, pursuant to PUC §99246. [CCR §6662.5(a)]</p> <p>If HCAOG fails to transmit a performance audit report of its activities within one year after the date on which the report was due, it shall not be eligible to receive funds allocated for administration or planning until the audit report is transmitted or unless prior approval is granted by the Caltrans Director. [CCR §6662.5(b)]</p> <p>2. Performance Audits of Operators A triennial performance audit shall be conducted for each operator that has operated its public transportation system for one year or longer. [CCR §6664.5(a)]</p> <p>No operator is eligible to receive an allocation under PUC Chapter 4 (a.k.a. the Mills-Alquist-Deddeh Act) for any fiscal year until reports of its performance audit are transmitted to the State Controller. The audit must cover the three-year period ending one year prior to July 1 of the fiscal year of the proposed allocation. HCAOG shall transmit such reports to the State Controller and shall make them available to interested parties. [CCR §6663(a), PUC §99248]</p>
July-Sept (Q1)	Solicitation for STA fund “Program of Projects” (#2)
RESPONSIBILITY: HCAOG	<p>HCAOG shall annually solicit State Transit Assistance (STA) fund projects from eligible claimants for a Program of Projects pursuant to STA fund estimates provided by the State Controller’s Office. The solicitation shall take place during the first quarter of each fiscal year, or at such time as STA fund estimates and State budget actions occur.</p>

\*If a deadline date falls on a weekend, the deadline shall be the next business day.



DEADLINE: <b>August 1</b>	<b>Revised State Transit Assistance (STA) Estimates</b>	(#3)
RESPONSIBILITY: <b>State Controller</b>	<p>Not later than each August 1, the State Controller shall send an estimate of the amount of STA funds to be allocated to HCAOG during the fiscal year.</p> <p>The State Controller’s estimate is based on the amount appropriated in the Budget Act for purposes of STA population formula allocations and revenue formula allocations (PUC §99313, 99314). [PUC §99312.7(b)]</p>	
<b>August 15</b>	<b>Unmet Transit Needs Report of Findings</b>	(#4)
RESPONSIBILITY: <b>HCAOG</b>	<p>HCAOG shall submit to Caltrans the annual Report of Findings on the unmet transit needs within the RTPA jurisdiction either by August 15 of the fiscal year of the allocation, or within 10 days after HCAOG adopts the finding, whichever is later. [PUC §99401.6]</p> <p>1. Annual Unmet Transit Needs Process</p> <p>HCAOG shall coordinate and support the Social Services Transportation Advisory Council (SSTAC) to undertake a public participation process. The primary goal of the process is to identify the public transportation needs of the transit dependent, especially the elderly, handicapped and poor, and the public transportation needs for coastal zones and other environmentally sensitive areas. The public process will solicit comments on unmet transit needs that may exist within the jurisdiction and that might be reasonable to meet by establishing new public transportation or specialized transportation services, or by expanding existing services. [PUC §99401.5]</p> <p>HCAOG will advise prospective claimants of the beginning of the unmet transit needs process, and will encourage member entities to conduct individual public hearings on unmet transit needs for their respective jurisdictions. HCAOG will also hold the hearing required by this section of the Act.</p> <p>2. HCAOG’s Adopted Definitions</p> <p>For the purposes of this section, HCAOG has adopted definitions for the RTPA jurisdiction. See Appendix B for HCAOG’s definitions of “unmet transit needs” and what constitutes an unmet transit need that is “reasonable to meet.”</p> <p>3. Findings Regarding Unmet Transit Needs</p> <p>HCAOG shall adopt one of the following findings for the RTPA jurisdiction:</p> <p>(1) That there are no unmet transit needs;</p> <p>(2) That there are no unmet transit needs that are reasonable to meet; or</p> <p>(3) That there are unmet transit needs, including needs that are reasonable to meet. [PUC §99401.5(d)]</p> <p>If the transportation planning agency adopts a finding that there are unmet transit needs, including needs that are reasonable to meet, then the unmet transit needs shall</p>	

	<p>be funded before any allocation is made for streets and roads within the jurisdiction. [PUC §99401.5(e)]</p> <p>4. Review of Unmet Transit Needs Finding Any action to review, set aside, void, or annul HCAOG’s decision on the Unmet Transit Needs Finding (made pursuant to Section 99401.5) shall be filed within 30 days after the agency makes its decision, or after the Secretary has reviewed the decision pursuant to Section 99242, whichever is later. However, the action need not be filed until September 15 if the action is with respect to a decision made prior to August 15 for the fiscal year, which commenced on the July 1 immediately preceding such August 15. [PUC §99408]</p>
<p>September 1</p>	<p>Schedule of Performance Audits (#5)</p>
<p>RESPONSIBILITY: HCAOG</p>	<p>Prior to September 1 of each fiscal year, HCAOG shall provide to Caltrans and the State Controller:</p> <p>(1) A schedule of performance audit reports to be submitted during that fiscal year. (2) A list of all entities in the jurisdiction that are subject to triennial performance audits pursuant to PUC §99246 (<i>Performance Audits of Planning Entities and Operators</i>). [CCR §6664.5]</p>
<p>September 30</p>	<p>Reports of Extension of Services (#6)</p>
<p>RESPONSIBILITY: Operators, Transit Claimants</p>	<p>If a claimant wants HCAOG to exclude an extension of service when determining the claimant’s revenue qualification, the claimant must submit a report on the extension of services to HCAOG by September 30. The following conditions must be met:</p> <p>1. Two-Year Limit on Extension-of-Services Exclusion The extension of services must have been in operation for less than two full fiscal years. The two-year extension of services exclusion applies until two years after the end of the fiscal year in which the extension of services was put into operation. [CCR §6633.8 (a)]</p> <p>2. Report Requirements The claimant’s report shall include, but not be limited to, the following: (1) Description of the area served and the routes included. (2) The amount of fare revenues generated by the extension and the method used to derive that amount. (3) The amount of the operating cost for the extension and the method used to allocate costs between the extension of services and the claimant’s other services. [CCR §6633.8 (b)]</p> <p>In determining a claimant’s compliance with the fare and local support ratios in CCR §6633.2 (<i>Fare and Local Support Ratios</i>), CCR §6633.5 (<i>Fare Ratio for Service to Elderly and Handicapped Persons</i>) and CCR §6633.9 (<i>Non-compliance with Required Revenue Ratio</i>), the fare revenues and operating cost attributable to an</p>

	<p>extension of public transportation services (defined in CCR §6619.1), shall be excluded if all of the above conditions are met. [CCR §6633.8]</p> <p>3. HCAOG’s Transmittal to the Department  HCAOG shall transmit to the Department of Transportation an operator’s or claimant’s request for waivers of budget requirements under PUC §99268.1 (<i>Fare Ratio Requirement for Exclusive Services to Elderly and Handicapped Persons</i>) and PUC §99268.5 (<i>Expenditure Limitation Applied to Older Operators</i>). The transmittal shall include:</p> <ol style="list-style-type: none"> <li>1) Operator’s justifications.</li> <li>2) HCAOG verification that operator meets requirements of the Exemption for Extension of Services (PUC §99268.8).</li> </ol>
September 30	Annual Financial Transaction Report (#7)
RESPONSIBILITY: HCAOG	<p>By September 30, HCAOG shall submit to the State Controller an annual financial transactions report for the local transportation and state transit assistance funds, including:</p> <ol style="list-style-type: none"> <li>a) Apportionment to each area.</li> <li>b) Final allocations and purposes as identified by claimant.</li> <li>c) The beginning fund balances, amounts and sources of revenues, payments made by recipient and allocation purpose, and the ending fund balances. The balances shall include reserves and their purposes, and any unallocated apportionments.</li> <li>d) A summary of any problems and solutions posed by the administration of the Act or the Rules and Regulations. [CCR §6660]</li> </ol>
September 30	Report of Operations (#8)
RESPONSIBILITY: Operators, Transit Claimants	<p>By September 30, each operator and transit service claimant shall submit its annual report of operations to the State Controller and HCAOG. The report of operations shall be prepared independently by the claimant solely for the respective jurisdictional area, or regionally under HCAOG. The reports must be in accordance with the uniform system of accounts and records adopted by the State Controller pursuant to PUC §99243. [CCR §6637(a)]</p> <p>The report of operations shall include for preceding the fiscal year:</p> <ol style="list-style-type: none"> <li>(a) statement of revenue from each source and expense (actual vs. budgeted);</li> <li>(b) balance sheet; and</li> <li>(c) analysis of changes in retained earnings.</li> <li>(d) projected revenues from each source and its proposed application for the next fiscal year. [CCR §6637(c)]</li> </ol> <p>The report shall specify the data necessary to determine whether the operator or transit service claimant is in compliance with PUC sections:</p>

	<p>99268.1 (<i>Expenditure Limitation Applied to Older Operators</i>),            99268.2 (<i>Alternative Revenues for Older Operators</i>),            99268.3 (<i>Revenue Ratios for Operators</i>),            99268.4 (<i>Alternative Revenues for New Non-Urbanized Area Operators</i>),            99268.5 (<i>Fare Ratio Requirement for Exclusive Service for Elderly &amp; Handicapped</i>),            and 99268.9 (<i>Non-compliance with Required Revenue Ratios</i>). [CCR §6637(a)]</p>
<p>September 30</p>	<p>Non-Transit Expenditure Reports (#9)</p>
<p>RESPONSIBILITY:            Non-transit            Claimants</p>	<p>1. Reports for Non-Transit Expenditures            By September 30, non-transit claimants shall report to HCAOG and the State Controller expenditures of monies received for:</p> <p>(a) streets/roads and highway purposes under PUC §99400(a), pursuant to PUC §99406. The report shall be prepared pursuant to Chapter 4 (commencing with Section 2150) of Division 3 of the Street and Highways Code; and,            pursuant to Section 12463 of the Government Code:            (b) pedestrian and bicycle allocations under PUC §99233.3; and            (c) multi-modal transportation terminals under PUC §99400.5. [CCR §6665, PUC §99406]</p> <p>2. Annual Audits            By October 1, non-transit claimants shall submit to HCAOG and the State Controller annual audits for claims for pedestrian and bicycle facilities (pursuant to PUC §99233.3), and multi-modal transportation terminals (pursuant to PUC §99400.5), as applicable. Audit reports may be turned in later if HCAOG has extended the deadline (up to 12 months). [CCR §6665]</p> <p>The report shall be sufficient to verify to HCAOG that the allocated funds were used in compliance with the legal requirements of the Act and in conformance with the allocation instructions.</p>
<p>September 30</p>	<p>Quarterly Status of Funds (Q1) (#10)</p>
<p>RESPONSIBILITY:            County Auditor</p>	<p>At quarterly intervals, the County Auditor shall report the status of the local transportation fund to HCAOG and the Department of Transportation.</p> <p>Quarterly reports must include, but are not limited to, the following information: the beginning fund balance, the amount and source of funds received, the amount of payments made and to whom, and the ending fund balance. The quarterly report shall also identify the amount and purposes of any funds held in reserve.</p> <p>The County Auditor shall maintain accounting records of the fund in accordance with the State Controller’s “Manual of Accounting Standards and Procedures for Counties.” [CCR §6622]</p>

October 7	Delinquency Notification for Report of Operations
RESPONSIBILITY: HCAOG	<p>By October 7, or the closest business day thereafter, HCAOG shall send out a reminder to any transit operator, transit claimant or non-transit claimant that has not submitted to HCAOG a copy of the Report of Operations (#8) or Non-Transit Expenditure Reports (#9), due September 30.</p>
December 30	Fiscal & Compliance Audits of State Transit Assistance Fund and Local Transportation Fund (#11)
RESPONSIBILITY: HCAOG	<p>By December 30 of each year, HCAOG shall submit to the State Controller a report of a fiscal and compliance audit of the financial statements of its state transit assistance fund and of the county local transportation fund. The audits may be conducted by the same auditor and may be submitted together in one audit report to the State Controller and to HCAOG. [CCR §6661, §6751]</p> <p>The financial statements shall be prepared by the county auditor in accordance with generally accepted accounting principles and shall follow the instructions set forth in CCR §6661 and §6751of the Act. (See Appendix G.)</p> <p>The State Controller shall not authorize the payment of any allocation to a regional entity that is delinquent in submitting a fiscal audit report. [CCR §6751]</p>
December 30	Certified Fiscal & Compliance Audits (#12)
RESPONSIBILITY: All Claimants	<p>By December 30, all claimants shall submit a report of fiscal and compliance audit made by an independent auditor. The auditor shall perform the tasks specified in CCR §6666 (<i>Audit Tasks for Non-Transit Claims</i>) or CCR§ 6667 (<i>Audit Tasks for Transit Claims</i>), as applicable. HCAOG will select the auditing firm and the conduct of the cycle. HCAOG will inform claimants of all audit findings.</p> <p>HCAOG is responsible for ensuring that annual fiscal and compliance audits are performed on both transit and non-transit claimants, and may extend the deadline up to 90 days. HCAOG shall not allocate monies to any claimant that is delinquent in submitting its fiscal and compliance audit report. [PUC §99245, CCR §6663, §6664 and §6751]</p> <p>Audit Findings: All claimants shall be responsible for ensuring that audit finding reconciliations are addressed as delivered from annual fiscal and compliance reports, and triennial performance audit reports. A summary explaining how the claimant has addressed audit findings shall be required with all claims (see #16 “Annual LTF &amp; STAF Claims.”</p>
December 30	Quarterly Status of Funds(Q2) (#10)
RESPONSIBILITY:	

County Auditor	See report #10 under September 30.
January 31	Preliminary State Transit Assistance Estimate (#13)
RESPONSIBILITY: State Controller	<p>By January 31 of each year, the State Controller shall send HCAOG an estimate of the amount of STA funds to be allocated to it during the next fiscal year pursuant to the STA population formula allocation (PUC §99313) and revenue formula allocation (§99314). [PUC §99312.7]</p>
February 1	Local Transportation Fund Estimate (#14)
RESPONSIBILITY: County Auditor	<p>By February 1 of each year, the County Auditor shall furnish to HCAOG an estimate of local transportation fund moneys to be available for apportionment and allocation during the ensuing fiscal year.</p> <p>The County Auditor shall estimate from such data as he/she may have, including data furnished by the State Board of Equalization. The County Auditor shall furnish a revised estimate during the year if HCAOG so requests. [CCR §6620]</p>
March 1	Findings & Notice of LTF Apportionments (#15)
RESPONSIBILITY: HCAOG	<p>By March 1, the HCAOG Board of Directors shall adopt the Findings of Apportionment for the coming fiscal year and HCAOG staff shall notify prospective claimants of anticipated revenues and their anticipated LTF apportionment. [CCR §6644(a)] HCAOG will also transmit forms for annual claim applications.</p> <p>A claimant’s apportionment for any fiscal year, once determined by HCAOG, shall remain in reserve for the claimant.</p> <p>The term “apportionment” refers to the proportion of anticipated annual revenue in the fund that the area’s population bears in relation to the total population countywide.</p> <p>The term “area” means:</p> <ul style="list-style-type: none"> <li>• With reference to a county government: the unincorporated area of the county.</li> <li>• With reference to a city government: the corporate area of the city.</li> <li>• Where a county or city provides public transportation services beyond its boundaries, for purposes of apportionment, its area shall also include:             <ul style="list-style-type: none"> <li>(a) all of that area within one-half mile of any route which extends beyond its boundaries; and</li> <li>(b) all of the corporate area of a city to which it provides such services pursuant to contract or prior express authority of the Secretary. [PUC §99231]</li> </ul> </li> </ul> <p>Population Estimates: It is HCAOG’s policy to utilize the State Department of Finance’s population</p>



	<p>estimates (Report E-1, published annually in May) to calculate apportionment percentages. HCAOG may also rely on population estimates used by the State Controller for distributing money to cities and to counties (per Section 2107 of the Streets and Highways Code, and Section 11005 of the Revenue and Taxation Code, respectively). HCAOG may contract with the Department of Finance or other appropriate agency(ies) for annual population estimates as may be necessary. [PUC §99231, CCR §6620]</p>
<p>March 31</p>	<p>Quarterly Status of Funds (Q3) (#10)</p>
<p>RESPONSIBILITY: County Auditor</p>	<p>See report #10 under September 30.</p>
<p>April 1</p>	<p>Annual LTF &amp; STAF Claims (#16)</p>
<p>RESPONSIBILITY: All Claimants</p>	<p>By April 1 of each year, or at such time as preliminary budgeting information is available, the claimant shall file an annual claim with HCAOG. (For amending claims, see 7 below.)</p> <p>1. Review of Claims Prior to June 30, HCAOG shall complete the review of all annual claims that were submitted by April 1 of the same year. HCAOG shall allocate funds only in accordance with a finding that the proposed expenditures conform to the adopted Regional Transportation Plan (CCR §6651).</p> <p>HCAOG shall transmit to the claimant a copy of the approved annual claim together with a certified copy of HCAOG’s authorizing action.</p> <p>2. Maximum Claim The amount of a claim must be based on the Finding of Apportionment provided by HCAOG for the fiscal year and cannot exceed an area’s apportionment, except in the following two instances: (1) Joint projects agreed upon by two or more claimants where an executed contract exists for the identified project; or (2) The claim for funds exceeds the annual estimate because it includes funds reserved and/or allocated in previous years.</p> <p>All operators and city or county governments with responsibility for providing municipal services to a given area collectively may file claims for only such monies as represents that area’s apportionment.</p> <p>3. Claims for Transportation Planning Process A claimant may request that HCAOG allocate funds to a designated governmental agency that will implement the annual work program of the transportation planning process. HCAOG may authorize the county auditor to pay funds from the claimant’s allocation directly to such governmental agency. [CCR §6646]</p>

4. Carryover of Apportionment for Future Capital Projects

A claimant may request that HCAOG designate all or a portion of its apportionment for future capital projects on the respective annual claim. Such funds shall be reserved for the claimant in the local transportation fund. An operator may, as part of its claim, propose that HCAOG commit to allocate moneys annually for up to five years for installments on a long-term capital outlay. A commitment is neither an allocation nor a pledge of secure anticipated allocations, and an operator shall not execute any document that purports to evidence such an encumbrance. However, a commitment approved by HCAOG may thereafter be cited as available local matching moneys when applying for federal transportation grants. [CCR §6631, *Proposed Commitment*]

5. Consolidated Transportation Services Agency Is the Claimant

The CTSA is the claimant for funds and shall meet all requirements as a single claimant. The CTSA is responsible for (including, but not limited to) the following: filing claims; maintaining complete and accurate records in accordance with the uniform system of accounts and records; complying with fare revenue requirements; and submitting fiscal and compliance audit reports. The CTSA's responsibilities as a claimant may not be delegated or assigned to its contract services providers. [CCR §6681]

6. Claim Requirements for Transit and Non-Transit Claims

All claimants shall complete and submit an "Annual Claim for TDA Funds," which shall consist of the information outlined below.

- Transit and Non-Transit Claims: Claimants shall submit items (a) through (f) as part of the claim.
- Transit Claims: An operator or transit service claimant shall submit items (a) through (m) to file a claim.

**ALL claims must include items (a) through (f), inclusive.**

HCAOG forms for parts (a), (b), (c), (e), and (f) are provided in Appendix C (revised October 2016) and on-line at [www.hcaog.net](http://www.hcaog.net). *Claimants are responsible for making sure they submit the most current forms.*

- a) Checklist
- b) Claim Request form.
- c) Annual Project and Financial Plan form.

This form serves as the project budget or proposed budget for the fiscal year of the claim. For transit claims, form shall identify the amount claimed for transit system operations, capital projects by item, and any funds to be reserved in the local transportation fund for future use. For non-transit claims, this form shall identify the amount claimed for non-transit projects [CCR §6632(a)]



- d) Statement of Conformance form. Claimants shall certify, as applicable:
- Conformance with transit operator eligibility for State Transit Assistance funds.
  - Conformance with Article 8 of the TDA for non-transit claims (i.e. for construction of streets and roads (PUC §99402), and for facilities for the exclusive use of pedestrians and bicycles (PUC §99407)).
- e) Claimants who want to designate funds for a future, specific capital project must request it as part of a claim. The claim must indicate any reserved monies in the subsequent annual claim(s). Before expending these funds for any other purpose, the claimant must identify its proposed changes in an amended claim or subsequent annual claim. [CCR §6648]
- f) Claimants who are allocated STA funds must submit supporting documentation not limited to invoices, reporting, or budget information for reimbursement. In addition, prior to the release of funds, claimants are required to submit a complete and accurate record of previously allocated STA expenditures, back to the 2009/2010 fiscal year. The record must include a status summary of prior unspent STA funds from this time frame. In addition, claimants who have previously designated excess TDA funds as future capital purchase funds must submit a summary report of their capital purchase accounts. [CCR §6637] (Beginning FY 2015-16)

**Only transit claims must include items (f), (g), (h), (i), (j), (k), (l), and (m), :**

- (g) To receive an allocation of funds for service outside the claimant's area, a claimant must provide, or have on file with HCAOG, an executed contract pursuant to PUC sections:
- §99231(f) ...*Apportionment: Where a transit district, a county, or city provides public transportation services beyond its boundaries*);
  - §99260.2 ....*Claims for Peak-Hour Service*;
  - §99260.7 ....*Claims for Separate Service to Elderly and Handicapped Persons by Joint Powers Agency Members*;
  - §99277 .....*Service Contracts*;
  - §99288 .....*Extended Service by Contract or Authorization*);
  - §99400(c)... *Claims Purposes: Payment to entities under contract*; or
  - §99400.5 ....*Multi-modal Transportation Terminals*.
- HCAOG may evaluate and process a claim in the absence of such a contract, but shall not authorize payment. [CCR §6630]
- (h) If applicable, a statement identifying and substantiating the reason or need for:
- (1) increasing the operating budget in excess of 15 percent above the preceding year;
  - (2) a substantial increase or decrease in scope of operations; or
  - (3) capital provisions for major new fixed facilities. [CCR§6632(b)]
- (i) A certification by the Department of the California Highway Patrol verifying that the operator is in compliance with Section 1808.1 of the Vehicle Code, as required in PUC §99251. The certification shall have been completed within the last 13 months, prior to filing claims. [CCR§ 6632(c)]

- (j) A financial statement of actual and projected revenues and expenditures for the prior fiscal year. The statement shall specifically identify the estimated amount of the claimant’s maximum eligibility for moneys from the local transportation fund and the state transit assistance fund, as defined in CCR §6634 (*Eligibility of Funds*). [CCR§ 6632(c)]
- (k) An explanation of how the claimant has addressed applicable audit findings from annual fiscal and compliance reports, and triennial performance audit reports. The report shall cover findings from the most current audits, and any outstanding findings not yet reconciled from earlier audits.
- (l) An explanation that summarizes how the claimant has addressed applicable audit findings from triennial performance audit reports.
- (m) Claim certifies that it is making full use of federal funds available under the Federal Transit Act [CCR6754] (STA claims only)
- (n) Claimant certifies that all purposes for claim expenditures are in conformance with the City/Town or Regional Bicycle Plan. (Bike and Ped claims only)

7. Amended Claim

The claimant shall spend monies received from the fund only in accordance with the terms of the allocation instruction and approved annual financial plan. If the claimant must revise its claim, the claimant shall submit an amended claim requesting HCAOG to consider a revised allocation instruction and financial plan. For amendments that do not change the dollar allocation, claimants may amend their claim informally by noting the change on the claim, providing it to HCAOG for concurrence, and forwarding it to the Auditor Office for processing.

A claimant may submit an amended claim to HCAOG at any time throughout the fiscal year.

8. Review of an Approved Claim

HCAOG or the claimant may at any time during the fiscal year call for a review of an approved annual claim to reconsider the claim based on revised estimates of the fund or upon a finding. In determining or re-determining the approved claim, HCAOG shall have full access to the claimant’s records and accounts. [CCR §6659]

June 30 Allocation Instructions (#17)

RESPONSIBILITY:  
HCAOG

1. LTF Allocation Instructions

On or before June 30, HCAOG shall convey allocation instructions to the County Auditor for each applicant having submitted the claims local transportation fund for the ensuing fiscal year. HCAOG shall transmit a copy of the instructions to each claimant. The instructions shall be a written memorandum of the Executive Director accompanied by a certified copy of the resolution or minute action authorizing the claim action. The instructions shall contain:

- a) The date of the instruction and the fiscal year for which the allocation is made.

- b) Article and Section of the Act for the allocation.
- c) Amount of payment and any terms and/or conditions of the allocation.
- d) Time and method of payment to be no less than quarterly or as monies become available, unless HCAOG directs otherwise.

For all claims submitted after June 30<sup>th</sup>, instructions will be processed within the next 30 days. These instructions shall constitute all necessary approval required by the Act for the County Auditor to issue payments on the claim. [CCR §6659]

## 2. STAF Allocation Instructions

On or before June 30, HCAOG shall convey an allocation instruction for STA funds for each operator or city, or county that has filed an annual claim for an allocation from the STA fund, pursuant to Sections 6730 (*Claims of Operators*) and 6731(*Claims of Cities, Counties or Transit Districts*). HCAOG may, with the claimant's consent, delay conveying an allocation instruction until after the beginning of the fiscal year. For all claims submitted after June 30<sup>th</sup>, instructions will be processed within the next 30 days. HCAOG shall convey at least one allocation instruction annually. [CCR §6753]

All STA claim forms must be submitted to HCAOG before the end of the fiscal year (June 30th). All invoices requesting the reimbursement of STA funds must be submitted by September 30th of the following fiscal year. Any funds unclaimed, either through not submitting a claim form or not submitting invoicing for reimbursement, will be reallocated during the next STA cycle. [CCR §6753]

## 3. Revised Allocation Instructions

HCAOG shall make revisions to these allocation instructions only under one of the following conditions:

- a) Claimant has filed a revised claim or an appeal affecting the allocation. [CCR §6756]
- b) The claimant is found to be spending, or unless enjoined is about to spend, monies otherwise than in accordance with the terms of the allocation instruction.
- c) An adjustment is necessary to reconcile the estimate on which the allocation was based, including revised apportionments.
- d) The financial needs of the claimant have changed since the time of the allocation.
- e) Supporting documentation is inconsistent with the allocation request.

## 4. Unused Allocations

- a) Claimants who have been allocated Section 99313 STA funds must submit a claim form before June 30th of that fiscal year . All unclaimed funds will be reallocated in the following year's solicitation.

TDA Rules: HCAOG Rules & Regulations for Administering the Transportation Development Act

County Auditor	See report #10 under September 30.
June 30	Fiscal Audit of Transportation Planning and Programming Entities (#18)
RESPONSIBILITY: HCAOG	Annually and within 12 months of the end of the fiscal year, HCAOG shall transmit to the State Controller a report of an audit of its accounts and records by the appropriate county auditor, a certified public accountant, or a public accountant pursuant to Sections 6505 and 26909 of the Government Code. The fiscal audit shall conform to the directions set forth in CCR §6662 of the Act. [CCR §6662] (See Appendix D.)

## **V. RESPONSIBILITIES OF THE COUNTY AUDITOR**

### **A. PAYMENT BY COUNTY AUDITOR**

The County Auditor shall make payments from the fund balance solely in accordance with approved allocation instructions received from HCAOG. The County Auditor shall exercise no discretion in this regard, and in the event of uncertainty, shall immediately refer the matter to HCAOG for resolution. If the auditor is unable to resolve the matter with HCAOG, he may refer the matter to the Secretary for an advisory opinion. [CCR §6621]

### **B. FUND INTEREST, INCOME AND INVESTMENTS**

The County Auditor as fund trustee shall arrange with the County Treasurer to invest monies in the Humboldt County's local transportation fund at the highest rate of return consistent with prudent fund management and the needs for disbursing funds in accordance with HCAOG's instructions. Any interest or other income that the local transportation fund earns by investment or otherwise shall accrue to and be a part of the fund. Interest earned will be reported to HCAOG consistent with quarterly report requirements (see section IV, "Quarterly Status of Funds" (report #8 of these rules). Interest earned shall be apportioned to entities with a positive balance in proportion to each entity's percentage of the total balance in the fund. [CCR §6623]

## **VI. APPEAL**

In the event that a claimant is not satisfied with an approved claim or other action taken by HCAOG in its capacity as the RTPA, the claimant may appeal to the Secretary who shall investigate and evaluate the disagreement between the claimant and the RTPA. The Secretary shall notify the involved parties of his/her findings, which shall be a final settlement of the issue. [PUC §99242]

### **A. APPELLANT'S RESPONSIBILITIES**

A claimant is an eligible appellant under this section whether it has filed a claim or not. [CCR §6670]

1. In the event that a claimant is dissatisfied with its allocation or any other HCAOG decision, the claimant may within sixty days thereafter file an appeal with the Secretary.
2. The appeal shall be in the form of a registered letter addressed to the Secretary with a registered copy to HCAOG. The appeal may be for an amount over and above the allocation but no more than the claimant's allocation as prescribed by Sections 99231 and 99231.2 of the Act. At the time of filing an appeal, the appellant may request, or the Secretary may set by his/her own motion, a public hearing before the Secretary or his/her designated alternate to hear additional evidence concerning the appeal.
3. The appeal shall be accompanied by the disputed claim or claims and accompanying information and data as required by HCAOG, and any other supporting information submitted with the claim or subsequently to HCAOG for its consideration.

## **B. HCAOG'S RESPONSIBILITIES**

Upon receipt of a notice of appeal by a claimant, HCAOG shall immediately transmit to the Secretary:

1. HCAOG rules and regulations in effect at the time of the appeal.
2. Staff reports and other data relating to the disputed action. HCAOG may request a public hearing in front of the Secretary or his/her designate to hear additional evidence concerning the appeal. [CCR §6656]

## **VII. RELATIONSHIPS BETWEEN OPERATORS**

### **A. ADDITION, EXTENSION OR RELINQUISHMENT OF ROUTES**

Operators in overlapping service areas shall provide 60 days written notice of affected governing bodies of service level changes in the overlapping areas of service, including, but not limited to, extending routes, or adding or eliminating stops.

The notice period shall be sufficient to allow the affected parties to review and comment on such proposed service level changes in order to examine impacts and/or alternative means of meeting those needs targeted by the service changes.

Extending service or adding routes may occur in service areas that do not overlap, provided that establishing such service does not compete with or divert patronage from existing services. [PUC §99280, §99281]

### **B. COORDINATION OF SERVICES**

All operators shall be encouraged to establish maximum coordination of public transportation services, fares, transfer privileges, and other related matters for the overall improvement of public transportation service to the general public within affected overlapping or contiguous service areas. [PUC §99282]

### **C. TRANSFERS BETWEEN OPERATORS**

Transfers between public transit operators must be provided for all operators in overlapping and/or contiguous service areas. [PUC §99282.5]

### **D. VIOLATIONS**

If a transit operator violates provisions referring to overlapping and contiguous service levels, HCAOG shall withhold the violator's public transportation claim until the violations have ceased. [PUC §99284]

## **E. SERVICES BY CONTRACT**

Any city or county may enter into a contract with any operator for that operator's provision of public transit within the city or county, in which case the contracted operator may claim funds for those services, as approved by the city or county. Such a claim may include amounts for reimbursement to the city or county for administration, review, and monitoring of the contract, not to exceed five percent (5%) of the amount of the contract for those services provided to the city or county. [PUC §99231.2, §99288]

## APPENDICES

### APPENDIX A. DEFINITIONS FOR TDA RULES AND REGULATIONS

For the purposes of HCAOG's TDA Rules, the following definitions apply.

**Act** – Transportation Development Act

**CCR** – California Code of Regulations

**Claimant** or any derivative term such as “applicant,” means any operator, city, county or consolidated transportation service agency within the boundaries of the Humboldt County Association of Governments. [PUC §99203]

**Community Transit Services**, for purposes of Article 4.5, means transportation services which link intracommunity origins and destinations. [PUC §99275(b)]

**Consolidated Transportation Service Agency (CTSA)** – As designated by the RTPA, Humboldt's CTSA is the Humboldt Transit Authority, or another agency so designated in the future. [PUC §99204.5]

**Construction** shall be defined in the same manner as set forth in Section IV, Part 2, State of California Accounting Standards and Procedures for Counties - State Controller's Office, and shall include those purposes necessary and convenient to the development, construction, and maintenance of the City or County's street and highway network. [PUC §99402]

**Department** – The California Department of Transportation (Caltrans).

**Director** – Director of the California Department of Transportation.

**Extension of Public Transportation Services** – The term, used in PUC §99268.8, applies collectively to any services that are eligible for

funding from the Local Transportation Fund and the State Transit Assistance fund, including services provided by a new operator or transit service claimant, according to “services” as defined in subsections a, b, and c of Section 6619.1 [CCR §6619.1]

**Fiscal year** – The year commencing July 1 and ending June 30 of the following year, unless otherwise authorized by the HCAOG.

**Local transportation fund** means the fund established by a county under Article 11 (commencing with Section 29530) of Chapter 2 of Division 3 of Title 3 of the Government Code. [CCR §6617.1]

**Municipal operator** means 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. [PUC §99209]

**Operates** (Operation) means that the operator owns or leases the equipment, establishes routes and frequency of service, regulates and collects fares and otherwise controls the efficiency and quality of the operation of the system, but does not require that operators of rolling stock be employees of a public agency. [PUC §99209.5]

**Operator** means any municipal operator, included municipal operator or transit development board. [PUC §99210]

**Passenger miles** refers to the total number of miles traveled by transit passengers; for example, a bus that carries five passengers for a



distance of three miles has provided 15 passenger miles.

**Public Transportation System** means any system of an operator which provides transportation services to the general public by any vehicle which operates on land or water, regardless of whether operated separate from or in conjunction with other vehicles. [PUC §99211]

**PUC** – Public Utilities Code

**Regional Transportation Plan (RTP)** shall mean HCAOG's currently adopted transportation plan. [CCR §6615]

**Regional Transportation Planning Agency (RTPA)** refers to the Humboldt County Association of Governments (HCAOG) for the area within its boundaries. [PUC §99214]

**Secretary** – the Secretary of the Business, Transportation and Housing Agency.

**State Transportation Assistance (STA) fund** means funds from the State Transit Assistance Program pursuant to the TDA.

**State Transit Assistance Program** means the provisions of the Transportation Development Act related directly to the state transit assistance funds, including PUC §99312 to §99314.7, inclusive and Chapter 2.5 of the Act. [CCR §6713]

**Transportation Planning Process** refers to the joint effort of all governmental agencies with transportation responsibilities within a given region by which plans are developed in a continuing and coordinated manner, and which is documented annually by the adoption of an annual work program evidencing the respective contributions in monies and staff time of the respective agencies to that effort. [CCR §6614]

## APPENDIX B. DEFINITIONS FOR UNMET TRANSIT NEEDS

HCAOG applies the following definitions for the unmet transit needs process and findings. The HCAOG Board adopted these definitions in 2011.

**Definition of “unmet transit needs”** — *Unmet transit needs* are, at a minimum:

1. Trips requested from residents who do not have access to public transportation, specialized transportation, or private transport services or resources for the purpose of traveling to medical care, shopping, social/recreational activities, education/training, and employment; or
2. Proposed public transportation, specialized transportation, or private transport services that are identified in the following (but is not limited to): Transportation Development Plans, the Regional Transportation Plan, the Coordinated Public Transit–Human Services Transportation Plan.

Additionally, the TDA stipulates that, for this process, unmet transit needs do *not* include:

- ❖ Improvements funded or scheduled for implementation in the next fiscal year.
- ❖ Minor operational improvements or changes such as bus stops, schedules, and minor route changes.
- ❖ Trips for purposes outside of Humboldt County.
- ❖ Trips for primary or secondary school transportation.
- ❖ Sidewalk improvements or street and road needs.

**Definition of “reasonable to meet”** — Unmet transit needs may be found to be *reasonable to meet* by means of the following criteria:

1. Pursuant to the requirements of Transportation Development Act (TDA) Statutes (Public Utilities Code Section 99401.5 (c)), a determination of needs that are reasonable to meet shall not be made by comparing unmet transit needs with the need for streets and roads, for the allocation of TDA funds. The fact that an identified transit need cannot be fully met based on available resources shall not be the sole reason for finding that a transit need is not reasonable to meet.
2. If a new, expanded or revised transit service fails to meet ridership or cost effectiveness standards after one full year of operation, reasonable efforts will be made and documented to rectify the situation during the following year of operation. If service has not met performance standards during the period required by the Transportation Development Act Statutes, and efforts to improve service productivity have been documented by the operator to be unsuccessful, the service will be subject to termination as not being reasonable to meet. Efforts to rectify the underperforming ridership may include but are not limited to increased outreach/marketing of service (newspaper placement), collaboration between organizations or agencies that work with potential ridership of the service and surveys documenting ways in which the service could be improved or made more attractive.
3. Evaluation of potential unmet needs shall be conducted by the TDA claimant that is expected to provide the new, expanded, or revised transit service. The TDA claimant shall review, evaluate, and indicate that the service is operationally feasible, including:
  - a. Forecast of anticipated ridership if service is provided.
  - b. Estimate of capital and operating cost for the provision of such services.
  - c. Determination if there are adequate roadways and selected turnouts to safely accommodate transit vehicles.
  - d. Determination that vehicles are currently available in the marketplace.

e. Determination if potential transit service duplicates existing services.

4..An unmet transit need, meeting the tests in criteria #3, may be determined *not reasonable to meet* only once based on an inability to initiate service within the coming fiscal year. The claimant(s) should use this time to plan, acquire vehicles, or submit additional information needed to begin service. If the service is not initiated in the next fiscal year and still meets the tests in criteria #3, it will be determined reasonable to meet.

## APPENDIX C. ANNUAL CLAIM FORMS

Fillable forms (in Excel format) are available on-line at [www.hcaog.net/library](http://www.hcaog.net/library).

### APPENDIX C. ANNUAL CLAIM FORMS CHECKLIST FOR ANNUAL LTF & STAF CLAIMS

■ **ALL Claims:** Claimants shall submit items (a) through (e) as part of the claim.

■ **Transit Claims:** An operator or claimant shall submit items (a) thru (i), inclusive, to file a claim.

**ALL claims must include items (a) through (f).**

HCAOG forms for parts (a), (b), and (c) are provided in this Excel file and on-line at

[www.hcaog.net](http://www.hcaog.net). *Claimants are responsible for making sure they submit the most current forms.*

- a) This Checklist
- b) Claim Request form
- c) Annual Project and Financial Plan form
- d) Statement of Conformance
- e) Claimants who want to designate funds for a future, specific capital project must request it as part of a claim. The claim must indicate any reserved monies in the subsequent annual claim(s). Before expending these funds for any other purpose, the claimant must identify its proposed changes in an amended claim or subsequent annual claim. [CCR §6648]
- f) expenditures from the 2009/10 fiscal year to present, citing actual vs. budgeted expenditures and a report of excess LTF funds reclassified for future capital purchases. [CCR §6637]

**Transit claims must include items (g) through (m):**

- g) To receive an allocation of funds for service outside the claimant's area, a claimant must provide, or have on file with HCAOG, an executed contract pursuant to PUC sections:
- h) If applicable, a statement identifying and substantiating the reason or need for: (1) increasing the operating budget in excess of 15% above the preceding year; (2) a substantial increase or decrease in scope of operations; or (3) capital provisions for major
- i) A Satisfactory certification by CHP verifying that the operator is in compliance with §1808.1 of the Vehicle Code, as required in PUC §99251. The certification shall have been completed within the last 13 months, prior to filing claims.
- j) Operating budget. Claimant certifies that its operating budget is not more than 15% greater than its previous year budget unless supported by documentation that substantiates the increase.
- k) An explanation that summarizes how the claimant has addressed applicable audit findings from annual fiscal and compliance audit.
- l) An explanation that summarizes how the claimant has addressed applicable audit findings from triennial performance audit reports.
- m) Claimant certifies that it is making full use of federal funds available under the Federal Transit Act [CCR 6754] (STA claims only)
  
- n) Claimant certifies that all purposes for claim expenditures are in conformance with the City/Town or Regional Bicycle Plan. (Bike and Ped claims only)

*For full information on claim requirements, see HCAOG's TDA Rules (part IV, "TDA REQUIRED REPORTS" Report #16).*

## CLAIM REQUEST

Check one:

**State Transit Assistance (STA) Fund**

**Local Transportation Fund (LTF)**

**Claimant:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Contact Person:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Phone:** \_\_\_\_\_

**E-mail:** \_\_\_\_\_

The \_\_\_\_\_ hereby requests, in accordance with the Transportation Development Act (TDA) of 2013, Chapter 1400, and applicable rules and regulations, that the TDA claim be approved in the amount of \$\_\_\_\_\_ for fiscal year \_\_\_\_\_. These monies are to be drawn from the local transportation fund or the state transit assistant fund held at the County of Humboldt for the purposes and amounts shown in the attached "Annual Project and Financial Plan."

When approved, the claim will be submitted to the County Auditor of the County of Humboldt for payment. Approval of the claim and payment by the County Auditor to this applicant is subject to such monies being on hand and available for distribution, and to the provisions that such monies will be used only in accordance with the terms of the approved annual financial plan.

Authorized representative of claimant:

By: \_\_\_\_\_ Title: \_\_\_\_\_  
(print name)

Signature: \_\_\_\_\_ Submittal date: \_\_\_\_\_

### APPROVED:

By: \_\_\_\_\_ Date: \_\_\_\_\_

Marcella Clem  
Executive Director, Humboldt County Association of Governments

**ANNUAL PROJECT AND FINANCIAL PLAN**

**Local Transportation Fund (LTF)**

Give each project a title and number in sequence, and briefly describe the transportation projects that your jurisdiction proposes. Indicate proposed expenditures for the ensuing fiscal year for all that apply:

- (i) public transportation operating and capital expenditures;
- (ii) construction of facilities for the exclusive use by pedestrians and bicyclists;
- (iii) construction of local streets and roads; and/or
- (iii) right-of-way acquisition.

**Claimant:** \_\_\_\_\_

**Fiscal Year:** \_\_\_\_\_

<b>PROJECT</b> (Project number, title, & brief description)	<b>TDA - LTF \$</b> <b>amount</b>	<b>PUC Article &amp;</b> <b>Section</b>	<b>Local Fund</b> <b>Balance</b>	<b>Other</b>	<b>TOTAL</b>
	\$ -		\$ -		\$ -
	\$ -		\$ -		\$ -
	\$ -		\$ -		\$ -
	\$ -		\$ -		\$ -
	\$ -		\$ -		\$ -
	\$ -		\$ -		\$ -
	\$ -		\$ -		\$ -
	\$ -		\$ -		\$ -
	\$ -		\$ -		\$ -
<b>TOTAL</b>	\$ -		\$ -	-	\$ -

Attach a copy of transit revenues and expenditures for the last full fiscal year.

## STATEMENT OF CONFORMANCE

LTF

**Claimant:** \_\_\_\_\_

**Fiscal Year of Claim:** \_\_\_\_\_

*Certify all that apply.*

- LOCAL TRANSPORTATION FUND (LTF) - TRANSIT CLAIM
- LTF funds are **not** being used for operating
- LTF FUNDS are being used for operating
- A total of \$ \_\_\_\_\_ STA funds will also be claimed for operating during this fiscal year.

**If funds are being used for Operating please provide the following information:**

*Provide information for the last 3 audited fiscal years.*

	Previous Fiscal year	Fiscal year	Fiscal year	Fiscal year
System Operating Costs				
System Revenues				
System Vehicle Service Hours				
System operating cost per revenue vehicle hour	\$ -	\$ -	\$ -	\$ -

- The claimant named above hereby certifies that this annual claim for local transportation funds in the amount of \$ \_\_\_\_\_ that is not being used for operating conforms with the requirements of Article 8, PUC Section 99400, of the Transportation Development Act of 1971, and applicable rules and regulations.

**CERTIFIED BY CLAIMANT:**

**By:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**ANNUAL PROJECT AND FINANCIAL PLAN**

**State Transit Assistance (STA)**

Give each project a title and number in sequence, and briefly describe the transportation projects that your jurisdiction proposes. Indicate proposed expenditures for the ensuing fiscal year for all that apply:

- (i) public transportation operating and capital expenditures;
- (ii) construction of facilities for the exclusive use by pedestrians and bicyclists;
- (iii) construction of local streets and roads; and/or
- (iii) right-of-way acquisition.

**Claimant:** \_\_\_\_\_

**Fiscal Year:** \_\_\_\_\_

<b>PROJECT</b> (Project number, title, & brief description)	<b>TDA - STA \$</b> <b>amount</b>	<b>PUC Article &amp;</b> <b>Section</b>	<b>Local Fund</b> <b>Balance</b>	<b>Other</b>	<b>TOTAL</b>
	\$ -		\$ -		\$ -
	\$ -		\$ -		\$ -
	\$ -		\$ -		\$ -
	\$ -		\$ -		\$ -
	\$ -		\$ -		\$ -
	\$ -		\$ -		\$ -
	\$ -		\$ -		\$ -
	\$ -		\$ -		\$ -
	\$ -		\$ -		\$ -
<b>TOTAL</b>	\$ -		\$ -	-	\$ -

Attach a copy of transit revenues and expenditures for the last full fiscal year.



**STATEMENT OF CONFORMANCE**

**STA**

**Claimant:** \_\_\_\_\_

**Fiscal Year of Claim:** \_\_\_\_\_

*Certify all that apply.*

- STATE TRANSIT ASSISTANCE (STA) FUND - TRANSIT CLAIM  
Transit Operator Qualifying Criteria (PUC §99314.6)
- STA funds are not being used for operating
- STA funds are being claimed for operating
- A total of \$\_\_\_\_\_ LTF funds will also be claimed for operating during this fiscal year.

**If funds are being used for Operating please provide the following information:**

*Provide information for the last 3 audited fiscal years.*

	<b>Current Fiscal year</b>	<b>Fiscal year</b>	<b>Fiscal year</b>	<b>Fiscal year</b>
System operating costs				
System revenues				
System vehicle service hours				
System operating cost per revenue vehicle hour	\$ -	\$ -	\$ -	\$ -

- The claimant named above hereby certifies that this annual claim for state assistance funds in the amount of \$\_\_\_\_\_ conforms with the requirements of Article 8, PUC Section 99400, of the Transportation Development Act of 2013, and applicable rules and regulations.

**CERTIFIED BY CLAIMANT:**

**By:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## **APPENDIX D. FISCAL AUDITS OF TRANSPORTATION PLANNING AND PROGRAMMING ENTITIES**

### **CCR, Article 5.5 - Audit and Expenditure Reports**

#### **6662 - Fiscal Audits of Transportation Planning and Programming Entities**

Each transportation planning agency, county transportation commission, and metropolitan transit development board shall transmit to the State Controller, annually and within 12 months of the end of the fiscal year, a report of an audit of its accounts and records by the appropriate county auditor, a certified public accountant, or a public accountant pursuant to Sections 6505 and 26909 of the Government Code. The audit shall be performed in accordance with the Basic Audit Program and Reporting Guidelines for California Special Districts prescribed by the State Controller pursuant to Section 26909 of the Government Code and shall include a determination of compliance with the Act and the administrative rules and regulations. In the financial statements, of the transportation planning agency, county transportation commission and metropolitan transit development board, the local transportation fund, the state transit assistance fund, and other revenues or funds of any city, county or other agency shall not be commingled. All fiscal and accounting records and other supporting papers shall be maintained for a minimum of four years following the close of the fiscal year of expenditure and shall be available for inspection and audit by the State Controller.

#### **6662.5 - Performance Audits of Transportation Planning and Programming Entities**

- (a) Each transportation planning agency, county transportation commission and metropolitan transit development board shall designate an independent entity to make a performance audit of its activities with respect to the Act pursuant to Public Utilities Code section 99246. The performance audit shall be submitted to the Director by July 1 triennially, in accordance with a schedule established by the transportation planning agency, county transportation commission and metropolitan transit development board.
- (b) If the transportation planning agency or county transportation commission, or metropolitan transit development board fails to transmit a performance audit report of its activities within one year after the date on which the report was due, the agency, commission, or board shall not be eligible to receive funds allocated for administration or planning until the audit report is transmitted or unless prior approval is granted by the Director.
- (c) The performance audit prepared pursuant to this section shall be made available to the public pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code.)

### **PUC, Article 3 - Local Transportation Funds**

#### **99246 - Performance Audits of Planning Entities and Operators**

With respect to an operator providing public transportation services, the performance audit shall include, but not be limited to, a verification of the operator's operating cost per passenger, operating cost per vehicle service hour, passengers per vehicle service hour, passengers per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include, but not be limited to, consideration of the needs and types of the passengers being served and the employment of part-time drivers and the contracting with

common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of Section 99260.2. [§99246]

The performance audit may include performance evaluations both for the entire system and for the system excluding special, new, or expanded services instituted to test public transportation service growth potential. [§99246(e)]

## **APPENDIX E.      AUDIT TASKS FOR NON-TRANSIT CLAIMS**

### **CCR, Article 5.5 - Audit and Expenditure Reports**

#### **6666 - Compliance Audit Tasks--Non-transit Claimants**

In conducting the compliance portion of the audit specified in section 6664 for a non-transit claimant, the independent auditor shall perform at least the following tasks:

- (a) Determine whether the funds received by the claimant pursuant to the Act were expended in conformance with those sections of the Act specifying the qualifying purposes, including Public Utilities Code section 99402 for streets and roads claimants and section 99233.3 for claimants under that section for pedestrian and bicycle facilities and bicycle safety education programs.
- (b) Determine whether the funds received by the claimant pursuant to the Act were expended in conformance with the applicable rules, regulations, and procedures of the transportation planning agency and in compliance with the allocation instructions.
- (c) Determine whether interest earned on funds received by the claimant pursuant to the Act were expended only for those purposes for which the funds were allocated, in accordance with Public Utilities Code sections 99301 and 99301.5.

## **APPENDIX F. AUDIT TASKS FOR TRANSIT CLAIMS**

### **CCR, Article 5.5 - Audit and Expenditure Reports**

#### **6667 - Compliance Audit Tasks–Transit Claimants**

In conducting the compliance portion of the audit specified in section 6664 for an operator or transit service claimant, the independent auditor shall perform at least the following tasks:

- (a) Determine whether the claimant was an entity eligible to receive the funds allocated to it. This determination should be made with reference to the section of the Act under which the funds were allocated and to the definitions in article 1 of the Act.
- (b) Determine whether the claimant is maintaining its accounts and records on an enterprise fund basis and is otherwise in compliance with the uniform system of accounts and records adopted by the State Controller pursuant to Public Utilities Code §99243.
- (c) Determine whether the funds received by the claimant pursuant to the Act were expended in conformance with those sections of the Act specifying the qualifying purposes, including Public Utilities Code §99262 and §99263 for operators receiving funds under article 4, §s 99275, 99275.5 and 99277 for article 4.5 claimants, and §99400(c), (d) and (e) for article 8 claimants for service provided under contract, and §99405(d) for transportation services provided by cities and counties with populations of less than 5,000.
- (d) Determine whether the funds received by the claimant pursuant to the Act were expended in conformance with the applicable rules, regulations, and procedures of the transportation planning agency and in compliance with the allocation instructions and resolutions.
- (e) Determine whether interest earned on funds received by the claimant pursuant to the Act were expended only for those purposes for which the funds were allocated, in accordance with Public Utilities Code §s 99234.1, 99301, 99301.5 and 99301.6.
- (f) Verify the amount of the claimant's operating cost (as defined by §6611.1) for the fiscal year, the amount of fare revenues required to meet the ratios specified in §6633.2 and §6633.5 and the amount of the sum of fare revenues and local support required to meet the ratios specified in §6633.2.
- (g) Verify the amount of the claimant's actual fare revenues (as defined by §6611.2 and by Public Utilities Code §99205.7) for the fiscal year.
- (h) Verify the amount of the claimant's actual local support (as defined by §6611.3) for the fiscal year.
- (i) Verify the maximum amount the claimant was eligible to receive under the Act during the fiscal year in accordance with §6634 and §6649.
- (j) Verify, if applicable, the amount of the operator's expenditure limitation in accordance with §6633.1.
- (k) In the case of an operator, determine whether the operator's employee retirement system or private pension plan is in conformance with the provisions of Public Utilities Code §s 99271, 99272, and 99273.
- (l) In the case of an operator, determine whether the operator has had a certification by the Department of the California Highway Patrol verifying that the operator is in compliance with §1808.1 of the Vehicle Code, as required in Public Utilities Code §99251.

**TDA Rules: HCAOG Rules & Regulations for Administering the Transportation Development Act**

- (m) In the case of an operator, verify, if applicable, its State Transit Assistance eligibility pursuant to Public Utilities Code §99314.6 or §99314.7.
- (n) In the case of a claimant for community transit services, determine whether it is in compliance with Public Utilities Code §99155 and §99155.5.

## **APPENDIX G.      AUDIT OF STATE TRANSIT ASSISTANCE FUND**

### **CCR, Article 5 - Role of Regional Entities**

#### **6751 - Audit of State Transit Assistance Fund**

Each regional entity shall submit to the State Controller, annually and within 180 days after the end of the fiscal year, a report of a fiscal and compliance audit of the financial statements of its state transit assistance fund. If the regional entity is a county transportation commission or the San Diego Metropolitan Transit Development Board, a copy of the audit report shall be transmitted at the same time to the transportation-planning agency. The audit shall be conducted in accordance with generally accepted auditing standards by the State Controller or by a certified public accountant or public accountant who is not an officer or employee of the regional entity or of any city, county, or operator within the area of the regional entity and shall include a determination of compliance with the Act and the administrative rules and regulations. If the regional entity and the county auditor so agree, the audits of the local transportation fund (pursuant to Section 6661) and the state transit assistance fund may be conducted by the same auditor and may be submitted together in one audit report to the State Controller and to the transportation planning agency. The State Controller shall not authorize the payment of any allocation to a regional entity that is delinquent in its submission of a fiscal audit report.

The financial statements shall be prepared in accordance with generally accepted accounting principles. The statements shall include, but not be limited to:

- (a) A balance sheet,
- (b) A statement of the revenues and expenditures during the fiscal year,
- (c) A statement of changes in the fund balance, and
- (d) Supplemental schedules as necessary to list or identify
  - (1) The net amounts allocated and net amounts disbursed during the fiscal year for each of the allocation purposes specified in Sections 6730 and 6731,
  - (2) Any portion of the fund balance that is allocated or reserved,
  - (3) Any interest or other income earned by investment of the fund during the fiscal year,
  - (4) Any amounts included in the fund balance that are apportioned to an operator pursuant to Section 6721, and
  - (5) Any amounts that have been transferred or that have been received as a result of a transfer as authorized by Section 99313.1.

All fiscal and accounting records and other supporting papers related to the state transit assistance fund shall be maintained for a minimum of four fiscal years following the close of the fiscal year and shall be available for inspection and audit by the State Controller.