



Agenda: TDA Reform Task Force Meeting

Friday, March 8, 2019

10:00 a.m. – 2:00 p.m. [Lunch will be served]

Sacramento Area Council of Governments
1415 L Street, Suite 300 – Board Room
Sacramento, CA 95814
(916) 321-9000

[Travel Details Attached](#)

Agenda Items

Recommended Action

- | Agenda Items | Recommended Action |
|--|--------------------|
| 1. Introductions | |
| 2. Opening Remarks – State Legislative Committee Chair (oral) | Information |
| 3. Opening Remarks / Agenda Overview – Executive Director (oral) | Information |
| a. Review February 6 Kick-Off Task Force Meeting Results (p.1) | |
| 4. Receive Presentation, Jarrett Walker & Associates: Trade-Offs Facing Transit Governing Boards, Policymakers and Communities | Information |
| 5. Receive State Stakeholder Input – Guests <i>Invited to Participate</i> Include: | Information |
| a. Manny Leon, Consultant, Senate Transportation Committee | |
| b. Melissa White, Consultant, Assembly Transportation Committee | |
| c. Chad Edison, Deputy Secretary, California State Transportation Agency | |
| d. Ron Sheppard, Acting Chief, Caltrans Division of Rail and Mass Transportation | |
| e. Bill Higgins, Executive Director, California Association of Councils of Governments | |
| f. Maura Twomey/Alex Padilla/Dan Landon, Representatives, Rural Counties Task Force | |
| g. Rony Berdugo, Legislative Advocate, League of California Cities | |
| h. Chris Lee, Legislative Advocate, California State Association of Counties | |
| 6. Case Study Presentations: | Information |
| a. Golden Empire Transit District (Steve Barnes) | |
| b. Stanislaus County COG (Rosa De León Park & Gus Khouri) | |
| 7. Review UCLA ITS Preparatory Work To-Date | Information |
| 8. Determine Task Force Next Steps/ Meeting Schedule | Action |
| 9. Adjourn | |



TDA Reform Task Force

Wednesday, February 6, 2019
Sacramento, CA

Rick Ramacier

Chair, State Legislative Committee

California Transit Association

Joshua W. Shaw

Executive Director

California Transit Association

The Transportation Development Act (TDA)

- Mills-Alquist-Deddeh Act of 1971
- Creates first State funding for local public transportation services
- Funds two primary programs:
 - Local Transportation Funds (1/4 of 1% sales tax)
 - State Transit Assistance Program (sales tax on diesel fuel)
- “TDA” = hundreds of pages of statutes and regulations

California Legislature

August 8, 2018

Mr. Joshua W. Shaw, Executive Director
California Transit Association
1415 L Street, Suite 1000
Sacramento, CA 95814

Re: Request for Review of the Transportation Development Act

Dear Mr. Shaw:

On behalf of the transportation policy committees of the California State Legislature, we are writing to request the California Transit Association (CTA) spearhead a Transportation Development Act Policy Task Force to fully examine performance measures for our state's public transportation system and produce a legislative recommendation for any reforms or changes to the current programs.

As you are aware, the Transportation Development Act (TDA) was crafted in the 1970s to provide a funding scheme for the state's public transportation system. TDA governs the expenditure of billions of dollars of funding for a wide variety of transit services in California. Specifically, TDA is funded by a ¼ cent statewide sales tax known as the Local Transportation Fund (LTF), and the sales tax on diesel fuel known as State Transit Assistance (STA). These funding streams are distributed to transit operators and regional transportation planning agencies (RTPAs) through long held statutory formulas. Additionally, there are different performance requirements attached to the two programs and the programs are linked, so performance outcomes in one can affect the other.

It has come to our attention in recent years that the performance measures developed in TDA law, including farebox recovery ratio, may not be adequate to meet the needs and overall transportation goals of our state. Additionally, it is our understanding that other states, and even our own California State Transportation Agency (CalSTA), have revised measurements and moved to newer standards.

As the state and regions continue to work toward the goal of reducing greenhouse gas emissions, as well as cutting other forms of air pollution, increasing the mode shift from single occupant car trips to public transportation is critical for success. Additionally, providing alternative modes of transportation helps relieve congestion on our highways, increasing the quality of life for commuters and assisting with the movement of goods throughout our state. The state remains committed to providing funding for public transit. In fact, with the recent passage of SB 1 (Beall), Chapter 5, Statutes of 2017, STA funding increased by roughly 130 percent.

Mr. Joshua Shaw
August 8, 2018
Page 2

As funding partners in these systems, the state must be able to measure performance outcomes to help guide future state policies. If the current system is not adequate, then the Legislature must consider alternatives.

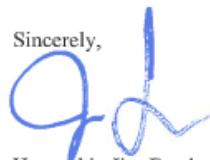
To that end, we are requesting that CTA convene a Task Force of stakeholders, including but not limited to, transit operators from both urban and rural areas; RTPAs from both urban and rural areas; the Administration; and relevant academics to thoroughly examine the current TDA performance measures for both LTF and STA and propose new, updated standards for the Legislature to consider. The Task Force should consider, but not be limited to, the following:

- Issues of overall service of transit agencies, e.g. providing reliable service to commuting populations while also providing service for the elderly and disabled;
- Issues of population and population density differences, such urban versus rural service areas;
- Issues of funding, including federal, state, and local sources;
- Issues of capital and operations, e.g. how do we measure performance of both capital assets and the operation of the systems;
- Issues of state oversight, e.g. which state department or agency should be responsible for transit system oversight and reporting; and,
- General issues of TDA law that should be examined, e.g. whether LTF funds should be spent on local streets and roads.

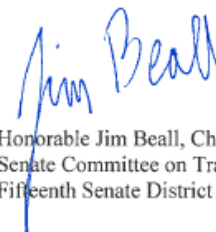
We would request that the Task Force complete their work by the Fall of 2019, so that any legislative recommendations could have full consideration during the 2020 legislative year.

We thank you in advance for taking on this monumental task and partnering with the Legislature to update TDA. Please contact Melissa White, with Assembly Transportation Committee, at melissa.white@asm.ca.gov, or Manny Leon, with Senate Transportation and Housing Committee, at manny.leon@sen.ca.gov, with any questions.

Sincerely,



Honorable Jim Frazier, Chair
Assembly Committee on Transportation
Eleventh Assembly District



Honorable Jim Beall, Chair
Senate Committee on Transportation and Housing
Fifteenth Senate District

Beall + Frazier Request: The Ask

- Asks the Association to “spearhead” a TDA policy task force to:
 - ...fully examine performance measures for our state’s public transportation system and...
 - ... produce a legislative recommendation for any reforms or changes to the current programs.
- Acknowledges:
 - TDA sets up two transit funding streams, LTF and STA
 - Different performance requirements attached to the two funding programs
 - The programs are linked
 - Performance outcomes in one program can affect the other

Beall + Frazier Request: The Ask *(cont.)*

- Asserts:
 - TDA's performance measures, including farebox recovery ratio, may not be adequate to meet the needs and overall transportation goals of our state
 - Other states, and even CalSTA, have revised measurements and moved to newer standards
 - Public transit is important to the state
 - The state must be able to measure performance outcomes to guide future policies
 - If the current system is not adequate, then the Legislature must consider alternatives
- Directs TDA task force to:
 - Thoroughly examine current TDA performance measures for LTF and STA, and
 - Propose new, updated standards for the Legislature to consider

Beall + Frazier Request: The Ask *(cont.)*

- Suggests the task force consider, but not be limited to, issues of:
 - Overall service of transit agencies, e.g. providing reliable service to commuters as well as to the elderly & disabled
 - Population and population density differences, such as urban versus rural areas
 - Funding, including federal, state and local sources
 - Capital and operations, e.g. how to measure performance of each
 - State oversight, e.g. which state department or agency should oversee transit system oversight and reporting
 - General aspects of TDA law that should be examined, e.g. whether LTF should be spent on local streets and roads
- Further directs TDA task force to:
 - Complete its work by Fall of 2019, for possible legislative consideration in 2020

Two Main Performance Measures to Examine

Farebox recovery ratio requirements

- Generally, urban transit agencies must maintain a ratio of fare revenues to operating costs of 20%, and non-urban agencies must maintain a 10% ratio
- Required ratio is adjusted by transportation planning agency in defined circumstances
- Exemptions to “operating cost” are defined
- Failure to comply can lead to reduced LTF allocations

STA Program qualifying criteria

- Transit agencies that don't maintain annual operating cost per revenue vehicle hour within regional CPI can spend only a portion of STA funds on operations, inversely proportionate to the degree costs exceeded the allowable CPI adjustment
- Exemptions to “operating cost” are defined and transportation planning agency may adjust cost and revenue vehicle hours for defined circumstances

Other Performance Measures to Examine?

- What else is in TDA we should be discussing?
- Come back to the two main performance measures, discuss details at *subsequent* task force meetings

- Our critical path question will be:

→ Do we want to tweak farebox and/ or STA qualifying criteria?

Or...

→ Do we want to replace farebox and/ or STA qualifying criteria with some new system(s)...

... that we have to invent...?

Summary of Adopted Principles

How Do We Help Transit

Cut “Qualification” Strings

Consider Unmet Needs

Don’t Reallocate