

Reforming the Transportation Development Act (TDA): A Draft Framework

Thursday, January 23, 2020

TDA Reform Task Force
California Transit Association



Opening Remarks: State Legislative Committee and Task Force Chair

Rick Ramacier

Chair, State Legislative Committee

California Transit Association



How to Ask Questions or Submit Comments

- Submit your questions or comments anytime during the program using the Questions module in your webinar control panel at the right of your screen.
- We will collect all questions and get to as many as time permits during the Q&A portion of the program.
- We will also collect all comments, which will be considered at a later date.



The screenshot displays the webinar control panel interface. The 'Questions' module is the central focus, enclosed in a red border. It features a table with the following structure:

X	Question	Asker

Below the table, there are two buttons: 'Send Privately' and 'Send to All'. Above the table, there is a checkbox labeled 'Show Answered Questions' which is checked. The interface also shows other modules: 'Polls (0/0)', 'Handouts: 0 of 5', and 'Chat'. At the bottom, the webinar title 'State Transit Assistance Program Allocation Methodology' and 'Webinar ID: 125-149-947' are displayed, along with the 'GoToWebinar' logo.

Legislative Request to Form TDA Reform Task Force

Joshua W. Shaw

Executive Director

California Transit Association

Rick Ramacier

Chair, State Legislative Committee

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

SUMMARY:

The bill removes the sales tax exemption from gasoline, reduces the state sales tax 1/4%, and increases the county sales tax 1/4%.

ANALYSIS:

A. Specific Findings:


The bill amends the Uniform Local Sales and Use Tax Act to provide that the county tax must be 1-1/4% and that the 1/4% increase must be placed in a local transportation fund.

The fund is available for claims filed pursuant to Article 4 or Article 8.

ARTICLE 4. CLAIMS

These claims have priority after claims for transportation planning by statutorily created regional transportation planning entities not exceeding 3% of the fund. They are to be made by public entity applicants for public transportation systems and transportation research and demonstration projects, and have the following limitations and features.

1. The claim may include funds for both capital and operating requirements.
2. The claim must evidence the expected deficit over expected revenues but need not be limited to it.
3. At least 75% of the funds received under Article 4 must be used for capital expenditures. Federal or other state funds for capital expenditures may be included in computing the 75%. "Capital expenditures" is broadly defined and includes equipment, trust certificates, or other indebtedness and interest thereon.
4. No more than 50% of the amount required for operating, capital and debt service may be claimed (after deduction of federal grants). This is



VOLUME 1... NUMBER 14
November 12, 1971

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

PUBLIC FUND SUPPORT FOR RTD ASSURED WITH SIGNING OF SB325

Funds Earmarked To Help Transit Systems Maintain And Improve Service

An ongoing effort to secure permanent public fund support for transit has culminated in the passage of public transit funding legislation at the current session of the California legislature.

Governor Reagan on November 4, signed into law Senate Bill 325, which removes gasoline from its sales-tax-exempt status and earmarks the receipts for the benefit of public transit, city and county roads and the general funds of cities and counties.

Dr. Norman Topping, RTD president, said the emergence of SB 325 into law is a "tribute to leadership in the Legislature and Governor Reagan."

Speaking in behalf of the 11-member Transit District Board of Directors, Dr. Topping added that the signing of the measure by the Governor "speaks to the state-wide support for the measure. RTD vigorously supported the bill."

A host of diversified groups and individuals strongly endorsed the need for the legislation, which was introduced by Senate President Pro-tem James R. Mills and co-authored by Assemblyman Wadde P. DeDeh, chairman of the lower house's Transportation Committee, and Senator Alfred E. Alquist.

In signing the bill, the Governor said "it will enable local officials to accelerate their efforts in developing comprehensive and balanced transportation systems."

Author Mills termed his successful bill "unquestionably

the greatest accomplishment of this legislative session."

"The hundreds of individuals and groups throughout the state who vigorously worked in behalf of transit financing legislation are to be thanked for their contributions to an improved way of life in the form of greater mobility, along with other benefits," said Jack R. Gilstrap, RTD general manager.

Gilstrap added: "The Governor and the members of the Legislature have responded to numerous appeals from government, business and civic groups that it is imperative public transit be placed on a firm financial footing."

"Most assuredly, the passage of the bill marks a breakthrough in the effort to achieve balanced transportation."

"Our Legislators, to their credit, responded to the wishes of the people for a way out of the daily squalor-maze and pollution-enveloped skies."

Those supporting the bill included the Governor Reagan-appointed California State Transportation Board, the California State Chamber of Commerce, the City and County of Los Angeles, the Automobile Club of Southern California, the California Retailers Association, the Associated General Contractors, and the Statewide and Los



PARK-RIDE FACILITY AT CONVENTION CENTER—Jack R. Gilstrap, RTD general manager shows Lod Cook, Atlantic Richfield vice president, through the park-ride facility of the Los Angeles Convention Center. Cook is chairman of the Wilbur and Peripheral Parking Task Force Committee of the Public Transportation Committee of the Los Angeles Area Chamber of Commerce.

Mayor Reappoints Topping To Board

Dr. Norman Topping, president of RTD, has been reappointed to the board of directors for another four-year term by Mayor Sam Yorty.

Dr. Topping has been a director with RTD since the agency was formed in 1964 and has long been dedicated to the improvement of public

A Letter From The General Manager

Dear Fellow Employees:
On November 4, 1971, Governor Reagan signed into law Senate Bill 325 which enables the continued growth and development of public transit in California.

Never before has there been such widespread community support for our Rapid Transit District. Tension-
By way of general explanation, Senate Bill 325, authored by Senator James R. Mills, reduces the tax

dedicated RTD employees, such as yourself. Whether you are an operator in daily contact with our patrons, or behind the scenes as a mechanic or a clerk, you can take pride in knowing that you played an important part in building this confidence.

gets is based upon the sales tax generated in that county. Los Angeles County should receive about \$43 million annually for transit. RTD may be able to claim up to \$35 million a year of this, and the eight municipal operators in the county will share the other \$8 million a year.

All of this occurs by way of some rather complicated

of some rather complicated

Transportation Development Act

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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.

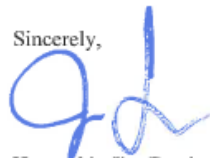
To that end, we are requesting that CTA convene a Task Force of stakeholders, including but not limited to, transit operators from both urban and rural areas; RTPAs from both urban and rural areas; the Administration; and relevant academics to thoroughly examine the current TDA performance measures for 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: Background *(cont.)*

There ARE problems with TDA law; transit agencies ARE facing compliance penalties, real dollars lost...

- Long history, various legislative changes
 - Senate Bill 508 (Beall) [Chapter 716, Statutes of 2015]
 - Assembly Bill 1113 (Bloom) [Chapter 107, Statutes of 2015]
- Then... Senate Bill 1 (Beall & Frazier) [2017] / Proposition 5 [2018]
 - Chairs wanted moratorium on TDA-related bills
 - But... Assembly Bill 1969 (Salas) [died in Assembly Transportation Committee, 2018]
 - But... Senate Bill 903 (Cannella) [Chapter 107, Statutes of 2018]
- Yet, committee staff don't want more piecemeal changes to TDA
 - So, Chairs issued request to review TDA, make recommendations for changes

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.)*

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- Directs TDA task force to:
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 - Propose new, updated standards for the Legislature to consider

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

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

Task Force Member Agencies

County Connection	SANDAG
Golden Empire Transit District	San Diego MTS
LA Metro	SamTrans
Long Beach Transit	Santa Clara VTA
MTC	Santa Cruz METRO
Monterey-Salinas Transit	Santa Monica's Big Blue Bus
OCTA	Stanislaus COG
Riverside Transit Agency	Victor Valley Transit Authority
Sacramento RT	

Early Stakeholder Input

- California Transit Association / Affected Transit Agencies
- Senate Transportation Committee
- Assembly Transportation Committee
- Governor's Office
- California State Transportation Agency
- Caltrans Division of Rail and Mass Transportation
- California Association of Councils of Governments
- Rural Counties Task Force
- League of California Cities
- California State Association of Counties

Current TDA Performance Measurement System

Compliance:
Farebox Recovery
Ratio



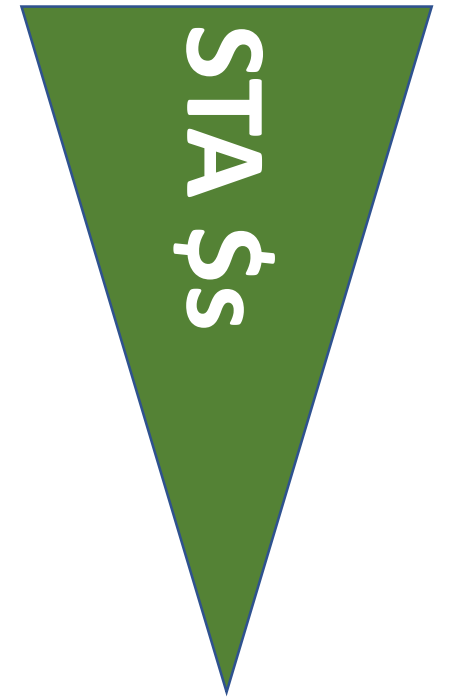
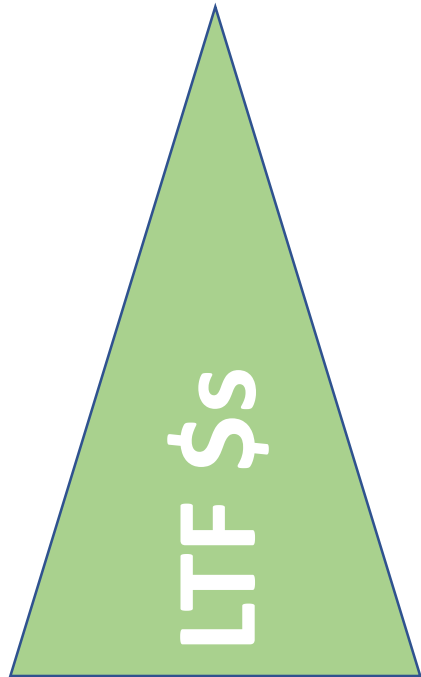
Transit Agency



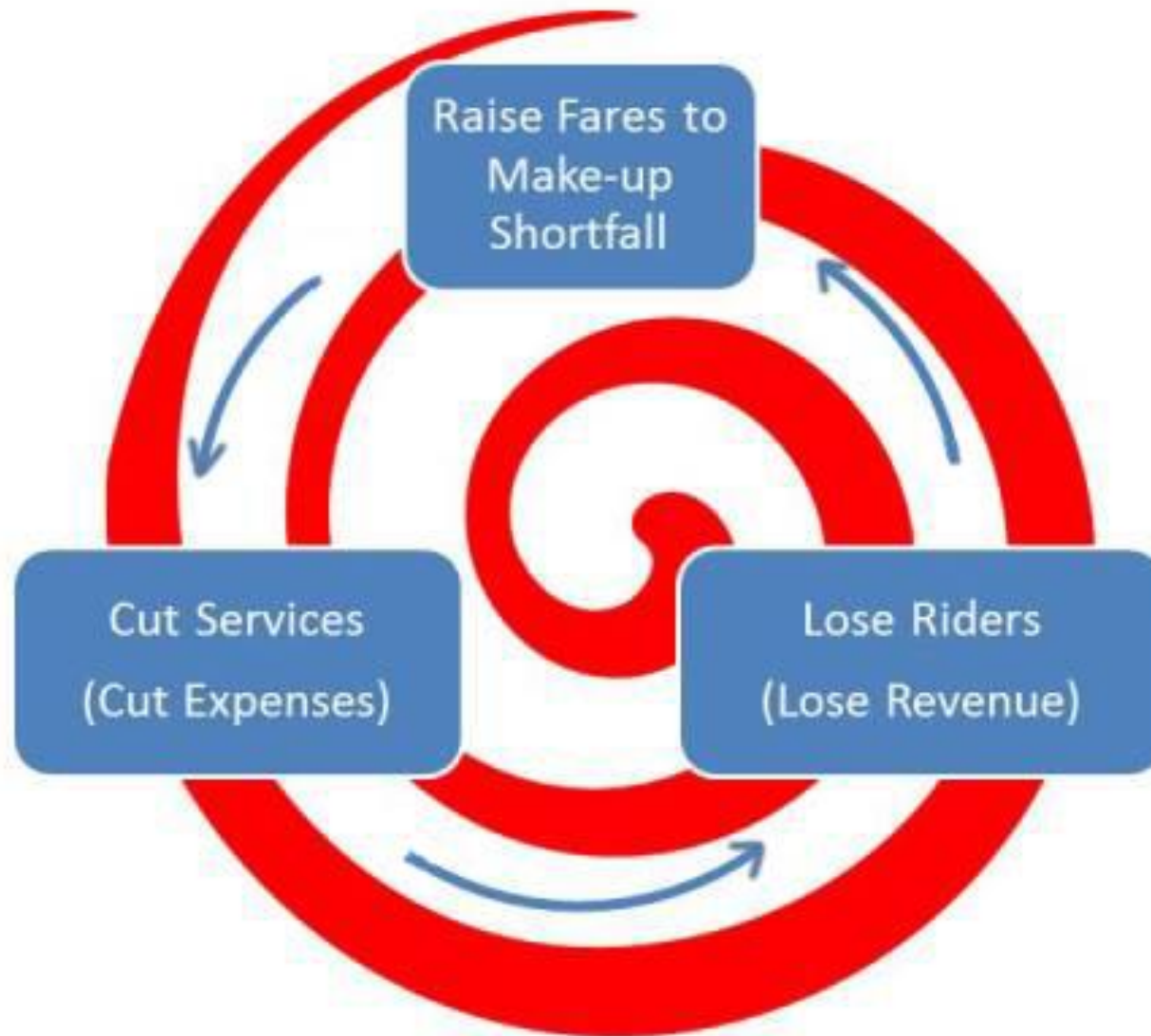
Compliance:
Operating Cost Per
Hour Cap

LTF \$\$

STA \$\$



Public Transit Riders Need Stability



State Expects Accountability



Summary of Adopted Principles

How Do We Help Transit

Cut “Qualification” Strings

 Consider Inlet Needs

Don't Reallocate

Process From Here

- Task Force adopts final draft framework concept (01-02-20)
- Stakeholder outreach and listening sessions (01-23-20... +?)
- Task Force assimilation of stakeholder feedback
- Task Force revises draft framework concept, *if needed*
- Task Force forwards revised FINAL concept to Association's State Legislative Committee
- State Legislative Committee reviews (and *possibly* revises) draft FINAL concept and forwards to Association's Executive Committee
- Executive Committee adopts FINAL concept
- Association transmits FINAL concept report to Legislature
- Bill possibly introduced reflecting FINAL concept report (or... something else?)

Towards A Draft TDA Reform Framework

Joshua W. Shaw

Executive Director

California Transit Association



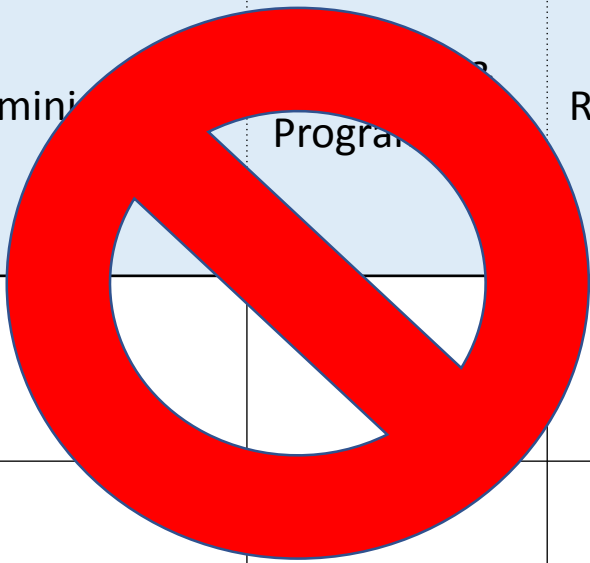
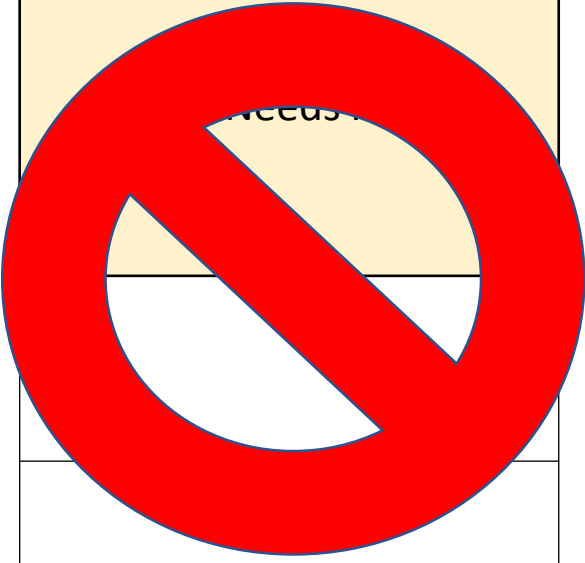
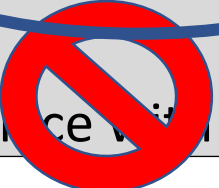
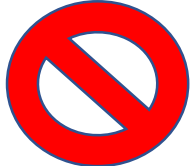

Task Force Member Agencies

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OCTA	Stanislaus COG
Riverside Transit Agency	Victor Valley Transit Authority
Sacramento RT	

Original Decision Matrix

Task Force Choice to Make:	Performance Measures		Off the Top Allocations			Transit / Streets & Roads
	LTF Farebox Recovery Ratio Requirement	STA Qualifying Criteria	Administration	Planning & Programming	Rail	Unmet Needs Process
Keep but Amend?						
Replace with New?						

Draft Concept vs Original Decision Matrix

<p>Task Force Choice to Make:</p>	<p>Performance Measures</p>		<p>Off the Top Allocations</p>		<p>Transit / Streets & Roads</p>
<p>Keep but Amend?</p>	<p>LTF Farebox Recovery Ratio Requirement</p>	<p>STA Qualifying Criteria</p>	<p>Admini...</p>	<p>Program...</p>	<p>Rail</p>
<p>Replace with New?</p>	<p>✓</p>	<p>✓*</p>			
					

* But... not today



An Assessment of Performance Measures In the Transportation Development Act

August 28, 2019

John Gahbauer
Jaimee Lederman, Ph.D.
Esther Huang
Martin Wachs, Ph.D.
Juan Matute
Brian D. Taylor, Ph.D.

of the UCLA Institute of Transportation Studies for

Josh Shaw, Executive Director
California Transit Association

Eric Thronson, Chief Consultant
California State Assembly Committee on
Transportation

UCLA Institute of Transportation Studies



An Assessment of
Performance Measures
In the Transportation Development Act

Key Findings:

- 7 transit agencies out of compliance with Farebox Recovery Ratio requirement, in penalty phase
- 5 in non-self-help counties
- 2 in self-help measures contribute <10% to transit
- All agencies comply with STA Program requirement

8. Proposed Policy Options

Motivation for change

Based on the preceding analysis, we find that the TDA, as currently structured, conflicts with a variety of state policies and goals for public transit; specifically:

1. The state's goals for transit have changed and broadened considerably since 1971 when the TDA became law and 1978 when the farebox recovery requirement was added;
2. Our survey of California transportation professionals reveals the current TDA requirements appear to influence agency management decisions in ways that do not align with the state's current goals for transit;
3. Our review of peer states (i.e., states that invest heavily in transit) indicates that California does not follow the current best practice in performance assessment.

Accordingly, we recommend that changes be considered in:

- The specific measurement of performance (the farebox recovery rate) and the number of performance measures used;
- The grouping of peer agencies;
- How non-compliance is identified;
- The use and frequency of audits;
- The consequences for initial and chronic non-compliance.

Current TDA Performance Measurement System

Compliance:
Farebox Recovery
Ratio

LTF \$\$



Transit Agency



Compliance:
Operating Cost Per
Hour Cap

STA \$\$

Unintended Consequences:

- Difficult to reconstruct and interpret meaning (FBRR)
- Favors shorter trips and/ or quicker routes; does not track use (STA cap)
- Limits risk-taking
- Inflates fares
- Leads to service cuts

UCLA ITS Recommendations: Summary

1. Replace farebox recovery ratio requirement with annual reporting on a set of performance measures
2. Adopt peer group comparisons
3. Use standard deviation analysis to identify agency outliers
4. Redeploy current performance audit requirement
5. Provide technical assistance through RTPAs or a state Transit Excellence Center
6. Establish a framework and authority for remedial action

UCLA ITS Recommendations: Summary

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Initial Draft New TDA Performance Measurement System

Compliance: New, Locally- and Regionally-Developed Goals & Measures

LTF \$\$



Transit Agency



Compliance: New, Locally- and Regionally-Developed Goals & Measures

New Goal	New Goal	New Goal
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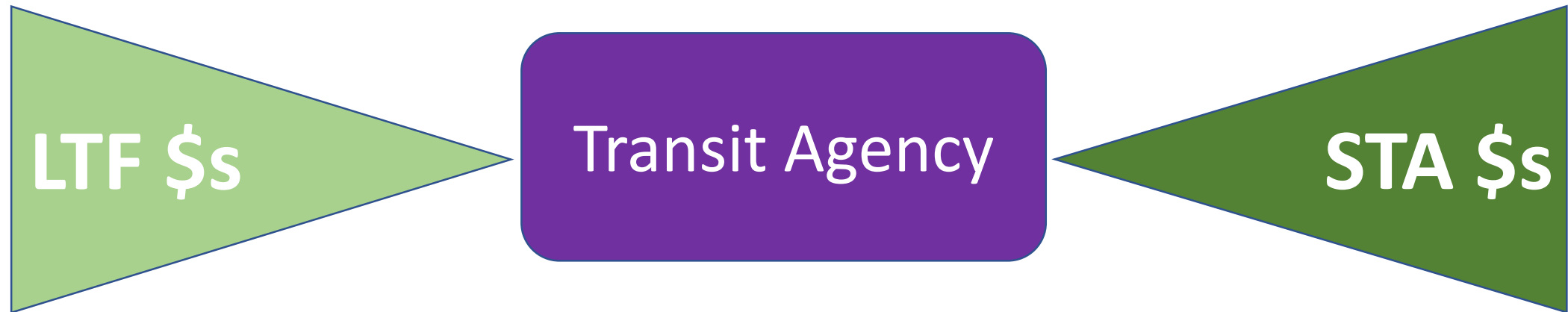
New RTPA Oversight to Compel Outcomes

STA \$\$

Reaction to Initial Concept

- Executive-level members of Task Force + other transit agency executives concerned...
 - Way more agencies **don't** fail farebox than do...
 - Why add lots of new reporting – or a whole new system of measures – for all agencies, when such measures might be misused?
 - Why not just fix the problem for the non-compliant agencies?
- **Thus, a new concept emerged:**
 - **Retain basic farebox recovery ratio statutes;**
 - **Focus effort on helping non-complying agencies;**
 - **While still offering State some accountability.**

Revised Draft New TDA Performance Measurement System



Measure + Report:

Target Farebox
Recovery Ratio

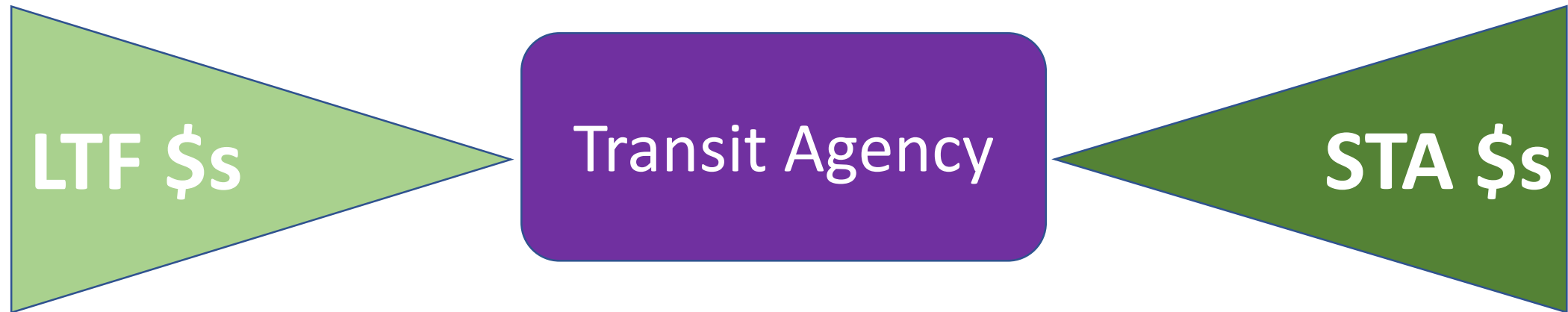
Measure + Report:

Target Operating Cost Per
Hour Capped @ CPI

State Expects Accountability



Revised Draft New TDA Performance Measurement System



Measure + Report:
Target Farebox
Recovery Ratio

Non-
Compliance?

Measure + Report:
Target Operating Cost Per
Hour Capped @ CPI

TDA Reform Task Force

21st Century Framework for Transportation Development Act Policy Change

Revised 1/3/19

Background

California's Transportation Development Act (TDA) of 1971 provides the lifeblood of public transportation funding in California. The TDA is an important source of funding for the state's public transit agencies, representing approximately 18 percent of their total revenue between the TDA's two revenue streams – Local Transportation Funds (LTF) and the State Transit Assistance (STA) Program. The TDA originated as an effort to modernize and expand public transit in California with dedicated revenue sources, while also holding individual transit agencies accountable for their public expenditures by setting specific performance requirements. The most notable of these was the farebox recovery requirement, which was established in 1978. However, the Legislature has periodically added exemptions to the TDA's requirements and allows certain non-fare revenue to be counted in the farebox calculation, creating an uneven playing field for operators that lack such revenue. These changes have led some to ask whether the time has come to overhaul the TDA performance measure system.

This paper recommends reforms to the TDA performance measurement system that keep the farebox requirements as benchmarks that work well for most operators, while removing the financial penalty associated with noncompliance. This would be replaced with stronger oversight at the regional level and new reporting requirements for transit operators that repeatedly fall short of farebox requirements; these agencies would be required to show how their systems perform relative to other important local, regional, and statewide goals.

Problem Statement

A recent UCLA ITS study reached several key findings, including:

- The state's goals for transit have changed and broadened considerably since 1971 when

Draft TDA Reform Framework

- Retains TDA's current farebox recovery ratio requirements
- Removes financial penalties for farebox ratio non-compliance
 - i.e. Converts agency's farebox recovery ratio "requirement" to a target
- Helps agencies comply in the first place
 - Lowers the thresholds themselves
 - Revises farebox recovery ratio definitions of numerator and denominator
- Subjects agencies missing farebox target 3 years in a row to a new action plan, measurement & reporting process involving its RTPA (and possible funded technical support), with choices built in to remediate to the target (or to new targets), and new RTPA authority to compel outcomes

Draft TDA Reform Framework

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Bingo!!!



Draft TDA Reform Framework: 1st Element

- Retains TDA's current farebox recovery ratio requirements

Current TDA Performance Measurement System

Compliance:
Farebox Recovery Ratio



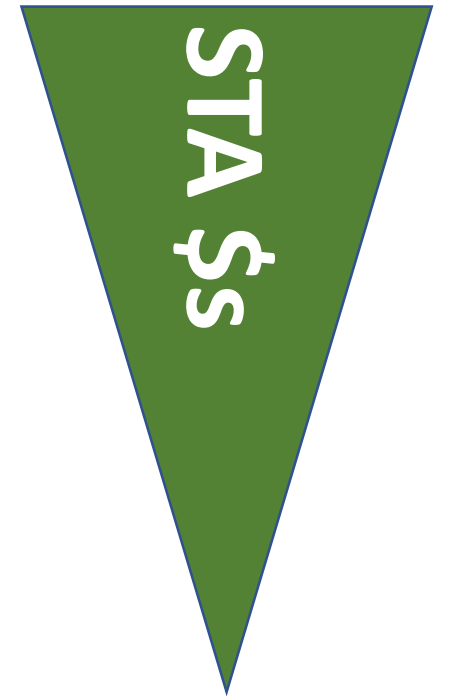
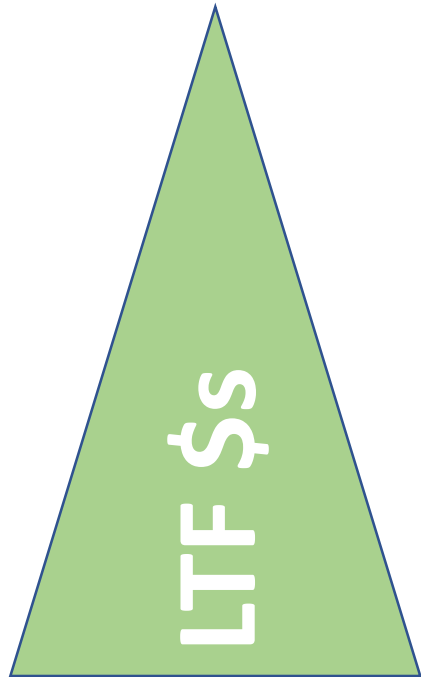
Transit Agency



Compliance:
Operating Cost Per Hour Cap

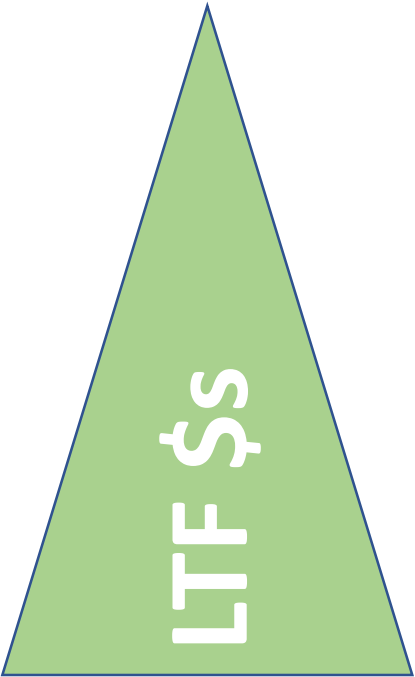
LTF \$\$

STA \$\$



Draft New TDA Performance Measurement System

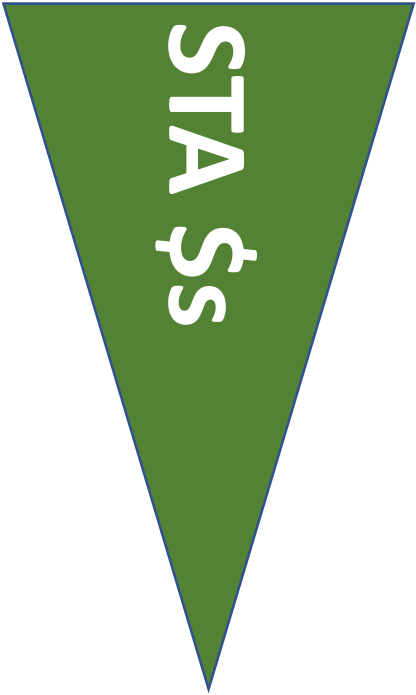
Target:
Farebox Recovery
Ratio



Transit Agency



Target:
Operating Cost Per
Hour Cap

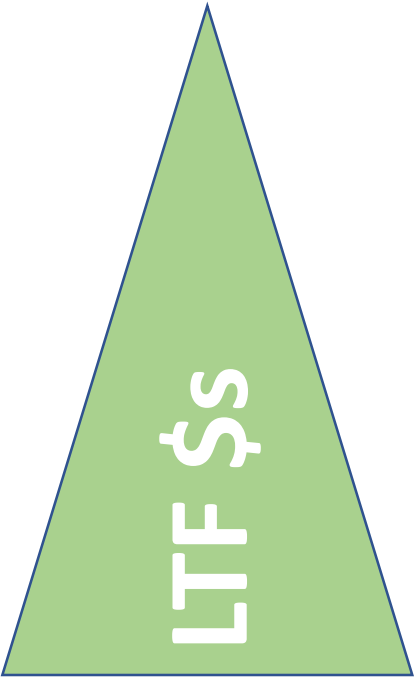


Draft TDA Reform Framework: 2nd Element

- Retains TDA's current farebox recovery ratio requirements
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Draft New TDA Performance Measurement System

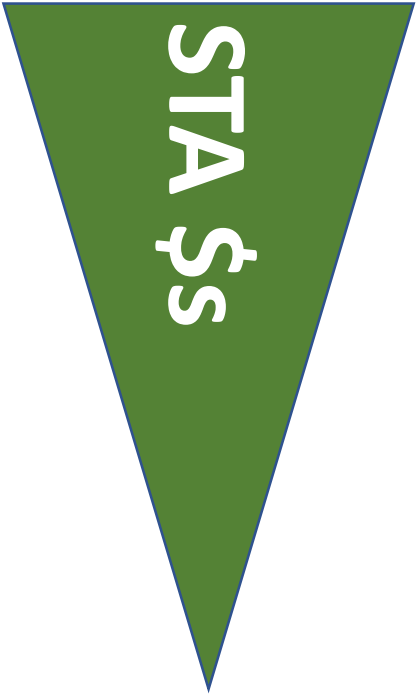
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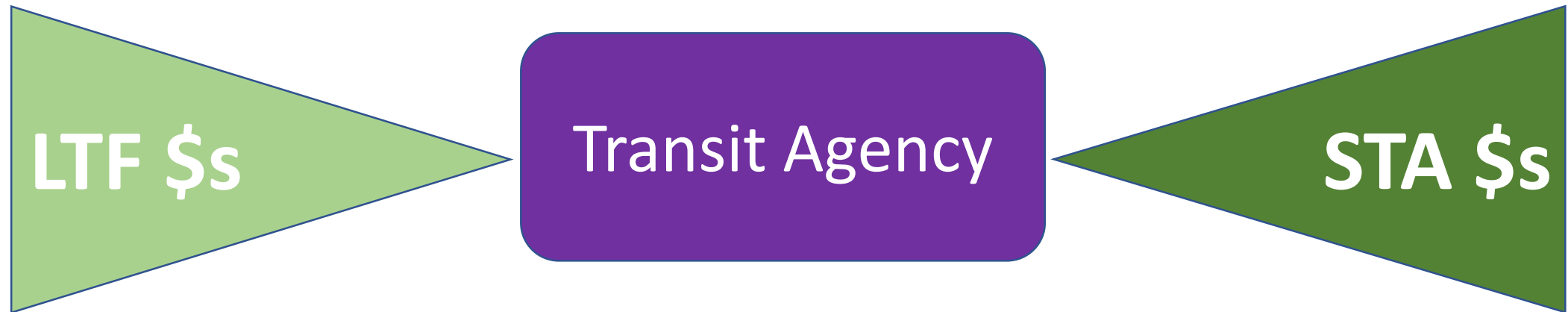
Transit Agency



Target:
Operating Cost Per
Hour Cap



Draft New TDA Performance Measurement System



Measure + Report:

Target Farebox
Recovery Ratio

Measure + Report:

Target Operating Cost Per
Hour Capped @ CPI

Draft TDA Reform Framework: 3rd Element

- Retains TDA's current farebox recovery ratio requirements
- Removes financial penalties for farebox ratio non-compliance
 - i.e. Converts agency's farebox recovery ratio "requirement" to a target
- Helps agencies comply in the first place
 - Lowers the thresholds themselves
 - Revises farebox recovery ratio definitions of numerator and denominator

Farebox Ratio Definition Amendments

- **Lower** required ratios
 - from 20% for Urban areas to 15%
 - from not less than 15% for PUC 99268.12 areas to not less than 10%
 - from 10% for Non-urban areas to 7.5%
- **Raise** PUC 99268.12 population threshold below which ratio may be set at not less than 10%
 - 750,000?
 - 1,000,000?

Farebox Ratio Definition Amendments *(cont.)*

1. Supplement farebox revenues with all operating sources (including Federal and LCTOP)
2. Exclude all E&H/ ADA paratransit operating costs
3. Exclude all operating costs of compliance with ARB's Innovative Clean Transit regulation
4. Exclude “operating costs” from pensions added by new GASB 65/ GASB 70 rules

Draft TDA Reform Framework: 4th Element

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- Subjects agencies missing farebox target 3 years in a row to a new action plan, measurement & reporting process involving its RTPA (and possible funded technical support), with choices built in to remediate to the target (or to new targets), and new RTPA authority to compel outcomes

Draft Concept: Target Non-Compliance

Transit agency misses farebox target **3 years in a row**; new framework triggers in year 4. At its option, transit agency must either.

A. Submit to RTPA action plan to meet farebox target.

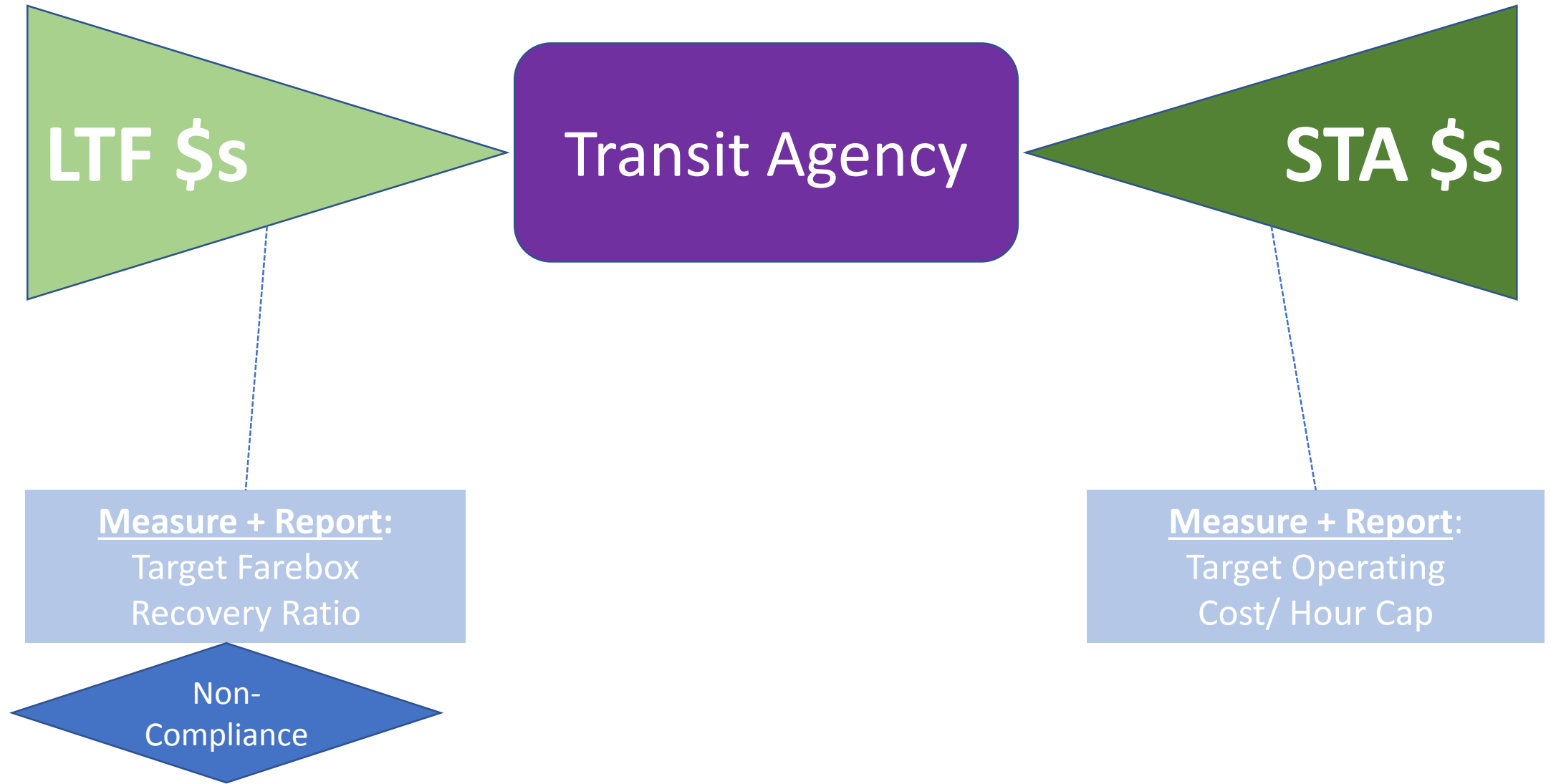
1. If target not met after 3 more years even though agency follows action plan, RTPA moves agency to Option B.
2. If, on the other hand, RTPA determines agency is not complying with action plan, RTPA authorized to require agency to take good faith efforts as condition of continued receipt of TDA funds.

B. In collaboration w/RTPA, develop & report new performance targets, which must include both:

- At least one measure from traditional efficiency, effectiveness and service quality buckets.
- Alternative measures, such as broader or specific goals unique to the local community, region, or state that illustrate the transit agency's contributions to each of those selected goals.

If RTPA determines after 3 more years agency's performance falling too short of any of the new goals, then RTPA authorized to require agency to take good faith efforts as condition of continued receipt of TDA funds.

Draft New TDA Performance Measurement System



LTF \$s

Transit Agency

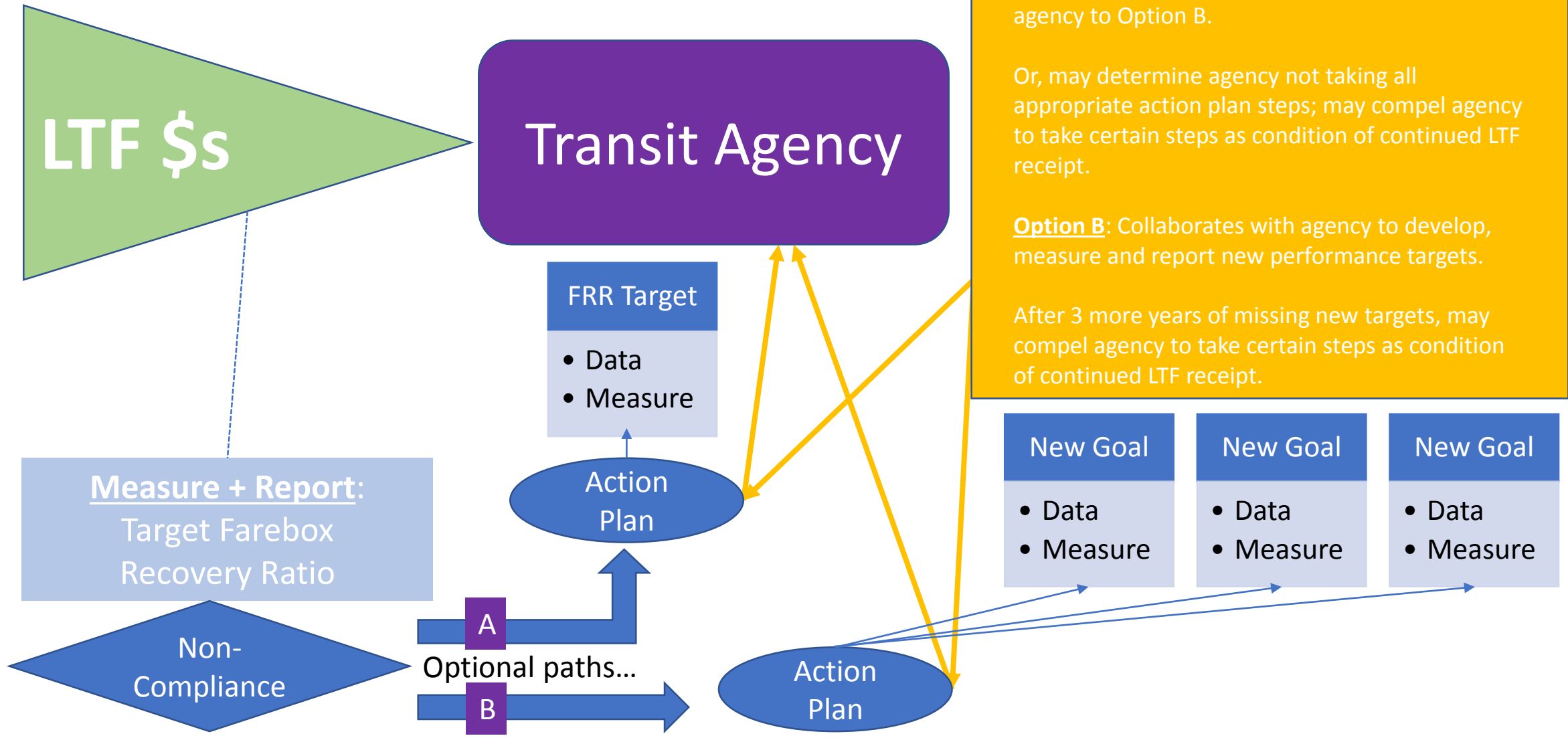
STA \$s

Measure + Report:
Target Farebox
Recovery Ratio

Measure + Report:
Target Operating
Cost/ Hour Cap

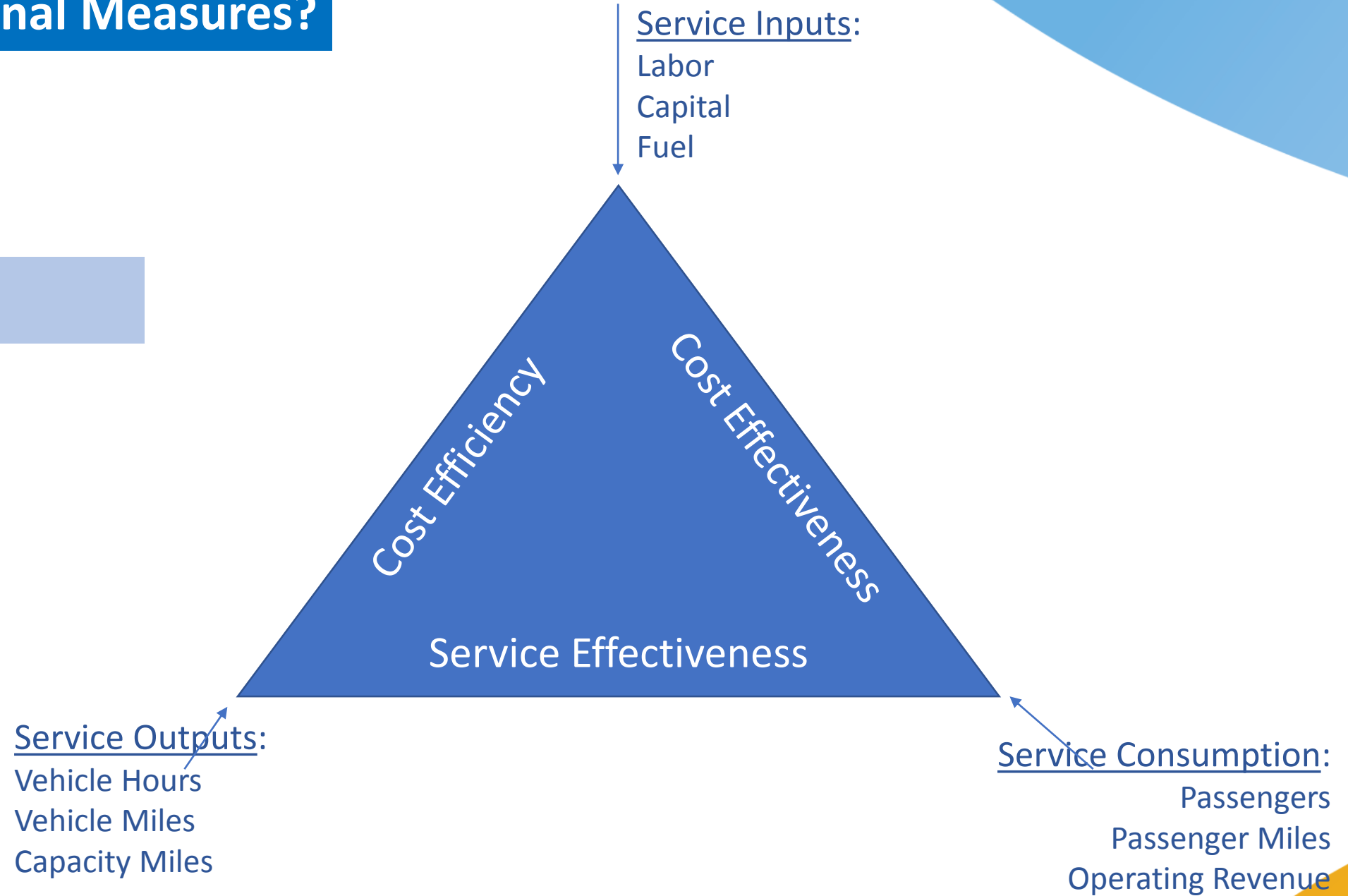
Non-
Compliance

Draft New TDA Performance Measurement System



Option B: Traditional Measures?

Derivation



Option B: Traditional Measures?

At Least One of Each

Service Effectiveness

Passengers per revenue vehicle hour

Passengers per revenue vehicle mile

Cost Efficiency

Operating cost per revenue hour

Operating cost per revenue mile

Operating cost per vehicle trip



Cost Effectiveness

Farebox recovery rate

Operating ratio (revenue divided by costs)

Operating cost per passenger

Subsidy per passenger

Fare revenue per passenger

Option B: New Measures?

Locally- and Regionally-Generated, Unique Measures

Measure transit's contributions to:



Option B: New Measures?

Statute specifies *parameters around development of new measures*, which could be reported from each category...

RTPAs and transit agencies collaboratively develop their preferred measures

Goal: Rely on *existing* transit operator data – avoid adding measures requiring costly new analysis

- Lifeline service provided
- Social service/ disadvantaged community service provided
- Access to transit increased

Social Equity Goals



- Implementation of zero emission vehicles
- PM, VOCs, CO² reduced

Environmental Goals



- Numbers of work trips provided
- Numbers of car trips reduced
- Delay time reduced

Mobility Goals



- Sustainable Communities Strategy contributions
- GHGs reduced
- VMT reduced

SB 375 Goals



- Jobs-Housing balance supported
- Free or steeply discounted transit provided

Unique Local Goals



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POSSIBLE OPTION: Transit agencies missing their farebox or new target(s) may (but aren't required to) access funds to pay for a peer-to-peer study group or a bench of RTPA pre-qualified consultants.

Funding Technical Assistance: Options

1. **State** could fund ongoing pot of technical assistance funds, capped at \$4 million.

Allocate some amount of dollars “**off the top**” from **LTF**, each year until goal met.

In first years of program, statute specifies that no more than, say, \$1 million per year flows into pot; pot fully funded at end of first four years.

Then, when transit agencies access and spend down funds, statute would automatically replenish, at a rate no faster than specified per-year cap.

2. **State** budget could annually allocate \$1 million from **non-STA Program Public Transportation Account** funds, to a pot capped at \$4 million.

As transit agencies access funds, when available funds drops below \$2 million, appropriations would begin again and proceed until cap reached.

Statute would automatically replenish, at a rate no faster than specified per-year cap.

3. **RTPA** could make available some of its regional **discretionary STA Program** funds.

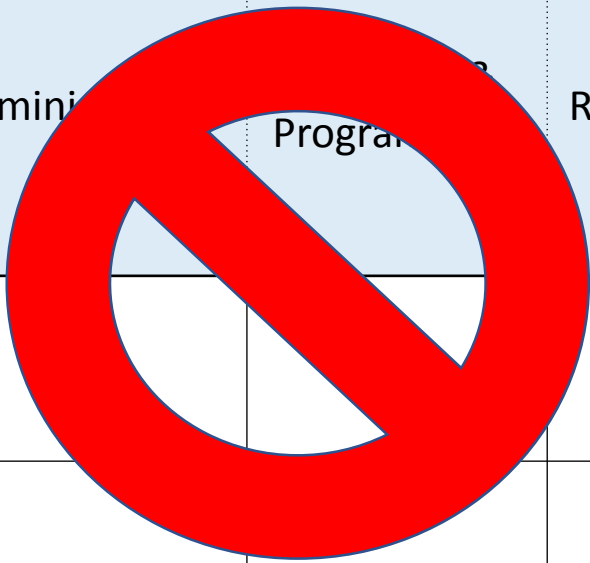
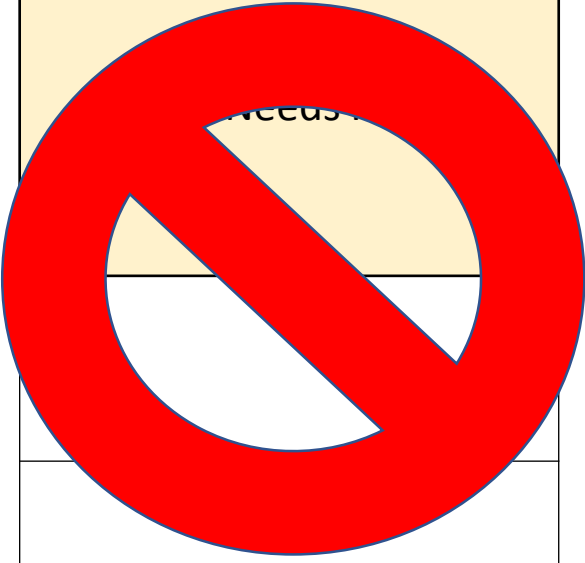
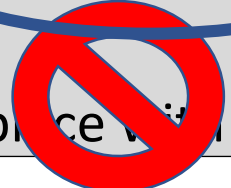
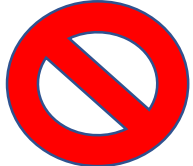

4. **Transit agency** could choose to use its **own funds**.

No Consensus

Review: Draft TDA Reform Framework

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Draft Concept vs Original Decision Matrix

<p>Task Force Choice to Make:</p>	<p>Performance Measures</p>		<p>Off the Top Allocations</p>		<p>Transit / Streets & Roads</p>
<p>Keep but Amend?</p>	<p>LTF Farebox Recovery Ratio Requirement</p>	<p>STA Qualifying Criteria</p>	<p>Admini...</p>	<p>Program...</p>	<p>Rail</p>
<p>Replace with New?</p>	<p>✓</p>	<p>✓*</p>			
					

* But... not today

Next Steps

Rick Ramacier

Chair, State Legislative Committee

California Transit Association



Process From Here

- Task Force adopts final draft framework concept (01-02-20)
- Stakeholder outreach and listening sessions (01-23-20... +?)
- Task Force assimilation of stakeholder feedback
- Task Force revises draft framework concept, *if needed*
- Task Force forwards revised FINAL concept to Association's State Legislative Committee
- State Legislative Committee reviews (and *possibly* revises) draft FINAL concept and forwards to Association's Executive Committee
- Executive Committee adopts FINAL concept
- Association transmits FINAL concept report to Legislature
- Bill possibly introduced reflecting FINAL concept report (or... something else?)

Questions? Comments?

Rick Ramacier

Chair, State Legislative Committee

California Transit Association



Draft TDA Reform Framework

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How to Ask Questions or Submit Comments

- Submit your questions or comments anytime during the program using the Questions module in your webinar control panel at the right of your screen.
- We will collect all questions and get to as many as time permits during the Q&A portion of the program.
- We will also collect all comments, which will be considered at a later date.



The screenshot shows a webinar control panel with several modules. The 'Questions' module is the central focus, highlighted with a red border. It contains a 'Show Answered Questions' checkbox, a table with columns 'X', 'Question', and 'Asker', and buttons for 'Send Privately' and 'Send to All'. Below the 'Questions' module are 'Polls (0/0)', 'Handouts: 0 of 5', and 'Chat' modules. At the bottom, there is a title box for 'State Transit Assistance Program Allocation Methodology' with Webinar ID: 125-149-947 and the GoToWebinar logo.

X	Question	Asker

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Questions? Comments?

- Email Association –

info@Caltransit.org

Reforming the Transportation Development Act (TDA): A Draft Framework

Thursday, January 23, 2020

TDA Reform Task Force
California Transit Association

