

TRANSPORTATION DEVELOPMENT ACT

The Transportation Development Act (TDA), also known as the "Mills-Alquist-Deddeh Act", was established by the State Legislature in 1971. TDA provides one of the major funding sources for public transportation in California.

TDA Funding Sources

The TDA provides two funding sources, the Local Transportation Fund (LTF) and the State Transit Assistance (STA) fund. The LTF is derived from a 1/4 cent of the general sales taxes collected statewide. The STA fund derives its revenues from statewide sales tax on gasoline and diesel fuel.



LTF ACCOUNT

The revenues generated by the 1/4-cent sales tax are returned to every county in the state, where those taxes were collected, and deposited in the local transportation fund (LTF) account. Every county, in the state, has established a LTF account.

LTF APPORTIONMENT AND ALLOCATION

Based on the amount received in the LTF account, the Transportation Planning Agency for that County apportions the LTF areas, cities and county according to population. After funds are apportioned, transit claimant and operators submit claims requesting funds to provide transit services in the county or city areas they serve.

STA FUNDS APPROPRIATION AND ALLOCATION

Revenues from sales tax on gasoline and diesel fuel are appropriated to the State Controller's Office (SCO) by the Legislature for allocation to transit operators by TPAs. Fifty percent of the STA funds are allocated according to the ratio of population of the area of the TPA to the total population of the state. The other fifty percent of the funds are allocated according to the ratio of the total revenues of all the operators in the area of the TPA, that were

generated during the prior fiscal year, to the total revenues of all the operators in the state. Revenues include local support funds.

APPORTIONMENT RESTRICTIONS

For counties with a population of 500,000 or more, as determined by the 1970 federal decennial census, but excluding counties with more than 4,500 miles of maintained county roads as of 1970, the amount representing the apportionment of the areas of all operators shall be available solely for claims for pedestrian and bicycle, public transportation and community transit services.

TDA PROGRAM FUNDING PRIORITIES

- Administration
- Planning and programming
- Pedestrian and Bicycles
- Rail Passenger Services
- Transit Development Board Area
- Community Transit Service (Art 4.5)
- Public Transportation (Art 4)
- Miscellaneous Transportation (Art 8)



TDA ELIGIBLE FUND CLAIMANTS

- City or county
- Any Transit District,
- Included Transit District,
- Municipal Operator,
- Included Municipal Operator
- Transit Development Board,
- Consolidated Transportation Service Agencies (CTSA).

CLAIMING OF TDA FUNDS

Transit operators wishing to receive an allocation of TDA funds shall file an annual claim according to the rules and regulations established by the RTPA. In the absence of such rules and regulations, they shall file at least 90 days prior to the beginning of the fiscal year. TDA claims shall be filled according to the RTPA's instructions and shall include the amount of funds claimed, the fiscal year for which the funds have been claimed and the Article and Section of statute that authorizes the claim.

No transit operator or transit claimant shall be eligible to receive money during the fiscal year from the LTF or STA for operating costs in an amount greater than its actual operating costs. The funds received by transit operators and transit claimants shall be spent according to the terms and conditions set forth in the allocation instructions for the LTF and the allocation resolution for the STA fund.

FAREBOX RECOVERY RATIOS

Transit claimants and operators are required to meet farebox recovery ratios. Farebox recovery ratios for a transit claimants and operators are determined by the location where the services are being provided (urbanized or non-urbanized) and the year when the claimants or operators begun providing transit services. The minimum farebox recovery ratios is 20 percent, if the services are being provided in an urbanized area and 10 percent if the services were provided in a non-urbanized area. However, if the transit claimant or operator was in operation in the 1978-79 FY and the farebox ratio, including local support was higher than the minimum, (ten, or twenty percent) the higher ratio will be the required ratio.



CLAIMING FUNDS UNDER ARTICLE 4

Transit operators may file claims under this Article to provide transportation services to the public. In most cases, the transit operator provides the services itself. The operator however, may contract out the operation of its buses. Article 4 operators are also subject to meeting farebox recovery ratios, fiscal audits and performance audits as required.

CLAIMING FUNDS UNDER ARTICLE 4.5

Transit claimants, including Consolidated Transportation Service Agencies may file claims under this Article for community transit services including services for individuals, such as the disabled, who cannot use conventional transit services. "Community transit services" are transportation services which link intra-community origins and destinations. Claimants of TDA funds under this Article may provide the services itself or through a contract. However, any contracted services must be awarded under a competitive bidding process. An Article 4.5 claimant is also subject to farebox recovery ratios, fiscal audits, but it is exempt from the performance audit requirement.

CLAIMING FUNDS UNDER ARTICLE 8

Transit claimants under this Article may file claims to provide general transportation services or services to groups with special transportation needs, as determined by the TPA. Transit services funded under this Article must be provided under a contract between the claimant of the funds and any transit entity. An Article 8 claimant is also subject to farebox recovery ratios, or to a local or regional performance criteria, local match requirements or farebox ratios adopted by the TPA, fiscal audits, but exempt from performance audits.



TDA FUNDS FOR STREETS AND ROADS

Under Article 8, cities and counties may file claims for local streets and roads, and projects that are provided for use by pedestrian and bicycles. Before any TDA funds are allocated for streets and roads, the TPA must go through an unmet transit needs finding process to determine whether or not there are any unmet transit needs that are reasonable to meet within the area of its jurisdiction.

UNMET TRANSIT NEEDS FINDING PROCESS

The unmet transit needs finding process is embodied in the following Public Utilities Code Sections:

Section 99238 establishes and identifies the role of the Social Services Transportation Advisory Council (SSTAC)

Section 99238.5 identifies the SSTAC as a vehicle for public participation in the unmet transit needs finding process.

Section 99401.5 provides the main elements for conducting the unmet transit needs finding process.

Section 99401.6 validates the results of the process.

For more detailed information about the Statutes and Regulations of the Act, you may contact:

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