

**Metropolitan Transportation Commission
Programming and Allocations Committee**

May 8, 2024

Agenda Item 2e-24-0506

MTC Resolution No. 4642

Subject:

Adoption of the \$15.8 million FY2024-25 Regional State Transit Assistance (STA) Program

Background:

As the Regional Transportation Planning Agency for the nine county Bay Area, MTC is responsible for the programming and allocation of STA funds. STA funds are derived from a sales tax on diesel and split evenly at the state level into a population-based account and a revenue-based account. MTC has discretion over the programming of population-based funds and MTC Resolution No. 4321 establishes the framework (70 percent by County Block Grant formula, 30 percent to a Regional Program, and a small off the top set aside for a Transit Emergency Service Contingency Fund) for the apportionment of these funds. This item presents the proposed annual program for the 30 percent of these funds apportioned to support regional transit priorities.

Revenue Outlook:

As diesel prices continued to be elevated throughout FY2023-24, STA Regional Program revenues for that fiscal year are higher than historical norms at roughly \$25.3 million. However, the California State Controller's Office estimates that revenues will fall in FY2024-25 to \$19.1 million, and state officials have signaled that estimates for FY2023-24 may be revised down. This downturn reflects a reduction in diesel prices and consumption relative to the elevated figures seen in previous years.

FY2024-25 Program:

FY2024-25 STA Regional Program funds support three primary initiatives, which are described below. For detailed information about individual projects, please refer to Attachment B.

- **Clipper (\$7.8 million):** The Clipper operating program used the bulk of funds from this program until revenue increased through the Road Repair and Accountability Act of 2017 (Senate Bill 1). MTC's share of Clipper operating costs is expected to temporarily increase with the deployment of the Clipper 2.0 system alongside the existing Clipper system.

- **Clipper BayPass (\$4 million):** The Clipper BayPass pilot program provides a group of users with unlimited access to all transit operators in the nine-county Bay Area. STA funding will be provided to participating transit agencies to compensate them for fares lost due to participation in the program.
- **Transit Transformation Action Plan and Regional Network Management (\$2.0 million):** In June 2022, MTC approved the programming for \$85 million in funding to implement the Transit Transformation Action Plan. FY2023-24 funds will be used for staff support and other implementation activities. In addition, a portion of these funds may be used as start-up funding for Regional Network Management following Commission approval of the Regional Network Management Framework in February 2023.
- **Other Regional Transit Coordination Efforts (\$2.0 million):** The remainder of FY2024-25 STA Regional Program funds support ongoing transportation planning initiatives and the implementation of improvements to the regional transit system. This includes funding for MTC to staff TDA/STA program administration and explore process improvements to streamline the administration of these critical funds, as well as improvements to transit hub signage, customer information provided by 511, staffing for the MTC Commuter Benefits Program, administration of the regional paratransit accessibility database by Central Contra Costa Transit Authority, and transit planning activities in Contra Costa County.

MTC Resolution No. 4321 also commits to paying for the administrative costs and helping to offset transit fare revenue loss for a regional means-based fare program, with an estimated annual contribution of \$8 million in STA funds. In July 2020, MTC and Bay Area operators initiated Clipper START, a regional transit fare discount program for riders with lower incomes. As a result of the pandemic, transit ridership was significantly diminished, and ridership continues to return gradually. Between FY2021-22 and FY2023-24, programming of STA contributions was suspended because sufficient funding existed to fulfill MTC's commitment to fund the program. Staff propose continuing to suspend this contribution in FY2024-25.

In FY2024-25, MTC intends to use \$2.1 million in funds previously earmarked for the means-based program to support administration of Clipper START and studies to inform future fare affordability work.

In future years, the Commission may reassess the framework for using STA funds in response to changing revenues from diesel fuel sales or in order to provide additional support for regional priorities such as the Transit Transformation Action Plan and other regional transit coordination activities.

Issues:

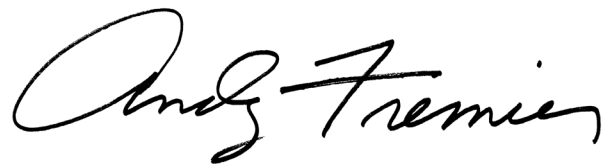
None identified.

Recommendations:

Refer MTC Resolution No. 4642 to the Commission for approval.

Attachments:

- MTC Resolution No. 4642
 - Attachment A: STA Regional Coordination Program Summary for FY2024-25
 - Attachment B: STA Regional Coordination Program for FY2024-25: Project Descriptions



Andrew B. Fremier

Date: May 22, 2024
W.I.: 1221, 1224, 1229,
2655, 2700, 1310,
1514, 1517
Referred by: PAC

ABSTRACT

Resolution No. 4642

This resolution establishes the FY2024-25 program for the MTC State Transit Assistance (STA) Regional Coordination Program funds.

The resolution includes the following attachments:

- Attachment A, STA Regional Coordination Program Summary for FY2024-25
- Attachment B, STA Regional Coordination Program: Project Descriptions for FY2024-25

Further discussion is contained in the MTC Programming and Allocations Committee Summary Sheet dated May 8, 2024.

Date: May 22, 2024
W.I.: 1221, 1224, 1229,
2655, 2700, 1310,
1514, 1517
Referred by: PAC

RE: FY2024-25 MTC Regional Coordination Program for State Transit Assistance (STA) Funds

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4642

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 et seq.; and

WHEREAS, the State Transit Assistance (STA) fund is created pursuant to Public Utilities Code § 99310 et seq., and

WHEREAS, Public Utilities Code § 99313 provides for the allocation by the Controller of State Transit Assistance (STA) funds to MTC based on the ratio of the population of the area under MTC's jurisdiction to the total population of the State of California; and

WHEREAS, in accordance with Public Utilities Code § 99316(a) MTC has created the State Transit Assistance fund with Alameda County for deposit of STA funds received from the State Controller; and

WHEREAS, Public Utilities Code § 99313.6(d) provides that MTC is an eligible claimant for such population-based STA funds for projects to achieve regional transit coordination objectives; and

WHEREAS, MTC has adopted a Transit Coordination Implementation Plan pursuant to Government Code Section 66516.5 which identifies a number of projects to be implemented by MTC and the region's transit agencies to improve coordination of services; and

WHEREAS, the projects listed in Attachment A to this resolution, attached hereto, and incorporated herein as though set forth at length, are consistent with the STA Population-Based Consolidated policy established in MTC Resolution No. 4321; and

WHEREAS, MTC has provided information about the programming of STA funds for projects in FY2024-25 as shown in Attachment B to this resolution, attached hereto, and incorporated herein as though set forth at length; and

WHEREAS, the implementation of the projects and purposes listed in Attachment B comply with the requirements of the California Environmental Quality Act, Public Resources Code § 21000 et seq., and the State EIR Guidelines (14 Cal. Code of Regs. § 15000 et seq.); and

WHEREAS, MTC has complied with the applicable rules and regulations for an allocation of STA funds under 21 Cal. Code of Regs. § 6730 et seq.; now, therefore, be it

RESOLVED, that STA funds are programmed by MTC in the amounts and for the purposes that are specified in Attachment A and described in Attachment B to this resolution, attached hereto and made a part of this resolution; and be it further

RESOLVED, that the Executive Director is authorized to make programming changes to Attachment A, up to \$300,000 for each project, in consultation with the affected sponsor.

METROPOLITAN TRANSPORTATION COMMISSION

Alfredo Pedroza, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a duly called and noticed meeting held in San Francisco, California and at other remote locations on May 22, 2024.

Date: May 22, 2024
W.I.: 1221, 1224, 1229,
2655, 2700, 1310,
1514, 1517
Referred by: PAC

Attachment A
MTC Resolution No. 4642
Page 1 of 1

STA Regional Coordination Program Summary for FY2024-25

Table 1. Summary of Revenue and Programming

Estimated New Revenue for FY2024-25 ¹	\$ 27,080,840
Carryover Balance ²	\$ 38,147,625
Carryover Commitments	\$ (2,615,000)
New Programming	\$ (13,205,180)
Estimated Balance	\$ 49,408,285

Table 2. Programming by Project

Project Name	Claimant	Prior Years' Carryover	FY2024-25 New Programming	FY2024-25 Total Programming
Clipper	MTC	\$ -	\$ 7,800,000	\$ 7,800,000
Clipper	GGBHTD	\$ -	\$ 10,000	\$ 10,000
Transit Transformation Action Plan and Regional Network Management ³	MTC	\$ 1,975,000	\$ -	\$ 1,975,000
Clipper BayPass	MTC	\$ -	\$ 4,000,000	\$ 4,000,000
Transit Funding Staff Support ⁴	MTC	See note 4	\$ 297,180	\$ 297,180
Transit Hub Signage	AC Transit	\$ -	\$ 302,000	\$ 302,000
Transit Hub Signage	MTC	\$ -	\$ 21,000	\$ 21,000
511 Transit	MTC	\$ 300,000	\$ 100,000	\$ 400,000
Regional Eligibility Database	CCCTA	\$ -	\$ 75,000	\$ 75,000
TDA/STA Portal	MTC	\$ 340,000	\$ -	\$ 340,000
Commuter Benefits Program	MTC	\$ -	\$ 100,000	\$ 100,000
Contra Costa Transit Planning	TBD	\$ -	\$ 300,000	\$ 300,000
Transit Projects Contingency	MTC	\$ -	\$ 200,000	\$ 200,000
Total		\$ 2,615,000	\$ 13,205,180	\$ 15,820,180

1. This amount is based on the February 2024 Fund Estimate.
2. Carryover amount is based on the February 2024 Fund Estimate and adjusted for allocations made after Fund Estimate approval.
3. \$1 million of this carryover is earmarked for Transit Transformation Action Plan staff support.
4. \$11.5 million in STA Regional Funds were programmed in FY2022-23. These funds are held in a dedicated account and will be allocated as needed to support MTC's TDA/STA staffing needs.

Date: May 22, 2024
W.I.: 1221, 1224, 1229,
2655, 2700, 1310,
1514, 1517
Referred by: PAC

Attachment B
MTC Resolution No. 4642
Page 1 of 4

STA Regional Coordination Program for FY2024-25: Project Descriptions

The State Transit Assistance (STA) Regional Coordination Program funds have historically supported MTC's regional operations projects as well as other planning and operational efforts to improve coordination of, and access to, transit services in the Bay Area. The proposed FY2024-25 STA Regional Coordination Program is approximately \$15.8 million. The following three projects comprise the majority (\$13.8 million) of the program:

- \$7.8 million for Clipper® operations
- \$4.0 million for Clipper BayPass, an all-system transit fare pass
- \$2.0 million for implementation of the Transit Transformation Action Plan and Regional Network Management

Other regional transit projects such as 511 Transit, the MTC TDA/STA Portal, and the Hub Signage Program will receive a small amount of funding. In addition, \$300,000 will be made available to support transit planning within Contra Costa County with the goal of optimizing the allocation of transit service hours to best meet existing and potential demand. Use of the STA funds by MTC is further subject to MTC's budget and project approval processes. Additional details about the specific projects and the amount of STA funds programmed to each is provided below.

Programmed funds must be encumbered in FY2024-25 fiscal year. Funds not encumbered by the end of the fiscal year will not be available for the project. If a project team is unable to encumber funds, they should coordinate with the regional program administrator and request to have unencumbered funds included in next fiscal year's program.

Clipper

Programmed to MTC: \$7,800,000

Programmed to GGBHTD: \$10,000

The Clipper program in the San Francisco Bay Area is a regional transit fare payment system that enables transit riders to utilize a reloadable smart card or other fare media in order to pay fares across multiple transit systems. Oversight of this program falls under the Metropolitan Transportation Commission (MTC), which currently holds contracts with Cubic Transportation Systems, Inc. for the operation and maintenance of the Clipper system and the development and deployment of the next-generation Clipper system (Clipper 2.0), an account-based customer-forward solution that offers enhanced features such as a real-time communication, mobile app for account management and ticketing with mobile wallet integration, expanded fare options and fare products like ride or fare-capping, and acceptance of open payment credit and debit cards. The Golden Gate Bridge Highway and Transportation District (GGBHTD) is set to receive \$10,000 for assistance in managing Federal Transit Administration funds.

Transit Transformation Action Plan and Regional Network Management

Programmed to MTC: \$1,950,000 in carryover funds

Staff proposes to supplement investment in the Transit Transformation Action Plan by programming just under \$2 million to support program implementation, including implementation of the Regional Network Management program in FY2024-25 (e.g., RNM staffing, a regional transit rider survey, etc.). Implementation of the Transit Transformation Action Plan will primarily focus on four initiatives – Fare Coordination, Regional Wayfinding, Transit Priority, and Accessibility Improvements.

Clipper BayPass

Programmed to MTC: \$4,000,000

The Clipper BayPass pilot program provides a group of users with unlimited access to all bus, rail and ferry services in the nine-county Bay Area, with the goal of measuring how an all-system pass could impact travel in the region. STA funding will be provided to participating transit agencies to compensate them for fares lost due to participation in the program.

Transit Funding Staffing Support

Programmed to MTC: \$297,180

STA funding will support staff costs accrued by MTC in order to administer TDA and STA funds during FY2024-25, including salary, benefits, and related overhead.

Transit Hub Signage

Programmed to AC Transit: \$302,000

Programmed to MTC: \$ 21,000

MTC is committed to maintaining the information in transit information displays (TIDs) at 24 regional transit hubs and 80 other hubs of regional significance. MTC has an agreement with AC Transit compensating the agency for updating the information for these displays on behalf of the region. The agreement with AC Transit documents the scope of work in exchange for the direct allocation of STA funds. The agreement covers FY2022-23 through FY2024-25 and identifies the anticipated amounts of STA funds that will be made available to AC Transit, subject to Commission programming and allocation actions. MTC will use STA funds for ongoing operations, maintenance of other hub signage, and transit connectivity projects.

511 Transit

Programmed to MTC: \$100,000 plus \$300,000 in carryover funds

STA funds will be used to supplement the funds for the 511 Transit program. 511 Transit collects, maintains, updates, and distributes region-wide transit service information for the benefit of the traveling public and MTC's transit partners. These funds may be used to support ongoing work, Transit Transformation Action Plan efforts, or other new initiatives.

Regional Eligibility Database

Programmed to CCCTA: \$75,000

STA funds will support the continued administration of the Regional Eligibility Database by CCCTA. The Regional Eligibility Database is used by the region's transit agencies and contains paratransit rider eligibility information.

TDA/STA Portal

Programmed to MTC: \$340,000 in carryover funds

MTC administers over \$800 million in funds each year through the Transportation Development Act (TDA) and STA programs in addition to other funding programs. These funds will support modernization of the funding and data collection processes, and may include a grants management portal and database. The goal of this effort is to realize efficiencies in the TDA and

STA administration processes, and to increase data accessibility and transparency for all stakeholders.

Commuter Benefits Program

Programmed to MTC: \$100,000

STA funds will be used for consultant services in FY 2024-25 to support implementation of the Commuter Benefits Program's first marketing and outreach plan, and other initiatives identified in the program's three-year strategic plan. MTC partners with the Bay Area Air Quality Management District (Air District) to operate the Commuter Benefits Program, which aims to reduce greenhouse gas emissions and vehicle-miles-traveled from drive-alone commuting by requiring employers with 50 or more full-time employees in the Air District's jurisdiction to offer commuter benefits to their covered employees.

Contra Costa Transit Planning

Programmed to TBD: \$300,000

STA funds will support the completion of one or more Comprehensive Operational Analysis (COA) plans with the goal of identifying improvements that can be made to improve the efficiency and effectiveness of service in Contra Costa County. This effort will help operators adapt to changing demand patterns and match service provision with existing and projected demand for transit service.

Transit Project Contingency

Programmed to MTC: \$200,000

These funds would be used in the event of unforeseen project needs or operating shortfalls with respect to MTC's regional transit projects such as Clipper®, 511 Transit, Regional Transit Mapping, and transit planning. These funds would also allow MTC to respond to unexpected regional or sub-regional transit planning needs or requests as they arise. Unspent contingency funds will be returned to the STA Program.