

Roles and Responsibilities Study



FINAL DRAFT

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SUBMITTED TO:

**Inyo County Local Transportation Commission
Mono County Local Transportation Commission
Eastern Sierra Transit Authority**

SUBMITTED BY:

PMC[®]


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Executive Summary

This Roles and Responsibilities Study is prepared as a supplement to the 2011 Triennial Performance Audit conducted of the Eastern Sierra Transit Authority (ESTA). Specific questions have arisen over the past three years of ESTA operations about responsibility for operational decisions as well as statutory and procedural requirements for Transportation Development Act (TDA) functions. This study responds to a series of questions posed by ESTA and the LTCs relevant to the administration, implementation, and funding of public transportation service in Inyo and Mono Counties.

The following table summarizes the questions and the responses for the recommended action and/or responsible party.

Question	Response (Recommended action and/or responsible party)
I. Are operational decisions the responsibility of the LTCs or the ESTA Board? How and/or should the LTCs and the ESTA Board interface?	The independent ESTA Board is responsible for making operational decisions. The LTCs by statute have mechanisms that could impact transit service through administration of the Transportation Development Act.
II. What are the roles of the LTCs/ESTA in the annual Social Services Transportation Advisory Council meeting and unmet transit needs hearing process?	Each LTC is responsible to ensure that at least one public hearing is held each year and that the SSTAC is used as a mechanism to solicit input. Most common is a public hearing during a regular LTC board meeting. The public hearing could be held outside an LTC board meeting when a formal unmet transit needs process is not required. However, the public body hosting the public hearing, such as the SSTAC, must be prepared organizationally to manage the higher level of formality that comes with a public hearing. Such decision should be memorialized in the LTC Procedure Handbook.
III. Who should be claiming TDA funds and under which section of the act? Are there differences to being a direct claimant, or "contractor," or some other arrangement?	The decision as to who should be the claimant of TDA-Local Transportation Funds is made locally. There is no real clear advantage or disadvantage to the claim method used by one county over another. For consistency purposes, ESTA should be able to receive funds from both LTCs under the same claim method. As a direct claimant of local transportation funds under Article 4, ESTA is subject to the same performance standard (farebox ratio) and is required to present various supporting documentation to the LTC.

Question	Response (Recommended action and/or responsible party)
IV. Should ESTA, as the CTSA, be receiving input from the SSTAC and/or public on transit needs, or LTC staff?	ESTA is a member of the SSTAC and inherently receives input on transit needs by SSTAC members, the public, and LTC staff by way of its membership.
V. Should the LTC adopt ESTA's Short Range Transit Plan? Who is responsible for implementation and accountability?	The final SRTP is adopted by the transit agency's board and accepted by the transportation commission as being complete for planning and programming purposes. "Ownership" of the SRTP is essentially placed with the transit operator as the adopting public body. Transit agency staff would approach its board to amend the SRTP. If a project is not in the SRTP, the LTC cannot insert the project into regional planning documents for state or federal funding.
VI. Should the LTC be requiring ESTA to demonstrate implementation of and/or progress on the "Inyo-Mono Counties Coordinated Public Transit-Human Services Transportation Plan"? Who updates and modifies it?	The LTC would be responsible for updating the Coordinated Plan in concert with the update to the Regional Transportation Plan. Caltrans has not set aside any further funding and therefore coordinated plans could be considered an "unfunded mandate." However, according to Caltrans, coordinated plans could fall under the definition of a "planning activity" funded under the JARC/New Freedom programs. Implementation and measurement of the Coordinated Plan's objectives are generally the responsibility of the designated CTSA (ESTA).
VII. What are the roles and responsibilities of the consolidated transportation services agency (CTSA)?	CTSA serves as an administrative and informational clearinghouse of all existing public and private social service transportation services within the LTCs' geographic areas of jurisdiction. CTSA reduces the duplication of transit related activities conducted by social service organizations, which can result in more efficient and cost-effective transportation services.
VIII. What are the roles of the LTCs/ESTA for those funds that pass through the LTC for ESTA-specific projects, such as PTMISEA and Office of Homeland Security? To expand this question, how should 99314 funds, which only go to one LTC, be addressed to assure equitable assignment of these funds and minimize reporting issues?	A recipient/lead agency is identified and is responsible for receiving funds from the State and is accountable for reporting as well as the annual fiscal audit of ESTA. An agreement developed between the LTCs and ESTA would designate ESTA to serve as the lead agency for all PTMISEA-funded projects in both counties. This would have the potential to simplify the application and reporting processes between the Mono-Inyo region and the State, as only one entity would be responsible to provide progress reporting on the state level. To address the equitable assignment of the 99314 funds, the suggested agreement between the LTCs and ESTA could be expanded to describe the allocation of these funds.

Introduction

This Roles and Responsibilities Study is prepared as a supplement to the 2011 Triennial Performance Audit conducted of the Eastern Sierra Transit Authority (ESTA). The study is conducted because the ESTA formation documents and Joint Powers Agreement (JPA) alone do not adequately define the roles and responsibilities of the two local transportation commissions (LTCs) and the ESTA Board. Specific questions have arisen over the past three years of ESTA operations about responsibility for operational decisions as well as statutory and procedural requirements for Transportation Development Act (TDA) functions.

This study responds to a series of questions posed by ESTA and the LTCs relevant to the administration, implementation, and funding of public transportation service in Inyo and Mono Counties. Our methodology for obtaining the responses included research and data collection from pertinent transportation sources; discussions with state agency representatives from the State Controller's Office, Caltrans, and California Emergency Management Agency; discussions with ESTA and LTC staff; and interviews with other rural and urban transportation planning agencies. We also drew upon our professional experience with the Transportation Development Act in formulating the responses.

Analysis

- I. **Are operational decisions, such as times, frequencies, and routes of specific transit services, the responsibility of the LTCs or the ESTA Board? How and/or should the LTCs and the ESTA Board interface?**

On an ongoing "daily" basis, the ESTA Board, as an independent Joint Powers Authority, is responsible for making operational decisions. The powers of ESTA granted under the JPA include all those necessary and proper for the transit agency to provide public transportation service. This includes budgeting, procurement, and management functions that are guided by the ESTA Board of Directors.

Any party, entity, or local jurisdiction can provide ESTA with opinions, comments, and suggestions regarding operations of the service. These can be received at anytime and are not limited to formal timelines such as the unmet transit needs process or public hearings. ESTA can, and should, be willing to accept external opinions, comments, and suggestions about service provision. As per the ESTA bylaws, ESTA staff present the Board with a service plan every six months for approval; the plan determines service for the following six-month period. At this approval stage, operational decisions are made by the Board that could include comments or suggestions should the Board accept them. In addition, the ESTA Short Range Transit Plan is the guiding planning document endorsed by both ESTA and the LTCs that provides technical recommendations for service. However, ultimate responsibility for transit operations decision making lies with the ESTA Board.

In contrast to direct operational decision making, the LTCs by statute have mechanisms that could impact the provision of transit service. These mechanisms are provided through LTC administration of the Transportation Development Act and include the annual approval of TDA claims for funds, the annual unmet transit needs process, and the identification and recommendation of potential transit productivity improvements. The latter two are described under the next question.

While the LTCs are not directly responsible for making operational decisions, they have a fiduciary responsibility to ensure that the allocated TDA funds follow the rules and regulations stipulated in state law and that the projects and services are consistent with regional planning goals and objectives. The LTCs formally approve by resolution the annual TDA claims by eligible entities including local jurisdictions and ESTA. During the claims process, the LTCs would review the claims for compliance with requirements such as budget justification, consistency with planning documents, proof of transit facility inspections, and preparation of fiscal audit documentation to the state. Typically a standard assurances checklist is used as part of the compliance review. Questions about any of these provisions are generally discussed between the LTC and the claimant prior to the staff recommendation to the LTC board. Through this process, the LTC makes funding decisions that could directly impact the type and level of service provided by ESTA.

II. What are the roles of the LTCs/ESTA in the annual Social Services Transportation Advisory Council meeting and unmet transit needs hearing process?

As contained in PUC Section 99238, each transportation planning agency is required to establish and maintain a social services transportation advisory council (SSTAC) for each county. Membership on the SSTAC is described in the TDA statute and includes a minimum of nine members representing the interest of social service providers and transit users. LTC staff typically serve as staff to the SSTAC and facilitate SSTAC meetings as well as the unmet needs hearing process, which is the responsibility of the LTC.

ESTA staff provide representation on the LTC-appointed nine-member SSTAC by fulfilling two required member roles, both representing the local consolidated transportation services agency. Along with the other seven members, ESTA and LTC staff participate in the identification of transit needs in the region; review and recommend action by the LTC with regard to the unmet transit needs findings; and advise the LTC on any other major transit issues, including the coordination and consolidation of specialized transportation services.

Each LTC is responsible to ensure that at least one public hearing is held each year and that the SSTAC is used as a mechanism to solicit input of transit-dependent and transit-disadvantaged persons, including elderly, disabled, and persons of limited means (PUC Section 99238.5). A common practice is holding the public hearing during a regular LTC board meeting, in particular when a formal unmet transit needs process is required and the commission must make a finding of unmet transit needs. The public hearing is facilitated by LTC staff and commissioners and is attended by SSTAC members to help solicit input.

An alternate venue to soliciting input in times when a formal unmet needs process is not required is an LTC-sponsored public hearing outside of an LTC board meeting. For example, the public hearing can occur during a SSTAC meeting. However, the meeting must be carefully conducted to adhere to all public hearing rules and provisions. In addition, the public body hosting the public hearing, such as the SSTAC, must be prepared organizationally to manage the higher level of formality that comes with a public hearing. Such decision as to where the public hearing is held should be memorialized in the LTC Procedure Handbook. The public hearing is held regardless of whether a formal unmet transit needs process is required depending on the claims for local transportation funds (LTF) made by the local jurisdictions.

When the unmet transit needs process is required, the process falls under the responsibility of the LTC. The unmet needs process is required only when there is the potential that LTF allocations can be made to streets and roads and not directly related to public transportation services, specialized transportation services, or facilities provided for the exclusive use of pedestrians and bicycles. PUC Section 99401.5 describes the hearing process. When there is no requirement for an unmet transit needs process, the LTC is not required to formally follow the process described in either PUC Section 99401.5 or PUC Section 99401.6, including adopting by resolution the findings of unmet transit needs. However, the requirement for at least an annual public hearing still holds.

Separately, under PUC Section 99244, each transportation planning agency (including LTCs) is required to annually identify, analyze, and recommend potential productivity improvements which could lower the operating costs of those operators who operate at least 50 percent of their vehicle service miles within the area under its jurisdiction. At a minimum, the recommendations for improvements and productivity are to include, but not be limited to, those recommendations related to productivity made in the triennial performance audit of the transit operator.

As an option, the LTC may form a committee for the purpose of providing advice on productivity improvements. If such a committee is formed, the membership of this committee shall consist of representatives from the management of the operator, organization(s) of represented employees of the operator, and users of the transportation services of the operator. These committees are usually formed when there are multiple transit systems within the jurisdiction of the transportation planning agency; the committees are used to discuss service coordination and funding issues.

The LTC is required to review and evaluate the efforts made by the transit operator to implement such recommended improvements. This can be handled through the annual TDA claims process whereby, at a minimum, ESTA reports to the LTC the status of implementation of the performance audit recommendations.

If the LTC determines that the transit operator has not made a reasonable effort to implement the recommended improvements, the LTC shall not approve the next year's LTF allocation to the transit operator in the amount above the LTF allocation made for the current fiscal year.

III. Who should be claiming Transportation Development Act funds and under which section of the act? Are there differences, advantages/disadvantages, etc., to being a direct claimant, or “contractor,” or some other arrangement?

The decision as to who should be the claimant of LTF is made locally. Currently, Mono LTC has a claim process that is slightly different from Inyo LTC’s in that ESTA is a direct claimant of TDA funds in Inyo County while the Town of Mammoth Lakes and the County of Mono are the direct claimants who then “pass through” the transit funds to ESTA. Both processes are acceptable, as there are examples of each process found throughout the state. This is the reason why the decision is a local one.

The order by which the LTC allocates the LTF is prescribed in state law. As stated in PUC Section 99233, funding for a consolidated transportation services agency (CTSA) under Article 4.5 takes precedent over funding for Article 4 for public transportation, while Articles 4 and 4.5 purposes take precedent over funding for Article 8 purposes including for streets and roads, and payment to any entity under contract with a city or county for public transportation services. ESTA directly claims funds through Inyo LTC under Article 4 as an eligible operator, while the Town of Mammoth Lakes and Mono County claim funds under Article 8 for payment to ESTA.

While there is no real clear advantage or disadvantage to the claim method by one county over another, Article 8 claims for public transportation are primarily intended for a relationship where there is a contract between a city or county and a contract operator of public transit services. An example is a city contracting with a private transportation company to provide service. As ESTA is an independent Joint Powers Authority authorized to operate public transportation in both Mono and Inyo Counties, it does not appear that this type of contractual relationship exists. Although there is an existing contract between the Town of Mammoth Lakes and ESTA for transit service above a base level, the contract does include provisions for ESTA to claim LTF on behalf of the Town.

Further, Article 4 transit claimants are subject to the farebox recovery ratio as the performance standard by which the LTC gauges fund eligibility. In contrast, for Article 8 claims for transit, the LTC has discretion to select other performance criteria (PUC Section 99405) through adopting a resolution to determine fund eligibility. For example, the LTC may select farebox plus another performance measure such as operating cost per hour as the performance criteria or performance measures in lieu of the farebox. The performance criteria and local rules and regulations guiding their implementation by the LTC supersede those in the statute.

For consistency purposes, ESTA should be able to receive funds from both LTCs under the same claim method. As a direct claimant of local transportation funds under Article 4, ESTA is required to present various supporting documentation to the LTC, such as the operating budget, and assure compliance with statutory provisions such as those described under previous Question 1. These provide additional components of accountability and transparency of the fund expenditure by ESTA to both counties.

IV. Should ESTA, as the CTSA, be receiving input from the SSTAC and/or public on transit needs, or LTC staff?

ESTA, serving as the designated CTSA for Mono and Inyo Counties, fulfills two positions on the required nine-member SSTAC. The SSTAC is charged by statute with the responsibility to participate in the identification of transit needs and advise the LTC on any major transit issues, including the coordination and consolidation of specialized transportation services. In this capacity, ESTA is a partner with the other SSTAC members and LTC staff in complying with the committee's responsibilities and inherently receives input on transit needs by way of its membership. SSTAC meetings, as well as the unmet transit needs process, are open to the public, allowing ESTA to receive input from interested parties.

V. Should the LTC adopt ESTA's Short Range Transit Plan? What are the policy and authority implications of doing so or not doing so? For example, who has the authority to modify the plan? If the LTC and ESTA want to make different changes, whose authority supersedes, or do we just have inconsistent plans? Who is responsible for implementation and accountability?

A short-range transit plan (SRTP) is a financially constrained planning document with a planning horizon of 5 to 10 years that provides an analysis of current and future transit demand as well as identifies capital and service improvements for the transit system. An SRTP feeds into regional transportation planning documents developed by the LTC such as the short-term Regional Transportation Improvement Program (RTIP) and long-term Regional Transportation Plan (RTP). The RTIP is prepared to implement projects and programs listed in the RTP. Through implementation of the SRTP by the transit operator, the document is used to identify unmet transit needs that are reasonable to meet. The Federal Transit Administration (FTA) strongly recommends the preparation and adoption of SRTPs to serve as directional documents for transit providers and justification for the receipt of federal assistance grants.

Administrative oversight of the SRTP is provided by the LTC, which typically procures the funding to prepare the SRTP as part of the regional transportation planning process. The LTC has an agreement in place with the transit agency to have the document completed (either in-house or by an outside contractor). In most cases, and by industry practice, the final SRTP is adopted by the transit agency's board and accepted by the transportation commission as being complete for planning and programming purposes. "Ownership" of the SRTP is essentially placed with the transit operator as the adopting public body.

The transit agency is required to follow any guidelines set forth by the LTC for the SRTP, such as providing annual updates as necessary based on current operating conditions and ensuring that RTIP and TDA fund requests are consistent with the SRTP. These updates could be part of the annual TDA claims via the transit budget and project justification. Should changes to the SRTP be needed after initial adoption of the document, transit agency staff would approach its board to amend the SRTP. As LTC staff coordinate the overall production of the document, the LTC makes comments on the SRTP and can make requests to the transit operator to modify the SRTP. If a project is not in the SRTP, the LTC cannot insert the project into the RTIP for state

funding, nor can the LTC provide a letter of concurrence to the FTA for federal transit fund requests by the transit operator.

The following are examples to the approach to an SRTP:

- The Amador County Transportation Commission (ACTC) and the Amador Regional Transit System (ARTS) adopted the short-range (5-year) *Amador County Transportation Plan* in 2003 (Transit Plan Update RFP).
- The El Dorado Transit Authority Board adopted the *Western El Dorado County 2008 Short Range Transit Plan*, which was accepted as complete by the El Dorado County Transportation Commission Board (Agenda Item 6A Action Item, El Dorado County Transit Authority, July 3, 2008, Agenda).
- Bay Area Metropolitan Transportation Commission Resolution No. 3532 (Revised) provides guidelines as to the preparation of SRTPs, which serve as management policy documents for the transit operator, as well as a means of annually providing FTA and the commission with information necessary to meet regional fund programming and planning requirements.

VI. Should the LTC be requiring ESTA to demonstrate implementation of and/or progress on the “Inyo-Mono Counties Coordinated Public Transit-Human Services Transportation Plan”? Where does the accountability for this plan lie? Who updates and modifies it?

A coordinated public transit-human services transportation plan (CPTP) as defined by the Federal Transit Administration (FTA) is a “unified, comprehensive strategy for public transportation service delivery that identifies the transportation needs of individuals with disabilities, older adults and individuals with limited incomes and lays out strategies for meeting these needs and prioritizes services.” Pursuant to the federal transportation reauthorization act, SAFETEA-LU, the CPTP serves as a foundation for projects supported by Elderly Individuals and Individuals with Disabilities (Section 5310), Job Access and Reverse Commute (Section 5316, or JARC), and New Freedom (Section 5317) funds. Projects using these grant sources are required to be derived from the CPTP and must also be included in other required transportation plans such as the Regional Transportation Improvement Program (RTIP). The CPTP is also a policy-level document that provides input to the Regional Transportation Plan (RTP) and Short Range Transit Plan (SRTP). As a result, coordination between the various planning processes is necessary among the key participants including the CTSA, social service providers, LTC, and Caltrans.

To receive funds, potential grantees must comply with all federal coordinated planning requirements. SAFETEA-LU stipulates that projects selected for funding under these programs must be derived from a locally coordinated public transit-human services transportation plan. The Caltrans Division of Mass Transportation is the designated recipient administering the FTA Section 5310 program and the small urban and rural portions of FTA Sections 5316 and 5317. Caltrans is responsible for certifying that each project selected was derived from a coordinated plan and that the plans are developed through a process that includes representatives of

public, private, and nonprofit transportation and human services providers and participation by the general public. The CPTP is adopted locally by the LTC which is responsible for adopting other regional transportation planning documents such as the RTIP and RTP.

We consulted with Stephanie Watts, Interim Branch Chief for Caltrans' JARC /New Freedom Grant Program section to ascertain how frequently such plans are updated and are funded. With regard to when the CPTP is updated, Caltrans referred to the FTA guidelines that coordinated plans be updated concurrently with Regional Transportation Plans (RTPs). Based on the guidance found in Chapter V, Paragraph 4, Sub-paragraph c of FTA Circular 9050.1 – Cycle and Duration of the Coordinated Plan (May 2007): “At a minimum, the coordinated plan should follow the update cycles for metropolitan plans (i.e., four years in air quality nonattainment and maintenance areas and five years in air quality attainment areas).” The LTC would be responsible for updating the CPTP in concert with other transportation planning documents.

With regard to funding sources to update the CPTP, Caltrans was the designated recipient of funding in 2007 under the Federal SAFETEA-LU Transportation Reauthorization Act for development of coordinated plans in rural areas. Since that time, Caltrans has not set aside any further funding and therefore coordinated plans could be considered an “unfunded mandate.” However, according to Caltrans, coordinated plans could fall under the definition of a “planning activity” funded under the JARC/New Freedom programs. Based on the guidance found in Chapter III, Paragraph 10, of FTA Circulars 9045.1 & 9050.1 – Recipient Administrative Expenses (May 2007): “Up to 10 percent of the recipient’s total fiscal year apportionment may be used to fund program administration costs including administration, planning and technical assistance. Program administration costs may be funded at 100 percent Federal share and do not require matching local funds.”

ESTA is the designated consolidated transportation services agency (CTSA) for both Mono and Inyo Counties. The *Inyo-Mono Counties Coordinated Public Transit–Human Services Transportation Plan*, prepared in October 2008, suggested that ESTA would be better able to direct coordinated transportation efforts if it were the designated CTSA for both counties. The plan further notes that ESTA has the technical skills and decision-making structure to be the most effective entity in regional transit coordination.

As stated in the Inyo-Mono CPTP, “The strategies are intentionally broad in order to provide general guidance to local officials who will score grant applications submitted by local agencies. Similarly, the strategies are written in such a way as to encourage ‘outside the box’ thinking about creative ways to address coordination issues and services within the two-county region. It is hoped that agencies will develop innovative new projects that will qualify under the strategies included in the Coordinated Plan as approved by the local transportation commissions.”

Further, the Inyo-Mono CPTP states that, “The effort required to develop, implement and sustain programs that meet this need cannot be accomplished by the CTSA or any one agency acting alone. Active participation by a wide variety of organizations and individuals will be required. Transit agencies, public, private and non-profit human service providers, transit

users, local governments, and the general public will all need to fulfill their respective roles for coordination to be effective.” Stakeholders were asked to rank the proposed strategies as high, medium, or low priority using criteria adopted at the public workshops.

Implementation and measurement of the CPTP’s objectives are generally the responsibility of the local entity endowed with the best available resources and coordination efforts. This is generally the role of the designated CTSA (in this case, the Eastern Sierra Transit Authority) with administrative oversight and monitoring from the local transportation commission. ESTA was suggested as the appropriate sponsor or champion for the majority of the high priority strategies recommended in the Inyo-Mono CPTP.

ESTA, in coordination with the LTCs, has implemented several of the high priority recommended strategies in the CPTP including designating ESTA as the consolidated transportation services agency for both counties, extending the CREST South service to Lancaster, and enhancing commute corridors such as from Bishop to Mammoth Lakes.

The following provides examples for implementation and oversight:

- The Trinity Transportation Commission plays a role in the administration of the CPTP, in that the commission serves as the local CTSA, allocates TDA funds, and is responsible for adopting its CPTP (*Trinity County Coordinated Public Transit–Human Services Transportation Plan*).
- The Tahoe Transportation District, created by Article IX of the Tahoe Regional Planning Compact, has responsibility for the implementation of transportation plans, programs, and projects. The district also serves as the designated CTSA for the Lake Tahoe region (*Coordinated Human Services Transportation Plan – Lake Tahoe Basin*).
- The El Dorado County Transportation Commission has designated El Dorado Transit as the CTSA for El Dorado County. The transit agency has accomplished several coordination activities in this role (*Western El Dorado County Coordinated Public Transit–Human Services Transportation Plan*).
- The San Diego Association of Governments (SANDAG) updated its plan in October 2010 in concurrence with its RTIP update.
- Completed coordinated plans are cataloged on Caltrans’ California Coordinated Plan Resources Center webpage (<http://dot.ca.gov/hq/MassTrans/Coord-Plan-Res.html>).

VII. What are the roles and responsibilities of the consolidated transportation services agency (CTSA)?

CTSAs are designated by county transportation commissions (CTCs), local transportation commissions (LTCs), regional transportation planning agencies (RTPAs), or metropolitan planning agencies (MPOs) under the auspices of the Social Services Transportation Improvement Act (AB 120/SB 826, Statutes of 1979). The Mono and Inyo LTCs designated the

Eastern Sierra Transit Authority as the CTSA within the respective geographic area of each transportation planning agency.

The purpose of AB 120 was to improve the quality of transportation services to low mobility groups while achieving cost savings, lowered insurance premiums, and more efficient use of vehicles and funding resources. The legislation took the middle course between absolutely mandating and simply facilitating the coordination of transportation services. Designation of CTSAs and implementation of other aspects of AB 120 were seen as a flexible mechanism to deal with the problem of inefficient and duplicative social service transportation programs that proliferated due to a dramatic increase in the number of social service programs offered by government agencies and private nonprofit organizations to meet their clients' mobility needs.

The key roles and responsibilities of CTSAs are summarized as follows:

- Serves as an administrative and informational clearinghouse of all existing public and private social service transportation services within the transportation planning agencies' geographic areas of jurisdiction.
- Provides centralized administration and branding of transit services in order to eliminate the duplication of numerous and costly administrative organizations, which can result in more efficient and cost-effective transportation services permitting social service agencies to respond to specific social needs.
- Enables combined purchasing of transit vehicles and ancillary equipment so that some cost savings through a larger number of unit purchases can be realized.
- Provides adequate training of transit drivers, continued in-service education, and best practices, which promote reduced insurance costs and increased safety.
- Provides centralized dispatching for more efficient use of vehicles.
- Provides centralized maintenance of vehicles so that adequate and routine vehicle maintenance scheduling is possible.
- Identifies and consolidates all existing sources of funding for social service transportation services to provide more effective and cost-efficient use of scarce resource dollars. Consolidation of categorical program funds can foster eventual elimination of unnecessary and unwarranted program constraints.
- Provides assistance related to the preparation of Section 5310 Grant Proposals for Transportation so that seniors and persons with disabilities remain an integral part of the technical assistance provided under this grant program.
- Provides technical assistance to applicants to apply for JARC (Section 5316) and New Freedom (Section 5317) grant programs.

- Provides mobility training programs, which are designed to teach disabled, elderly, and low-income individuals to use fixed-route public transit rather than door-to-door paratransit services.
- Assists in planning and development of Web-based information.

As TDA Article 4.5 claimants, CTSAs may operate their own community transit services or may contract through a competitive bid process with another entity to provide such services.

VIII. What are the roles of the LTCs/ESTA for those funds that pass through the LTC for ESTA-specific projects, such as PTMISEA and Office of Homeland Security? To expand this question, how should 99314 funds, which only go to one LTC, be addressed (how best to assure equitable assignment of these funds and minimize reporting issues where funds provided to one LTC are used for transit in another LTC’s jurisdiction)?

Approved by voters in November 2006, Proposition 1B includes \$4 billion for the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA). Of this amount, \$3.6 billion is designated for allocation over a 10-year period for public transportation projects. In addition, Proposition 1B provides \$1 billion in Office of Homeland Security Transit System Safety, Security and Disaster Response Account funds, including the California Transit Security Grant Program (CTSGP).

PTMISEA funds are administered by Caltrans and can only be utilized for capital expenditures. The funds are distributed on a proportional basis based on population pursuant to Government Code Section 8879.55(a)(2)/Public Utilities Code Section 99313 and fare revenues pursuant to Government Code Section 8879.55 (a)(3)/Public Utilities Code Section 99314. TSGP funds are administered by the California Emergency Management Agency (Cal EMA), are also used for capital expenditures, and generally follow the same fund distribution formulas as PTMISEA. Funds are appropriated annually by the legislature to the State Controller’s Office (SCO) for allocation in accordance with Public Utilities Code formula distributions: 50 percent to Regional Transportation Planning Agencies based on population (99313) and 50 percent allocated to local operators based on farebox revenue (99314).

To supplement the review of these funding sources, we made inquiries with representatives from the State Controller’s Office, Caltrans, and Cal EMA in regard to the oversight and reporting of PTMISEA and Homeland Security funds.

Based on our discussions with Mike Silvera from the State Controller’s Office, and with Stephanie Acton from Caltrans PTMISEA (in place of Wendy King, Program Manager), there is flexibility in identifying the project sponsor, whether it be a local transportation commission or transit operator. Approved project sponsors to receive funds are those that are eligible to receive State Transit Assistance Funds (STAF) under PUC Sections 99313 and 99314. The Inyo and Mono LTCs, as well as ESTA, are eligible project sponsors given their standing to receive STAF. If there are multiple sponsors for a project, then the recipient/lead agency is identified and is responsible for receiving funds from the SCO and is accountable for reporting as well as

the annual fiscal audit of ESTA. The fiscal audit must include verification of receipt and appropriate expenditure of PTMISEA bond funds.

As an example of multiple project sponsors, both the LTC (99313) and ESTA (99314) shares of PTMISEA funds may be required for a project (in Mono County, both shares go through the Mono LTC). The LTC and ESTA would both be contributing project sponsors. However, on the PTMISEA Project Allocation Request form, a lead agency is identified that will be responsible for direct receipt of the funds and progress reporting. While all project sponsors must fill out information, the lead agency is primarily responsible for completing the request. Contributing non-lead agency project sponsors must attach a separate officially signed letter providing their amount of PTMISEA funds contribution.

ESTA would be a candidate to serve as the lead agency for all PTMISEA-funded projects in both counties, as it is the only eligible local public transportation provider in both counties. It is noted that Mono LTC has awarded PTMISEA funding to YARTS, which operates in Mono County on a seasonal basis. Although the Mono and Inyo LTCs are responsible for calculating the available allocation for project sponsors applying for 99313 funds, there is only one local eligible transit operator for the funds as opposed to other counties that have several eligible transit recipients within their respective county borders. Nevertheless, the LTC is responsible for providing an approved PTMISEA Jurisdiction Fund Allocation based on an estimate provided by the State Controller's Office. The approved jurisdiction allocation includes both 99313 and 99314 funds.

An agreement developed between the LTCs and ESTA to designate ESTA as the lead agency for PTMISEA applications is a reasonable course of action. This would have the potential to simplify the application and reporting processes between the Mono-Inyo region and the State, as only one entity would be responsible to provide progress reporting on the state level.

It is noteworthy that according to Mr. Silvera, the SCO will not change on paper that Mono County is the recipient of the 99314 share of funds until ESTA is dissolved. As described above, 99314 funds are based on ESTA's fare revenue collection systemwide. However, this placement and showing of the funds in the annual SCO allocation will not impact the flexibility that enables ESTA to be the recipient/lead agency for both counties.

To address the equitable assignment of the 99314 funds, the suggested agreement between the LTCs and ESTA to designate ESTA as the recipient/lead agency could be expanded to describe the allocation of these funds. The division and use of funds could be negotiated between the LTCs and ESTA, and be based through existing allocation formulas used by the LTCs and ESTA for current service provision between the counties (currently 58 percent of counted service in Inyo and 42 percent in Mono, prior to the Reds Meadow Shuttle), or another agreed-to method. Because PTMISEA funds are limited to capital projects, the percentage benefit to each county might have to be approximated (e.g., number of vehicles serving each county and receiving 99314 funds for rehabilitation). Alternatively, the 99314 funds could be used exclusively for regional capital projects that benefit the system as a whole, such as for design and construction of facilities or for intercity transit services such as the CREST service.

With regard to California Transit Security Grant Program funds, we contacted Amber Lane, Program Representative at Cal EMA. Ms. Lane clarified that CTSGP applications pursuant to Government Code Section 8879.58(a)(3) (99314) are generally submitted directly to Cal EMA by the transit agency. These funds are allocated directly to transit operators based on fare revenues. However, those applications seeking funds pursuant to Government Code Section 8879.58(a)(2) (99313), even if combined with 99314 funds, must be submitted through and approved by the local transportation commission. The LTC must provide a resolution that names each agency awarded TSGP funds under the PUC Section 99313 component. However, in practice, there appears to be flexibility in which agency submits the application as long as the required documentation from the LTC and transit operator are submitted.

In addition to contacting state representatives, we communicated with several rural and urban regional transportation planning agencies to gain an understanding of the administrative practices employed by different agencies. These transportation planning agencies included the El Dorado County Transportation Commission (EDCTC), Placer County Transportation Planning Agency (PCTPA), and Sacramento Area Council of Governments (SACOG).

In our discussion with the El Dorado County Transportation Commission, the staff representative mentioned that the transportation commission is responsible for programming Proposition 1B funds and for passing board resolutions authorizing the allocation of the funds. The commission is responsible for signing off on the CTSGP application as well as providing an investment justification. In regard to PTMISEA funds allocated directly to the sole transit operator in El Dorado County (El Dorado County Transit Authority) pursuant to Government Code Section 8879.55(a)(3) (99314), the commission is responsible for calculating the amount based on the State Transit Assistance fare revenue formula.

In our discussion with the Placer County Transportation Planning Agency (PCTPA), the staff representative confirmed that the transit operators in Placer County apply directly to the State for PTMISEA and CTSGP funds. PCTPA provides a verification letter that attaches to the PCTPA Board resolution showing the fund allocation amount to the jurisdictions. The transit operator then applies for the total amount of funds shown, i.e. PUC Section 99313 plus PUC Section 99314 funds.

Non-transit operator jurisdictions are not eligible to apply directly for these funds. In these cases, PCTPA applies directly on behalf of these jurisdictions. PCTPA receives the funds, holds them in an interest bearing account and distributes the funds upon project completion to the jurisdiction. The jurisdiction must use the funds for transit related projects. This process is administered through a Funding Reimbursement Agreement approved by the PCTPA Board. In terms of reporting, the transit operators report on their own projects and PCTPA reports for the non-transit operator jurisdiction projects. The same basic process applies for PTMISEA expenditure plans. Although it was acknowledged that this fund process has not always run smoothly, the funds have flowed and projects do get built.

We also reviewed agenda items, funding agreements, and staff reports from the aforementioned local transportation commissions to gain insight into the roles and

responsibilities of each project recipient and sponsor of Proposition 1B funds. The following matrix provides a sampling of projects that have been funded with Proposition 1B.

Project Type	Project Applicant	Project Sponsor	Prop 1B Program	Roles & Responsibilities
\$646,627 toward bus stop improvements, AVL and regional fare card tech	El Dorado County Transit Authority (EDCTA)	EDCTA	PTMISEA Gov Code 8879.55(a)(2)	EDCTA serves as applicant, project sponsor, and funds recipient. EDCTC approves the allocation and provides support as needed.
\$180,348 for bus equipment and signage	County of Nevada Dept of Public Works – Transit Division	Nevada County Transportation Commission (NCTC)	PTMISEA Gov Code 8879.55(a)(2)	The County serves as applicant, while NCTC serves as project sponsor and funds recipient. NCTC approves the allocation and provide support as needed.
\$33,637 for bus stop safety and security	City of Rocklin	PCTPA	CTS GP Gov Code 8879.58(a)(2)	The City is responsible for performing tasks, reporting milestones, and management. PCTPA approves the allocation and serves as project sponsor and funds recipient.

The project sponsor is responsible for abiding by current PTMISEA Guidelines and for submitting a program expenditure plan and semi-annual reports.