



Agenda

BUS OPERATIONS SUBCOMMITTEE

Thursday, March 5, 1992 - 9:30 a.m.

Long Beach Room, 11th Floor

818 West Seventh Street

Los Angeles, CA 90017

Call to Order

- | | DISPOSITION |
|--|---|
| 1. Approval of Minutes for Meeting of February 6, 1992
(Item #1, Page 2) | ACTION |
| 2. Proposition A 40% Discretionary - Restructuring of Base Shares
(Item #2, Page 6) | INFORMATION
(J. Austin) |
| 3. Proposition C Guidelines
(To be distributed at meeting) | DISCUSSION/
POSSIBLE ACTION
(B. Cardwell) |
| 4. Electric Trolley Bus Route Identification
(Oral Report) | INFORMATION
(J. Lair) |
| 5. Advance Communication for Vehicles
(To be distributed at meeting) | INFORMATION
(R. Berlin) |
| 6. AB 152 Reorganization of LACTC and SCR TD
(Oral Report) | INFORMATION
(C. Moody) |
| 7. Revenue Vehicle Replacement Study
(To be distributed at meeting) | DISCUSSION
(R. Gephart) |
| 8. New Business | |
| 8. Adjournment | |





Minutes

BUS OPERATIONS SUBCOMMITTEE

February 6, 1992

MEMBERS PRESENT

<u>Name</u>	<u>Agency</u>
Stephanie Griffin (Chair)	Santa Monica
Birgit Brazill (Vice Chair)	Foothill Transit
Michael Uyeno	L.A. D.O.T.
Dolores Teubner	Antelope Valley Transit
George Sparks	Claremont Dial-A-Ride
Tom Bachman	Commerce Municipal Bus Lines
Susan Risenman	Culver City Municipal Bus Lines
Mark Malone	Long Beach Public Transit Co.
Anne Dauda	Montebello Bus Lines
Al Reyes	SCRTD
Bob Hildebrand	Torrance Transit System

OTHERS PRESENT

Todd Derbish	Foothill
Tom Whittle	Gardena
Tom Nohl	PVTA
Julita de Leon	SCAG
Angeli Meneses	SCAG
Steven Brown	SCRTD
Brian Hyman	SCRTD
Jesse Simon	SCRTD
Norm Stabeck	SCRTD

LACTC STAFF MEMBERS PRESENT

Nalini Ahuja	Bryce Little	Alan Patashnick
Julie Austin	Marci Malaster	Desiree Portillo-Rabinov
Brent Cardwell	Jim McLaughlin	Michael Tanner
Walt Davis	Judi Norman	Larry Torres
Rex Gephart	Jim Parker	Lorenzo Tyner



CALL TO ORDER

The meeting was called to order at 9:45 a.m.

APPROVAL OF MINUTES

The subcommittee approved the minutes of the January 9, 1992 BOS meeting with the following amendments:

- One typographical error
- BOS members indicated that their recommendation for a three tier approach to Economic Recovery Program including: (1) approval of the revised funding marks pending allocation of TDA/UMTA per FAP; (2) STA should be FY '91 allocations; and (3) approved Prop A Discretionary pending confirmation of sources of these additional funds should be noted in the minutes.

BUS TRANSIT FORMULA ALLOCATION SHARES - FY 1993

LACTC staff presented a briefing on the status of FY 1993 funding shares for bus operators. The revised TPM data from SCRTD (necessary to complete the share evaluation process) should be available by February 10th. BSCP TPM data was discussed in relation to the need for a separate line item as opposed to inclusion with Foothill totals. Staff will seek approval to fund Foothill similar to L.A. D.O.T designation.

The SRTP process was discussed in relationship to the fact that final bus funding shares and mid-year adjustments are still unavailable to date. BOS members approved motion requesting staff to delay the March 15th SRTP submittal date. BOS members further recommended delay of Private Forum review of SRTPs scheduled to begin March 2, 1992.

LACTC staff presented briefing on the Economic Recovery Program (ERP) and reviewed draft recommendations with BOS members. The BOS membership offered comments on the ERP which included the following:

- LACTC should reconsider its position on SCRTD eligibility for STA funds and release \$10.3 million.

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- ERP recommendations should include LACTC approval to trade farebox revenues for Prop A Local Return funds.
- Delete LACTC assumptions that \$4.7 million in current year Prop A Discretionary funds are available for use in FY 92 ERP.
- LACTC staff should work with operators to develop a multi-year ERP.
- LACTC staff assumption that the 13 municipal operators would manage shortfall without substantial service cuts or fare increases is incorrect.
- The assumption that LACTC staff would aggregate funds identified in the ERP and make allocations available on a prorata basis is misleading since STA and FTA Section 9 are only available on individual operator basis.
- LACTC staff is requested to explore current status of Prop C interest earnings.
- LACTC staff should address the timing for the release of funds once allocations are approved.

PROP A DISCRETIONARY - RESTRUCTURING OF BASE SHARES

Staff presented revised draft for BOS review and comment.

The BOS members tabled a motion that transit services added in FY 1990-91 by included operators and funded by operator with FAP funds, (Proposition A 40% Discretionary funds, Prop A Local Return funds) or Prop A Incentive funds, and approved in their SRTPs, should be eligible for formula share funding in FY '93.

Bos members indicated that (1) Tracking the Prop A 40% Discretionary Base as a separate line item from services added to the base (via transit service expansion, incentive projects, overcrowding, etc.) is essential to checks and balances; (2) Prop C Bus System Capacity Expansion service should not be considered in FAP share calculations; (3) Prop C base service should have a policy indicating CPI growth based on approved services.

Staff agreed to delete Option "B" and Option "A" will be rewritten to reflect BOS comments (including three base concepts).

Next Prop A 40% Discretionary - Restructuring of Base Workshop - February 20, 1992.

PROPOSITION C GUIDELINES

Staff gave status report on Prop C Guidelines and comments received during workshop. SCRTD has drafted a proposed set of revised guidelines. Staff responded to the BOS concerns on Prop C Local Return Guidelines and the need for consistency with Prop A Local Return Guidelines in the area of Regulation XV employee incentive program eligibility. The BOS also raised the equity issue of ADA maintenance of effort requirements.

SCRTD CONCERNS - PROPOSITION C DISCRETIONARY GUIDELINES

The BOS members requested that SCRTD Proposition C Guideline revisions be included on its March agenda.

NEW BUSINESS

Booz-Allen briefed the BOS members on the status of triennial performance audits and summary of workplan. the final report is due to State by June 30th.

ADJOURNMENT

The meeting was adjourned at 12:15 p.m.



February 25, 1992

MEMO TO: BUS OPERATIONS SUBCOMMITTEE - 3/5/92 MEETING
FROM: JULIE AUSTIN, POLICY ANALYSIS
SUBJECT: PROPOSITION A 40% DISCRETIONARY FUND -
 "BASE" RESTRUCTURING GUIDELINES

ISSUE

In accordance with the revised Proposition A 40% Discretionary Guidelines adopted April 24, 1991, LACTC staff is working with transit operators to develop a methodology for recalculating "base" levels of Proposition A 40% Discretionary funds in the event of service additions, new operators, or service reductions.

RECOMMENDATION

Approve the Proposition A 40% Discretionary Fund "Base" Restructuring Guidelines detailed in Attachment "A".

RELATIONSHIP TO 30-YEAR INTEGRATED FINANCIAL PLAN

Development of a method for restructuring "base" service levels for Prop. A 40% Discretionary recipients will ensure a continuing source of funding for new and/or expanded transit operations, enabling service levels to keep pace with levels projected in the 30-Year Plan.

BUDGET IMPACT

No direct impact to LACTC budget.

BACKGROUND

The revised Proposition A 40% Discretionary Guidelines adopted April 24, 1991, state that "LACTC agrees to develop a methodology in cooperation with bus operators for determining future fiscal year changes to the base year noted above (FY 1992 formula shares based on FY 1990 audited data). LACTC recognizes that new services have been added since FY 1990, and agrees that those services will be given priority in the development of new fund uses."



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BASE RESTRUCTURING GUIDELINES
PAGE 2.

Draft base restructuring guidelines are attached (Attachment A). Staff has met with the BOS on at least four occasions to discuss this issue. The draft guidelines outline three scenarios for restructuring of the base. Scenario I addresses new or expansion service above the FY 90 base level; Scenario II addresses how new operators will be added to the base; and Scenario III outlines how and when funding will be reduced if service is significantly reduced. Changes made at the February 20, 1992 BOS workshop are indicated by underlines for additions and strikeouts for deletions.

As required in the Proposition A Discretionary Guidelines, the "base" service level for Proposition A Discretionary funding effective in FY 92 will be the level of service as reported in the audited FY 1990 Transit Performance Measurement (TPM) reporting form. The guidelines define the "base" level of service as the number of system total annual vehicle service hours, excluding "other" services as listed on the operator's TPM form. On a competitive basis via application, service above FY 90 levels will be funded with Prop. C funds (pending the outcome of current litigation and approval of remaining Proposition C 40% Discretionary Guidelines). Redeployment of services within base FY 90 levels is permitted under the guidelines; the intent is to focus Proposition C resources on the most cost-effective services.

Upon approval by the BOS and the General Managers, these guidelines will be presented for approval by the Planning and Mobility Improvement Committee and the LACTC.



PREPARED BY: JULIE AUSTIN
POLICY PROJECT MANAGER

Attachment

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**PROPOSITION A 40% DISCRETIONARY FUND
DRAFT "BASE" RESTRUCTURING GUIDELINES**

1. INTRODUCTION

The Proposition A Discretionary "Base" Restructuring Guidelines summarize the funding policies and administrative procedures related to: a) defining the base level of transit service provided by operators receiving funds under the 40% Discretionary Program; and b) outlining the methodology to be utilized by LACTC related to incorporating new operators, new services/service expansion, or reductions in overall service levels into the Proposition A "Base".

These guidelines are to be incorporated into the Proposition A 40% Discretionary Grant Program Guidelines adopted April 24, 1991.

The overall purpose of these guidelines is to ensure stable funding levels to transit operators with which to operate the FY 90 base level of service, as reported on audited Transit Performance Measurement (TPM) forms. It is the intent of the transit operators and LACTC in preparing these guidelines to:

- a. allow operators maximum flexibility to deploy the base level of service in the best interests of the riding public, the transit operators themselves, and Los Angeles County as a whole. This flexibility relates specifically to route and schedule restructuring, and service redeployment;
- b. fulfill reporting requirements using existing data sources and data collection methods to the fullest extent possible;
- c. maintain operators' incentive to improve the cost-efficiency of transit services; and,
- d. allow the administration of the program to be carried out in a cost-effective and efficient manner.

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2. BACKGROUND

The revised Proposition A 40% Discretionary Guidelines adopted April 24, 1991 (hereinafter referred to as the "Guidelines") state the following:

LACTC agrees to develop a methodology in cooperation with the bus operators for determining future fiscal year changes to the base year noted above (FY 1992 formula shares based on FY 1990 audited data). LACTC recognizes that services have been added by the operators since FY 1990, and agrees that those services will be given priority in the development of new fund uses.

3. DEFINITION OF PROP. A "BASE" LEVEL OF SERVICE

The Guidelines state that the base service level for Proposition A Discretionary funding effective in FY 92 will be the level of service reported in the FY 90 Transit Performance Measurement (TPM) report. The base level of service is further defined as the number of system total annual vehicle service hours, excluding "other" services. Within the constructs specified in 1.a. and 1.c. above, operators warrant the provision of similar route configurations operated as part of the FY 90 base level of service. Service hours included in the FY 90 Proposition A 40% "base" service will be included in formula funding calculations for Included Municipal Operators.

4. RELATIONSHIP TO PROPOSITION C

At this writing, Proposition C (Ordinance 49) is undergoing a legal challenge in the California State Supreme Court. It is recognized that the Proposition A Base Restructuring Guidelines are predicated upon the approval of the validity of Proposition C. In the event that Proposition C is found to be invalid, these Guidelines would be reevaluated and amended as appropriate.

5. RESTRUCTURING SCENARIOS

A variety of circumstances may trigger a restructuring of the Proposition A "Base" funding shares. Listed below are three scenarios which would require base restructuring.

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SCENARIO I: NEW/EXPANSION SERVICE ABOVE THE FY 90 BASE LEVEL

a. Service Added During FY 91 and FY 92:

Service added which exceeds the Proposition A Base funding level must be approved by the LACTC as part of the regular Short Range Transit Plan (S RTP)/ Transportation Improvement Program (TIP) process. Local funds, or funds made available through service efficiencies where available, shall be the funds of "first use" for the provision of new or augmented transit services which exceed the Proposition A Discretionary "Base" funding level. Operators must include a financial capacity certification for service added as part of their S RTPs. An operator cannot assume that added service not approved by LACTC, or service funded temporarily due to extenuating circumstances, will become eligible for Proposition C and/or Sec. 9, TDA and STA formula funds. However, any service approved by LACTC in an operator's FY 91 and/or FY 92 S RTP will receive priority consideration for inclusion in formula funding. Such priority consideration applies only to the FY 91 annual element and the FY 92 annual element of S RTPs approved by LACTC. Additional service increases projected beyond those identified in the annual elements of the FY 91 and FY 92 S RTPs (FY 93 and beyond) which cannot be funded within the "base" funding levels are not considered "approved" by LACTC.

b. Demonstration Projects:

Service funded as a demonstration project with Incentive funds, Transit Service Expansion Funds, Congestion Relief/Bus Overcrowding, or Proposition C Discretionary funds, or other temporary funds, must be deemed successful by LACTC in accordance with the guidelines specific to the demonstration program prior to incorporation into the Prop. C expansion base level of service for permanent funding.

c. Proposition C Bus System Capacity Expansion Projects:

After being awarded Proposition C 40% Discretionary grant funds, "Operator X" operates a new transit service during a demonstration period of one to three years. LACTC finds the project successful, and the service is incorporated into the Proposition A C Discretionary "Base" for permanent funding.

Since each operator's Prop. A Discretionary "base" funding share will remain unchanged, new/expansion service will

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require separate reporting for monitoring purposes. Therefore, all new/expansion service must be reported on separate TPM reporting forms. If Operator X also receives formula funds, the new expansion service should not be added to the formula, but funded 100% from Prop. C Discretionary funds transferred to the "Base". These expansion services will be aggregated into "Proposition C base service", a permanent funding pool that only differs from Proposition A base service by the identity of the funding source and growth in funding levels. In effect, the two base service pools will be merged (in terms of how service performance is evaluated), although they will be funded from different revenue sources. The amount of funds transferred from Prop. C will equal the amount of funds allocated for the new or expansion service during the last year of the demonstration period, adjusted annually for CPI to the extent that growth in Prop. C funds is at least equal to the rate of inflation. If total Prop. C receipts are less than the Los-Angeles/Long Beach Consumer Price Index for the same period, only the growth in receipts will be applied to the Prop. C Expansion base; if total Prop. C receipts exceed the LA/LB CPI, operator shares will be adjusted up to the CPI and any excess Prop. C 40% revenues will remain in the Prop. C 40% Discretionary account.

d. Transit Performance Measurement (TPM) Reporting:

New/expansion service will require separate reporting during the demonstration period and thereafter. Operators will continue to submit an annual TPM form covering the operation of "base" service levels. A separate TPM form covering "new/expanded" service operated above the base will be prepared by operators who provide such service. In the interest of using existing data collection methods, the separate TPM submittal may exclude "Full Time Equivalent Employees".

When service originally funded from Proposition C Bus System Capacity Expansion funds is operated to augment existing routes (e.g., overcrowding relief, line extensions, headway reductions), data for this augmented service will be subtracted from audited system totals and reported in accordance with the reporting requirements of the Proposition C Bus System Capacity Expansion guidelines.

SCENARIO II: ADDING AN OPERATOR

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New operators petitioning for inclusion into the FAP and the Discretionary Base funding will be subject to the LACTC-adopted requirements for new included municipal operators in accordance with TDA law. ~~The City of Los Angeles Department of Transportation (LADOT), Santa Clarita and Antelope Valley Transit Systems were added to the funding package in FY 92. Proposition A Incentive Funds are being used to subsidize these systems through the economic recession. It is anticipated that Prop. A growth over inflation may be used to fund these operators in the future, including their "base" funding. This temporary arrangement does not preclude the new operators from eventually claiming formula and "base" funds.~~ Included municipal operators and "eligible" municipal operators designated after July 1, 1991, will be funded from sources outside formula and Prop. A Discretionary "base" funds during recessionary periods; Prop. A growth over inflation may be used to fund these operators in the future. New included operators are not precluded by this temporary arrangement from claiming formula (TDA, STA, Sec. 9) funds. Prop. A "Base" funding for new included operators will be provided from either an excess in Prop. A Discretionary receipts over CPI or another funding source so as to protect existing "base" shares of other operators.

FOOTHILL TRANSIT AND BSCP: ~~The County of Los Angeles' Bus Service Continuation Project (BSCP) lines were approved for formula funding once Foothill Transit Zone became an included operator. Due to the implementation delays necessitated by litigation, Foothill will not be folded into the formula until FY 96 or FY 97, representing three years of full operations. However, LACTC staff is developing a proposal to request the Commission to fund proposing that the BSCP County lines be funded with Proposition A Incentive funds on a formula basis in the same manner as LADOT, Antelope Valley, and Santa Clarita until the Foothill Zone is folded into the formula. The BSCP funding was approved by LACTC as part of the Zone application, and the funds were intended to be taken from SERTD's formula share. This alternative approach (using Incentive funds) is proposed to offset the funding reductions experienced by the SERTD during the economic recession. (NOTE: LACTC staff is continuing to negotiate with Foothill and SERTD on this issue).~~

New operators who operated successful Prop. C System Capacity Expansion demonstration projects will be funded from the Prop. C "Expansion" Base. "Base" funding will be provided as detailed in Scenario I, subject to performance evaluation criteria stipulated under the Proposition A 40% Discretionary Guidelines.

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SCENARIO III: REDUCED SERVICE

If an operator ~~cuts~~ reduces service from the FY 90 base service level without providing a comparable and effective alternative service, significant service reductions would require funding reductions (examples of "significant" reductions ~~could be~~ are 10,000 hours or 5% total system vehicle service hours, whichever is less, for municipal operators; and 70,000 hours or one percent vsh, whichever is less, for SCRTD). ~~The measurement of reduction and what constitutes a "significant" reduction in service levels require further discussion. However,~~ sService reductions should be monitored on a systemwide basis. Systemwide monitoring allows operators to achieve effective redeployment. LACTC staff will monitor audited service levels annually based on separate TPM reporting forms.

Once a "significant" service reduction (as defined above) is identified, LACTC staff will recalculate the formula to determine the marginal change in overall service levels. The percentage of the reduction will be applied to the overall dollars allocated to the operator, and that dollar amount will be reduced from the operator's base.

For example: During Year I an operator's funding level is 50% of the base (total base \$200,000), or \$100,000. In Year II, service hours are reduced 5%. After recalculating the formula, the marginal reduction in the FAP share is two percent, leaving the operator with a total 48% funding level. Assume CPI at five percent over two years. If the operator had maintained its service levels from Year I, it would have received \$100,000 plus five percent CPI, or \$105,000, in Year III (adjustment takes place in Year III to allow time to review audited data). However, the two percent reduction in the share would be subtracted from the total Prop. A Base Subsidy (two percent of \$200,000), reducing the total subsidy in Year III to \$100,800.

Year I Funding Level = 50% of \$200,000, or \$100,000

Year III Funding Level = 48%, after recalculating formula
based on reduced service levels

$50\% - 48\% = 2\%$ of \$210,000 (base + CPI) = \$4,200

$\$105,000 - \$4,200 = \$100,800$ (Year III Prop. A allocation)

The \$4,200 would be held in the operator's name for two years.

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After two years, if the operator is unable to justify drawdown of the funds, the \$4,200 would lapse and be transferred to the Prop. C Bus System Capacity Expansion account.

When funding is reduced for one operator, the funding levels will not be changed for other operators. The lapsing funds will be transferred to the Prop. C 40% Bus System Capacity Expansion account (after being held in the operator's name for two years) to augment available funding for new and expansion service.

A distinction is hereby made between reductions in the base level of service resulting from a decline in county-wide subsidy receipts, and those caused by all other circumstances. In the event that county-wide subsidy receipts fall below budgeted levels such that major service reductions are implemented, the preceding paragraphs under Scenario III do not apply.

6. SERVICE NOTIFICATION POLICY

Whenever a service change proposed by an operator is subject to the LACTC's adopted Service Notification Policy, the operator will demonstrate whether and how the changed service effectively provides comparable service. This comparable service can be provided via restructuring, redeploying, or replacing service with a different ~~mode or~~ operator.

All operators will ensure that the Service Notification Policy is followed and that route and schedule changes subject to the policy are communicated amongst all operators that could possibly be affected. Any problems will be handled through the service dispute resolution process. As a courtesy, ALL schedule changes should be communicated to potentially affected operators.

7. ALTERNATIVE MODES

Any savings incurred within base funding levels from reducing a line that ran parallel to new rail service ~~to~~ may be transferred to reduce headways, alleviate bus overcrowding, or to bus electrification. Since formula funds are allocated based on bus service, and have restrictions on their use, ~~it may be inappropriate to reallocate~~ ion of bus subsidies to rail operations will not be permitted.