SB 125 FORMULA-BASED TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM & ZERO-EMISSION TRANSIT CAPITAL PROGRAM

Formal Draft Guidelines

September 7, 2023

Public Workshop

Agenda

- SB 125 Formal Draft Guidelines Overview
- Timeline for Final Guidelines and Submission of Allocation Packages
- Questions and Feedback

SB 125 Formula Program Background

▸ SB 125 provided $5.1 billion between FY23-24 and FY26-27 to regional transportation planning agencies on a formula basis, with flexibility to spend the funds on both capital and operating needs

▸ Funds available through both the TIRCP and through a new Zero Emission Transit Capital Program

▸ SB 125 included a variety of reporting and accountability measures

▸ Cycle 7 (competitive) expected to be delayed approximately 2 months from its regular calendar, allowing incorporation of SB 125 regional choices. SB 125 funds may be used as match in Cycle 7.

Review of Legislative Intent

▸ Provide one-time multiyear bridge funding for transit operators to address operational costs until long-term transit sustainability solutions are identified

▸ Assist transit operators in preventing service cuts and increasing ridership

▸ Prioritize the availability of transit for riders who are transit dependent

▸ Prioritize transit agencies representing a significant percentage of the region's ridership

Eligible Recipients and Funding

- Funds are directly deposited with RTPAs (same entities that receive the regional funding from STA)

- Each RTPA shall establish separate accounts or subaccounts to deposit funds within and apply interest earned to the program – funds disbursed separately by fund source

- Operations funding may be distributed to transit operators in their jurisdictions that are eligible to receive STA funding through Section 99314 at the time of distribution by the RTPA

- FY23-24 funding must be applied for and disbursed to the RTPA by CalSTA no later than June 30, 2028. No time limit on when funds must be expended by.

Eligible Recipients and Funding

▶ Capital Projects
- TIRCP & ZETCP funds can go to any recipient that is normally eligible for TIRCP funding under the competitive program
- Eligible recipients include:
  - Public agencies, including joint powers agencies, that operate or have planning responsibility for existing or planned regularly scheduled intercity or commuter passenger rail service (and associated feeder bus service to intercity rail services), urban rail transit service, or bus or ferry transit service (including commuter bus, vanpool, and micro transit services)
  - Public agencies include local municipalities that operate transit service, construction authorities, transportation authorities, and other similar public entities created by statute
  - RTPAs may be sole project sponsors or join with other public agencies in sponsoring projects

Eligible Recipients and Funding

- TIRCP – Total Funding $3.995 billion
  - $1.995 billion in FY23-24
  - $2 billion in FY24-25
  - Base funding for each year - $300,000 to each of the RTPAs (49 total)
  - Balance of funding distributed on population-based formula that mirrors STA Section 99313
- ZETCP – Total Funding $1.1 billion
  - $410 million in FY23-24 ($190M PTA, $220M GGRF)
  - $230 million each year from FY24-25 through FY26-27 (all GGRF)
- Specific funding estimates are provided on pages 4-7 of the guidelines

Eligible Projects – TIRCP

▸ Must demonstrate a reduction in greenhouse gas emissions and an increase in ridership

▸ Project eligibility similar to TIRCP Cycle 6:
  ▪ **New Projects** – All traditional TIRCP project types are eligible
  ▪ **Existing Projects** – Projects that have previously received TIRCP awards may receive additional funding in order to obtain or maintain funds from federal, state or local sources
  ▪ **Major Projects Project Development** – Projects that are pursuing a Capital Investment Grant through FTA or be part of a pursuit of FRA funding through the Corridor Identification Program

▸ Transit operations are also eligible

Eligible Projects – ZETCP

- Clean fleet, facility and network improvement projects that include, but are not limited to:
  - Replacing aging transit vehicle fleets with zero emission vehicles
  - Associated fueling or charging infrastructure
  - Facility modifications
- Projects must reduce greenhouse gas emissions
- GGRF funding must be spent in a manner that complies with CARB's GGRF Funding Guidelines
- Transit operations are also eligible
- Up to 5% (or a maximum of $5 million) of RTPA share may be programmed for administration of funding and for planning expenses related to developing the long-term financial plan

Requirements for Funding Allocations

- Initial Allocation Packages due from RTPAs by December 31, 2023
  - Should address projects and operations seeking an allocation of funds for at least FY23-24, but may benefit from showing plans for the entire program period (through FY26-27)
  - Not required to request all FY23-24 funding in the Initial Allocation Package
  - Updated Allocation Packages may be submitted on a rolling basis
- Three Main Sections
  - **Allocation Package Narrative Explanation** – fulfills many of the short term financial for immediate service retention requirements
  - **Allocation Package Detailed Project Description** – covers TIRCP Capital, ZETCP Capital and Transit Operations Funding
  - **Regionally Representative Transit Operator Data**

Requirements for Funding Allocations – Narrative Explanation

- Explanation of funding and service actions taken with resources other than SB 125 funding
- Description and justification of regional strategy to use SB 125 funding on capital projects and to fund operating expenses to improve outcomes
  - In some cases, use of non-SB 125 funds to increase transit operator funding may allow SB 125 funds to target capital needs
- Detailed breakdown and justification of how funding will be distributed, consistent with the legislative intent language described in SB 125
- *CalSTA will analyze and review for completeness*

Requirements for Funding Allocations – Detailed Project Description

▸ Basic principle – provide data on projects necessary to determine project eligibility, eliminates information only needed for competitive evaluation

▸ TIRCP Capital

  ▪ **Existing Projects** – need identification and description only

  ▪ **New TIRCP–eligible projects** – need more detailed project description, as well as GHG reduction quantification, expected ridership benefits and expected Priority Populations benefits

  ▪ **Project development activities for a new project** – similar to new projects, but with no GHG calculator and a more qualitative description

▸ ZETCP Capital

  ▪ Project description and scope detail, CARB Quantification Methods (GHG emissions reductions, jobs co-benefits, priority populations benefit criteria table)

Requirements for Funding Allocations - Detailed Project Description

- Use of CARB Quantification Methodology & Reporting Tools
    - CalEnviroScreen 4.0 for determining Priority Populations benefits
    - ZETCP Quantification Methods under development
        - Will be posted with Final Guidelines
        - Rely on existing program quantification methods using TIRCP and LCTOP calculator tools, but also add building efficiency and solar power generation quantification from other programs (such as low-income weatherization and low carbon fuel standard)
    - Semi-Annual reporting for GGRF-sourced funds

Requirements for Funding Allocations – Detailed Project Description

▸ Transit Operations Funding
- Broken down by operator receiving funding
- Identify ridership share compared to total region's ridership
- List specific activities funded by the request
  - Nature of service being paid for (both revenue hours and whether for service retention, restoration or increase)
  - Identification of any spending on increased safety and security
  - Identification of expenses intended to increase ridership
- Identification of benefits to transit dependent riders

▸ *CalSTA will analyze and review the detailed project descriptions for project eligibility and completeness*

Requirements for Funding Allocations – Transit Operator Data

- Basic principle – provide existing data, with CalSTA using existing sources wherever possible
  - CalSTA will use ICT plans submitted to CARB, Asset Information Module data already submitted to FTA, and published GTFS data to comply with statutory requirements – *no need to submit*
  - CalSTA will send monthly ridership reports to each RTPA using FTA NTD data – *RTPAs only need to post on website to comply*
  - Submission requirements
    - Existing operator-specific fleet and asset management plans
    - Revenue collection methods and annual costs
    - Confirmation of GTFS data being current and detail on expected timing of service changes in GTFS
    - Expenditures on safety and security measures
    - Summary of any activities related to service improvement
- *CalSTA will analyze and review for completeness*

Approval and Programming

- Completeness and project eligibility feedback to be provided expeditiously after submission of Allocation Packages
    - Incompleteness may be remedied
    - Specific project eligibility may be addressed without delaying receipt of funds for eligible projects
- No state infringement on local decision-making processes that determined the specific projects proposed for funding
- Updates may be made – projects may be removed and added after receiving approval of Updated Allocation Package

Timelines

- September 14 – Closing Date for Comments

- September 30 – CalSTA Publishes Final Guidelines

- Oct 16–Dec 8 – Optional technical assistance meetings (virtual)

- Dec 31 – Initial Allocation Package & Data Due

Questions and Feedback

SB125 Transit Program Website:
https://calsta.ca.gov/subject-areas/sb125-transit-program

Guidelines Comments by Email: sb125transit@calsta.ca.gov
Comments Due by September 14, 2023

For SB125 Transit Program Questions/Join the Mailing List:
sb125transit@calsta.ca.gov