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MTA GRANT FUNDING PROCESS

CURRENT FEDERAL GRANT FUNDS

- ▶ MTA is the subrecipient of the following federal grants:
- ▶ **5311** - The FTA **5311** formula **grants** are specifically for rural areas with fewer than 50,000 residents. These funds are apportioned to each state annually and distributed to counties on an apportionment basis. In most rural counties, 5311 funds are primarily utilized as operating assistance.
- ▶ **5311(f)** - FTA 5311(f) grants are funds specific to the Intercity Bus Program. Only agencies that are meet the qualifications of this program can apply competitively.
- ▶ **5310** - This program (49 U.S.C. 5310) provides formula funding for transportation needs of older adults and people with disabilities. 5310 is a competitive grant.

CURRENT STATE GRANT FUNDING

MTA is a subrecipient of the following state grant funds:

- **Low Carbon Transit Operations Program (LCTOP)** LCTOP provides operating and capital assistance for transit agencies to reduce greenhouse gas emission and improve mobility. Funding availability is competitive, and formula based.
- **TSSDRA (Cal-OES Safety and Security Funds)** A 10-year bond program for specified purposes, including grants for transit system safety, security. (Capital specific)
- **Public Transportation Modernization, Improvement and Service Enhancement (PTIMSEA)** funds available for transit rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects rehabilitation or replacement of rolling stock. (Capital Specific)
- **State Transit Assistance (STA)**
- **Local Transportation Funds (LTF)**

How Grants/Funding are Received

Funding Received Monthly

- LTF Local Transportation Funds

Funding Received Quarterly

- STA State Transit Assistance
- Senior Center Funding

Funding Received Annually

- 5311 FTA Regional Apportionment
- 5311(f) FTA Intercity Funding

Request for Reimbursement (RFR) Funds

- 5310 FTA Elderly and Disabled
- 5311 - 5311(f) CARES

Advance Grants Receivables

- LCTOP
- TSSDRA - Cal-OES
- PTIMSEA

These funds are released to rural operators in advance and must be kept in individual interest-bearing accounts. As expenditures are met, funds are transferred from the appropriate source into the MTA Operating Account.....payment is made.

Other Revenues

- ▶ Redwood Coast Regional Center Transportation Contract
- ▶ Sonoma County Route #95 Reimbursement
 - Advertising
 - Ag Van Leases
 - Maintenance Labor
 - Other - Fuel Rebates, etc.

FY 19/20 The Perfect Storm

COVID - 19 Pandemic

- ▶ Increase in Costs
- ▶ Loss in Revenues
- ▶ Key Personnel working remotely
- ▶ Federal Appropriations (5311 and 5311(f)) were delayed to CalTRANS for rural distribution.
- ▶ Restricted fund expenditures (Cals-OES and LCTOP) not moved into MUNIS Operating Account.
- ▶ CARES Funding while moved on quickly at the federal level, actual reimbursements to rural operators has yet to arrive.

WHY CALIFORNIA RURAL OPERATORS DO NOT HAVE ADEQUATE OPERATING RESERVES

The TDA, also known as the Mills-Alquist-Deddeh Act (SB325) enacted by the California Legislature in 1977 is a 201-page document outlining all the PUC and CCR regulations for public transit operators in the State of California.

Under **CCR6634(a)** -Eligibility For Funds it states: *“No operator, transit service claimant shall be eligible to receive moneys during the fiscal year from the local transportation funds and the state transit assistance fund for operating cost in an amount that exceed its actual operating costs.”*

In layman’s terms, if you spend less than you received the following fiscal year, the difference will be reduced in the following year allocation.

The only funds available to rural operators with which to build a reserve account are those deemed ‘Local Support’.

TDA Definition of Local Support

CCR 6611.3 States:

“The term “local support” means all revenues in the following revenue account classes of the uniform system of accounts and records adopted by the State Controller pursuant to Public Utilities Code Section 99243.

406.000 - Auxiliary Transportation Revenues (Advertising revenues)

407.000 - Non-Transportation Revenues (Ag Van leases)

408.000 - Taxes Levied Directly by Transit System

409.010 - Local Cash Grants & Reimbursements - General Operating Assistance (5311, 5311(f), 5310, etc.)

410.000 - Local Special Fare Assistance

440.000 - Subsidy from other Sectors of Operation

MTA ACTION PLAN

- ▶ Utilize CARES reimbursements for funding losses to build MTA Operating Cash Reserve. (Not subject to TDA restrictions). CARES funding will reimburse the following: *Losses in LTF/STA, Hazard Pay differential, any COVID-19 related expenditures, fare losses, contracted services revenue losses, medical/dental/vision expenses for furloughed employees.*
- ▶ Finance Manager has been provided detailed spreadsheet instructions of adjustments from the Restricted Fund accounts to the MUNIS Operating Cash fund 4090.
- ▶ Elimination of duplicative funding accounts.
- ▶ Monthly sweeping of outpost fare deposits.
- ▶ Beginning July 2020 Financials will provide monthly expenditures detail in addition to YTD.
- ▶ Deferred Revenues will be clearly defined on Balance Sheet
- ▶ Financial Statements provided to Board of Directors and staff will no longer be “rolled up” for close monitoring of “Operating Cash” and insuring Operating Cash Reserve buildup.
- ▶ Finance Manager will provide Executive Director weekly cash balances of all accounts.

MTA Cash Position

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July 27, 2020

➤ **Operating Cash Balance MUNIS** -**\$82,231.52**

With Finance Department Correction of Restricted Funds and Fare Additions **\$99,974.71**

Operating Cash Balance MUNIS \$ 17,743.19

Operating Balance - Umpqua \$108,779.63

Operating Reserve - Umpqua \$ 55,077.25

TOTAL COMBINED MTA OPERATING FUNDS: **\$181,600.07***

** This includes June expenditures to date.*

➤ **Pending Income/RFR's**

June LTF \$249,427.00 (lesser amount will be invoiced to CARES in August)

CARES RFR \$101,987.32 (June/July expenditures to be invoiced in August)

5310 RFR \$96,041.58

TOTAL **\$447,455.90**

Average Monthly Expenditures: \$295,000 (approximately 66% of same time last year)