

**Metropolitan Transportation Commission
Programming and Allocations Committee**

November 8, 2023

Agenda Item 2f - 23-1279

MTC Resolution No. 4568, Revised

Subject:

Updates the FY2023-24 Regional STA Program to add \$850,000 to support Clipper 2 project delivery.

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 an addition of \$850,000 to the FY 2023-24 Regional Program of projects. This funding is crucial to support several key aspects of the Clipper project, ensuring its overall success and the dependable operation of the systems involved. The development of Clipper 2 is a necessity to modernize and enhance the existing Clipper system, taking advantage of technological advancements to enhance the user experience, offer more flexible fare options, ensure consistency across transit systems, and promote long-term sustainability and effectiveness in the San Francisco Bay Area's public transit network.

This funding will support the implementation of an essential IT Service Management solution (ITSM) for the seamless Clipper Customer Service Center (CSC) operations, enhancing resources for rigorous Split Clipper System testing to ensure system reliability, and providing flexibility to adapt the project schedule in response to unforeseen challenges, all in pursuit of ensuring a successful project delivery.

Issues:

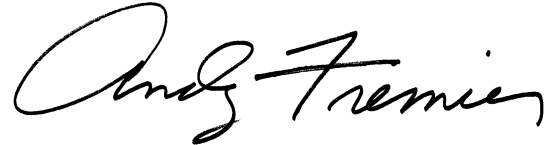
None identified.

Recommendations:

Refer MTC Resolution Nos. 4568, Revised to the Commission for approval.

Attachments:

- MTC Resolution 4568, Revised

A handwritten signature in black ink, reading "Andrew B. Fremier". The signature is written in a cursive style with a large initial "A".

Andrew B. Fremier

Date: June 28, 2023
W.I.: 1221, 1224, 1229,
2655, 2700, 1310,
1514, 1517
Referred by: PAC
Revised: 11/22/23-C

ABSTRACT

Resolution No. 4568, Revised

This resolution establishes the FY2023-24 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 FY2023-24
- Attachment B, STA Regional Coordination Program: Project Descriptions for FY2023-24

Attachment A and B to this resolution was amended on November 22, 2023 to add \$850,000 to support to support Clipper 2 project delivery.

Further discussion is contained in the MTC Programming and Allocations Committee Summary Sheet dated June 14, 2023 and November 8, 2023.

Date: June 28, 2023
W.I.: 1221, 1224, 1229,
2655, 2700, 1310,
1514, 1517
Referred by: PAC

RE: FY2023-24 MTC Regional Coordination Program for State Transit Assistance (STA) Funds

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4568

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 FY2023-24 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 June 28, 2023.

Date: June 28, 2023
W.I.: 1221, 1224, 1229,
2655, 2700, 1310,
1514, 1517
Referred by: PAC
Revised: 11/22/23-C

Attachment A
MTC Resolution No. 4568
Page 1 of 1

STA Regional Coordination Program Summary for FY2023-24

Table 1. Summary of Revenue and Programming

Estimated New Revenue for FY2023-24 ¹	\$ 27,254,284
Carryover Balance ²	\$ 21,457,781
Carryover Commitments	\$ (2,310,000)
New Programming	\$ (11,694,914) \$ (10,844,914)
Estimated Balance	\$ 34,707,151 \$ 35,557,151

Table 2. Programming by Project

Project Name	Claimant	Prior Years' Carryover	FY2023-24 New Programming	FY2023-24 Total Programming
Clipper³	MTC	\$ -	\$ 8,550,000 \$ 7,700,000	\$ 8,550,000 \$ 7,700,000
Clipper	GGBHTD	\$ -	\$ 10,000	\$ 10,000
Transit Transformation Action Plan and Regional Network Management⁴	MTC	\$ 2,020,000	\$ 1,500,000	\$ 3,520,000
Transit Funding Staff Support⁵	MTC	See note 5	\$ 274,461	\$ 274,461
Transit Hub Signage	AC Transit	\$ -	\$ 296,000	\$ 296,000
Transit Hub Signage	MTC	\$ -	\$ 21,000	\$ 21,000
511 Transit	MTC	\$ 200,000	\$ 100,000	\$ 300,000
Regional Eligibility Database	CCCTA	\$ -	\$ 75,000	\$ 75,000
TDA/STA Portal	MTC	\$ 90,000	\$ 250,000	\$ 340,000
Feeder Bus	WestCAT	\$ -	\$ 418,453	\$ 418,453
Transit Projects Contingency	MTC	\$ -	\$ 200,000	\$ 200,000
Total		\$ 2,310,000	\$ 11,694,914 \$ 10,844,914	\$ 14,004,914 \$ 13,154,914

1. This amount is based on the February 2023 Fund Estimate.
2. Carryover amount is based on the February 2023 Fund Estimate and adjusted for allocations made after Fund Estimate approval.
3. Carryover funding for the Clipper program will be added once FY2022-23 has been reconciled.
4. \$1 million of this carryover is earmarked for Transit Transformation Action Plan staff support.

5. \$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: June 28, 2023
W.I.: 1221, 1224, 1229,
2655, 2700, 1310,
1514, 1517
Referred by: PAC
Revised: 11/22/23-C

Attachment B
MTC Resolution No. 4568
Page 1 of 4

STA Regional Coordination Program for FY2023-24: 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 FY2023-24 STA Regional Coordination Program is approximately \$13.2 million. The following two projects comprise the majority (\$11.2 million) of the program:

- \$7.7 million for Clipper® operations
- \$3.5 million for the Blue Ribbon program

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, WestCAT will receive a one-time payment of \$418,453 for FY2023-24 BART Feeder Bus service, as negotiated in 2023. 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 FY2023-24 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: \$7,700,000 plus an additional \$ 850,000

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. In addition to the initial \$7,700,000, an additional \$850,000 is being allocated to the Clipper project for a range of purposes. These include the implementation of an essential IT Service Management solution (ITSM) for seamless Clipper Customer Service Center (CSC) operations, enhancing resources for rigorous Split Clipper System testing to ensure system reliability, and providing flexibility to adapt the project schedule in response to unforeseen challenges, demonstrating a commitment to successful project delivery.

Transit Transformation Action Plan and Regional Network Management

Programmed to MTC: \$1,500,000 plus carryover of \$2,020,000

Staff proposes to supplement investment in the Transit Transformation Action Plan by programming just over \$3.5 million to support program implementation, including start-up costs associated with the implementation of a Regional Network Management program in FY2023-24 following the February 2023 Commission approval of the Regional Network Management Framework. Implementation of the Transit Transformation Action Plan will primarily focus on four initiatives – Fare Coordination, Regional Wayfinding, Transit Priority, and Accessibility Improvements.

Transit Funding Staffing Support

Programmed to MTC: \$274,461

STA funding will support staff costs accrued by MTC in order to administer TDA and STA funds during FY2023-24, including salary, benefits, and related overhead.

Transit Hub Signage

Programmed to AC Transit: \$296,000

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 carryover of \$200,000

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: \$250,000 plus carryover of \$90,000

MTC administers over \$800 million in funds 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.

Feeder Bus

Programmed to WestCAT: \$418,453

A 1997 agreement between BART, County Connection, LAVTA, Tri-Delta Transit, and WestCAT established a funding mechanism for BART to support feeder bus operations. BART and the four bus operators reached an agreement in February 2023 to reduce payment amounts over FY2022-23 and FY2023-24. Among the four bus operators, WestCAT's operating budget is the most reliant on the feeder bus payments. MTC will provide replacement support to WestCAT in FY2023-24 to offset this for revenue reduction.

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.