

**Summary of the California Transportation Development Act**  
**By Nicholas J. Farber, J.D.**  
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The Transportation Development Act (TDA) consists of nine articles in the California Public Utilities Code, which makes it lengthy in both size and detail. The TDA was enacted to ensure that public transportation is an essential component to a balanced transportation system. Because of the size of the state, the public transportation system needs to be continually maintained and developed to allow for the efficient and orderly movement of people and goods. To that end, the TDA specifies in great detail how public transportation is to be funded by state resources.

Public transportation is so important to the state it should be designed and operated in such a way as to encourage "maximum utilization of the efficiencies of the service" for the benefit of both the transportation system and the elderly, the handicapped, the youth, and those with limited means to freely use the system. Providing assistance to a particular county transportation system may not be of interest to every taxpayer, however, providing an integrated and coordinated system to meet the public's transportation needs will benefit the county as a whole by reducing highway congestion, air pollution, and reliance on the welfare system.

The transportation planning agency in each area of the state is the body which establishes the processes for filing claims, evaluates and prioritizes all claims for funding under TDA, and determines the allocations to competing claimants. All transit operators and city or county governments responsible for providing transit services in their area can only file claims for money that was apportioned to their area.

The following details how CTSA's (Consolidated Transportation Service Agencies, which were created by AB 120) are funded by the TDA:

**Use of TDA Article 4.5 Funds<sup>1</sup>:** Under TDA Article 4.5, the transportation planning agency may make up to five percent of a county's local transportation fund available for "community transit service." Money may be allocated under TDA Article 4.5 to eligible claimants unless the transportation planning agency finds that such allocations of money could be used to better advantage for TDA Article 4 purposes in the development of a balanced transportation system. Unlike funds made available under TDA Articles 4 and 8 of TDA, the transportation planning agency may allocate TDA Article 4.5 funds without respect to area population apportionment restrictions within a county. The transportation planning agency may also reserve money to set aside for TDA Article 4.5 claims to be filed in future years (California Administrative Code, Section 6655.3).

Funds may be allocated under TDA Article 4.5 for "community transit services", which are defined as "services which link intra-community origins and destinations." The transportation planning agency is responsible for interpreting what "intra-community" service is.

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<sup>1</sup> Adapted from CalAct's CTSA E-book, available at [http://www.calact.org/resources/ctsa\\_e-book/](http://www.calact.org/resources/ctsa_e-book/) (last visited December 31, 2008).

The funds may be used to provide public transit services or they may be used for transit services which are used exclusively by elderly and handicapped persons.

A claimant of TDA funds may not receive a private gift of public funds. Therefore, TDA Article 4.5 claims cannot be filed to buy vehicles for a private agency. However, a public CTSA can purchase a vehicle, and while retaining title to the vehicle, allow a contracting entity to use it in providing service.

TDA regulations also specify that a claimant may not file claims in excess of its operating and eligible capital costs. This will effectively preclude a private business from making a profit as a CTSA. However, a public CTSA would be restricted only by its service contract.

**Use of TDA Article 6.5 Funds:** Article 6.5 sets forth rules for funding both transportation planning and mass transit purposes. The funds are derived from remaining revenues from the state retail sales tax, and have to be allocated to the each county's transportation planning agency, and are allocated based upon that county's ratio of the population of the area to the total population of the state.

Fifty percent of these funds have to be allocated among the National Railroad Passenger Corporation, providing feeder services to and from rail terminals, the state's purchase of rail equipment, the Social Service Transportation Improvement Act programs (CTSAs), to Caltrans for transportation planning purposes, to the California Transportation Commission, and to the California Public Utilities Commission for its passenger rail safety responsibilities. Twenty-five percent goes to the transportation planning agencies and the San Diego Metropolitan Transit Development Board. Some of the money also has to be allocated to members of the Altamont Commuter Express Authority<sup>2</sup> and the Southern California Regional Rail Authority. The other twenty-five percent goes to each transportation planning agency based on the ratio of the population of the area to the total population of the state. All of the funds received have to be used for public transportation purposes, including community transit services.

**Accountability under TDA<sup>3</sup>:** Claimants for TDA funds under any Article must meet certain requirements under the TDA. These include filing claims with the transportation planning agency, submitting annual certified fiscal audits, and maintaining required fare revenue ratios for transit services. Since the CTSA is a claimant, it alone has these responsibilities, even when the CTSA's primary function is to channel funds to other organizations which are actually providing the transit services.

A final responsibility of CTSAs as TDA Article 4.5 and Article 6 claimants is the submittal of an annual certified fiscal audit. The fiscal audit report must include a certification that the funds

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<sup>2</sup> The joint power agency formed between the Alameda Congestion Management Agency, the Santa Clara Valley Transportation Authority, and the San Joaquin Regional Rail Commission.

<sup>3</sup> Adapted from CalAct's CTSA E-book, available at [http://www.calact.org/resources/ctsa\\_e-book/](http://www.calact.org/resources/ctsa_e-book/) (last visited December 31, 2008).

allocated to the CTSA were expended in conformance with applicable laws and rules and regulations.

The TDA also creates a Social Services Transportation Advisory Councils<sup>4</sup>. The councils have to consist of:

- A potential transit user over the age of 60
- A potential transit user who is handicapped
- Two local social service providers for seniors
- Two local social service providers for the handicapped
- A local social service provider for persons of limited means
- Two representatives from the local CTSA

The Social Services Transportation Advisory Council has to participate annually in the identification of unmet transit needs in its jurisdiction; annually review and recommend action to the Transportation Planning Agency; and, advise the Transportation Planning Agency on any other major transit issues, including the coordination and consolidation of specialized transportation services.

The Transportation Planning Agency then is required to set up a citizen participation process by using the Social Service Transportation Advisory Council.<sup>5</sup> The process has to obtain input from the transit dependent and transit disadvantaged persons, including the elderly, handicapped, and persons of limited means. The council is required to meet at least once, with broad community participation. In addition to the citizen participation process, the Social Service Transportation Advisory Council can obtain feedback by teleconferencing, questionnaires, telecanvassing, email, or by any other reasonable means of communication.

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<sup>4</sup> Cal. Public Utilities Code § 99238 (West 2009).

<sup>5</sup> Cal. Public Utilities Code § 99238.5 (West 2009).