

APPENDIX T – TRANSPORTATION DEVELOPMENT ACT FARE BOX RECOVERY RATIOS

Existing TDA law requires transit operators of general public transit services in urbanized areas, including Stanislaus County, to meet a Farebox Recovery Ratio (FRR) of 20% for Operators of general public transit services within urbanized areas, 10% for Operators in non-urbanized areas and 10% for Operators of services restricted to seniors and people with disabilities regardless of where it operates. If a transit operator (Operator) fails to meet the FRR applicable to the service it operates, TDA law requires StanCOG, as the RTPA, to withhold an amount of LTF equal to the shortfall in farebox revenues. The Operator is required to cover the revenue shortfall by using local funds. The FRR requirements for Stanislaus County transit operators is as follows.

FRR for Stanislaus County Transit Operators

Transit Agency	Service	FRR
Stanislaus Regional Transit Authority (StanRTA)	Fixed Route (Urbanized Area Fixed Route)	15 %
	Demand Response (Paratransit Dial-A-Ride)	
Turlock Transit	Fixed Route (Urbanized Area Fixed Route)	20 %
	Demand Response (Paratransit Dial-A-Ride)	10 %

*Blended FRR rate for StanRTA due to the consolidation of transit services in 2021

StanCOG sponsored legislation, SB 903, codified as Section 99270.8 of the Public Utilities Code, effective July 16, 2018, in order to provide Operators with relief and maintain existing transit service. SB 903 authorizes StanCOG, as the RTPA and administrator of TDA funds, when determining if specified Operators have met the requirements for LTF claims for transit funds for the 2018–19 and the 2019–20 fiscal years (FY), to reduce the applicable ratio of fare revenues to operating cost for specified Operators by up to 5 percentage points from the ratio that was effective during FY 2015–16. The statute become inoperative on July 1, 2020 and was repealed as of January 1, 2021. The text of SB 903 as enacted on July 16, 2018 is contained on the [California Code, Public Utilities Code - PUC § 99270.8](#).

In August 2018, former chairs of the legislative transportation committees, Senator Jim Beall (D-San Jose) and Assembly Member Jim Frazier (D-Antioch) requested the California Transit Association (CTA) to spearhead a policy task force that examines the TDA. StanCOG was asked to participate on the Statewide Task Force. As the Task Force worked to examine the TDA, Assembly Bill 90 (AB 90) was approved by the Governor on June 29, 2020.

AB 90 prohibits the imposition of financial penalties associated with the TDA’s requirements that transit agencies obtain specified fixed percentages of their operating budgets from passenger fares (TDA farebox recovery requirements) during the 2019–20 and 2020–21 fiscal years (FYs). On July of 2021, AB 149 extended statutory relief in meeting FRR for two years, through FYs 2021-2022 and 2022-23. The text of AB 149 as enacted on July 16, 2021 is contained on the [California Legislative Information website’s webpage on AB 149](#).