

APPENDIX T – TRANSPORTATION DEVELOPMENT ACT FARE BOX RECOVERY RATIOS

TDA law establishes a formula for transit operators to measure how much of their funding comes from ticket sales, referred to as the farebox recovery ratio (FRR). In order to receive the full allocation of TDA funds available to a transit operator, a minimum FRR must be achieved. Operators of fixed route transit serving an urbanized area within an urbanized county (i.e. a county with a population of 500,000 or more, as determined through the decennial census), are required to meet a FRR of no less than 20%. Operators of fixed route transit that serve both urban and rural areas within an urbanized county are allowed to have a blended FRR, as determined by the RTPA, with a minimum FRR of 10%. FRR for services exclusive to senior and disabled persons, such as dial-a-ride (DAR), can be no less than 10%. Penalties which decrease the amount of TDA funds available to a transit operator are applied when the required FRR is not met. In the 2010 decennial census, Stanislaus County became an urbanized county as its population increased above the 500,000 threshold to 515,334. As such, current FRR's for providers of fixed-route transit in Stanislaus County are as follows:

- Modesto Area Express (MAX): 20% (urban)
- Stanislaus Regional Transit (StaRT): 15% (urban-rural blend)
- Turlock Transit (TT): 20% (urban)
- Ceres Area Transit (CAT): 20% (urban)

Achieving the 20% FRR required of transit operators in urbanized counties has proven to be challenging.

In order to ensure that the transit needs of individuals in the County of Stanislaus continue to be met and to preserve the transit system in that county, StanCOG proposed legislation to address this issue. Senate Bill 903, which was approved by the Governor on July 16, 2018, authorizes StanCOG, when determining if specified operators have met the requirements for claims for transit funds for the 2018–19 and the 2019–20 fiscal years, 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 the 2015–16 fiscal year.