

Summary of Changes to TDA Claim Manual

May 2025

Background

The Transportation Development Act (TDA) statutes California Code of Regulations (CCR) require SANDAG, as the Regional Transportation Planning Agency (RTPA), to adopt rules and regulations supplemental to and consistent with, those of the California Department of Transportation to establish procedures for the administration of TDA funds. This TDA Manual follows the San Diego Association of Governments (SANDAG) Board of Directors adopted TDA Policy (January 2017) as amended. 1 and the

This manual is available on the SANDAG Web site. Claimants are encouraged to check the website for any changes to the manual. The manual can be found at sandag.org/TDA.

Updates

As recommended in the 2022 TDA triennial performance audit, SANDAG is now conducting an annual review of its processes for TDA administration. There are no proposed changes to Board Policy 027 at this time. Staff recommends updating the TDA Claim Manual to summarize the effects of recent legislation such as SB 125 (Budget, 2023) and SB 942 (Newman, 2022).

Changes (in red)

Manual page 17 (PDF page 21) – To note the possibility of temporary waivers as currently allowed by SB125, this was extended from the previous inoperative date of January 1, 2024 set by AB149 to January 1, 2027.

7. If an operator fails to maintain the required ratio as described in #2, then the operator's eligibility to receive both LTF and STA funds shall be reduced during the subsequent penalty year by the amount of the difference between the level of fare revenues required to meet the specified ratio and the actual fare revenues for the year the ratio was not achieved. The penalty year shall begin one-year after the end of the fiscal year during which the required ratio was not met (99268.9), **unless current statute allows for the temporary waiver of penalties.**

Appendix B of the TDA Manual Page B-2 (PDF page 48) section (d) in regards to fiscal audit requirements. The change is to note the requirements of the expanded audit required for LCTOP funding set by SB942 which now includes verification of receipt and appropriate expenditure of moneys.

- (d) Determine whether the funds received by the claimant pursuant to the Act were expended in conformance with the applicable rules, regulations, and procedures of the transportation planning agency and in compliance with the allocation instructions and resolutions. **Per section 75230(v), an audit of Low Carbon Transit Operations Program (LCTOP) funding will be expanded to include verification of receipt and appropriate expenditure of moneys from the program.**

Added general summary of SB942 to the “legislative changes” section on page 6 (PDF page 10)

SB 942

Senate Bill 942, enacted in California in 2022, modifies the Low Carbon Transit Operation Program (LCTOP) to streamline funding for free or reduced fare transit initiatives. Previously, transit agencies were required to demonstrate annual greenhouse gas (GHG) emission reductions to qualify for LCTOP funds. SB 942 removes this requirement for agencies that have already implemented such fare programs, allowing them to continue receiving funding without annual GHG reduction demonstrations. This change aims to reduce administrative burdens and support the ongoing provision of affordable transit options, particularly disadvantaged communities. SB942 extends the suspension of penalties associated with required ratios of fare revenues for operators.