

Range Transit Plan.

BACKGROUND:

The City of Riverside Special Transportation Division operates the Riverside CONNECT service and receives annual funding allocations from various federal, state, and local sources administered by both the Riverside County Transportation Commission (RCTC) and the Federal Transit Administration (FTA). The funds are used to support 100 percent of the operating budget as well as all capital projects including the purchase of new buses.

The Mills-Alquist-Deddeh Act (SB 325) was enacted by the California Legislature to improve existing public transportation services and encourage regional transportation coordination. Known as the Transportation Development Act (TDA) of 1971, this law provides funding to be allocated to transit and non-transit related purposes that comply with regional transportation plans.

The TDA provides two funding sources:

1. Local Transportation Fund (LTF), which is derived from a ¼ cent of the general sales tax collected statewide.
2. State Transit Assistance (STA) fund, which is derived from the statewide sales tax on diesel fuel.

The State Board of Equalization, based on sales tax collected in each county, returns the general sales tax revenues to each county's LTF. The STA funds are appropriated by the Legislature to the State Controller's Office; that Office then allocates the tax revenue, by formula, to planning agencies and other selected agencies. The Statute requires 50% of STA funds to be allocated according to population and 50% be allocated according to operator revenues from the prior fiscal year.

On April 28, 2017, Senate Bill 1 (Chapter 5, Statutes of 2017), the Road Repair and Accountability Act of 2017, was signed, providing transit operators in California a consistent revenue source to invest in the repair, upgrade, and improvement of their agency's existing transportation services and infrastructure. This includes the maintenance and rehabilitation of existing vehicles, transit facilities, and the purchase of new, energy efficient transit vehicles.

This investment in public transit is the State of Good Repair (SGR) Program. The SGR Program is funded from the Transportation Improvement Fee portion of the revenues received from the State Transit Assistance (STA) Program to the State Controller's Office (SCO). Pursuant to Public Utilities Code (PUC) Section 99312.1, these funds will be distributed to eligible agencies using the STA Program formula, distributing SGR funds according to population and transit operator revenues. The California Department of Transportation (Caltrans) is legislated to administer the SGR Program and its goal of keeping transit systems in a state of good repair.

DISCUSSION:

Fiscal Years 2026/27 - 2028/29 Short Range Transit Plan:

The Short Range Transit Plan (SRTP) is a three-year plan submitted annually to Riverside County Transportation Commission (RCTC). RCTC is responsible, by statute, for developing and approving a SRTP for Riverside County (Public Utilities Code Section 130303). The SRTP is intended to serve three purposes:

1. Identifies the transit services and capital improvements required to meet the disabled and senior passenger transit needs of Riverside over a three-year period and the proposed sources of funding to carry out the plan.
2. Serves as a management tool for the Special Transportation Program staff to guide their activities over the next year.
3. Provides justification for operating and capital assistance for grant applications to be submitted to state and federal funding agencies.

On June 10, 2026, RCTC approved the Special Transportation Division's SRTP for Fiscal Year 2026/27, which included an operating budget of \$6,690,602.

Due to the different timing of budget submittals to RCTC and to the City Council, the Special Transportation operating budget that was adopted by the City Council as part of the City's overall budget adoption process, is less than the final approved figures by RCTC. A supplemental appropriation in the amount of \$7,526,325, as well as an increase in estimated revenue in the amount of \$7,526,325 are necessary to align the adopted budget with the final funding approved for Special Transportation operations by RCTC. The increase approved by RCTC will cover several capital projects, future zero emissions bus purchases, and other costs associated with operating the program.

FISCAL IMPACT:

The total fiscal impact is an increase in revenues in the amount of \$7,526,325 and an increase in expenditures to the Special Transportation Fund in the amount of \$7,526,325 to reconcile the City Council approved Fiscal Year 2026/27 budget to RCTC approved funding. Upon City Council approval, an increase in revenue will be recorded in the amount of \$7,526,325 and the amount of \$7,526,325 in expenditures will be appropriated as shown in the expenditure and revenue tables below.

The total operating budget for Fiscal Year 2026/27 of \$6,678,602 is broken down into Local Transportation Funds in the amount of \$5,567,702, Federal Section 5307 Operating Assistance Funds in the amount of \$350,000 and estimated farebox revenues of \$285,900. The operating budget also includes Capitalized Preventative Maintenance costs of \$475,000 and will be covered by a combination of Federal, State of Good Repair and STA Funds. The total capital project budget is \$7,651,628 and is comprised of \$832,000 FTA 5307 funds, \$594,140 STA funds and \$6,225,488 TIRCP Funds.

Revenues

GL Key	GL Object	Description	FY26/27 Budget	FY26/27 SRTP Budget	Difference
0000560	335912	SB325 Article 4	6,530,005	5,567,702	-962,303
0000560	343530	Trans Fare Dial-A-Ride	165,900	165,900	0
0000560	343531	Subscription Service	120,000	120,000	0
9XXXXXX	331100	FTA 5307 - Operations	0	350,000	350,000
9XXXXXX	331100	FTA 5307 - Prev Maint	0	380,000	380,000
9XXXXXX	334100	STA - Prev Maint	0	35,000	35,000
9XXXXXX	334100	SGR - Prev Maint	0	60,000	60,000
Operating Subtotal			6,815,905	6,678,602	-137,303
9351400	343533	LCTOP Fares	0	12,000	12,000
Subtotal w/LCTOP			6,815,905	6,690,602	-125,303
9XXXXXX	331300	FTA 5307 - Bus Replacement 2027	0	832,000	832,000
9XXXXXX	334300	STA - Bus Replacement 2027	0	208,000	208,000
9XXXXXX	334300	STA - Dispatch Office Refresh	0	100,000	100,000
9XXXXXX	334300	STA - Ecolane Software IVA Add-on	0	45,000	45,000
9XXXXXX	334300	STA - Fleet Safety Camera Enhancement	0	41,140	41,140
9XXXXXX	334300	STA - In-Vehicle Digital Display	0	200,000	200,000
9XXXXXX	334300	TIRCP- Zero Emmissions Buses	0	6,225,488	6,225,488
Capital Projects Subtotal			0	7,651,628	7,651,628
Revenues Grand Total			6,815,905	14,342,230	7,526,325
Budget Adjustment					7,526,325

Expenditures

GL Key	GL Object	Description	FY26/27 Budget	FY26/27 SRTP Budget	Difference
5200200	4XXXXX	Personnel Services	4,172,401	4,172,401	0
5200200	424230	Central Garage Charges	600,000	475,000	-125,000
5200200	426800	Special Department Supplies	5,600	5,297	-303
5200200	XXXXX	All Other Objects	2,037,904	2,037,904	0
Operating Subtotal			6,815,905	6,690,602	-125,303
9XXXXXX	462100	FTA 5307 - Bus Replacement 2027	0	832,000	832,000
9XXXXXX	462100	STA - Bus Replacement 2027	0	208,000	208,000
9XXXXXX	462050	STA - Dispatch Office Refresh	0	100,000	100,000
9XXXXXX	425700	STA - Ecolane Software IVA Add-on	0	45,000	45,000
9XXXXXX	462200	STA - Fleet Safety Camera Enhancement	0	41,140	41,140
9XXXXXX	462200	STA - In-Vehicle Digital Display	0	200,000	200,000
9411220	462100	TIRCP- Zero Emmissions Buses	0	6,225,488	6,225,488
Capital Projects Subtotal			0	7,651,628	7,651,628
Expenditures Grand Total			6,815,905	14,342,230	7,526,325
Budget Adjustment					7,526,325

Prepared by: Ron Profeta, Special Transit Manager
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Certified as to
availability of funds: Julie Nemes, Interim Finance Director
Approved by: Kris Martinez, Assistant City Manager
Approved as to form: Rebecca McKee-Reibold, Interim City Attorney

Attachments:

1. FY 2026/27 Claim Forms
2. FY 2026/27 Transportation Development Act Standard Assurances Form
3. FY 2026/27 – FY 2027/28 Short Range Transit Plan