

Subject	Lamorinda School Bus Program – Appropriation of FY 2008-09 Measure C Funds
Summary of Issues	Consistent with Cooperative Agreement 16.00.07, as amended in May 2005, the Lamorinda School Bus Transportation Authority is requesting an appropriation of \$1,033,976 in Measure C funds. Requested funds are needed to continue funding for the school bus program in FY 2008-09.
Recommendations	Staff recommends approval of Resolution #08-07-P allocating \$1,033,976 for FY 2008-09.
Financial Implications	The proposed annual allocations through FY2008-09 are contained in the <i>2005 Strategic Plan</i> , and are reflected in Cooperative Agreement 16.00.07.
Options	N/A
Attachments (See APC Packet dated 6/5/08)	A. Resolution #08-07-P. B. Letter from Lamorinda School Bus Program requesting the allocation, dated May 7, 2008 with a financial plan for the year.
Changes from Committee	<i>None</i>

Background

The Lamorinda School Bus Program began in FY 1994-95 as a demonstration program. Funding for the program was drawn from the “Gateway/Lamorinda Traffic Program” in Measure C, which authorized “action/measures to mitigate the traffic density between Highway 24 and the Town of Moraga including cost benefit analysis.” Following a comprehensive study and analysis of a number of alternatives, Lafayette, Moraga and Orinda jointly agreed to set aside one-half of the available funding in this category for the School Bus Program. The projected benefits were a reduction of approximately 5 percent in peak period traffic around schools on major arterials, with an attendant reduction in congestion.

The Authority initially authorized the School Bus Program on a temporary basis, and required an evaluation of the effectiveness of the program in order to continue annual appropriations. A Joint Powers Agency (JPA) was created to administer the program, comprised of the two cities and the town and the three local kindergarten through 8th grade school boards in the area. An initial five-year cooperative agreement was signed with the JPA in 1994.

Initial survey results suggested that the program was meeting its objectives. However, as a condition for approval of funding for the third year of the program, (FY 1996-97), the Authority requested additional analysis of the impacts of the program and asked for a detailed, five-year financial plan. In April of 1997 the Authority accepted the financial plan. The Authority accepted revised survey results in May 1997, which continued to demonstrate the positive impact of the program in reducing congestion, consistent with the intent of Measure C. Funding was subsequently approved for FY 1997-98 and FY 1998-99, completing the five-year “demonstration” period for the program.

The program’s demonstrated benefits – through analysis of ridership and impact surveys – established it as an on-going part of the Measure C program. In June 1999 the Authority approved a second five-

year Cooperative Agreement (16.00.07) to continue the program through FY 2004, subject to annual appropriations. The agreement was amended three times thereafter to make it consistent with the *2002, 2004* and *2005 Strategic Plans*, respectively. Currently, the agreement provides for continued funding through FY 2009.

Financial Plan

The original proposal for the School Bus Program was predicated on receiving the following sources of funding: (1) \$500,000 per year (1988 dollars) in Measure C funds;¹ (2) parent contributions, to be increased each year by 3% to reflect inflation cost increases, now totaling approximately 34 percent of the cost; (3) TFCA funds from the Air District (through the Authority) to help defray the cost of clean fuel vehicles, and (4) the continued contribution of State funds provided to Moraga for school busing which predated the joint program. Because an initial grant of \$700,000 in TFCA funds plus some funding from PG&E was provided for clean fuel vehicles, a reserve has accumulated. Beginning in FY 2008 the School Bus Program was no longer eligible to receive TFCA Clean Vehicle funds because its CNG fleet no longer met the new CARB emission requirements.

Staff has reviewed the new financial plan and found it consistent with the *2005 Strategic Plan*. Twenty-two buses will be run in FY2008-09. The new financial plan includes an increase of 4% in parent fees. A fund balance of \$231,126 is projected at the end of FY2008-09 to allow the transition of the program into Measure J with new bus contractor, new bus fleet and to address other unknown factors.

Staff recommends approval of Resolution #08-07-P to continue funding for the school bus program in FY 2008-09.

¹ *The Program's financial plan and Agreement 16.00.07 commit specific escalated dollars.*