

STAFF REPORT



MEETING DATE:	September 30, 2026
SUBJECT:	Approve Contributing Regional Low Carbon Transit Operations Program (LCTOP) Funds to Redding Area Bus Authority (RABA) Projects
AGENDA ITEM:	7-10
STAFF CONTACT:	Jennifer Pollom, AICP, Senior Transportation Planner

SUMMARY:

The Fiscal Year (FY) 2025/26 Low Carbon Transit Operations Program (LCTOP) allocation to SRTA totals \$497,157 (Attachment A). The Redding Area Bus Authority (RABA) directly receives an additional \$25,970 for eligible transit projects. Staff solicited project ideas from RABA; they requested operating expenses of \$140,000 for free and reduced rides and \$357,157 for expanded microtransit. Staff reviewed the proposed projects for consistency with SRTA's LCTOP policy (Attachment B) and recommend contributing all regional funds to RABA's proposed projects. *///The RABA board met on September 21, 2026, to review and discuss the project applications, which are due to Caltrans by October 30, 2026.///*

STAFF RECOMMENDATION:

It is recommended that the board of directors:

1. Approve contributing regional FY 2025/26 LCTOP funds totaling \$497,157 to RABA's projects; and
2. Adopt Resolution 26-09 delegating authority to the executive director to be the authorized agent for the FY 2025/26 LCTOP funds.

DISCUSSION:

LCTOP provides public transportation funding for new or enhanced transit services that reduce greenhouse gas emissions (GHG) and improve mobility. The State Controller's Office released two separate eligibility letters with regional fund amounts of \$303,016 and \$194,141 on February 27, 2026, and August 31, 2026, for Cycles A and B respectively. Caltrans issued two separate calls for projects on February 27, 2026, and on September 1, 2026. For both FY 2025/26 LCTOP allocations, RABA is the sole applicant. RABA is requesting regional LCTOP funds from SRTA for operating costs for free and reduced rides and expanded microtransit to fill service gaps.

Staff reviewed preliminary project information from RABA and confirmed that the projects meet the program guidelines and will reduce GHG emissions. Applications are due to Caltrans by October 30, 2026. RABA intends to submit project applications after today's meeting, with the signed Resolution 26-09, if approved by the board of directors.

ALTERNATIVES:

The board of directors may decline to contribute FY 2025/26 regional LCTOP funds to RABA's proposed projects and may suggest contributing funds to different transit projects, provided the projects meet all LCTOP eligibility criteria to reduce greenhouse gas emissions and improve mobility. Alternate projects would need to be considered by the RABA Board of Directors for approval, and RABA staff would need to develop project applications.

OTHER AGENCY INVOLVEMENT:

Staff reached out to RABA for project ideas on the use of the FY 2025/26 LCTOP funds. *///The Technical Advisory Committee (TAC) met on September 10, 2026, to review and discuss the project applications for free and reduced rides and expanded microtransit and to vote on the matter.///*
/// The RABA board met on September 21, 2026, to review and discuss the project applications.///

FISCAL & POLICY COMMITTEE REVIEW:

///The Fiscal & Policy Committee met on September 21, 2026, to review and discuss the project applications for expanded microtransit and to vote on the matter.///

FISCAL IMPACT:

The requested action makes efficient use of regional LCTOP funds by reducing administrative tasks for SRTA and RABA and maximizing funds for services and projects to meet regional transit needs. Funds have been made available to the region but require approval by Caltrans. Should the projects be approved for funding, adopting Resolution 26-09 allows funds to flow directly to RABA for use.

Sean Tiedgen, AICP, Executive Director

Attachments:

- A:** Letter from CA State Controller: Fiscal Year 2025/26 Low Carbon Transit Operations Program
- B:** Chapter 3.27 - Low Carbon Transit Operations Program Policy
- C:** Resolution 26-09 delegating authority to the executive director to be the authorized agent for the fiscal year 2025/26 Low Carbon Transit Operations Program funds



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

February 27, 2026

County Auditors
Transportation Planning Agencies
County Transportation Commissions
San Diego Metropolitan Transit System

SUBJECT: Low Carbon Transit Operations Program

Pursuant to Health and Safety Code section 39719(b)(1)(B), the State Controller's Office shall allocate five percent of the annual proceeds from the Greenhouse Gas Reduction Fund to the Low Carbon Transit Operations Program. The allocation is made according to the requirements of the Low Carbon Transit Operations Program and pursuant to the distribution formula in sections 99312(b) or (c), 99313, and 99314 of the Public Utilities Code. Enclosed is a schedule that provides the amounts available for the Fiscal Year 2025-26 Low Carbon Transit Operations Program.

Please contact Lucas Rasmussen by telephone at (916) 323-1374 or email at LRasmussen@sco.ca.gov with any questions or for additional information. Thank you.

Sincerely,

Melma Dizon
Manager, Local Apportionments Section

Enclosure:
Low Carbon Transit Operations Program Eligible Allocation Summary

**STATE CONTROLLER'S OFFICE
LOW CARBON TRANSIT OPERATIONS PROGRAM
FISCAL YEAR 2025-26 - ELIGIBLE ALLOCATION SUMMARY
FEBRUARY 27, 2026**

Regional Entity	PUC 99313 Allocation	PUC 99314 Allocation	Total Allocation
	A	B	C = (A + B)
Metropolitan Transportation Commission	\$ 12,875,087	\$ 35,581,787	\$ 48,456,874
Sacramento Area Council of Governments	3,389,088	1,150,810	4,539,898
San Diego Association of Governments	1,600,012	395,543	1,995,555
San Diego Metropolitan Transit System	3,932,989	1,628,526	5,561,515
Tahoe Regional Planning Agency	185,263	10,493	195,756
Alpine County Transportation Commission	1,979	149	2,128
Amador County Transportation Commission	66,527	2,379	68,906
Butte County Association of Governments	348,963	18,930	367,893
Calaveras County Local Transportation Commission	75,202	926	76,128
Colusa County Local Transportation Commission	37,038	1,642	38,680
Del Norte County Local Transportation Commission	44,635	2,384	47,019
El Dorado County Local Transportation Commission	298,480	20,171	318,651
Fresno County Council of Governments	1,743,854	310,501	2,054,355
Glenn County Local Transportation Commission	49,385	1,388	50,773
Humboldt County Association of Governments	225,020	38,194	263,214
Imperial County Transportation Commission	313,607	28,946	342,553
Inyo County Local Transportation Commission	31,613	0	31,613
Kern Council of Governments	1,553,684	94,349	1,648,033
Kings County Association of Governments	258,983	10,322	269,305
Lake County/City Council of Governments	113,091	5,815	118,906
Lassen County Local Transportation Commission	48,287	2,178	50,465
Los Angeles County Metropolitan Transportation Authority	16,608,322	21,995,875	38,604,197
Madera County Local Transportation Commission	273,418	8,877	282,295
Mariposa County Local Transportation Commission	28,447	851	29,298
Mendocino Council of Governments	151,048	11,164	162,212
Merced County Association of Governments	492,828	23,128	515,956
Modoc County Local Transportation Commission	14,278	1,255	15,533
Mono County Local Transportation Commission	21,329	32,922	54,251
Transportation Agency for Monterey County	737,915	228,913	966,828
Nevada County Local Transportation Commission	168,750	8,068	176,818
Orange County Transportation Authority	5,339,630	1,920,979	7,260,609
Placer County Transportation Planning Agency	545,496	77,027	622,523
Plumas County Local Transportation Commission	31,756	4,978	36,734
Riverside County Transportation Commission	4,196,536	675,953	4,872,489
Council of San Benito County Governments	112,364	1,765	114,129
San Bernardino County Transportation Authority	3,711,888	783,924	4,495,812
San Joaquin Council of Governments	1,355,085	300,836	1,655,921
San Luis Obispo Area Council of Governments	469,718	32,700	502,418
Santa Barbara County Association of Governments	751,874	190,308	942,182
Santa Cruz County Transportation Commission	443,441	406,657	850,098
Shasta Regional Transportation Agency	303,016	15,829	318,845
Sierra County Local Transportation Commission	5,331	207	5,538
Siskiyou County Local Transportation Commission	72,829	3,163	75,992
Stanislaus Council of Governments	934,545	52,899	987,444
Tehama County Transportation Commission	109,010	2,268	111,278
Trinity County Transportation Commission	26,710	888	27,598
Tulare County Association of Governments	819,265	85,195	904,460
Tuolumne County Transportation Council	91,404	2,369	93,773
Ventura County Transportation Commission	1,394,011	228,600	1,622,611
State Totals	\$ 66,403,031	\$ 66,403,031	\$ 132,806,062



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

August 31, 2026

County Auditors
Transportation Planning Agencies
County Transportation Commissions
San Diego Metropolitan Transit System

SUBJECT: Low Carbon Transit Operations Program

Pursuant to Health and Safety Code section 39719(b)(1)(B), the State Controller's Office shall allocate five percent of the annual proceeds from the Greenhouse Gas Reduction Fund to the Low Carbon Transit Operations Program. The allocation is made according to the requirements of the Low Carbon Transit Operations Program and pursuant to the distribution formula in sections 99312(b) or (c), 99313, and 99314 of the Public Utilities Code. Enclosed is a schedule that provides the amounts available for the final two quarters of the Fiscal Year 2025-26 Low Carbon Transit Operations Program.

Please contact Lucas Rasmussen by telephone at (916) 323-1374 or email at LRasmussen@sco.ca.gov with any questions or for additional information. Thank you.

Sincerely,

Evelyn Calderon-Yee
Bureau Chief, Bureau of Payments

Enclosure:
Low Carbon Transit Operations Program Eligible Allocation Summary

STATE CONTROLLER'S OFFICE
LOW CARBON TRANSIT OPERATIONS PROGRAM
FISCAL YEAR 2025-26 - ELIGIBLE ALLOCATION SUMMARY - CYCLE B
AUGUST 31, 2026

Regional Entity	PUC 99313 Allocation	PUC 99314 Allocation	Total Allocation
	A	B	C = (A + B)
Metropolitan Transportation Commission	\$ 8,248,986	\$ 22,797,030	\$ 31,046,016
Sacramento Area Council of Governments	2,171,367	737,317	2,908,684
San Diego Association of Governments	1,025,118	253,422	1,278,540
San Diego Metropolitan Transit System	2,519,841	1,043,386	3,563,227
Tahoe Regional Planning Agency	118,697	6,723	125,420
Alpine County Transportation Commission	1,268	96	1,364
Amador County Transportation Commission	42,623	1,524	44,147
Butte County Association of Governments	223,578	12,128	235,706
Calaveras County Local Transportation Commission	48,182	593	48,775
Colusa County Local Transportation Commission	23,730	1,052	24,782
Del Norte County Local Transportation Commission	28,597	1,528	30,125
El Dorado County Local Transportation Commission	191,234	12,923	204,157
Fresno County Council of Governments	1,117,276	198,936	1,316,212
Glenn County Local Transportation Commission	31,641	889	32,530
Humboldt County Association of Governments	144,169	24,471	168,640
Imperial County Transportation Commission	200,926	18,545	219,471
Inyo County Local Transportation Commission	20,254	0	20,254
Kern Council of Governments	995,435	60,449	1,055,884
Kings County Association of Governments	165,929	6,613	172,542
Lake County/City Council of Governments	72,457	3,726	76,183
Lassen County Local Transportation Commission	30,937	1,396	32,333
Los Angeles County Metropolitan Transportation Authority	10,640,846	14,092,618	24,733,464
Madera County Local Transportation Commission	175,177	5,688	180,865
Mariposa County Local Transportation Commission	18,226	545	18,771
Mendocino Council of Governments	96,776	7,153	103,929
Merced County Association of Governments	315,752	14,818	330,570
Modoc County Local Transportation Commission	9,148	804	9,952
Mono County Local Transportation Commission	13,665	21,093	34,758
Transportation Agency for Monterey County	472,777	146,663	619,440
Nevada County Local Transportation Commission	108,117	5,169	113,286
Orange County Transportation Authority	3,421,067	1,230,759	4,651,826
Placer County Transportation Planning Agency	349,496	49,350	398,846
Plumas County Local Transportation Commission	20,346	3,189	23,535
Riverside County Transportation Commission	2,688,694	433,079	3,121,773
Council of San Benito County Governments	71,991	1,131	73,122
San Bernardino County Transportation Authority	2,378,183	502,255	2,880,438
San Joaquin Council of Governments	868,194	192,744	1,060,938
San Luis Obispo Area Council of Governments	300,946	20,950	321,896
Santa Barbara County Association of Governments	481,721	121,924	603,645
Santa Cruz County Transportation Commission	284,110	260,543	544,653
Shasta Regional Transportation Agency	194,141	10,141	204,282
Sierra County Local Transportation Commission	3,415	133	3,548
Siskiyou County Local Transportation Commission	46,661	2,026	48,687
Stanislaus Council of Governments	598,757	33,892	632,649
Tehama County Transportation Commission	69,842	1,453	71,295
Trinity County Transportation Commission	17,113	569	17,682
Tulare County Association of Governments	524,898	54,584	579,482
Tuolumne County Transportation Council	58,562	1,518	60,080
Ventura County Transportation Commission	893,134	146,462	1,039,596
State Totals	\$ 42,544,000	\$ 42,544,000	\$ 85,088,000

must be submitted to accrue funding. Funding may accrue for up to four years. Any fund accrual requires SRTA Board of Directors' approval.

C. Contracting

1. Once projects have been approved by the SRTA Board of Directors, they will be referenced in and attached to a local agency's sub-recipient cooperative agreement with SRTA or amended into an existing agreement.
2. If the grantee does not have a sub-recipient agreement with SRTA or cannot enter into a sub-recipient agreement, the grantee will be required to enter into a technical services agreement with SRTA. If the grantee cannot enter into a sub-recipient agreement and/or technical services agreement with SRTA, SRTA may be unable to award SGR funds to the grantee.
3. No work can begin on a project until a sub-recipient cooperative agreement or technical services agreement is fully executed or amended.

D. Invoicing

1. Invoices will be paid on a reimbursement basis for work completed, dependent on receiving SGR allocations from the SCO. Local agencies will provide sufficient documentation to support any invoice. Project updates must be provided quarterly to SRTA in writing.
2. Local agencies will inform SRTA of project completion in writing within 30 days of completion.

CHAPTER 3.27 – LOW CARBON TRANSIT OPERATIONS PROGRAM POLICY

(Adopted 10-20-2020)

3.27.010 – PROGRAM OVERVIEW

- A. The Low Carbon Transit Operations Program (LCTOP) is a noncompetitive, formula program funded by the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2014 with Senate Bill 862. Funds are deposited into the State Transit Assistance account and then distributed by formula, with half of the LCTOP funds being allocated to regional agencies according to population (Public Utilities Code (PUC) 99313) and half of the LCTOP funds allocated to transit agencies according to transit operator revenues (PUC 99314). The Shasta Regional Transportation Agency (SRTA) is responsible for overseeing project selection for the population-based LCTOP fund allocations, not the transit operator revenues-based fund allocations. Therefore, this policy addresses the population-based (PUC 99313) regional allocations only.
- B. The purpose of the LCTOP is to provide operating and capital assistance to transit agencies with the goal of reducing greenhouse gas (GHG) emissions and improving transit ridership and mobility—with an emphasis on serving Disadvantaged Communities and low-income communities.

- C. SRTA's role in this program is to drive the development of joint local-regional projects that best meet LCTOP guidelines, SRTA priorities, regional and local transit plans, and implement the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS).
- D. Additional details are available in the most current LCTOP Guidelines published by the Caltrans Division of Rail and Mass Transportation, located at <http://www.dot.ca.gov/drmt/splctop.html>. LCTOP Guidelines supersede information presented in this policy.

3.27.20 – PROJECT ELIGIBILITY

- A. LCTOP funds provide operating and capital assistance to transit agencies for projects that reduce GHG emissions and improve transit mobility. Projects should be prioritized to benefit DACs and low-income communities. Project eligibility is defined per PUC Section 75230(f) (1-3) and is summarized below.
- B. Eligible Projects and Expenses:
 - 1. Expenditures that directly enhance or expand transit service by supporting new or expanded bus or rail services, or expanded intermodal transit facilities, and may include equipment acquisition, fueling, and maintenance, and other costs to operate those services or facilities.
 - 2. Operational expenditures that increase transit mode share.
 - 3. Expenditures related to the purchase of zero-emission buses, including electric buses, and the installation of the necessary equipment and infrastructure to operate and support these zero-emission buses.
- C. Ineligible Projects and Expenses:
 - 1. The program is not based on reimbursements; therefore, Lead Agencies cannot expend LCTOP funds on costs incurred prior to LCTOP award/approval. Additionally, any request or expenditure identifying a phase prior to construction will likely be ineligible for the program.
 - 2. Projects must start within six months after SRTA, or transit operator(s) receive(s) LCTOP funds from the State Controller's Office (SCO). Apportionments will not be held by the SCO into the following year and should be expended/planned for annually according to the LCTOP Guidelines. Recipients have the ability to fund "new or expanded services" with single or multiple years of LCTOP funding as long as the agency is not supplanting funds; services are considered to be new for a specific timeframe (see the most current LCTOP Guidelines), and after that must secure alternative funding.

3.27.30 – REGIONAL FUNDING PRIORITIES

- A. SRTA will support the development and implementation of projects that best achieve the state's LCTOP goals, meet the transit needs of the region, and make progress toward transit-related

objectives and targets in SRTA's RTP/SCS and other regional planning documents (e.g. short/long-range transit plans, annual Unmet Transit Needs Assessment, transit asset management plan, etc.).

- B. SRTA will prioritize funding to projects that show they have the potential to reduce GHGs, increase transit mobility, or lead to the implementation of zero-emission technology. The following priorities, in order of priority, will generally guide project selection:
 - 1. Specialized and demonstration transit projects approved by the board of directors as part of the Unmet Transit Needs Assessment that seek to increase transit mobility and efficiency while reducing emissions, including any needed capital costs to implement such services;
 - 2. Operational projects that increase transit mode share or efficiency;
 - 3. Targeted reduced or free fare programs that encourage increased transit ridership;
 - 4. Replacement or modernization of rolling stock, including replacement of diesel or gas vehicles with hybrid or zero-emission vehicles and the supporting equipment and infrastructure; and
 - 5. New zero-emission vehicles and the supporting equipment and infrastructure.

3.27.040 – SRTA AND PARTNER ROLES

- A. The SCO is responsible for LCTOP accounting, determining, and publishing available funding amounts, and distributing funds to approved recipients.
- B. The California Air Resources Board (CARB) is responsible for developing the methodologies for quantifying and reporting of GHG emissions reductions and other co-benefits and working with Caltrans to determine the eligibility of the projects submitted by the Lead Agency (SRTA for the Shasta County regional allocation) for funding.
- C. In coordination with CARB, Caltrans is responsible for administering the LCTOP Program, including providing technical assistance and guidance to local agencies in preparing requests for funds, evaluating agencies' requests for funds, and reviewing and providing concurrence on agency-submitted projects.
- D. SRTA is responsible for the following activities:
 - 1. Maintain a separate bank account for LCTOP funds;
 - 2. Submit an Authorized Agent Form identifying the agent who has the authority to act on behalf of SRTA and a Certifications and Assurances Form (requires board of directors approval);
 - 3. Submit a board-approved Allocation Request annually during the open call for projects (including Allocation Request Form, Quantification Methodology Tool, Funding Plan, Disadvantaged Communities and/or Low-Income Communities Maps, etc.).
 - 4. Submit all required reporting including Semi-Annual Reports, Close-Out Reports, Expenditure Reports, and any additional reporting initiated by CARB and/or Caltrans.

3.27.050 – ADDITIONAL PROCEDURES

A. Allocation Request Modification (Corrective Action Plan)

A Corrective Action Plan (CAP) is required in order to change an approved Allocation Request. Board approval of the CAP is required if the Authorized Agent and/or Certifications and Assurances for any involved agencies/projects has changed substantially. A CAP also requires Caltrans and CARB approval.

B. Fund Accrual

A full Allocation Request must be submitted each year. Unrequested funds will not be held by the SCO for a future request and may be reallocated to other eligible agencies.

C. Annual LCTOP Timeline (per the Fiscal Year (FY) 2019/20 Guidelines)

Caltrans posts LCTOP guidelines for upcoming FY funds. SCO notifies agencies of available funding for the FY.	January
SRTA/Transit Operator Allocation Requests Due to Caltrans	March
Caltrans and CARB approve projects and submit to SCO	Mid-June
SCO releases project funding to SRTA	June 30
Semi-Annual Report due to Caltrans (on data October 1 – March 31)	May 15
Semi-Annual Report due to Caltrans (on data April 1 – September 30)	November 15

3.27.060 – CONTRACTING

- A. Once projects have been approved by the SRTA Board of Directors, Caltrans and CARB, projects will be referenced in, and attached to, a transit operator's sub-recipient cooperative agreement with SRTA, as applicable. If the operator does not have a sub-recipient agreement with SRTA or cannot enter into a sub-recipient agreement, the operator may be required to enter into a technical services agreement with SRTA.

3.27.070 – PROJECT MANAGEMENT AND DELIVERY

- A. Invoices will be paid on a reimbursement basis for work completed. Transit operators will provide documentation sufficient to support any invoice, and, at a minimum, provide quarterly updates to SRTA in writing. Transit operators will work with SRTA to provide all information necessary for submitting complete semi-annual and close-out reports to Caltrans. Transit operators will inform SRTA of project completion in writing.

RESOLUTION 26-09

A Resolution of the Shasta Regional Transportation Agency Delegating Authority to THE Executive Director to be the Authorized Agent for The Fiscal year 2025/26 Low Carbon Transit Operations Program Funds



WHEREAS, the Shasta Regional Transportation Agency (SRTA) is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) for transit projects; and

WHEREAS, SRTA received an allocation of \$303,016 (Cycle A) and \$194,141 (Cycle B) in regional (PUC 99313) LCTOP funds for fiscal year (FY) 2025/26; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 862 (2014) named the California Department of Transportation (Caltrans) as the administrative agency for the LCTOP; and

WHEREAS, Caltrans has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors; and

WHEREAS, the SRTA Board of Directors wishes to delegate authority to execute LCTOP authorized agent forms to the executive director.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Shasta Regional Transportation Agency, that SRTA hereby:

1. Contributes \$303,016 (Cycle A) and \$194,141 (Cycle B) in FY 2025/26 LCTOP funds to the Redding Area Bus Authority for eligible free fares and expanded microtransit services; and
2. Agrees to comply with all conditions and requirements set forth in the LCTOP Authorized Agent documents and applicable statutes, regulations, and guidelines for LCTOP funded transit projects; and
3. Authorizes the Executive Director to execute all required documents of the LCTOP program and any amendments thereto with Caltrans.

PASSED AND ADOPTED this 30th day of September 2026, by the Board of Directors of the Shasta Regional Transportation Agency.

Kevin W. Crye, Chair
Shasta Regional Transportation Agency

ATTEST:

Sean Tiedgen, AICP, Executive Director
Shasta Regional Transportation Agency