PROP 479

TRANSIT LIFE CYCLE PROGRAM (TLCP)

Policies and Procedures

SEPTEMBER 23, 2026

MARICOPA ASSOCIATION of GOVERNMENTS

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I. BACKGROUND

SECTION 100 INTRODUCTION

On June 23, 2021, the Maricopa Association of Governments (MAG) Regional Council approved the Regional Strategic Transportation Infrastructure Investment Plan (RSTIIP). Changes to conform the RSTIIP to requirements set forth in Senate Bill 1102 were subsequently approved on September 27, 2023. The RSTIIP guides investments funded through a continuation of the dedicated half-cent sales tax for transportation. On November 5, 2024, Maricopa County voters approved Proposition 479 (Prop 479), authorizing a 20-year extension of the dedicated half-cent sales tax for transportation and providing the revenue stream necessary for the projects and programs identified in the RSTIIP.

The transit element within the RSTIIP is programmed and managed through the Prop 479 Transit Life Cycle Program (TLCP), which includes several components such as regional bus operating assistance, regional services, bus capital investments and high-capacity transit projects. Specifically, the TLCP:

- Establishes the regional transit funding program.
- Programs regional transit revenue identified in the RSTIIP over the duration of Proposition 479.
- Maintains fiscal constraint by ensuring total programmed costs do not exceed total available revenue over the life of the program.
- Identifies annual funding allocations.
- Establishes consistent procedures for annual program updates.
- Documents approved program updates and changes.

A combination of local, regional and federal sources funds transit in the region. Because federal formula funds generally cannot be used for transit operations within the large urban areas in the MAG region, bus operations rely primarily on local and regional revenue. The TLCP therefore establishes policies that recognize local funding's continued role while prioritizing limited regional resources for regional transit needs.

In 2024, MAG began developing the TLCP to manage and oversee execution of the RSTIIP's transit component. These policies and procedures establish the framework for programming, allocating, administering, and managing regional transit funding through the TLCP.

The policies and procedures were formulated in close coordination with MAG policy committees, Valley Metro/Regional Public Transportation Agency, the City of Phoenix as the region's Designated Recipient, the member agencies participating in the Proposition 479 TLCP Funding Policy Framework Working Group (TLCP Working Group), and the Proposition 479 Transit Bus Operations Managers Working Group. The MAG Regional Council may amend the Policies and Procedures to address changes in regional priorities, program conditions, or applicable federal and state requirements.

The policies and procedures aim to:

- Provide for efficient application of the transit investments identified in the RSTIIP.
- Maintain a fiscally constrained TLCP throughout the life of Proposition 479.
- Establish consistent policies for allocating, programming and administering regional transit funding.
- Define the coordination required between MAG and partner agencies in administering the regional transit program.
- Provide a transparent, predictable process for updating the regional transit program.
- Maintain consistency between regional transit investments, adopted regional plans and applicable federal and state requirements.

SECTION 110 PROGRAM OBJECTIVES AND GUIDING PRINCIPLES

The following objectives and guiding principles will inform programming and administration of the Proposition 479 TLCP, in accordance with the regional transit funding policy framework set by the RSTIIP:

- Prioritize regional funding for services that comprise the backbone of the regional transit network.
- Enhance the region's bus transit system performance by encouraging regional investment in productive and efficient service.
- Provide flexibility to respond to evolving market conditions, regional priorities and transit needs.
- Maximize funding available for regional transit service through the efficient and effective use of eligible regional revenue sources.
- Recognize the continued role of local funding, which supports the majority of the region's transit service.
- Ensure consistency in the provision of regional services that span multiple jurisdictions.

- Invest in capital assets and infrastructure necessary to support regional transit service.
- Manage the TLCP as a long-term life cycle program, ensuring that annual funding and programming decisions preserve fiscal sustainability and constraint over the program's full period.

SECTION 120 PROGRAM APPLICABILITY

The requirements established in this document apply to all transit program elements, projects, services, and funding allocations identified in the RSTIIP and programmed through the TLCP using regional revenue, including Proposition 479 Public Transportation Fund revenue and federal formula funds allocated to the MAG region. Receipt and use of regional funding programmed through the TLCP is subject to compliance with these policies and procedures and any applicable agreements, federal requirements, and state law.

Half-cent sales tax revenue shall not be used to influence an election's outcome, consistent with A.R.S. §42-6105.01(G).

There are two primary methods to make changes to the TLCP Policies and Procedures:

1. MAG staff may recommend new provisions, additions or revisions to the TLCP Policies and Procedures when necessary.
2. Member agencies may submit proposed changes to MAG for consideration through the MAG committee process. All amendments to these Policies and Procedures require approval by the MAG Regional Council.

SECTION 130 PROGRAM REPORTING

A. Before each fiscal year begins, the annual TLCP will be approved through the MAG committee process. If outstanding information or other circumstances delay approval, MAG will notify participating agencies and identify the anticipated approval schedule.

B. The adopted TLCP will be documented in an annual publication that will:

a. Provide the status of regional transit investments.

b. Certify the revenue and regional funding allocations in the TLCP.

c. Detail annual programming for the five-year Transportation Improvement Program window and summarize remaining long-range programming by RSTIIP phase.

C. Each year, MAG will develop a TLCP Status Report that reconciles the prior year's programming, revenues, costs and expenditures; identifies significant variances; and summarizes major programmatic, financial and implementation trends affecting the long-term condition of the TLCP.

D. The adopted TLCP will be incorporated, as applicable, into other regional planning and programming documents, including the Transportation Improvement Program (TIP), the RSTIIP, Regional Transportation Plan (RTP) and an annual report on the implementation of Proposition 479. Programmed amounts in these documents will be consistent with the adopted TLCP.

E. All participating agencies will cooperate with applicable statutory performance audits and provide requested information in accordance with applicable law and audit requirements. Pursuant to A.R.S. §28-6313(A), performance audits begin in 2031 and occur every fifth year thereafter.

a. Audit findings may inform future program updates and policy refinements.

F. MAG will establish the data formats, validation standards, documentation requirements and submission protocols necessary to administer the TLCP.

G. Participating agencies will submit all required information consistent with MAG-established standards.

SECTION 140 PROGRAM ROLES AND RESPONSIBILITIES

A. MAG will administer and update the TLCP in coordination with Valley Metro, the City of Phoenix and participating member agencies.

Figure 1: Prop 479 TLCP Stakeholders

Each agency will perform the responsibilities identified next and in applicable intergovernmental agreements:

I. MAG:

i. Lead regional long-range and multimodal transportation planning.

ii. Maintain the Proposition 479 regional funding policy framework established in the RSTIIP.
iii. Develop, administer, and update the TLCP, including establishing regional transit funding levels and programmed allocations, maintaining fiscal constraint, conducting annual reporting, and satisfying the requirements specified in A.R.S. §28-6352.
iv. MAG will serve as the final decision authority for regional transit programming, fiscal constraint, and allocation of regional transit revenue, acting through the applicable MAG committee process and Regional Council approval where required, consistent with adopted regional funding policies and applicable statutes.
v. Partner agencies will implement regional programming decisions made through the TLCP in accordance with the adopted TLCP and applicable MAG-approved programming actions.

II. Valley Metro
i. Implement, operate and maintain assigned regional transit investments and supporting services in accordance with applicable state law, including A.R.S. §48-5103, 48-5122 and 48-5141, as applicable, the adopted TLCP, Valley Metro RPTA Board actions within its statutory authority and applicable agreements.
ii. Serve as fiscal agent for Public Transportation Fund collections and provide financial reporting required for TLCP administration.
iii. Lead short-range transit planning, transit performance data reporting, and assigned transit project development activities in coordination with MAG and participating agencies.

III. City of Phoenix
i. Implement and operate assigned regional transit investments and supporting services in accordance with the adopted TLCP and applicable agreements.
ii. Serve as the Federal Transit Administration (FTA) Designated Recipient (DR) for applicable formula funds allocated to the region and perform associated grant administration responsibilities.

IV. Local Agencies
i. Conduct local transit planning and local transit project development in coordination with regional planning and programming processes.
ii. Provide required local funding and other local commitments for transit investments.

B. MAG will serve as the interpreting authority for TLCP Policies and Procedures and may issue administrative guidance to clarify implementation consistent with adopted policies and applicable federal and state requirements.

C. All participating agencies will cooperate with MAG in administering the TLCP, including development of allocations, service planning, capital programming, data submission, reporting and implementation consistent with the TLCP Policies and Procedures.

D. The Proposition 479 TLCP Management, Administration and Implementation Agreement, dated May 22, 2026, defines these roles and responsibilities for MAG, Valley Metro, Regional Public Transportation Authority (RPTA), the City of Phoenix and other participating agencies for the Proposition 479 TLCP.

E. The Agreement complements the 2015 Transit Planning, Programming, and Fund Allocation Agreement and remains in effect for the duration of Proposition 479, including any revised agreements as approved by the MAG Regional Council.

SECTION 150 MAG COMMITTEE PROCESS

A. Appendix A summarizes MAG's committee process.

B. Final decisions on TLCP actions subject to the MAG committee process rest with the MAG Regional Council, following recommendations from the applicable MAG technical and policy committees. Depending on the action, review may include the Transit Committee, Transportation Review Committee, Management Committee and Transportation Policy Committee.

   a. Other MAG committees or advisory bodies may review and provide recommendations on TLCP items, as appropriate.

C. The MAG committee process will apply for the:

   a. Approval of amendments to the TLCP Policies and Procedures.
   b. Adoption of the TLCP, including all subsequent annual program updates.
   c. Approval of amendments to the adopted TLCP, TIP and RSTIIP.
   d. Approval of biennial formula funding multipliers.

SECTION 160 TLCP AMENDMENTS AND ADMINISTRATIVE MODIFICATIONS

A. Changes to the TLCP will be classified as administrative modifications, minor amendments, major amendments or annual updates.

B. MAG staff may approve administrative modifications including corrections, data updates, clarifications and adjustments that do not alter funding levels, project eligibility or implementation schedules.

C. Minor amendments require review through the applicable MAG committee process and include adjustments to funding allocations or schedules that remain within previously approved program parameters.

D. Major amendments require MAG Regional Council approval and include changes to total funding available to a TLCP component, eligibility determinations and additions or deletions of regionally funded services or projects, and will be supported by technical analysis, as applicable.

E. The annual TLCP update will incorporate all approved modifications and amendments.

SECTION 170 FAREBOX RECOVERY AUDIT

A. Beginning in Fiscal Year 2027, Valley Metro, in coordination with MAG, shall conduct an annual farebox recovery audit in accordance with A.R.S. §28-6353.

B. The audit shall document farebox recovery by system and by jurisdiction for all regionally funded transit services.

C. If the farebox recovery ratio does not meet statutory requirements, the audit shall demonstrate that revenue sources other than the half-cent sales tax make up the difference, consistent with A.R.S. §28-6353.

D. Valley Metro shall provide the data required for the audit, including ridership, fares, operating costs and system-level financial information.

E. MAG shall review and validate data inputs, confirm compliance with statutory requirements and incorporate results into the annual TLCP update.

F. Audit findings will be presented through the MAG committee process and may inform adjustments to regional transit programming, financial assumptions or performance monitoring requirements in subsequent TLCP updates.

II. PROGRAM MANAGEMENT AND ADMINISTRATION

SECTION 200 PROGRAM FRAMEWORK

The Proposition 479 TLCP consists of four primary program components. Separately, the RSTIIP provides for a dedicated regional bus transit service allocation to the City of Phoenix, as described in Section 230. Each component is governed by the policies and procedures established in this document and is described in greater detail in subsequent chapters.

A. **Bus Operating Assistance**

Bus Operating Assistance supports eligible fixed-route bus operations through a Base Allocation, performance-based formula funding, and seed funding for emerging markets. This component aims to preserve existing regional commitments while supporting productive service, regional connectivity and growth in emerging transit markets. Bus Operating Assistance is designed to complement, rather than replace, local funding and to give member agencies flexibility to make strategic service decisions within adopted regional eligibility and performance requirements.

B. Regional Services

Regional Services provides dedicated funding for eligible regional express bus service, Americans with Disabilities Act (ADA) complementary paratransit service, and regional support services. These services are funded outside jurisdictional operating-assistance allocations in accordance with defined program eligibility and reimbursement requirements.

C. Bus Capital Investments

Bus Capital supports preservation and expansion of assets required to provide regional bus transit service, including bus purchases, bus transit asset management, preventive maintenance and regional bus transit facilities. Programming will be informed by asset condition, life cycle needs, regional priorities, project readiness and available funding.

D. High-Capacity Transit (HCT)

HCT supports eligible bus rapid transit, rail improvement, rail transit asset management, light rail and streetcar capital investments identified in the RSTIIP, subject to applicable funding-source eligibility requirements.

SECTION 210 PROGRAMMING THE TLCP

A. The RSTIIP establishes the regional transit investment strategy and identifies the funding available for implementation through the TLCP.

B. The TLCP will administer regional transit funding in accordance with the funding policies and investment framework established by the RSTIIP.

C. Regional funding administered through the TLCP is guided by the funding recommendations set forth in the RSTIIP, which consist of the following primary revenue sources:

a. 37 percent of the Proposition 479 half-cent sales tax collections, known as the Public Transportation Fund (PTF)
b. 47.9 percent of the Federal Highway Administration (FHWA) federal funds allocated to the MAG region
c. 95.9 percent of the FTA federal funds allocated to the MAG region

D. The PTF funding distribution to the TLCP is bound by the requirements set forth in Arizona Revised Statutes 42-6105.01.

E. The RSTIIP and TLCP distribute regional funding over four funded phases, with an additional unfunded phase reflecting Fiscal Year 2047 and beyond, as outlined below.

i. Phase I: Fiscal Years 2026-2030
ii. Phase II: Fiscal Years 2031-2035
iii. Phase III: Fiscal Years 2036-2040
iv. Phase IV: Fiscal Years 2041-2046
v. Phase V: Fiscal Year 2047 and beyond (unfunded)

F. In addition to the dedicated regional bus transit service allocation to the City of Phoenix, the RSTIIP allocates regional transit funding among the four TLCP program components:

a. Bus Operating Assistance
    i. Base allocation
    ii. Formula funding
    iii. Seed funding for emerging markets
b. Regional Services
    i. Express service
    ii. ADA service
    iii. Regional Services support
c. Bus Capital
    i. Bus purchases
    ii. Bus transit asset management
    iii. Preventive maintenance
    iv. Regional transit facilities
d. HCT
    i. Bus rapid transit
    ii. Rail improvement projects (Note: sales tax cannot be used)
    iii. Rail transit asset management (State of good repair)
    iv. Light rail and streetcar (Note: sales tax cannot be used)

G. The TLCP will serve as the financial management and programming document for all regional transit funding MAG administers.

a. The TLCP will establish annual funding allocations for each program component.

b. Regional PTF, FHWA and FTA transit funds will be allocated across TLCP components based on eligibility, annual needs and MAG programming decisions.

c. All regional transit funding programmed through the TLCP will remain consistent with:
    i. The adopted RSTIIP.
    ii. These policies and procedures.
    iii. The approved TIP, where applicable.
    iv. Applicable federal and state requirements.
d. The MAG Regional Council's adoption of the TLCP constitutes authorization for regional programming only and does not replace project-level approvals or federal programming requirements.

H. The TLCP will be updated annually.

a. Each annual update will:
    i. Update regional revenue forecasts.
    ii. Update program actuals and fund balances.
    iii. Incorporate approved amendments.
    iv. Update annual regional transit funding allocations for each TLCP component and/or element, where applicable.
    v. Maintain fiscal constraint over the remaining life of Proposition 479.
b. The annual update will incorporate:
    i. Updated sales tax revenue forecasts.
    ii. Updated federal formula fund projections.
    iii. Updated federal formula fund apportionments.
    iv. Updated operating and capital cost estimates, where applicable.
    v. Updated transit service assumptions, where applicable.
    vi. Updated project and program implementation schedules, where applicable.

I. MAG will start the annual update process for the upcoming fiscal year in the summer of the current fiscal year, beginning with updating the allocations for the bus transit service components.

a. Updated allocations should be finalized by fall of the current fiscal year to provide the inputs into local agency budget development processes for the upcoming fiscal year.
b. Updated allocations should be finalized by fall of the current fiscal year to provide the inputs into service planning processes/update of the Valley Metro Short Range Transit Program (SRTP) which identifies service improvements for the next five-year period to be applied though the agency's biannual service change process.
c. Operators and other lead transit agencies will identify anticipated cost changes, contract updates, operator impacts and other factors affecting

regional transit programming as early as possible in the TLCP annual update cycle.

d. Updated cost information will be submitted in accordance with TLCP update deadlines to support timely regional programming.

J. Annual and biennial funding allocations for each TLCP component and/or element will be updated in accordance with the methodologies established in Chapters 3 through 6.

K. MAG may initiate midyear adjustments when urgent operational or financial conditions require changes prior to the annual update.

a. Eligible midyear adjustments include cost updates for contracted express or ADA services, reallocations required to maintain fiscal constraint, and adjustments to implement previously approved service changes.
b. Midyear adjustments may not be used to introduce new services, modify eligibility or alter long-term funding commitments.
c. All midyear adjustments require MAG committee review and approval.

L. Program funding will be monitored and managed to maintain fiscal constraint.

a. The TLCP shall remain fiscally constrained over the 20-year Proposition 479 authorization.
b. A program imbalance occurs when:
    i. Programmed expenditures exceed long-term revenue forecasts over the 20-year period.
    ii. Annual program operating expenditures exceed annual operating revenue.
    iii. The projected year-end fund balance is insufficient to cover programmed capital reimbursements or annual capital cash-flow needs.
c. Valley Metro will provide monthly reporting on regional revenue collections and year-to-date sales tax expenditures, in coordination with other lead agencies as applicable.
d. MAG will review the Valley Metro data and maintain structural balance by ensuring programmed costs do not exceed forecast revenue over both the long-range and annual planning horizons.
e. Corrective actions to address program imbalance may include:
    i. Deferring implementation.
    ii. Adjusting project or service scope.
    iii. Modifying annual funding allocations.
    iv. Accessing reserves consistent with established policies.
    v. Recalibrating formula funding within established methodologies.

    vi. Reprogramming savings or unused balances.

f. MAG will identify and recommend corrective actions through the MAG committee process.

g. Approved corrective actions will be incorporated into the annual TLCP update or processed through a midyear adjustment, as applicable.

SECTION 220 PROGRAMMING FOR INCLUSION IN THE MAG TIP

A. All TLCP projects and funding allocations will be programmed in the approved MAG TIP before funds may be obligated or expended.

B. The TLCP will be updated annually to reflect the latest regional transit funding allocations, revenue forecasts, cost assumptions and implementation schedules for each applicable program component.

C. As part of the annual TLCP update, MAG will incorporate required project listings and amendments into the TIP by identifying the applying agency, project or program element, funding source and fiscal year within the current TIP window. Projects funded through FTA formula funding allocations managed through the TLCP will also be incorporated into the applicable MAG Program of Projects.

D. The MAG TIP is updated on a recurring basis. Amendments or administrative modifications will be processed as needed in accordance with adopted MAG TIP procedures, including applicable air quality conformity requirements.

SECTION 230 PUBLIC TRANSPORTATION FUNDS MANAGEMENT

A. Of the 37 percent of Proposition 479 half-cent sales tax collections allocated to the Public Transportation Fund, an amount equal to 5.78 percent of Proposition 479 collections will first be allocated to the City of Phoenix for regional bus transit service, consistent with the RSTIIP.

B. The RSTIIP establishes an overall funding framework equivalent to 28.9 percent of Proposition 479 collections for bus transit and 8.1 percent for HCT.

a. Following the City of Phoenix dedicated allocation, the annual TLCP will establish and document the allocation of remaining PTF revenues between bus transit and HCT.

b. The allocation should generally remain consistent with the relative funding distribution established in the RSTIIP but may be adjusted through the annual TLCP process to respond to program needs, fiscal conditions, project readiness, and available funding.

C. The TLCP uses the official transportation excise tax forecast from the Arizona Department of Transportation (ADOT)'s annual Risk Analysis Process to update the PTF revenue assumptions as part of the annual update.

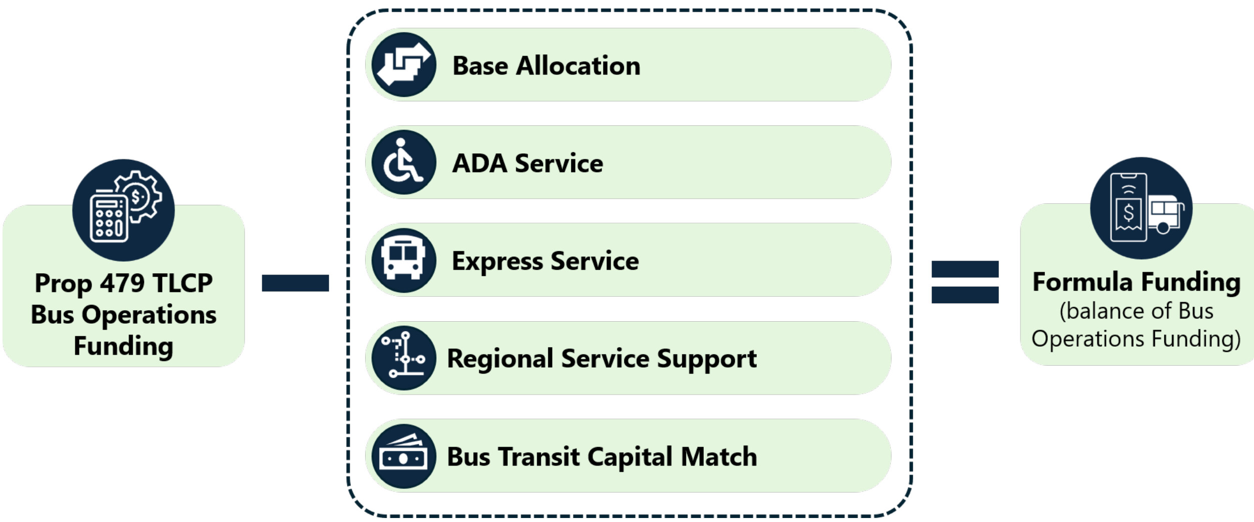
D. Valley Metro, as the Regional Public Transportation Authority, will oversee administration of the Public Transportation Fund consistent with A.R.S. §48-5103. The TLCP annual update will incorporate the latest actual revenue collections data.

E. PTF is the only regional transit funding source eligible for use on bus transit operations.

F. Annual PTF revenues available for bus transit operations will be allocated in the order reflected in Figure 2 below, including the Base Allocation, ADA Service, Express Service, Regional Services Support and eligible bus capital match requirements.

G. The remaining balance will determine the total formula funding available for each fiscal year, subject to the formula-stabilization policies established in the following bullets.

Figure 2: Allocation Methodology for PTF Funds



H. Annual increases in total formula funds will be no more than 7.5 percent above the prior year's amount, unless otherwise approved by MAG Regional Council. Any excess funds will be reallocated to a "formula stabilization" fund.

I. Annual increases in total formula funds will be no less than 3.75 percent above the prior year's amount, unless otherwise approved by MAG Regional Council to ensure the minimum formula amount available is equal to the prior year's amount adjusted for inflation. Any additional funds needed will be reallocated from the 'formula stabilization' fund.

   a. This does not apply in the event of a program deficit, where Section 210(L) would apply.

J. PTF revenue allocated to the HCT component may be used only for eligible bus rapid transit and rail State of Good Repair capital investments. PTF revenue shall not be used for rail operations.

SECTION 240 FEDERAL FORMULA FUNDS MANAGEMENT

A. The RSTIIP establishes the following funding levels for the program from the federal formula funding available to the region:

a. FHWA Formula Funding:

i. 33.6 percent of Surface Transportation Block Grant Program allocated for HCT; including rail improvement projects and light rail/streetcar expansion.

ii. 41.8 percent of Congestion Mitigation Air Quality (CMAQ) Improvement Program apportionments are allocated for HCT; including rail improvement projects and light rail/streetcar expansion.

iii. 28.9 percent of CMAQ Improvement Program apportionments are allocated for bus transit.

iv. MAG staff may adjust the distribution of federal funds within the transit program on an annual basis to respond to program needs and project readiness, provided that such adjustments do not alter the overall proportion of federal funds allocated to transit.

b. FTA Formula Funding:

i. 80.7 percent of the FTA formula apportionments for both the Phoenix-Mesa-Scottsdale and Phoenix West-Goodyear-Avondale Urbanized Areas (UAs) in the MAG region are allocated for bus transit.

ii. 15.2 percent of the FTA formula apportionments for both the Phoenix-Mesa-Scottsdale and Phoenix West-Goodyear-Avondale UAs in the MAG region are allocated for HCT; including rail improvement projects and light rail/streetcar expansion.

iii. MAG may adjust the distribution of federal funds within the transit program through the annual TLCP update or an approved TLCP amendment to respond to program needs and project readiness, provided that such adjustments do not alter the overall proportion of federal funds allocated to transit.

iv. The MAG region also includes an Urbanized Area for the City of Maricopa. The apportioned funding is guided by the Regional Programming Guidelines for Federal Transit Formula Funding and does not adhere to the Proposition 479 TLCP Policies and Procedures.

B. The TLCP will use the forecast from the latest approved RSTIIP to update the federal formula funding assumptions as part of the annual update.

C. The annual TLCP update will incorporate the latest available federal apportionments released by the FTA for the current federal fiscal year.

D. Given the timing of federal apportionments and the difference between federal and state fiscal years, the TLCP will use the most recently available prior-year FTA apportionments when developing current-year allocations (i.e., FY 2027 TLCP incorporates FTA apportionments for FFY 2026).

E. ADOT suballocates FHWA formula funds programmed for transit purposes. The City of Phoenix serves as the FTA DR for applicable FTA formula funds allocated to the region for the two large UAs.

   a. In accordance with Chapters 5 and 6, City of Phoenix will conduct a reconciliation for FTA formula funds to determine any remaining grant balances or project savings, to be reallocated following completion of FTA project closeout requirements in coordination with MAG.

   b. The annual TLCP update will incorporate the latest available obligations, unobligated balances and other relevant grant activity data.

F. The TLCP will prioritize allocation of the oldest available apportionment amounts.

G. Federal funds may be used to satisfy TLCP commitments where eligible, including commitments that are not tied to a specific funding source. When MAG elects to use federal funds to satisfy such a commitment, MAG will seek to allocate the federal funds to the agency or agencies that, as determined by MAG staff, minimize the additional administrative burden associated with administering the federal funding. This approach is intended to promote the efficient use of regional funding and minimize unnecessary administrative costs.

SECTION 250 INFLATION IN THE TLCP

A. The annual TLCP update will apply inflation adjustments to funding allocations and cost estimates as specified in the applicable program chapters.

B. Future-year programmed amounts will include inflation consistent with the methodology established in this section unless another methodology is specified for a particular program component.

C. HCT project costs and regional reimbursements will be expressed in year-of-expenditure dollars consistent with the project schedule and applicable project agreement.

D. Unless otherwise specified, annual inflation adjustments will use the Consumer Price Index for All Urban Consumers (CPI-U), West Region, All Items, not seasonally adjusted, as published by the U.S. Bureau of Labor Statistics.

   a. The annual inflation factor will be calculated using the year-over-year change in the selected CPI-U series for the most recent September-to-September period available when the annual update is prepared.

b. The September-to-September period is intended to provide a stable and predictable inflation factor with sufficient lead time for agency budget development. This approach intentionally prioritizes early notice and budget stability over the use of the most recent inflation data that may become available later in the fiscal planning cycle.

SECTION 260 PROGRAM ACTUALS AND SAVINGS

A. The TLCP will be updated annually to reflect actual program expenditures and fund balances.

B. The TLCP will maintain the following minimum reserve balances, unless otherwise approved by the MAG Regional Council, to address eligible annual expenditures that exceed programmed amounts:

a. ADA Service: 12.5 percent of total annual estimated costs

b. Express Service: 5 percent of total annual estimated costs

C. Following the close of each fiscal year, Valley Metro will reconcile actual expenditures for bus operating assistance, regional services and bus capital projects and provide the results to MAG.

a. If actual eligible costs exceed the programmed amount, the difference will first be funded from the applicable reserve balance, subject to available funds and the policies governing the applicable program component:

i. The total cost of regionally funded ADA service exceeds the total programmed amount.

ii. The total cost of regionally funded express service exceeds the total programmed amount.

b. If the programmed amount exceeds actual eligible costs, the savings will be returned to the applicable reserve or program fund balance in accordance with these Policies and Procedures:

i. The total programmed amount for regionally funded ADA service exceeds the total cost.

ii. The total programmed amount for regionally funded express service exceeds the total cost.

c. All other costs that exceed the annual programmed amount are the applicable lead transit agency's responsibility.

d. Savings or unused funding from annual allocations for bus operating assistance, express service, ADA service, regional services support or bus capital investments will first be used to restore the applicable reserve funds to its minimum required balance.

i. Any savings beyond the required reserve balance will be returned to the applicable program fund balance for future regional programming.
ii. Any savings for allocations without a reserve will be returned to the applicable program fund balance for future programming.
iii. The amount of savings from each annual TLCP allocation will be updated and reprogrammed as part of the annual update process, in accordance with the methodologies established in Chapters 3 through 6.
iv. Carryover rules will apply only where explicitly established.

D. Costs may not be reimbursed more than once through the TLCP or another funding source. Participating agencies must disclose other funding, credits, reimbursements or recoveries applicable to an eligible cost. A cost may not be claimed both for reimbursement and as a matching contribution unless expressly permitted by the applicable funding requirement.

E. Additional eligible expenditures for program elements with an established reserve will first be funded from the applicable reserve set-aside. Any amount exceeding the available reserve, or any request for additional regional funding above an approved allocation for a program element without a dedicated reserve, will require further action through the annual TLCP update or applicable MAG committee process. Nothing in this provision creates an entitlement to regional funding above the programmed amount.

a. Reserve funds may not be accessed until the applicable agency submits documentation demonstrating the eligible costs and need for reserve funding and MAG staff has reviewed the request.

F. Each year, MAG will produce a TLCP status report, detailing the prior fiscal year's financial status, including the reconciliation of programming amounts to actual expenditures.

III. BUS OPERATING ASSISTANCE

SECTION 300 OVERVIEW

Bus operating assistance is designed to support the operation of regional fixed-route bus service and consists of a Base Allocation ("floor") and a performance-based Formula Allocation. The performance-based portion of regional bus operating assistance consists of the annual formula funding allocation, subject to the following set-asides and funding provisions:

A. Up to 10 percent of the total formula funding amount is available for eligible circulator operations.

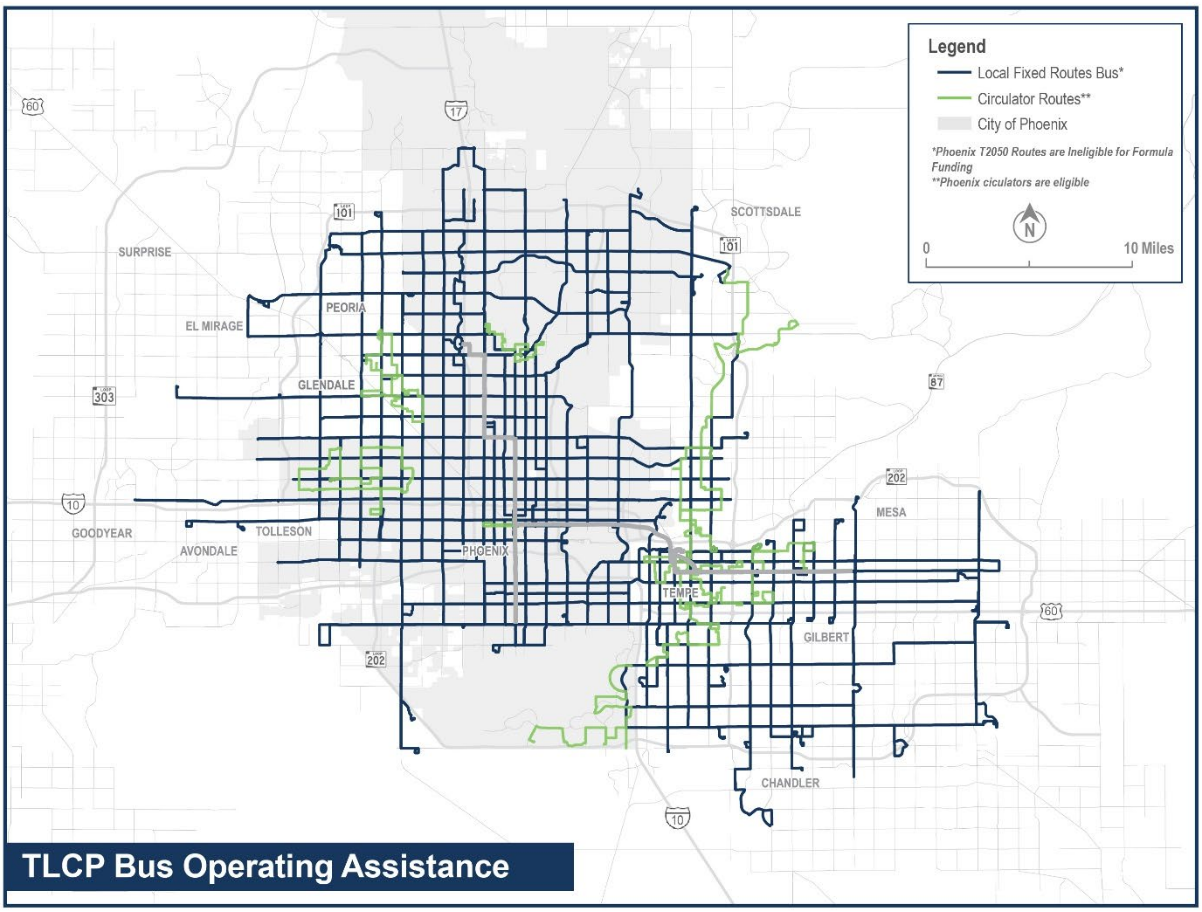
B. Up to 10 percent of the total formula funding amount may be set aside for seed funding for emerging markets.

C. The seed funding set-aside reduces the total amount available for formula funding; seed funding is not part of the formula calculation.

D. Any circulator or seed funding amount not awarded to projects will revert to the formula funding pool for reallocation during the annual update, per Section 210.

The policies and procedures associated with each program element are described in the following sections.

Figure 3: 2026 Regional Fixed-Route Bus Network



SECTION 310 PROGRAM DEFINITIONS

A. Base allocation (or "floor") is a financial commitment based on revenue miles to ensure existing funding is available for regional commitments made under Proposition 400.

   a. Once established, the base allocation remains in effect throughout the sales tax extension. The base allocation is adjusted annually for inflation in accordance with Section 250 and is not adjusted for any service changes or their associated costs.
   b. Once established, the base allocation will be decoupled from its underlying assumptions and remain available for any local fixed-route operations on the regional fixed-route network, consistent with the RSTIIP policy framework.

B. Formula allocation is a variable amount available for any local fixed-route operations on the regional fixed-route network, beyond an agency's base allocation amount.
   a. The amount allocated to each eligible jurisdiction will be calculated on a biennial basis using two, equally weighted performance-based variables: (1) actual vehicle revenue miles, and (2) annual boardings.
   b. The performance data will be provided through the RPTA Annual Ridership Report.
   c. The calculation will be based on the pool of eligible routes that operate within a jurisdiction's boundaries, regardless of funding source.
   d. City of Phoenix fixed and BRT routes are ineligible for formula funding. The City of Phoenix receives a dedicated allocation of funding as provided in Section 230.

C. Per the RSTIIP, the regional fixed-route network is based on the Proposition 400 'Supergrid' eligibility guidelines as outlined in the 2003 RTP, which is defined as arterial grid routes that provide a regional connection function.

D. Eligibility for base allocation and formula funding is based on the function of the service, not solely on the roadway or corridor on which it operates.

E. Circulators have limited eligibility for regional bus operating assistance.
   a. Circulators are defined as a fixed-route service that connects to the regional transit network and operates on an established route.
   b. All Maricopa County jurisdictions are eligible for circulator funding.
   c. The region can fund no more than 30 percent of a jurisdiction's circulator costs.
   d. A circulator, trolley, or other locally oriented service under this definition does not become eligible for base allocation or formula funding solely because it operates on, overlaps, connects with, or replaces a portion of an eligible regional fixed-route corridor. Such service may receive regional funding only through an otherwise applicable TLCP program element and in accordance with its eligibility requirements, such as the 10 percent set aside specified under Section 300(A).

F. Funding may be set aside through seed funding for emerging markets to pilot the viability of new or emerging market transit routes.

  a. Funding will be awarded through a competitive process, in coordination with the regional transit operators (Valley Metro/RPTA and the City of Phoenix).
  b. The funding will be provided over a four-year period with a declining regional contribution.
  c. Following completion of the four-year pilot period, the agency may elect to include the route as part of the next formula funding cycle calculation.

G. Any other types of transit service not specified as eligible under this section are ineligible for regional bus operating assistance.

SECTION 320 REGIONAL BUS BASE ALLOCATION

A. The initial base allocation amount for each jurisdiction is derived from the regionally committed revenue miles in FY 2025 as documented in the adopted FY 2019 TLCP.

B. As part of the initial calculation, an audit was conducted to verify the revenue miles allocated to each jurisdiction as part of the adopted FY 2019 TLCP.

  a. A detailed breakdown of the audited revenue miles allocated to each agency as part of the initial base allocation calculation is provided in Appendix C.
  b. The initial Base Allocation amount will be calculated using FY 2026 contract rates and FY 2025 farebox recovery assumptions.

C. Existing "informal" agreements are factored into base allocation based on the adopted 2019 TLCP allocation to account for agencies funding service outside of their jurisdiction.

D. As part of the revenue miles audit, these informal agreements were reconciled and documented. Further details on these revenue miles are in Appendix C.

E. MAG will program the updated base allocation amounts through the annual TLCP update process described in Section 210.

F. Unspent funds from each annual allocation will remain available to the jurisdiction through the end of the fiscal year immediately following the fiscal year for which the funds were initially allocated under the following conditions:

  a. Recognizes fixed-route service change schedules are not aligned with start and end of fiscal year.
  b. Exceptions could be made if fleet or operator availability delays the planned start date. Any exception requires approval through the MAG committee process.

G. If a jurisdiction does not use all or a portion of its base allocation for reasons other than those provided in Section 320(F), the jurisdiction's full annual base allocation will remain programmed in future years; however, unused balances from prior annual allocations will not accumulate for the jurisdiction.

H. This carryforward provision applies separately to each annual allocation throughout the duration of Proposition 479. Funds remaining unspent after the applicable carryforward period will be reallocated in accordance with Section 260.

I. Jurisdictions can choose not to use their annual Base Allocation amount and opt back in future years.

a. The underlying Base Allocation will remain fixed and will be adjusted annually only for inflation in accordance with Section 250. Because the Base Allocation represents a point-in-time funding baseline, changes in contract rates, service levels, farebox recovery, or other operating cost assumptions will not result in a recalculation of the Base Allocation

b. Jurisdictions may choose to opt out or opt in during the TLCP annual update process to let MAG evaluate the financial program and determine the funding's availability.

SECTION 330 REGIONAL BUS FORMULA ALLOCATION

A. The total available formula funding for each cycle is equal to the remainder of regional bus operations funding after fixed commitments are programmed; seed and circulator funding are subsets of this pool.

B. Formula calculations include all fixed-route local bus services connected to the regional transit network regardless of funding source, except for City of Phoenix fixed and BRT routes.

C. Formula performance multipliers will be updated on a two-year cycle as part of every other TLCP annual update in accordance with Section 210.

D. Performance data will be attributed to the agency funding the service unless otherwise approved by the MAG Regional Council.

E. Every cycle, staff will coordinate with jurisdictions to finalize the performance data to be used:

a. Jurisdictions may request inclusion of new fixed routes in the formula calculation that expands the regional transit network (outside of new fixed routes funded through seed funding).

b. Jurisdictions may ask to have routes opted out of formula calculation.

F. The following steps will be followed to update the formula funding amounts:

a. The multipliers will be calculated based on the latest actual performance data available for the preceding two fiscal years.

b. The multipliers reflect an agency's proportion of the total performance for all eligible routes. As such, the multipliers will be finalized once the total pool of eligible routes has been determined in coordination with the agencies.
c. This will include any new routes or exclusion of routes opted out.
d. The multipliers will be applied to the total annual formula amount available for the following two fiscal years.
e. The second-year formula amount will remain fixed during applicable TLCP annual update processes.
f. The formula allocation cycle table is provided in Appendix D.

G. The MAG Transit Committee will review final formula calculations. The calculations will be approved through the MAG policy committee process in the fall during each applicable TLCP annual update process.

H. Unspent funds from each annual allocation will remain available to the jurisdiction through the end of the fiscal year immediately following the fiscal year for which the funds were initially allocated under the following conditions:

a. Recognizes fixed-route service change schedules are not aligned with start and end of fiscal year.
b. Exceptions could be made if fleet or operator availability delays the planned start date. Any exception requires approval through the MAG committee process.

I. If a jurisdiction does not use its formula allocation for any other reason than the provisions listed under Section 330(H) (all or partial), the jurisdiction remains eligible for formula funding in future years, but unspent past balances will not accumulate for the jurisdiction.

J. This carryforward provision applies separately to each annual allocation throughout the duration of Proposition 479. Funds remaining unspent after the applicable carryforward period will be reallocated in accordance with Section 260.

K. MAG will use the formula stabilization fund to smooth annual formula allocation amounts over the life of Proposition 479, consistent with Section 230, including to provide stability within each biennial formula cycle and ensure the second-year formula amount remains fixed even if revenue or program expenditures change.

SECTION 340 REGIONAL BUS SEED FUNDING FOR EMERGING MARKETS

A. Funding is limited to new or expanded local fixed-route service serving new or emerging geographic markets within Maricopa County and connecting to the regional fixed-route transit network.

B. The Seed Funding competitive process will occur on a biennial basis in alignment with the formula funding cycle and every other annual update of the TLCP as outlined in Section 210.

C. Multijurisdictional funding requests are eligible.

D. A Seed funded route will be supported with regional funding for a four-year period, with the required local contribution increasing each year.

   a. Jurisdictions required to commit to full multiyear funding cycle.

      i. Year 1: Regional – 90%/Local – 10%

      ii. Year 2: Regional – 70%/Local – 30%

      iii. Year 3: Regional – 50%/Local – 50%

      iv. Year 4: Regional – 30%/Local – 70%

E. Once awarded, a project agreement will be executed between MAG and the agency or agencies submitting the application to establish the regional funding commitment and local match requirements over the four-year pilot period.

   a. Future year programmed amounts will account for inflation in accordance with Section 250.

   b. Any costs exceeding the programmed regional amount are the local jurisdiction's responsibility.

F. Other regional Proposition 479 funding cannot be used for local match, but fare revenue can offset local matches.

G. Project requests that are not selected for award are eligible to be considered for the next funding cycle with opportunity to modify the original request.

SECTION 350 CIRCULATOR FORMULA ALLOCATION

A. Eligible circulator routes are defined as routes that connect to the regional transit network and operate on an established route.

B. Circulator routes must be operating for a minimum of one year to qualify for regional funding. A jurisdiction may request inclusion of an eligible route after the one-year operating requirement has been satisfied.

C. MAG will annually verify circulator eligibility and compliance with funding rules.

D. Once MAG determines an agency's funding amount, the amount is decoupled from the routes and can be used for any eligible circulator operations.

E. The calculation for circulator funding will be based on the pool of eligible routes that operate within a jurisdiction's boundaries, regardless of funding source.

F. If funding requests for circulators across the county exceed the 10 percent limit, a prorated share will be distributed to jurisdictions based on formula inputs (i.e., revenue miles, boardings).

a. Circulator performance multipliers will be updated on a two-year cycle as part of every other TLCP annual update process in accordance with section 210 and the biennial formula funding cycle in accordance with Section 330.
b. A 50-percent multiplier will be applied to the formula service variables for circulator routes.

G. Unspent funds from each annual allocation will remain available to the jurisdiction through the end of the fiscal year immediately following the fiscal year for which the funds were initially allocated under the following conditions:
a. Recognizes circulator service change schedules are not aligned with start and end of fiscal year.
b. Exceptions could be made if fleet or operator availability delays the planned start date. Any exception requires approval through the MAG committee process.

H. If a jurisdiction does not use its circulator allocation for any other reason than the provisions listed under Section 350(G) (all or partial), the jurisdiction remains eligible for circulator funding in future years, but unspent past balances will not accumulate for the jurisdiction.

I. This carryforward provision applies separately to each annual allocation throughout the duration of Proposition 479. Funds remaining unspent after the applicable carryforward period will be reallocated in accordance with Section 260.

IV. REGIONAL SERVICES

SECTION 400 OVERVIEW

The Regional Services Program provides dedicated funding for regional services, which includes regional express bus services, ADA complementary paratransit services, and regional services support (e.g., regional safety and security or regional call center). The following sections describe the policies and procedures associated with each program element.

SECTION 410 REGIONAL EXPRESS SERVICE

A. The region will fully fund the cost of regional express bus services through a dedicated funding set-aside.

B. All regional express bus services originating outside the City of Phoenix (in the inbound direction) are eligible for regional funding. The RAPID services the City of Phoenix operates are not eligible for regional express service funding.

C. Regional funding for express service will be used to apply the framework from the MAG Express Bus Study (2025), to develop and maintain an efficient network that meets current and future market conditions.

D. To allow development of an efficient regional express network, unproductive express routes should be optimized or eliminated, allowing the savings to be reinvested toward more productive service.

a. Service change concepts will be developed through the Valley Metro SRTP which identifies service improvements for the next five-year period to be applied through the agency's biannual service change process.
b. The annual change concepts will be finalized by an iterative planning process MAG will lead in cooperation with Valley Metro to ensure alignment with the MAG Express Bus Study framework.
c. Any savings will be reallocated in accordance with Section 260.

Figure 4: MAG Express Bus Study Short-Term Framework

Current Network
- Plateaued in terms of ridership
- Expensive to operate
- Does not serve regional travel markets
- Short/long term funding constraints

Consolidate to Maximize Resources
- Adds trips for each corridor while providing operating cost savings
- Can be optimized further through detailed route planning

Benefits of Consolidation
- Builds travel market for all-day or two-way service
- Addresses short term funding issue
- Creates efficient network that serves market demand

E. Valley Metro will implement regionally funded services consistent with MAG-approved service levels, alignments, funding limits and planning assumptions approved through the TLCP, subject to applicable Valley Metro RPTA Board approvals, adopted budgets, awarded contracts and service-change procedures.

F. MAG and Valley Metro will coordinate proposed changes affecting regionally funded express service before implementation. Changes to regional funding, adopted TLCP assumptions or the regional express service framework require approval through the applicable MAG committee process.

G. As part of the TLCP annual update, the annual express service allocation will be revised to reflect the latest estimated contract rate from the service operator.

H. As part of the TLCP annual update process, future-year costs are escalated in accordance with Section 250, with an additional 5 percent escalation assumed every three years to account for increases related to contract procurement.

I. Where possible, contract structure efficiencies should be considered to further identify savings for reinvestment. Any contract structure changes should inform updates of future-year cost adjustments.

J. Any eligible costs exceeding programmed amounts will be the region's responsibility, per Section 260.

   a. Any savings will be reallocated in accordance with Section 260.

SECTION 420 AMERICANS WITH DISABILITIES ACT (ADA) SERVICE

A. The region will fully fund cost of federally mandated ADA paratransit service.

B. Regional funding eligibility will be restricted to the strict, Federal definition of ADA complementary paratransit service. To qualify for regional funding, services must meet the following criteria:

   a. Trips begin and end within the regional paratransit service area, defined as within ¾ miles of fixed-route services and light rail stations (Note: excludes commuter express services).
   b. Trips occur during the operating hours of fixed-route services. This includes eligible peak and off-peak periods when the corresponding fixed-route service operates.
   c. Passengers must be ADA-certified through the application process administered by Valley Metro at the Mobility Center.

C. To further encourage cost containment, ADA RideChoice trips are eligible for reimbursement, provided they meet the criteria identified in the preceding bullet (B).

D. Jurisdictions may choose to use local money to provide enhanced paratransit services that go above and beyond what the ADA mandates, but these services are ineligible for regional funding.

E. As part of the TLCP annual update, the annual ADA service allocation will be revised to reflect the latest trip demand projections and current contract rate estimates from the service provider.

F. As part of the TLCP annual update, future-year costs are escalated at an assumed rate of 4 percent each year to account for annual rate increases, with an additional 5 percent escalation assumed every three years to account for increases related to contract procurement. Any exceptions will be documented as part of the annual update.

G. For long-term programming of the annual ADA allocation, a gradual stabilization in the year-over-year ADA trip growth is assumed.

   a. Programming assumptions may be updated through the annual TLCP process to reflect implemented cost and demand containment strategies, including strategies approved by the Valley Metro/RPTA Board, as applicable.

H. As part of the TLCP annual update process, programming assumptions for ADA service costs should continue to be actively monitored and refined based on the latest available trip and ridership data.

I. Operators will track and administer ADA certification status, trip monitoring and contract management.

J. Operators will submit quarterly trip and cost reports.

K. MAG will review ADA cost data, approve reserve access and incorporate changes into annual programming.

L. Any eligible costs exceeding programmed amounts will be the responsibility of the region, per Section 260.

  a. Any savings will be reallocated in accordance with Section 260.

SECTION 430 REGIONAL SUPPORT SERVICES

A. The annual allocation for regional services support is a fixed financial commitment.

B. The commitment is set to $20 million per fiscal year (in 2028 dollars), beginning in Fiscal Year 2028.

C. As part of the TLCP annual update, the annual regional services support allocation will be revised to reflect the latest inflationary assumptions in accordance with Section 250.

D. Eligible expenditures include regional safety and security, the regional call center, the Mobility Services Center and other activities to support regional transit operations.

E. The total allocation will be applied to specific expenditure line items as part of RPTA's annual operating and capital budget development process.

F. If eligible expenditures identified through the annual budget development process are less than the programmed regional services support allocation, the unused amount will be reallocated in accordance with Section 260.

G. Any eligible costs exceeding programmed amounts will be the responsibility of the RPTA, unless an additional increase has been approved through the MAG committee process, either as part of the TLCP annual update or through a stand-alone item.

  a. Any savings will be reallocated in accordance with Section 260.

V. BUS CAPITAL

SECTION 500 OVERVIEW

Bus capital investments under Proposition 479 largely represent the continuation of existing policies under the Proposition 400 TLCP. This chapter establishes the policies governing the programming, prioritization and administration of regional capital investments supporting bus transit operations. There are four primary elements of the bus capital component identified in the RSTIIP, including:

- Bus purchases.
- Preventive maintenance.
- Regional facilities (e.g., park and rides, transit centers).
- Bus transit asset management.

SECTION 510 PROGRAMMING BUS CAPITAL INVESTMENTS

A. MAG will program the bus capital allocations through annual TLCP update or approved amendments to the adopted TLCP, in alignment with the *Regional Programming Guidelines for Federal Transit Formula Funds*.

B. Bus capital investments are funded primarily through FTA formula funds allocated to the region with a small amount of sales tax revenue contributing toward the required local match portion.

C. Programming decisions will consider available revenue, project readiness, funding eligibility, and consistency with the RSTIIP.

D. The RSTIIP established regional funding participation limits as follows:

   a. Bus purchases: The region funds all bus purchases, whether or not the route is regionally funded.
   b. Preventive maintenance: 25 percent of the region's FTA §5307 funds will be allocated to preventive maintenance.
   c. Regional facilities: MAG will set aside and program dedicated funding for park and rides/transit centers based on a formal assessment of needs and regional benefit.
      i. The assessment should provide for more coordination with other regional planning efforts, such as freeway investments in direct high occupancy vehicle ramps.
      ii. Park and rides/transit centers have a 20 percent local match requirement.
   d. Bus transit asset management: Dedicated funding will be set aside for bus transit asset management items and projects programmed through periodic regional planning.

i. The region will fund up to 100 percent of eligible, regional bus transit asset management items that address state-of-good-repair, rehabilitation, or replacement needs for existing assets under the Prop 479 TLCP. New or expanded facilities or local facilities are subject to the applicable regional facilities funding requirements.

SECTION 520 PROJECT DETAILS

A. Programming decisions for eligible bus replacement and expansion vehicles will consider:

a. Useful life requirements.
b. Fleet replacement schedules.
c. Service expansion needs.
d. Vehicle procurement schedules.
e. Available regional and federal funding.

B. Programming decisions for eligible bus capital assets will consider:

a. Transit Asset Management (TAM) performance targets.
b. Asset condition.
c. Useful life.
d. Operational impacts.
e. Safety and security.
f. Regional benefit.
g. Available funding.

C. Twenty-five percent of the annual Section 5307 large urban apportionment will be allocated for preventive maintenance. Distribution of these funds will follow the methodology adopted by the MAG Regional Council and updated annually using the most recent National Transit Database information in accordance with the *Regional Programming Guidelines for Federal Transit Formula Funds*.

D. Regional transit facilities will be programmed through a regional planning process approved through the MAG committee process. Programming decisions for facility projects will consider:

a. Regional need.
b. Operational benefit.
c. Asset condition.
d. Coordination with regional transit service.
e. Available funding.

E. Eligible regional transit facilities may include:

a. Transit centers.
b. Park-and-ride facilities.

ii. State-of-good-repair, rehabilitation, or replacement needs associated with existing operations and maintenance facilities and other passenger facilities are eligible for the TAM allocation. New or expanded facilities or local facilities are subject to the applicable regional facilities funding requirements.

F. Projects will be evaluated for consistency with the goals and applicable performance measures of the adopted MAG Regional Transportation Plan. Projects meeting the definition of a regionally significant project in the MAG TIP Programming Guidelines will also comply with applicable project performance-reporting requirements.

G. Reporting requirements may be revised in response to findings and recommendations from a performance audit conducted pursuant to A.R.S. §28-6313 and any subsequent actions taken through the statutorily required review process, subject to MAG Regional Council approval.

SECTION 530 PROJECT REIMBURSEMENT REQUESTS

A. Project Reimbursement Requests may not be submitted more than once per month, and no less than quarterly. If an agency has no reimbursements for the quarter, a written confirmation must be completed.

B. A final Project Reimbursement Request, which is not to exceed the project allocation’s full value, including request for reimbursement and invoice, is due at project completion.

C. All Project Reimbursement Requests will be reviewed by MAG before authorizing the payment.

D. Participating agencies/jurisdictions may invoice the lead agency on joint projects for any item including, but not limited to, work conducted or capital assets acquired for the project or as part of the project, subject to the applicable Project Agreement and these policies and procedures.

E. The work conducted and/or received must meet all the requirements of the MAG TLCP Policies and Procedures along with any other applicable federal, state, regional and local requirements.

F. The lead agency must retain, certify and make available all vendor receipts, invoices and, as needed, any related project records.

a. Vendor receipts or invoices must be retained for five (5) years after final payment is made and made available upon request to auditors, MAG or its designees.

b. Receipts and invoices for projects advanced by a jurisdiction may have a longer retention period.

G. Matching contributions, as required in the TLCP Policies and Procedures, must be fully documented, invoiced and/or received, and cannot be in arrears.

H. The duly authorized representative from the lead agency will approve and sign the request for payment. Then, MAG will review and approve the request and forward it to Valley Metro and/or City of Phoenix for payment to the lead agency.

I. Upon MAG approval, the Project Reimbursement Request will be forwarded to Valley Metro or City of Phoenix for payment.

a. For reimbursements using Public Transportation Fund revenues, payment will be processed through Valley Metro in accordance with A.R.S. §48-5103.

b. City of Phoenix is the FTA DR for the Phoenix-Mesa-Scottsdale and the Phoenix West-Goodyear-Avondale UAs.

J. Lead agencies will not submit reimbursement requests directly to Valley Metro or Phoenix. Submitting requests directly to Valley Metro or Phoenix may result in the termination of an executed Project Agreement.

SECTION 540 ADMINISTRATION AND MANAGEMENT

A. Federal formula funds programmed to support the bus capital component will be administered in accordance with the *Regional Programming Guidelines for Federal Transit Formula Funds* and applicable federal requirements.

B. MAG will coordinate with Valley Metro, the City of Phoenix and participating member agencies to develop and maintain a long-range regional fleet inventory supporting bus transit operations.

a. The inventory will provide the basis for updates to the bus purchases allocation as part of the TLCP annual update process.

C. MAG will coordinate with Valley Metro, the City of Phoenix and participating member agencies to develop and maintain a long-range regional inventory of capital assets supporting bus transit operations.

a. The inventory will provide the basis for updates to the bus TAM allocation as part of the TLCP annual update process.

D. Coinciding with the FTA Triennial Review, a reconciliation will be completed by the City of Phoenix to support the closeout of prior-year FTA apportionment grants.

E. Eligible project savings may be reallocated through the annual TLCP update or other action approved by the MAG committee process in alignment with Section 260.

VI. HIGH-CAPACITY TRANSIT (HCT)

SECTION 600 OVERVIEW

A. The HCT component identifies the programming, application and administration of regional funding for HCT investments identified in the RSTIIP.

B. The HCT component consists of the following eligible program elements:

a. BRT.
b. Rail improvement projects.
c. Rail TAM (State of good repair).
d. Light rail and streetcar projects.

C. Except for Rail Asset Management, HCT projects will follow a project-based management framework.

D. Each project will be programmed individually based on scope, schedule, readiness and eligibility, consistent with project-based life cycle management practices.

E. Regional allocations may be adjusted annually to reflect project schedule changes, contingent on funding availability.

F. In accordance with A.R.S. §42-6105.01(E)(1), Proposition 479 transportation excise tax revenue may not be used for a light rail, commuter rail, streetcar or trolley extension. This restriction applies only to half-cent sales tax revenues collected under A.R.S. §42-6105.

G. Any project that results in a reduction in existing lane miles on a street or highway as defined in A.R.S. §28-601 must meet all of the following requirements:

a. A third-party engineering study demonstrates that the project will not materially increase vehicle congestion or travel times.
b. An opportunity for public input is provided.
c. The Transportation Policy Committee recommends approval by an affirmative vote.

H. No more than 3.5 percent of the half-cent sales tax revenue distributed to the PTF for transit may be used for light rail capital rehabilitation.

SECTION 610 PROGRAMMING HIGH-CAPACITY TRANSIT (HCT) PROJECTS

A. MAG will program the HCT allocations through the annual TLCP update process described in Section 210, in alignment with the *Regional Programming Guidelines for Federal Transit Formula Funds.*

B. Programming decisions will be based on available revenue, project readiness, funding eligibility and consistency with the RSTIIP.

C. Regional funding participation limits are established by the RSTIIP as follows:

a. BRT Projects: No more than 70 percent of total capital project costs can come from regional funding sources.
b. Rail improvement projects: No more than 70 percent of total capital project costs can come from regional funding sources.
c. State of good repair projects: Regional funding will cover 100 percent of the cost.
d. Light rail (LRT) and streetcar (STR) projects: No more than 30 percent of total capital project costs can come from regional funding sources.

D. Programming requirements include:

a. Projects will be identified in the adopted RSTIIP.
b. Each project will identify a single lead agency responsible for project delivery.
c. Projects will be programmed in the lead agency's Capital Improvement Program (CIP), or equivalent and the approved MAG TIP.
d. Lead agencies will demonstrate committed local funding sufficient to meet required local match obligations.
e. Projects will demonstrate readiness before programming, including feasibility review, preliminary engineering, environmental clearance strategy, local match commitment and schedule viability. The level of project readiness demonstrated will be appropriate to the project phase for which funding is programmed.
f. A Project Agreement between MAG and the Lead Agency will be executed before the first year of programmed reimbursements to finalize the total regional reimbursement amount, unless otherwise authorized by MAG.
g. Progress reports using the template in Appendix E will be provided periodically following the execution of the Project Agreement.

E. As part of the annual TLCP update, MAG may change the HCT funding allocations to accommodate schedule revisions, funding adjustments, project advancement or deferral, project segmentation, scope modifications, and project substitutions, in line with the Policies and Procedures established under this chapter.

F. Valley Metro will provide proposed implementation schedules for regionally funded projects and services to support TLCP development, review and annual updates.

G. Implementation schedule updates will be coordinated with MAG for inclusion in TLCP reporting and committee review.

SECTION 620 PROJECT DETAILS

A. Each HCT project will identify a single Lead Agency responsible for coordinating project delivery under the TLCP.

    a. Lead agencies will be responsible for applicable project programming requirements, schedule management, regional funding coordination, coordination with participating agencies, and compliance with applicable regional and local requirements.

B. For a federally funded project, the TLCP will also identify the federally recognized Project Sponsor. The Project Sponsor will retain all responsibilities assigned to it by the FTA or other applicable federal agency.

C. For projects involving multiple jurisdictions or when the Lead Agency and Project Sponsor are different entities, their respective roles, decision-making authority, financial responsibilities and reporting obligations will be documented in the applicable Project Agreement, intergovernmental agreement or memorandum of understanding.

D. A Project Agreement between MAG and the Lead Agency will be executed before regional reimbursement is authorized. The Project Agreement will:

a. Outline the project implementation schedule including planning, environmental clearance, design, right-of-way acquisition, utility coordination and construction.
b. Establish the project reimbursement schedule, funding commitments, local match requirements, agency responsibilities, reporting requirements, reimbursement provisions and other implementation requirements.
c. For federally funded projects, the Project Agreement will incorporate or reference existing FTA grant requirements, project-development agreements and other federal documentation to avoid duplicative or conflicting requirements.
d. The Project Agreement will not supersede or transfer responsibilities assigned to the federally recognized Project Sponsor by federal law, regulation or agreement.
e. MAG may determine that an existing agreement satisfies all or part of this requirement.

E. Projects will remain consistent with the adopted RSTIIP, approved TLCP and MAG TIP, where applicable.

F. Projects shall comply with all applicable federal, state and regional requirements.

G. Projects will maintain the regional purpose and benefit identified in the RSTIIP.

H. Projects that modify roadway lane configurations shall comply with applicable statutory requirements before regional funding is programmed.

I. Projects will be evaluated for consistency with the goals and applicable performance measures of the adopted MAG Regional Transportation Plan. Projects meeting the definition of a regionally significant project in the MAG TIP Programming Guidelines will also comply with applicable project performance-reporting requirements.

J. Reporting requirements may be revised in response to findings and recommendations from a performance audit conducted pursuant to A.R.S. §28-6313 and any subsequent actions taken through the statutorily required review process, subject to MAG Regional Council approval.

K. Lead agencies will provide periodic progress reports, per the applicable project agreement.

   a. Progress reports will summarize project scope, schedule, budget, funding status, milestone completion, risks and issues affecting project delivery.
   b. MAG may request additional reporting when necessary to support annual programming, financial management or committee action.

SECTION 630 PROJECT REIMBURSEMENT REQUESTS

A. Project Reimbursement Requests may not be submitted more than once per month, and no less than quarterly. If an agency has no reimbursements for the quarter, a written confirmation must be completed.

B. A final Project Reimbursement Request, which is not to exceed the project allocation's full value, including request for reimbursement and supporting invoices, is due at project completion.

C. MAG will review all Project Reimbursement Requests before authorizing the payment.

D. Participating agencies/jurisdictions may invoice the lead agency for any item including, but not limited to, work conducted or capital assets acquired for the Project or as part of the Project, subject to the applicable Project Agreement and these policies and procedures.

E. The work conducted and/or received must meet all MAG TLCP Policy and Procedures requirements along with any other applicable federal, state, regional and local requirements.

F. The lead agency must retain, certify and make available all vendor receipts, invoices and, as needed, any related project records.

   a. Vendor receipts or invoices must be retained for five (5) years after final payment is made and made available upon request to auditors, MAG or its designees.

b. Receipts and invoices for projects advanced by a jurisdiction may have a longer retention period.

G. Matching contributions, as required in the TLCP Policies and Procedures must be fully documented, invoiced and/or received, and cannot be in arrears.

H. The lead Agency's duly authorized representative will approve and sign the request for payment. Then, MAG will review and approve the request and forward it to Valley Metro and/or City of Phoenix for payment to the Lead Agency.

I. Upon MAG approval, the Project Reimbursement Request will be forwarded to Valley Metro or City of Phoenix for payment.

a. For reimbursements using Public Transportation Fund revenues, payment will be processed through Valley Metro in accordance with A.R.S. §48-5103.

b. City of Phoenix is the FTA DR for the Phoenix-Mesa-Scottsdale and the Phoenix West-Goodyear-Avondale UAs.

J. Lead agencies will not submit reimbursement requests directly to Valley Metro or Phoenix. Submitting requests directly to Valley Metro or Phoenix may result in the termination of an executed Project Agreement.

SECTION 640 ADMINISTRATION AND MANAGEMENT

A. Regional funding programmed for each HCT project establishes the maximum regional participation unless otherwise approved through the MAG committee process.

B. Federal formula funds programmed to support the HCT component will be administered in accordance with the Regional Programming Guidelines for Federal Transit Formula Funds and applicable federal requirements.

C. Lead agencies will be responsible for all project costs exceeding the programmed regional funding amount, except for projects that are 100 percent regionally funded, for which any increase in regional funding remains subject to approval through the MAG committee process.

D. MAG will monitor project budgets and available revenue as part of the annual TLCP update to maintain fiscal constraint.

a. MAG's program-level monitoring does not replace project management, grant administration, financial oversight or federal reporting responsibilities assigned to the Lead Agency, Designated Recipient or federally recognized Project Sponsor.

b. Lead Agencies and Project Sponsors will provide the project cost details, schedule, and funding information necessary for MAG to maintain the fiscal constraint of the TLCP, in accordance with Sections 610 and 620.

E. Regional funding may be programmed for eligible planning, environmental documentation, design, right-of-way acquisition, construction, project management, utility relocation, transit facilities, public involvement and other eligible capital costs consistent with applicable federal and state requirements.

F. Programming early project-development funding does not constitute a commitment to fund subsequent phases.

G. Regional funding will not be used for project enhancements beyond the approved scope, operating expenses, unrelated administrative overhead, promotional items, incentives or other costs MAG or the applicable funding source have deemed ineligible, in accordance with A.R.S. §48-5103(C).

H. Lead agencies will provide the local match required by the applicable funding source and regional funding policy.

   a. Eligible local match contributions may include local funds, eligible third-party contributions, qualifying state funds and other MAG-approved sources.

I. Programming of regional funds is subject to annual revenue availability and does not constitute a guarantee of future funding.

   a. If projected revenues are insufficient to support programmed expenditures, MAG will recommend funding adjustments through the annual TLCP update in accordance with Section 210(L).

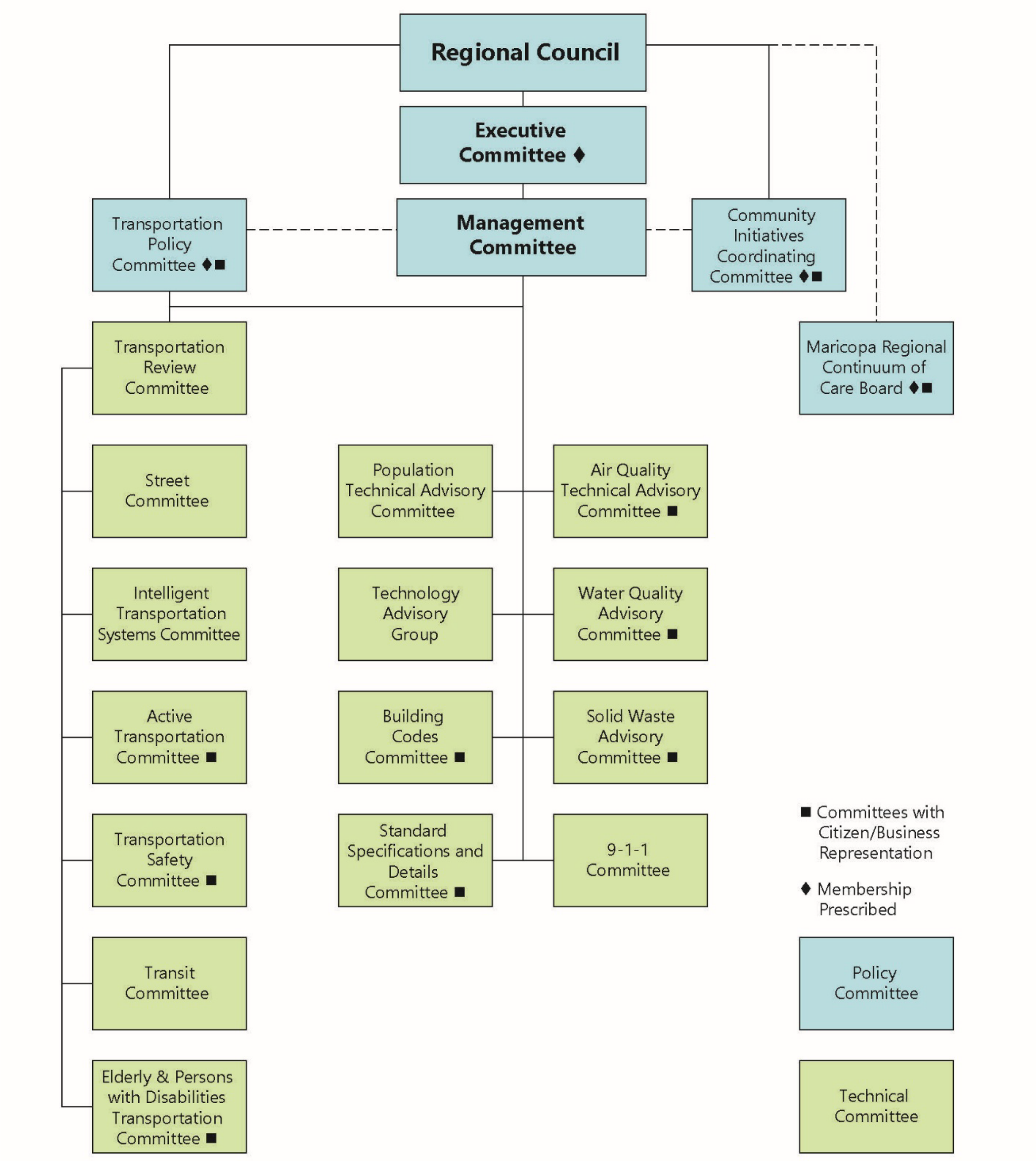
J. Upon project closeout, lead agencies will provide documentation required by the applicable project agreement to support final financial reconciliation and closeout of regional funding.

K. Eligible project savings may be reallocated through the annual TLCP update or other action approved by the MAG committee process.

L. Project substitutions, deletions, exchanges or other material scope change may occur through the annual TLCP update or other action approved by the MAG committee process.

APPENDIX A. MAG COMMITTEE PROCESS

Figure 5: MAG Committee Structure



APPENDIX B. GLOSSARY AND ACRONYMS

Term	Acronym	Definition
Americans with Disabilities Act	ADA	*The Americans with Disabilities Act of 1990.*
Arizona Department of Transportation	ADOT	*The state department of transportation, acting directly or through its duly authorized officers and agents.*
Bus Network Redesign	BNR	*A comprehensive planning initiative to update and improve regional bus services across the Phoenix metropolitan area.*
Bus Rapid Transit	BRT	*A modern, high-capacity bus system that improves travel speed and reliability, passenger capacity, and the customer experience.*
Capital Improvement Program	CIP	*A lead agency's adopted capital programming document, or equivalent.*
Capital Investment Grants Program	CIG	*An FTA discretionary grant program used to support eligible major transit capital investments.*
Circulator		*A fixed-route service that connects to the regional transit network and operates on an established route.*
Congestion Mitigation and Air Quality Improvement Program	CMAQ	*A federal-aid highway formula program administered through FHWA.*
Consumer Price Index	CPI	*A measure of changes in consumer prices used to adjust for inflation.*
Designated Recipient	DR	*An entity officially designated to receive and administer FTA funds for an Urbanized Area.*
Federal Highway Administration	FHWA	*The federal agency that administers federal-aid highway programs, including STBG and CMAQ funds that may be programmed for eligible transit investments.*
Federal Transit Administration	FTA	*The U.S. Department of Transportation agency responsible for federal transit programs, grants and associated requirements.*
FTA Formula Funding		*FTA formula apportionments available to the region through the TLCP, including Section 5307 Urbanized Area, Section 5337 State of Good Repair and Section 5339 Buses and Bus Facilities funding.*
High-Capacity Transit	HCT	*Designated regional public mass transit modes that move large volumes of passengers efficiently across major travel corridors.*

Term	Acronym	Definition
Intergovernmental Agreement	IGA	*A formal agreement between public agencies that establishes roles, responsibilities, funding commitments or implementation requirements.*
Lead Agency		*The agency identified as having primary responsibility for delivery of a bus capital or HCT project, including applicable project management, schedule, financial, coordination and reporting responsibilities.*
Light Rail Transit	LRT	*Passenger rail service operating on fixed guideway infrastructure.*
National Transit Database	NTD	*The FTA reporting system that contains transit financial, operating and asset information.*
Phoenix-Mesa-Scottsdale	PMS	*A distinct statistical and geographic sub-region within the greater Phoenix metropolitan area defined by the U.S. Census Bureau.*
West Phoenix-Goodyear-Avondale	PGA	*A distinct statistical and geographic sub-region within the greater Phoenix metropolitan area defined by the U.S. Census Bureau.*
Preventive Maintenance	PM	*Eligible maintenance costs that may be supported with FTA formula funds.*
Project Sponsor		*The entity recognized as the project sponsor under applicable federal requirements.*
Public Transportation Fund	PTF	*The fund established for the regional public transportation authority under A.R.S. §48-5103.*
Regional Area Road Fund	RARF	*The fund established to receive and administer the portions of the county transportation excise tax allocated to freeways, state highways, arterial streets and other eligible regional roadway investments.*
Regional Fixed-Route Network		*The arterial-grid bus routes that perform a regional connection function, based on the Proposition 400 'Supergrid' eligibility guidelines identified in the 2003 Regional Transportation Plan.*
Regional Funding (or 'Funds')		*All eligible revenues programmed through the TLCP, including Public Transportation Fund revenues and federal formula funds allocated to the region, subject to applicable funding eligibility and statutory requirements.*

Term	Acronym	Definition
Regional Strategic Transportation Infrastructure Investment Plan	RSTIIP	*The investment plan approved by the MAG Regional Council, which serves as the basis for transportation infrastructure investments funded through Proposition 479 and other funding available to the region.*
Regional Transportation Plan	RTP	*The federally required long-range multimodal transportation plan developed by MAG.*
Risk Analysis Process	RAP	*ADOT's annual process for developing the official transportation excise tax forecast used in the TLCP.*
Short-Range Transit Plan	SRTP	*Valley Metro's near-term transit planning process, which identifies service improvements and service-change concepts for approximately the next five years.*
State of Good Repair	SGR	*The condition in which a capital asset can operate at a full level of performance.*
Streetcar	STR	*Passenger rail service generally operating in mixed traffic or an urban street environment.*
Surface Transportation Block Grant Program	STBG	*An FHWA formula program that provides flexible federal funding for eligible surface transportation projects.*
Transit Asset Management	TAM	*A model to help achieve and maintain a State of Good Repair (SGR) for the region's public transportation capital assets.*
Transit Life Cycle Program	TLCP	*The financial management and programming tool for the transit investments identified in the RSTIIP.*
Transportation Improvement Program	TIP	*The federally required, fiscally constrained, near-term program of transportation projects and funding, serving as a complement to the RTP.*
Transportation Policy Committee	TPC	*The MAG policy committee established under state law that reviews regional transportation matters and makes recommendations to the MAG Regional Council.*
Urbanized Area	UA	*A geographic area defined by the U.S. Census Bureau and used by FTA to apportion and administer federal transit formula funding.*

APPENDIX C. BASE ALLOCATION REPORT

Tables showing final apportioned miles by jurisdiction as well as calculation of the established Base Allocation, which will remain fixed over the life of the Proposition 479 program, aside for annual inflationary adjustments in accordance with Section 250.

The established allocation for each jurisdiction was conducted in partnership with the applicable agencies; copies of the final letters sent to the agencies confirming the allocation inputs are provided below.

Each jurisdiction’s official base allocation revenue miles and funding amount in FY 2025 dollars was transmitted on July 2, 2025. Select jurisdictions with Phoenix operated routes were provided with updated base allocation funding estimates on September 2, 2025, that incorporated revised cost per mile estimates that aligned with the cost per mile estimates for the Valley Metro operated routes.

Following the approval of the Proposition 479 Transit Bus Operations Funding Managers Working Group final recommendations, the base allocation was updated to incorporate FY 2026 contract rates and FY 2025 farebox recovery to develop the FY 2027 allocation amounts, after which the only adjustments will be annual inflationary adjustments in accordance with Section 250.

The final FY 2027 base allocation funding amounts by jurisdiction are provided in the summary table below. The original transmittal letters to each jurisdiction are provided in the following sections and include the original FY 2025 base allocation calculation, revised FY 2025 base allocation (where applicable), and the final FY 2027 base allocation calculation.

Table 1. FY 2027 Base Allocation by Jurisdiction

Jurisdiction	FY 2025 Regionally Committed Miles [1]	Gross Cost (FY27$)	Estimated Fare Revenue (6.3%) [2]	Net Cost (FY27$)
Avondale	150,737	$1,869,313	$117,767	$1,751,547
Chandler	1,115,363	$12,625,908	$795,432	$11,830,475
Gilbert	690,859	$7,820,528	$492,693	$7,327,835
Glendale	636,812	$7,110,482	$447,960	$6,662,522
Goodyear	52,153	$646,764	$40,746	$606,017
Mesa	2,680,032	$30,337,959	$1,911,291	$28,426,667
Peoria	450,245	$5,103,736	$321,535	$4,782,201
Phoenix	118,982	$1,346,873	$84,853	$1,262,020
Scottsdale	1,218,425	$13,953,884	$879,095	$13,074,790
Tempe	1,204,681	$13,636,989	$859,130	$12,777,859
Tolleson	56,788	$704,233	$44,367	$659,866
Total	**8,375,076**	**$95,156,668**	**$5,994,870**	**$89,161,798**

1. CITY OF AVONDALE: BASE ALLOCATION CALCULATION

UPDATED BASE ALLOCATION CALCULATION
JUNE 2026

MAG Bus Operating Assistance Guiding Principles Memo				*2019 Transit Life Cycle Program*				*FY 2027 Base Allocation*			
Route	Jurisdiction	Operator	FY 2025 Regionally Committed Miles	Route	Jurisdiction	Operator	FY 2025 Regionally Committed Miles	Cost per Revenue Mile (FY 27$)	Gross Cost (FY27$)	Estimated Fare Revenue (6.3%)	Net Cost (FY27$)
3	Avondale	Phx West	83,907	3	Avondale	Phx West	83,907	$12.40	$1,040,543	$65,554	$974,988
17	Avondale	Phx West	66,830	17	Avondale	Phx West	66,830	$12.40	$828,771	$52,213	$776,558
Total	-	-	150,737				150,737	-	$1,869,313	$117,767	$1,751,547

2. CITY OF CHANDLER: BASE ALLOCATION CALCULATION

UPDATED BASE ALLOCATION CALCULATION
JUNE 2026

MAG Bus Operating Assistance Guiding Principles Memo				*2019 Transit Life Cycle Program*				*FY 2027 Base Allocation*			
Route	Jurisdiction	Operator	FY 2025 Regionally Committed Miles	Route	Jurisdiction	Operator	FY 2025 Regionally Committed Miles	Cost per Revenue Mile (FY 27$)	Gross Cost (FY27$)	Estimated Fare Revenue (6.3%)	Net Cost (FY27$)
56	Chandler	RPTA East Valley	11,586	56	Chandler	RPTA East Valley	12,301	$11.32	$139,248	$8,773	$130,475
66	Chandler	RPTA East Valley	32,055	66	Chandler	RPTA East Valley	32,823	$11.32	$371,555	$23,408	$348,147
72	Chandler	RPTA East Valley	102,621	72	Chandler	RPTA East Valley	100,185	$11.32	$1,134,089	$71,448	$1,062,641
81	Chandler	RPTA East Valley	41,152	81	Chandler	RPTA East Valley	41,152	$11.32	$465,845	$29,348	$436,497
96	Chandler	RPTA East Valley	121,262	96	Chandler	RPTA East Valley	121,262	$11.32	$1,372,690	$86,479	$1,286,211
104	Chandler	RPTA East Valley	109,613	104	Chandler	RPTA East Valley	125,142	$11.32	$1,416,612	$89,247	$1,327,365
108	Chandler	RPTA East Valley	78,106	108	Chandler	RPTA East Valley	78,106	$11.32	$884,160	$55,702	$828,458
112	Chandler	RPTA East Valley	269,016	112	Chandler	RPTA East Valley	269,413	$11.32	$3,049,750	$192,134	$2,857,615
136	Chandler	RPTA East Valley	40,801	136	Chandler	RPTA East Valley	34,505	$11.32	$390,597	$24,608	$365,989
140	Chandler	RPTA East Valley	0	140	Chandler	RPTA East Valley	0	$11.32	$0	$0	$0
156	Chandler	RPTA East Valley	313,224	156	Chandler	RPTA East Valley	300,474	$11.32	$3,401,362	$214,286	$3,187,076
Total	-	-	1,119,436	Total	-	-	1,115,363	-	$12,625,908	$795,432	$11,830,475

3. TOWN OF GILBERT: BASE ALLOCATION CALCULATION

UPDATED BASE ALLOCATION CALCULATION

JUNE 2026

MAG Bus Operating Assistance Guiding Principles Memo				*2019 Transit Life Cycle Program*				*FY 2027 Base Allocation*			
Route	Jurisdiction	Operator	FY 2025 Regionally Committed Miles	Route	Jurisdiction	Operator	FY 2025 Regionally Committed Miles	Cost per Revenue Mile (FY 27$)	Gross Cost (FY27$)	Estimated Fare Revenue (6.3%)	Net Cost (FY27$)
77	Gilbert	RPTA East Valley	0	77	Gilbert	RPTA East Valley	0	$11.32	$0	$0	$0
108	Gilbert	RPTA East Valley	190,498	108	Gilbert	RPTA East Valley	190,498	$11.32	$2,156,432	$135,855	$2,020,577
112	Gilbert	RPTA East Valley	28,700	112	Gilbert	RPTA East Valley	28,700	$11.32	$324,880	$20,467	$304,413
136	Gilbert	RPTA East Valley	185,866	136	Gilbert	RPTA East Valley	184,663	$11.32	$2,090,380	$131,694	$1,958,686
140	Gilbert	RPTA East Valley	18,690	140	Gilbert	RPTA East Valley	18,690	$11.32	$211,569	$13,329	$198,240
156	Gilbert	RPTA East Valley	222,807	156	Gilbert	RPTA East Valley	222,807	$11.32	$2,522,176	$158,897	$2,363,279
184	Gilbert	RPTA East Valley	45,524	184	Gilbert	RPTA East Valley	45,503	$11.32	$515,091	$32,451	$482,640
Total	-	-	692,085	Total	-	-	690,859	-	$7,820,528	$492,693	$7,327,835

4. CITY OF GLENDALE: BASE ALLOCATION CALCULATION

UPDATED BASE ALLOCATION CALCULATION

JUNE 2026

MAG Bus Operating Assistance Guiding Principles Memo				*2019 Transit Life Cycle Program*				*FY 2027 Base Allocation*			
Route	Jurisdiction	Operator	FY 2025 Regionally Committed Miles	Route	Jurisdiction	Operator	FY 2025 Regionally Committed Miles	Cost per Revenue Mile (FY 27$)	Gross Cost (FY27$)	Estimated Fare Revenue (6.3%)	Net Cost (FY27$)
59	Glendale	Phx West	164,450	59	Glendale	Phx West	164,450	$12.40	$2,039,371	$128,480	$1,910,891
67	Glendale	Phx West	76,591	67	Glendale	Phx West	76,592	$12.40	$949,833	$59,839	$889,993
70	Glendale	Phx N/S	249,466	70	Glendale	Phx N/S	249,466	$10.41	$2,597,759	$163,659	$2,434,100
83	Glendale	Phx West	0	83	Glendale	Phx West	0	$12.40	$0	$0	$0
106	Glendale	Phx N/S	57,113	106	Glendale	Phx N/S	57,113	$10.41	$594,730	$37,468	$557,262
138	Glendale	Phx N/S	22,558	138	Glendale	Phx N/S	13,092	$10.41	$136,332	$8,589	$127,744
170	Glendale	Phx N/S	76,294	170	Glendale	Phx N/S	76,101	$10.41	$792,457	$49,925	$742,533
Total	-	-	646,472	Total	-	-	636,812	-	$7,110,482	$447,960	$6,662,522

5. CITY OF GOODYEAR: BASE ALLOCATION CALCULATION

UPDATED BASE ALLOCATION CALCULATION
JUNE 2026

MAG Bus Operating Assistance Guiding Principles Memo				*2019 Transit Life Cycle Program*				*FY 2027 Base Allocation*			
Route	Jurisdiction	Operator	FY 2025 Regionally Committed Miles	Route	Jurisdiction	Operator	FY 2025 Regionally Committed Miles	Cost per Revenue Mile (FY 27$)	Gross Cost (FY27$)	Estimated Fare Revenue (6.3%)	Net Cost (FY27$)
3	Goodyear	Phx West	2,054	3	Goodyear	Phx West	2,054	$12.40	$25,471	$1,605	$23,866
17	Goodyear	Phx West	50,099	17	Goodyear	Phx West	50,099	$12.40	$621,293	$39,141	$582,151
Total	-	-	52,153	Total	-	-	52,153	-	$646,764	$40,746	$606,017

6. CITY OF MESA: BASE ALLOCATION CALCULATION

UPDATED BASE ALLOCATION CALCULATION
JUNE 2026

MAG Bus Operating Assistance Guiding Principles Memo				*2019 Transit Life Cycle Program*				*FY 2027 Base Allocation*			
Route	Jurisdiction	Operator	FY 2025 Regionally Committed Miles	Route	Jurisdiction	Operator	FY 2025 Regionally Committed Miles	Cost per Revenue Mile (FY 27$)	Gross Cost (FY27$)	Estimated Fare Revenue (6.3%)	Net Cost (FY27$)
30	Mesa	RPTA East Valley	335,995	30	Mesa	RPTA East Valley	301,706	$11.32	$3,415,317	$215,165	$3,200,152
40	Mesa	RPTA East Valley	457,617	40	Mesa	RPTA East Valley	488,368	$11.32	$5,528,326	$348,285	$5,180,041
45	Mesa	RPTA East Valley	345,364	45	Mesa	RPTA East Valley	421,346	$11.32	$4,769,637	$300,487	$4,469,150
48	Mesa	RPTA East Valley	0	48	Mesa	RPTA East Valley	0	$11.32	$0	$0	$0
61	Mesa	RPTA East Valley	405,795	61	Mesa	RPTA East Valley	405,795	$11.32	$4,593,601	$289,397	$4,304,204
77	Mesa	RPTA East Valley	33,865	77	Mesa	RPTA East Valley	28,114	$11.32	$318,247	$20,050	$298,198
96	Mesa	RPTA East Valley	189,541	96	Mesa	RPTA East Valley	178,383	$11.32	$2,019,298	$127,216	$1,892,082
104	Mesa	RPTA East Valley	126,409	104	Mesa	RPTA East Valley	153,489	$11.32	$1,737,494	$109,462	$1,628,032
108	Mesa	RPTA East Valley	31,985	108	Mesa	RPTA East Valley	31,985	$11.32	$362,069	$22,810	$339,258
112	Mesa	RPTA East Valley	207,857	112	Mesa	RPTA East Valley	207,857	$11.32	$2,352,937	$148,235	$2,204,702
136	Mesa	RPTA East Valley	203,818	136	Mesa	RPTA East Valley	187,282	$11.32	$2,120,035	$133,562	$1,986,473
156	Mesa	RPTA East Valley	14,063	156	Mesa	RPTA East Valley	14,063	$11.32	$159,194	$10,029	$149,165
184	Mesa	RPTA East Valley	233,851	184	Mesa	RPTA East Valley	261,644	$11.32	$2,961,804	$186,594	$2,775,211
Total	-	-	2,586,160	Total	-	-	2,680,032	-	$30,337,959	$1,911,291	$28,426,667

7. CITY OF PEORIA: BASE ALLOCATION CALCULATION

UPDATED BASE ALLOCATION CALCULATION

JUNE 2026

MAG Bus Operating Assistance Guiding Principles Memo				*2019 Transit Life Cycle Program*				*FY 2027 Base Allocation*			
Route	**Jurisdiction**	**Operator**	**FY 2025 Regionally Committed Miles**	**Route**	**Jurisdiction**	**Operator**	**FY 2025 Regionally Committed Miles**	**Cost per Revenue Mile (FY27$)**	**Gross Cost (FY27$)**	**Estimated Fare Revenue (6.3%)**	**Net Cost (FY27$)**
67	Peoria	Phx West	28,968	67	Peoria	Phx West	28,968	$12.40	$359,238	$22,632	$336,606
83	Peoria	Phx West	195,703	83	Peoria	Phx West	179,897	$12.40	$2,230,939	$140,549	$2,090,390
106	Peoria	Phx N/S	71,781	106	Peoria	Phx N/S	71,781	$10.41	$747,479	$47,091	$700,388
138	Peoria	Phx N/S	124,770	138	Peoria	Phx N/S	124,770	$10.41	$1,299,262	$81,854	$1,217,409
170	Peoria	Phx N/S	0	170	Peoria	Phx N/S	0	$10.41	$0	$0	$0
-	-	-	-	106	Peoria (for benefit of Maricopa County)	Phx N/S	38,602	$10.41	$401,973	$25,324	$376,649
-	-	-	-	106	Peoria (for benefit of Youngtown)	Phx N/S	6,227	$10.41	$64,845	$4,085	$60,759
Total	-	-	421,222	Total	-	-	450,245	-	$5,103,736	$321,535	$4,782,201

8. CITY OF PHOENIX: BASE ALLOCATION CALCULATION

UPDATED BASE ALLOCATION CALCULATION

JUNE 2026

MAG Bus Operating Assistance Guiding Principles Memo				*2019 Transit Life Cycle Program*				*FY 2027 Base Allocation*			
Route	**Jurisdiction**	**Operator**	**FY 2025 Regionally Committed Miles**	**Route**	**Jurisdiction**	**Operator**	**FY 2025 Regionally Committed Miles**	**Cost per Revenue Mile (FY 27$)**	**Gross Cost (FY27$)**	**Estimated Fare Revenue (6.3%)**	**Net Cost (FY27$)**
48	Phoenix	RPTA East Valley	16,046	48	Phoenix	RPTA East Valley	28,442	$11.32	$321,966	$20,284	$301,683
72	Phoenix	RPTA East Valley	90,141	72	Phoenix	RPTA East Valley	90,539	$11.32	$1,024,906	$64,569	$960,337
Total	-	-	106,187	Total	-	-	118,982	-	$1,346,873	$84,853	$1,262,020

9. CITY OF SCOTTSDALE: BASE ALLOCATION CALCULATION

UPDATED BASE ALLOCATION CALCULATION

JUNE 2026

MAG Bus Operating Assistance Guiding Principles Memo				*2019 Transit Life Cycle Program*				*FY 2027 Base Allocation*			
Route	Jurisdiction	Operator	FY 2025 Regionally Committed Miles	Route	Jurisdiction	Operator	FY 2025 Regionally Committed Miles	Cost per Revenue Mile (FY 27$)	Gross Cost (FY27$)	Estimated Fare Revenue (6.3%)	Net Cost (FY27$)
17	Scottsdale	Phx West	88,249	17	Scottsdale	Phx West	88,249	$12.40	$1,094,387	$68,946	$1,025,441
29	Scottsdale	Phx West	138,844	29	Scottsdale	Phx West	138,844	$12.40	$1,721,826	$108,475	$1,613,351
41	Scottsdale	Phx West	113,520	41	Scottsdale	Phx West	100,175	$12.40	$1,242,290	$78,264	$1,164,026
50	Scottsdale	Phx N/S	36,909	50	Scottsdale	Phx N/S	36,909	$10.41	$384,344	$24,214	$360,131
72	Scottsdale	RPTA East Valley	469,423	72	Scottsdale	RPTA East Valley	376,641	$11.32	$4,263,574	$268,605	$3,994,969
80	Scottsdale	Phx N/S	72,319	80	Scottsdale	Phx N/S	72,322	$10.41	$753,105	$47,446	$705,660
81	Scottsdale	RPTA East Valley	240,540	81	Scottsdale	RPTA East Valley	259,111	$11.32	$2,933,131	$184,787	$2,748,344
154	Scottsdale	Phx N/S	30,141	154	Scottsdale	Phx N/S	30,141	$10.41	$313,867	$19,774	$294,094
170	Scottsdale	Phx N/S	70,229	170	Scottsdale	Phx N/S	72,972	$10.41	$759,874	$47,872	$712,002
-	-	-	-	72	Scottsdale (for benefit of Paradise Valley)	RPTA East Valley	43,064	$11.32	$487,485	$30,712	$456,773
Total	-	-	1,260,174	Total	-	-	1,218,425	-	$13,953,884	$879,095	$13,074,790

10. CITY OF TEMPE: BASE ALLOCATION CALCULATION

UPDATED BASE ALLOCATION CALCULATION

JUNE 2026

MAG Bus Operating Assistance Guiding Principles Memo				*2019 Transit Life Cycle Program*				*FY 2027 Base Allocation*			
Route	Jurisdiction	Operator	FY 2025 Regionally Committed Miles	Route	Jurisdiction	Operator	FY 2025 Regionally Committed Miles	Cost per Revenue Mile (FY 27$)	Gross Cost (FY27$)	Estimated Fare Revenue (6.3%)	Net Cost (FY27$)
30	Tempe	RPTA East Valley	140,467	30	Tempe	RPTA East Valley	147,217	$11.32	$1,666,498	$104,989	$1,561,508
40	Tempe	RPTA East Valley	0	40	Tempe	RPTA East Valley	11,575	$11.32	$131,026	$8,255	$122,771
48	Tempe	RPTA East Valley	0	48	Tempe	RPTA East Valley	0	$11.32	$0	$0	$0
61	Tempe	RPTA East Valley	183,441	61	Tempe	RPTA East Valley	192,014	$11.32	$2,173,596	$136,937	$2,036,660
72	Tempe	RPTA East Valley	304,592	72	Tempe	RPTA East Valley	368,029	$11.32	$4,166,093	$262,464	$3,903,629
77	Tempe	RPTA East Valley	126,797	77	Tempe	RPTA East Valley	136,862	$11.32	$1,549,277	$97,604	$1,451,672
81	Tempe	RPTA East Valley	258,108	81	Tempe	RPTA East Valley	301,021	$11.32	$3,407,557	$214,676	$3,192,881
-	-	-	-	56	Tempe (for benefit of Guadalupe)	RPTA East Valley	38,635	$11.32	$437,353	$27,553	$409,800
-	-	-	-	81	Tempe (for benefit of Maricopa County)	RPTA East Valley	9,328	$11.32	$105,591	$6,652	$98,939
Total	-	-	1,013,405	Total	-	-	1,204,681	-	$13,636,989	$859,130	$12,777,859

11. CITY OF TOLLESON: BASE ALLOCATION CALCULATION

UPDATED BASE ALLOCATION CALCULATION

JUNE 2026

MAG Bus Operating Assistance Guiding Principles Memo				*2019 Transit Life Cycle Program*				*FY 2027 Base Allocation*			
Route	Jurisdiction	Operator	FY 2025 Regionally Committed Miles	Route	Jurisdiction	Operator	FY 2025 Regionally Committed Miles	Cost per Revenue Mile (FY 27$)	Gross Cost (FY27$)	Estimated Fare Revenue (6.3%)	Net Cost (FY27$)
3	Tolleson	Phx West	56,788	3	Tolleson	Phx West	56,788	$12.40	$704,233	$44,367	$659,866
Total	-	-	56,788	Total	-	-	56,788	-	$704,233	$44,367	$659,866

APPENDIX D. BASE/FORMULA ALLOCATION CYCLE TABLE

Table 1: Base & Formula Allocation Cycle

Year:									
Month:	**08**	**09**	**10**	**11**	**12-04**	**05**	**06**	**10**	**04**
Step 1: *Complete Annual Ridership Report*									
Step 2: *Compile formula inputs by agency (revenue miles & annual boardings)*									
Step 3: *Submit inputs for review & concurrence from each agency (including any requested route changes)*									
Step 4: *Finalize & approve formula multipliers, formula amounts for the next two fiscal years, as well as the inflation-adjusted base allocation amount.*									
Step 5: *Valley Metro 5-Year Budget Development & SRTP Update*									
Step 6: *Valley Metro 5-Year Budget Development & SRTP Approval*									
Step 7: *MAG Proposition 479 TLCP Annual Update Approval*									
Step 8: *Valley Metro IGA Approval*									
Step 9: *Service Change Implementation*									

APPENDIX E. PROJECT PROGRESS REPORT TEMPLATE

PROJECT LOCATION:

RSTIIP ID:

PROJECT MANAGER:

Name:

Email:

Phone:

PROJECT WEBSITE: (if applicable):

PROJECT SCOPE

PROJECT SCHEDULE

MILESTONES	ACTUAL/ESTIMATED DATES*	ACTUAL DATE OF COMPLETION	DIFFERENCE
Project Development/Planning			
Environmental Review Initiated			
Environmental Clearance			
Design Kick-off Meeting			
30% Design			
60% Design			
90 % Design			
Final Design/ PS&E			
Right-of-Way Acquisition			
Utility Coordination/Relocation Complete			
Bid Opening/Procurement			
Contract Awarded			
Construction Notice to Proceed (NTP)			

25% Construction			
60% Construction			
Construction Activities Complete			
Testing/Startup, if applicable			
Project Completion and Acceptance			
Revenue Service/Open to the Public, if applicable			
Other FTA/CIG Milestone, if applicable			

*As listed in the Project Agreement

Please explain any project schedule differences that exceed 90 days.

WORK COMPLETED TO-DATE

WORK PHASE	PERCENT COMPLETED	PERCENT REMAINING
Planning/Project Development		
Environmental Clearance		
Right-of-Way Acquisition		
Utility Coordination/Relocation		
Construction		
Other:		

KEY RISKS/ISSUES

Please list all identified project risks and challenges and complete the information below for each risk:

[INSERT NAME OF RISK 1]

Risk Type: [Cost Increase, Project Delay, etc.]

Risk Priority: [High, Medium, Low]

Risk Mitigation:

Mitigation Status:

BUDGET SUMMARY

WORK PHASE	FY	TOTAL PROJECT COST*	TOTAL REGIONAL REIMBURSEMENT	TOTAL YTD REIMBURSEMENTS
Planning/Project Development				
Environmental Clearance				
Design/Engineering				
Right-of-Way Acquisition				
Utility Coordination/Relocation				
Construction				
Other Eligible Project Costs				
TOTAL				

* As listed in the Project Agreement

PROJECT CHANGE HISTORY

DATE	CHANGE DESCRIPTION	REASON FOR CHANGE
Mm/dd/yy		