

May 18, 2006

To: LCOG Budget Committee

From: Bob Swank

Subject: LTD Bus Pass Program

Action Requested: None. Information only.

Background

LTD asked LCOG to facilitate a new program to give bus passes to school children in FY05. The program requires an application that LCOG submits to the Oregon Department of Energy which LCOG pays and then is reimbursed by LTD. Then the bus passes are provided to school districts with documentation of the value. Then, the private sector participant, Pacific Continental Bank, pays LCOG a specified amount of money that LCOG passes on to LTD. There is also a small amount that is paid to the auditor to audit the transaction. Pacific Continent receives a tax credit that is larger than the cash provided.

This program started in FY05. LCOG paid an application fee of \$3,281, LTD provided bus passes valued at \$423,325, and then LCOG received a check for \$107,948 from Pacific Continental. LCOG disbursed \$3,000 to the auditor and \$104,948 to LTD.

In FY06 the application fee was \$26,283, the bus passes were worth \$3,504,375 and the Pacific Continental payment is expected to be \$893,616. \$5,000 will go to the auditor and \$888,661 to LTD.

In FY07 LCOG is supposed to receive the dollar value of the bus passes instead of just the documentation of their value, so the revenue was moved from in-kind to local revenue. Similarly, the expense was moved from Services by Other Organizations to Contract Services.

There will probably be large changes in the Revised Budget each year because the amounts are not known at the time the budget is created, so the values from the prior year are used for the proposed budget.