

Metropolitan Transportation Commission Programming and Allocations Committee

September 9, 2020

Agenda Item 3a - 20-1240

MTC Resolution No. 4402, Revised

Subject: Updates the Fund Estimate to incorporate actual FY 2019-20 revenue for the State Transit Assistance (STA) and State of Good Repair (SGR) Programs and revises FY 2020-21 revenue estimates.

Background: **1) Reconcile Actual FY 2019-20 STA and SGR Program Revenue:** In the Bay Area, final FY 2019-20 STA revenue totaled approximately \$244 million which is \$9.7 million lower than estimated in the FY 2020-21 Fund Estimate adopted in February 2020 through MTC Resolution 4402, Revised. SGR Program revenue totaled approximately \$39.7 million, in line with what was expected in February 2020.

In order to determine the distribution of CARES Act funds to Bay Area transit operators in July 2020 (MTC Resolution 4420, Revised) revenue loss assumptions were used to calculate need by agency. For STA, over the entirety of FY 2019-20, a 12% decrease in STA was assumed, this compares to the actual decrease of 4% in FY 2019-20 as compared to estimated revenue before the COVID-19 pandemic.

The lower FY 2019-20 STA revenues necessitate rescissions of STA Revenue-Based funds for 12 transit operators and of STA Population-Based funds for six counties through the County Block Grant Program.

Details for STA Population-Based and STA Revenue-Based funding for FY 2019-20 and for FY 2020-21 are shown in Attachment 1.

2) Update FY 2020-21 STA and SGR Program Revenue: On August 1, 2020 the State Controller's Office (SCO) issued revised revenue forecasts for FY 2020-21 for the STA and SGR Programs. This August forecast from the SCO revised the FY 2020-21 forecast released in February 2020 to reflect a \$279 million reduction in forecast statewide STA revenue as reflected in the adopted FY 2020-21 State Budget. This approximately 40% decrease in anticipated STA funds is a direct result of the COVID-19 pandemic which has resulted in lower prices for and reduced consumption of diesel fuel. The 40% decrease is consistent with CARES Act revenue loss assumptions for the period through December 2020. STA is funded by a statewide sales tax on diesel fuel.


The August forecast for the SGR Program, which is funded by the Senate Bill 1 (2017) Transportation Improvement Fee (vehicle registration fee) was revised upwards by 6.5% from the SCO's February 2020 estimate, to match the adopted FY 2020-21 State Budget.

Issue: The approximately 40% decrease in anticipated STA funds adds further financial pressure to the operations budgets of Bay Area transit operators as well as MTC. In total, the revised STA revenue forecast indicates that

the Bay Area will lose over \$101 million in STA funds in FY 2020-21 as compared to pre-pandemic revenue estimates made in February 2020.

Recommendation: Refer MTC Resolution No. 4402, Revised to the Commission for approval.

Attachments: Attachment 1 – STA Program Apportionments
Presentation slides
MTC Resolution No. 4402, Revised



Therese W. McMillan

Attachment 1 - STA Revenue-Based Program Apportionments

Apportionment Jurisdictions	FY2019-20 Apportionments			FY2020-21 Apportionments			FY2020-21 Aug-20 Apportionment Share
	FY2019-20 Nov-19 Estimate	FY2019-20 Aug-20 Actual	FY2019-20 Adjustment, \$	FY2020-21 Feb-20 Estimate	FY2020-21 Aug-20 Estimate	FY2020-21 Adjustment, \$	
ACOMA - Corresponding to ACE	\$290,259	\$279,206	(\$11,053)	\$288,482	\$161,783	(\$126,699)	0.1%
Caltrain	\$8,496,363	\$8,172,815	(\$323,548)	\$8,444,325	\$5,253,616	(\$3,190,709)	4.7%
CCCTA	\$789,680	\$759,608	(\$30,072)	\$784,843	\$460,593	(\$324,250)	0.4%
City of Dixon	\$7,403	\$7,121	(\$282)	\$7,357	\$4,497	(\$2,860)	0.0%
ECCTA	\$415,004	\$399,200	(\$15,804)	\$412,462	\$222,690	(\$189,772)	0.201%
City of Fairfield	\$163,554	\$157,326	(\$6,228)	\$162,553	\$81,729	(\$80,824)	0.1%
GGBHTD	\$8,540,790	\$8,215,550	(\$325,240)	\$8,488,481	\$5,041,067	(\$3,447,414)	4.5%
LAVTA	\$349,728	\$336,410	(\$13,318)	\$347,586	\$220,935	(\$126,651)	0.2%
Marin Transit	\$1,668,066	\$1,604,545	(\$63,521)	\$1,657,849	\$861,534	(\$796,315)	0.8%
NVTA	\$116,000	\$111,583	(\$4,417)	\$115,288	\$62,548	(\$52,740)	0.1%
City of Petaluma	\$49,382	\$47,501	(\$1,881)	\$49,080	\$26,837	(\$22,243)	0.0%
City of Rio Vista	\$7,458	\$7,174	(\$284)	\$7,412	\$1,430	(\$5,982)	0.001%
SamTrans	\$8,121,101	\$7,811,843	(\$309,258)	\$8,071,361	\$5,269,034	(\$2,802,327)	4.8%
SMART	\$1,695,538	\$1,630,971	(\$64,567)	\$1,685,153	\$1,089,118	(\$596,035)	1.0%
City of Santa Rosa	\$160,210	\$154,109	(\$6,101)	\$159,229	\$90,179	(\$69,050)	0.1%
Solano County Transit	\$351,963	\$338,560	(\$13,403)	\$349,807	\$192,092	(\$157,715)	0.2%
Sonoma County Transit	\$225,725	\$217,129	(\$8,596)	\$224,342	\$125,621	(\$98,721)	0.1%
City of Union City	\$116,445	\$112,011	(\$4,434)	\$115,731	\$68,246	(\$47,485)	0.1%
Vacaville City Coach	\$29,292	\$28,177	(\$1,115)	\$29,112	\$14,627	(\$14,485)	0.0%
VTA	\$23,249,042	\$22,363,701	(\$885,341)	\$23,106,649	\$15,969,889	(\$7,136,760)	14.4%
VTA - Corresponding to ACE	\$216,633	\$208,383	(\$8,250)	\$215,305	\$93,336	(\$121,969)	0.1%
WCCTA	\$504,435	\$485,226	(\$19,209)	\$501,346	\$292,125	(\$209,221)	0.3%
WETA	\$2,314,946	\$2,226,791	(\$88,155)	\$2,300,768	\$1,432,571	(\$868,197)	1.3%
Subtotal - STA Revenue-Based	\$57,879,017	\$55,674,940	(\$2,204,077)	\$57,524,521	\$37,036,097	(\$20,488,424)	33.4%
AC Transit	\$24,264,960	\$23,340,932	(\$924,028)	\$24,116,345	\$14,088,794	(\$10,027,551)	12.7%
BART	\$40,698,461	\$39,148,632	(\$1,549,829)	\$40,449,195	\$22,077,158	(\$18,372,037)	19.9%
SFMTA	\$63,386,127	\$60,972,335	(\$2,413,792)	\$62,997,906	\$37,636,318	(\$25,361,589)	34.0%
Subtotal - STA Revenue-Based	\$128,349,548	\$123,461,898	(\$4,887,650)	\$127,563,446	\$73,802,269	(\$53,761,177)	66.6%
Bay Area Revenue-Based Total	\$186,228,565	\$179,136,838	(\$7,091,727)	\$185,087,967	\$110,838,366	(\$74,249,601)	100.00%
Statewide Revenue-Base Total	\$348,259,500	\$334,875,926	(\$13,383,575)	\$346,126,500	\$206,847,500	(\$139,279,000)	N/A
Bay Area Population-Based Total	\$67,889,960	\$65,304,656	(\$2,585,304)	\$67,474,153	\$40,506,204	(\$26,967,949)	N/A
Statewide Population-Based Total	\$348,259,500	\$334,875,926	(\$13,383,575)	\$346,126,500	\$206,847,500	(\$139,279,000)	N/A

Attachment 1 - STA Population-Based Program Apportionments

Apportionment Jurisdictions	FY2019-20 Apportionments			FY2020-21 Apportionments		
	FY2019-20 Nov-19 Estimate	FY2019-20 Aug-20 Actual	FY2019-20 Adjustment, \$	FY2020-21 Feb-20 Estimate	FY2020-21 Aug-20 Estimate	FY2020-21 Adjustment, \$
County Block Grant¹						
Alameda	\$8,359,440	\$8,042,004	(\$317,436)	\$8,349,235	\$5,012,228	(\$3,337,007)
Contra Costa	\$10,490,037	\$10,091,692	(\$398,345)	\$10,477,231	\$6,289,710	(\$4,187,521)
Marin	\$2,698,558	\$2,596,085	(\$102,473)	\$2,695,264	\$1,618,026	(\$1,077,238)
Napa	\$1,650,713	\$1,588,030	(\$62,683)	\$1,648,698	\$989,749	(\$658,949)
San Francisco	\$3,998,569	\$3,846,730	(\$151,839)	\$3,993,687	\$2,397,497	(\$1,596,190)
San Mateo	\$2,394,047	\$2,303,137	(\$90,910)	\$2,391,124	\$1,435,444	(\$955,680)
Santa Clara	\$6,664,063	\$6,411,006	(\$253,057)	\$6,655,927	\$3,995,698	(\$2,660,229)
Solano	\$4,966,343	\$4,777,754	(\$188,589)	\$4,960,280	\$2,977,764	(\$1,982,516)
Sonoma	\$6,067,869	\$5,837,452	(\$230,417)	\$6,060,461	\$3,638,227	(\$2,422,234)
Subtotal	\$47,289,639	\$45,493,890	(\$1,795,749)	\$47,231,907	\$28,354,343	(\$18,877,564)
Transit Emergency Contingency Fund	\$333,333	\$313,380	(\$19,953)	\$0	\$0	\$0
Regional Program + Means-Based Fare	\$20,266,988	\$19,497,383	(\$769,605)	\$20,242,246	\$12,151,861	(\$8,090,385)
Bay Area Total	\$67,889,960	\$65,304,656	(\$2,585,304)	\$67,474,153	\$40,506,204	(\$26,967,949)
Statewide Total	\$348,259,500	\$334,875,926	(\$13,383,575)	\$346,126,500	\$206,847,500	(\$139,279,000)

¹County Block Grant adopted through MTC Resolution 4321 in February 2018.



Photo: SFMTA

FY 2020-21 Fund Estimate Update

Programming and Allocations Committee
September 9, 2020

Agenda Item 3a

Sept. Fund Estimate Revision

- Updates the Fund Estimate to incorporate actual FY 2019-20 revenue for the State Transit Assistance (STA) and State of Good Repair (SGR) Programs and revises FY 2020-21 revenue estimates
- STA is funded by a sales tax on diesel fuel sold in California, subject to changes in price and consumption because of the pandemic
- FY 2019-20 STA revenue only -4% below estimates
- FY 2020-21 STA estimated to be down by -40%



STA Formula Programs FY 2019-20 and FY 2020-21

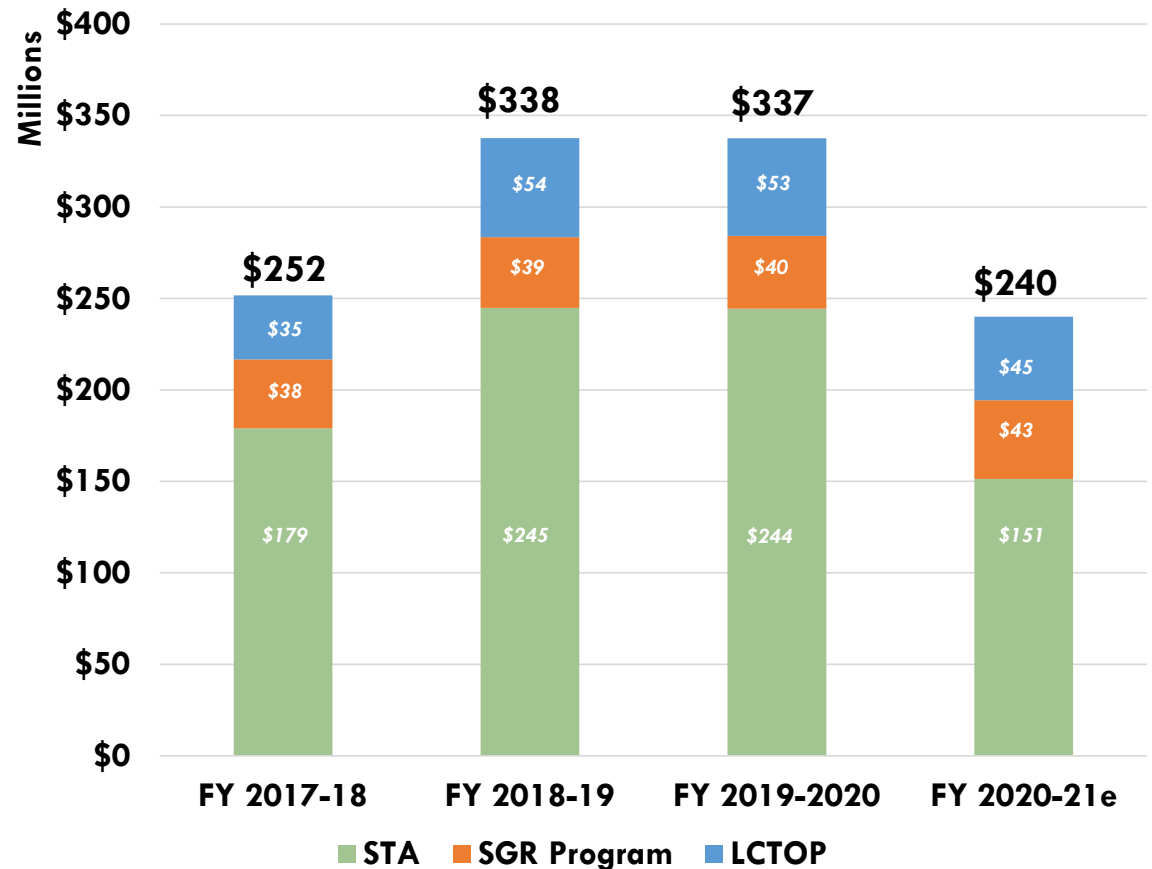
STA funds are forecast to decrease by over 40% in FY 2020-21

Potential loss of over \$101 million in FY 2020-21 to Bay Area transit agencies and MTC

Important source of operations funding for agencies as well as funding for MTC programs (Clipper system, 511, etc.)

SGR Program revenue not expected to be impacted by pandemic

Impact on LCTOP, which is funded by Cap and Trade revenues is unclear



Staff recommendation is to forward to the Commission for approval:

MTC Resolution 4402, Revised (FY 2020-21 Fund Estimate)



Date: February 26, 2020
W.I.: 1511
Referred by: PAC
Revised: 07/22/20-C
09/23/20-C

ABSTRACT

MTC Resolution No. 4402, Revised

This resolution approves the FY 2020-21 Fund Estimate, including the distribution and apportionment of Transportation Development Act (TDA), State Transit Assistance (STA), State of Good Repair (SGR) Program, Assembly Bill (AB) 1107 sales tax, Low Carbon Transit Operations (LCTOP) cap-and-trade auction revenues, and transit-related bridge toll funds.

This resolution was revised on July 22, 2020 to reflect actual receipts for TDA and AB 1107 funds in FY 2019-20, and the rescission actions that were necessary to match FY 2019-20 allocations to the actual revenue collected.

This resolution was revised on September 23, 2020 to reflect actual receipts of STA and SGR Program funds in FY 2019-20, and the rescission actions that were necessary to match FY 2019-20 allocations to the actual revenue collected. New revenue forecasts for STA and SGR Program funds in FY 2020-21 were also included.

Further discussion of this action is contained in the MTC Programming and Allocations Summary Sheets dated February 12, 2020, July 8, 2020, and September 9, 2020.

Date: February 26, 2020
W.I.: 1511
Referred by: PAC

RE: Determination of Transportation Development Act (TDA) Area Apportionments and Proposed Distribution of Operating Funds for FY 2020-21

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4402

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 *et seq.*; and

WHEREAS, the Transportation Development Act (TDA), Public Utilities Code (PUC) Sections 99200 *et seq.*, provides that funds are made available from the Local Transportation Fund (LTF) for various transportation purposes; and

WHEREAS, pursuant to 21 California Code of Regulations Section 6620, the County Auditor for each of the nine counties in the Bay Area has submitted the revised and new TDA fund estimates for FY 2019-20 and FY 2020-21 as shown in Attachment A to this resolution, attached hereto and incorporated herein as though set forth at length; and

WHEREAS, MTC is required to determine and advise all prospective claimants, prior to March 1 each year, of all area apportionments from the LTF for the following fiscal year pursuant to 21 California Code of Regulations Section 6644; and

WHEREAS, all area apportionments of TDA funds for the 2020-21 fiscal year are shown in Attachment A to this resolution, attached hereto and incorporated herein as though set forth at length; and

WHEREAS, MTC has prepared a proposed distribution of operating/capital assistance funds, including TDA, State Transit Assistance (STA) pursuant to Public Utilities Code § 99310 *et seq.*, State of Good Repair (SGR) Program pursuant to Public Utilities Code § 99312.1, Low Carbon Transit Operations Program (LCTOP) pursuant to Health and Safety Code § 39719(b)(1)(B), the twenty-five percent (25%) of the one-half cent transaction and use tax collected pursuant to PUC Section 29142.2 (AB 1107), and estimates of certain toll bridge revenues (SHC §§ 30910 *et seq.*), in order to provide financial information to all prospective claimants to assist them in developing budgets in a timely manner; and


WHEREAS, the proposed distribution of such operating assistance funds is also shown in Attachment A; now, therefore, be it

RESOLVED, that MTC approves the area apportionments of TDA funds, and the proposed distribution of operating assistance funds for the 2020-21 fiscal year as shown in Attachment A, subject to the conditions noted therein; and, be it further

RESOLVED, that MTC intends to allocate operating assistance funds for the 2020-21 fiscal year, based on the area apportionments of TDA funds, the proposed distribution of operating assistance funds and upon the receipt of appropriate claims from eligible claimants; and, be it further

RESOLVED, that Attachment A may be revised by the MTC Executive Director or his designee to reflect funds returned to the Local Transportation Fund and expired capital allocations or by approval of the MTC Programming and Allocations Committee, except that any significant changes shall be submitted to the full Commission for approval.

METROPOLITAN TRANSPORTATION COMMISSION



Scott Haggerty, Chair

The above resolution was approved by the Metropolitan Transportation Commission at a regular meeting of the Commission held in San Francisco, California, on February 26, 2020.