

**Metropolitan Transportation Commission
Programming and Allocations Committee**

September 14, 2022

Agenda Item 4a - 22-1287

MTC Resolution No. 4504, Revised. FY 2022-23 MTC Fund Estimate

Subject:

Updates the FY 2022-23 MTC Fund Estimate to incorporate actual FY 2021-22 revenue for the State Transit Assistance (STA) and State of Good Repair (SGR) programs and revises FY 2022-23 revenue estimates.

Background:

Reconcile Actual FY 2021-22 STA and SGR Program Revenue

In the Bay Area, final FY 2021-22 STA revenue totaled approximately \$260 million, which is \$15.7 million higher than previously forecast by the State Controller's Office (SCO) in August 2021. This increase is due to higher-than-expected state diesel sales tax revenues resulting primarily from elevated diesel fuel prices in California. The SGR Program revenue, which is driven by state vehicle registration fees (known formally as the Transportation Improvement Fee), totaled approximately \$42.6 million, or \$0.3 million below original estimates.

Update FY 2022-23 STA and SGR Program Revenue

On August 1, 2022 the SCO issued revised revenue forecasts for FY 2022-23 for the STA and SGR programs. The forecast includes a statewide \$224 million increase over the original estimate from January 2022. This 30% increase is due to expectations of continued high diesel fuel prices and translates to \$81.5 million more in STA funds than originally expected for the MTC region. The latest forecast for the SGR Program remained consistent with the SCO's January 2022 estimate.

Issues:

BART-East Bay Bus Operator Agreement

Discussions are ongoing between MTC, BART and four East Bay bus operators (County Connection, Tri-Delta Transit, LAVTA and WestCAT) about approaches to amend the 1997 BART-Feeder Bus Agreement that established a funding mechanism for BART to support feeder bus operators using BART's Transportation Development Act (TDA) and STA Revenue-Based funds. An agreement on a path forward between the parties has not been reached as of this writing. Until satisfactory progress towards an agreement is made, MTC will allocate no more than 50% of the feeder bus payments programmed for FY 2022-23. It is MTC staff's intent to fully allocate funds to the bus operators as soon as possible. Staff will continue to work with the bus operators and BART to make progress on this issue, which is especially important to resolve given ongoing and upcoming pandemic related financial challenges faced by transit operators.

STA Revenue-Based Funds Calculation

STA Revenue-Based funds have been calculated since FY 2020-21 using factors based on pre-pandemic revenues due to a freeze in the formula enacted by state legislation. This freeze is set to expire with the FY 2023-24 STA program year, at which point the STA Revenue-Based calculations will be made using FY 2021-22 data. As a result, MTC staff expects adverse impacts to STA Revenue-Based funding to Bay Area operators as a whole relative to other regions that have recovered from the pandemic to a greater degree, and especially to those Bay Area operators with previously high fare, parking, and toll revenues that have not rebounded as quickly as sales taxes from the impacts of the pandemic. As data becomes available, MTC staff will return to the committee with a more detailed update on the impacts.

Recommendations:

Refer MTC Resolution Nos. 4504, Revised to the Commission for approval.

Attachments: Attachment A: MTC Resolution No. 4504, Revised



Therese W. McMillan

Date: February 23, 2022
W.I.: 1511
Referred by: PAC
Revised: 7/27/2022-C
9/28/2022-C

ABSTRACT

MTC Resolution No. 4504, Revised

This resolution approves the FY 2022-23 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 27, 2022 to reflect actual receipts for TDA and AB 1107 funds in FY 2021-22, and on September 28, 2022 to update the STA and SGR programs with actual revenues in FY 2021-22 and updated estimates for FY 2022-23.

Further discussion of this action is contained in the MTC Programming and Allocations Summary Sheets dated February 9, 2022, July 13, 2022, and September 14, 2022.

Date: February 23, 2022
W.I.: 1511
Referred by: PAC

RE: Determination of Transportation Development Act (TDA) Area Apportionments and Proposed Distribution of Operating Funds for FY 2022-23

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4504, Revised

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 2021-22 and FY 2022-23 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 2022-23 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 2022-23 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 2022-23 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



Alfredo Pedroza, Chair

The above resolution was approved by the Metropolitan Transportation Commission at a regular meeting of the Commission held in San Francisco, California, and at other remote locations, on February 23, 2022.