Metropolitan Transportation Commission

Administration Committee

April 9, 2025 **Agenda Item 3b-25-0404**

Metropolitan Transportation Commission (MTC) Resolution No. 4638, Revised Fiscal Year (FY) 2024-25 Operating and Capital Budgets, Amendment No. 2

Subject:

Staff requests that the Committee refer Metropolitan Transportation Commission (MTC) Resolution No. 4638 Revised, Fiscal Year (FY) 2024-25 Operating and Capital Budgets, Amendment No. 2, to the Commission for approval.

Background:

On June 26, 2024, the Metropolitan Transportation Commission adopted Resolution No. 4638, authorizing the FY 2024-25 Operating and Capital Budgets. The approved budget included total revenue of $361.1 million, total expenses of $361.3 million, and a transfer to the Capital Budget of $15.4 million.

On November 20, 2024, the Metropolitan Transportation Commission adopted Resolution No. 4638 Revised, authorizing FY 2024-25 Operating and Capital Budgets, Amendment No. 1. The approved amendment incorporated reduced carryover balances from federal and state planning grants included in MTC's Overall Work Program, and increased various grant sources with corresponding changes to expenses.

The proposed budget amendment adjusts Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) transportation planning funds included in the MTC FY 2024-25 Overall Work Program Amendment No. 4, updates the funding source for two programs from federal to local funding, and adds Transit and Intercity Rail Capital Program funds.

FY 2024-25 Operating Budget

Total operating revenue for FY 2024-25 is estimated at $371.9 million, an increase of $285 thousand, or 0.1% higher than the approved budget. Amendment to the operating revenue include:

- Federal grant revenue decreased by $11.1 million as a result of a funding swap from federal Surface Transportation Block Grant to local MTC Exchange funds for the Active Transportation Technical Assistance Program and Priority Conservation Area (PCA) Grant Program.

- State grant revenue increased by $534 thousand primarily due to new Transit and Intercity Rail Capital state funds being used as local match to SFMTA's Muni Metro Modernization project.

- Local funding increased by $10.9 million as additional MTC Exchange funds are made available for Regional Housing Technical Assistance programs and reclassification of Active Transportation Technical Assistance and PCA project funding.

Table 1. FY 2024-25 Operating Revenue (in Millions)

	FY 2024-25 Amendment 1	FY 2024-25 Amendment 2	Change %	Change $
Federal Grants	$ 179.9	$ 168.8	-6.2%	($ 11.1)
State Grants	106.6	107.2	0.6%	0.6
Local Funding	27.7	38.6	39.4%	10.9
TDA - General Fund	17.2	17.2	0.0%	0.0
Transfer from Other Entities/Funds	6.4	6.4	0.0%	0.0
Administrative Overhead	30.6	30.6	0.0%	0.0
Other	3.2	3.2	0.0%	0.0
Operating Revenue	**$ 371.6**	**$ 371.9**	**0.1%**	**$ 0.3**

Total operating expense for FY 2024-25 is estimated at $373.0 million, an increase of $257 thousand, or 0.1% higher than the approved budget. A summary of expenses is shown in Table 2 below.

Table 2. FY 2024-25 Operating Expenses (in Millions)

	FY 2024-25 Amendment 1	FY 2024-25 Amendment 2	Change %	Change $
Salaries and Benefits	$ 57.8	$ 57.9	0.2%	$ 0.1
Computer Services	8.1	8.1	0.0%	0.0
General Operations	5.5	5.5	0.0%	0.0
Contractual Services	299.4	299.5	0.0%	0.1
Other	2.0	2.0	0%	0.0
Operating Expenses	**$ 372.8**	**$ 373.0**	**0.1%**	**$ 0.2**

FY 2024-25 Clipper Budget

The proposed amendment reclasses revenue and expenditure from Clipper 2 Operating Budget to Clipper 2 Capital Budget by $2.0 million to fund the Clipper 2 Capital costs for the Clipper Customer Service Center project.

FY 2024-25 Bay Area Forward Budget

The proposed amendment increases the Bay Area Forward budget by $1 million for the Bay Area Forward - Dumbarton Quarry Road Transit Connection project funded by Regional Measure 2.

Issues:

None identified.

Recommendations:

Staff recommend that the Committee refer MTC Resolution No. 4638 Revised, MTC FY 2024 - 25 Operating and Capital Budgets, Amendment No. 2, to the Commission for approval.

Attachments:

- MTC Resolution No. 4638 Revised, MTC FY 2024-25 Operating and Capital Budgets, Amendment No. 2 (Attachments A to H).

Andrew B. Fremier