



SACOG Board of Directors

Item #17-2-4 Consent

February 9, 2017

Approve Revised State Transit Assistance Allocation for Fiscal Year 2016/17

Issue: Should the Board approve a revised Fiscal Year 2016/17 State Transit Assistance allocation for Sacramento, Sutter, Yolo and Yuba counties?

Recommendation: The Government Relations & Public Affairs Committee unanimously recommends that the Board approve a revised allocation of State Transit Assistance funds for Sacramento, Sutter, Yolo and Yuba Counties for Fiscal Year (FY) 2016/17.

Background: The State Transit Assistance (STA) program was created by state legislation in 1979. As specified by the Legislature, the program provides a second source (in addition to sales taxes) of Transportation Development Act (TDA) funding for transportation planning, public transportation, and community transit purposes.

The STA program is funded through a portion of the sales tax on diesel fuel, with funds deposited in the Transportation Planning and Development Account in the State Transportation Fund. STA funds may only be used for transit purposes and are subject to variations in the price and usage of diesel fuel statewide. As there is often fluctuation in annual revenues, transit operators are encouraged to use these funds for one-time capital expenditures rather than ongoing operations.

STA funds are appropriated to the State Controller for allocation to each regional planning entity such as SACOG, pursuant to Sections 99313 and 99314 of the Public Utilities Code. The Section 99313 formula allocates 50 percent of the state STA funds based on each region's share of the state's population. The Section 99314 formula allocates the remaining 50 percent based on the prior-year proportion of regional transit operator revenues compared with statewide transit operator revenues.

The allocation process generally takes place as follows. In January of each year, the State Controller's Office (SCO) issues to each region its estimated allocation of STA revenues for the next fiscal year to start in July. Based on SCO estimates, SACOG staff asks the Board to adopt a Finding of Apportionment allocating the funds to the different transit operators in the four-county region. As part of the Governor's May Revise of the State budget, the SCO may update STA estimates to reflect more recent information. If revisions are significant, this may mean a revision to SACOG's Finding of Apportionment.

Committee Action/Discussion: In Fiscal Years 2015/16 and 2016/17 the price of diesel fuel across the nation dropped substantially. This lowered the excise taxes collected statewide. The price drop resulted in a decrease in total STA revenues of 32 percent between FY 2014/15 and FY 2016/17, as shown in the table below:

Total Statewide STA Revenues, FY 2014/15 to 2016/17

FY 2014/15	FY 2015/16	FY 2016/17	Decrease FY 14/15 to 16/17
\$383.9 million	\$351.5 million	\$262.5 million	-32%

In addition, on October 18, 2016, the SCO released revised STA allocations for the third and fourth quarters of FY 2015/2016 reflecting the statewide STA revenue reductions. The final FY 2015/2016 allocation for the four-county region came in nearly 25 percent below what was originally estimated by the SCO (\$10,428,428 total, compared with \$13,701,839) for a reduction of \$3,273,411. However, by the time of the SCO’s adjustment, SACOG had adopted the original \$13.7 million estimate as the FY 2015/16 Finding of Apportionment (March 2016), transit operators had already begun making claims on the funds, and the fiscal year had already ended.

Then in November 2016, the SCO released a decreased allocation estimate for FY 2016/17. The SCO’s initial FY estimate for Sacramento, Sutter, Yolo and Yuba counties, released in February 2016, was \$7,531,583 of Section 99313 and \$3,888,280 of Section 99314 funds, for a total of \$11,419,863 in STA revenues for the four counties. On November 18, 2016, the SCO revised those FY 2016/17 estimates. The revised amount is \$6,395,511 of Section 99313 and \$3,056,697 of Section 99314 formula funds, for a total of \$9,452,208. This represents an approximately 17 percent decrease from the original estimate.

After adjusting for these revisions, as shown from right to left in the following table, and offset by \$915,000 in a fund balance from prior years, the estimated FY 2016/17 amount available for transit operators in the four county region is now \$7,093,797. More detail is provided in Attachment A.

Total Four County STA Allocations, Section 99313 and 99314

FY 2016/17 Revised Allocation	Additional Fund balance	Available 2016/17, after deducting 15/16 balance	Adjusted 2016/17 per SCO revision, Nov 2016	SCO Feb 2016 Estimate, FY 2016/17	Outstanding 15/16 Balance	Adjusted 2015/16 per SCO revision, Oct 2016	Adopted 2015/16 Allocation
\$7,093,797	\$915,000	\$6,178,797	\$9,452,208	\$11,419,863	(\$3,273,411)	\$10,428,428	\$13,701,839

These adjustments have been shared with the region’s transit operators, who will need to adjust their own STA revenue estimates accordingly. However, so as not to require transit operators repay allocations for FY 2015/16, staff recommends that SACOG do the following:

- Maintain the adopted FY 2015/16 STA allocation (\$13,701,839) for all recipients, since FY 2015/16 has already ended. This means that allocations will remain at a level greater than the revised SCO allocation for the third and fourth quarters of FY 2015/16.
- Adopt a revised four-county allocation of \$7,093,797 (Attachment B), which adjusts downward the STA allocation for FY 2016/17 to compensate for the negative balance at the close of FY 2015/16.

Future Allocations: In related developments, in January 2016 the SCO sought to change the way that STA funds are allocated. This would have expanded the pool of agencies receiving formula funds, and reduced allocations to many of the region's current transit operators. Working with its members, the California Transit Association supported legislation, SB 838, which was signed by the Governor in September 2016 to delay the SCO's implementation of this change through FY 2017/18. SACOG is continuing to monitor discussions in this area and will update the Committee on any future legislation or actions as needed.

Approved by:

Kirk E. Trost
Interim Chief Executive Officer

MC:AZ:ts
Attachments

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TDA State Transit Assistance

PUC Section 99313 Total Allocations

Jurisdiction	FY 2016/17 Revised Allocation	Additional Fund balance	Available 2016/17, after deducting 15/16 balance	Adjusted 2016/17 per SCO revision, Nov 2016	SCO Feb 2016 Estimate, FY 2016/17	Outstanding 15/16 Balance	Adjusted 2015/16 per SCO revision, Oct 2016	Adopted 2015/16 Allocation	2014/15	2013/14
SACRAMENTO COUNTY										
Unincorporated	\$1,468,068	\$189,658	\$1,278,410	\$1,981,329	\$2,333,614	\$702,919	\$2,165,076	\$2,867,995	\$2,774,401	\$2,916,365
Citrus Heights	\$218,035	\$28,634	\$189,401	\$294,194	\$346,583	\$104,793	\$322,775	\$427,568	\$414,423	\$436,309
Elk Grove	\$417,133	\$53,502	\$363,631	\$562,805	\$663,064	\$199,174	\$613,481	\$812,655	\$781,599	\$811,110
Folsom	\$191,818	\$25,180	\$166,638	\$258,379	\$304,910	\$91,741	\$282,573	\$374,314	\$355,211	\$378,281
Galt	\$63,011	\$8,696	\$54,315	\$84,421	\$100,160	\$30,106	\$92,732	\$122,838	\$118,831	\$125,232
Isleton	\$2,100	\$553	\$1,547	\$2,558	\$3,338	\$1,011	\$3,111	\$4,122	\$4,004	\$4,213
Rancho Cordova	\$176,974	\$22,508	\$154,466	\$238,553	\$281,314	\$84,087	\$258,998	\$343,085	\$328,841	\$343,784
Sacramento	\$1,229,397	\$153,374	\$1,076,023	\$1,664,943	\$1,954,220	\$588,920	\$1,813,936	\$2,402,856	\$2,326,553	\$2,449,691
SUTTER COUNTY										
Unincorporated	\$53,874	\$7,899	\$45,975	\$72,717	\$85,637	\$26,742	\$82,370	\$109,112	\$106,469	\$111,926
Live Oak	\$21,884	\$2,977	\$18,907	\$29,419	\$34,786	\$10,512	\$32,379	\$42,891	\$40,983	\$42,897
Yuba City	\$169,935	\$22,383	\$147,552	\$228,959	\$270,124	\$81,407	\$250,744	\$332,151	\$323,505	\$339,660
YOLO COUNTY										
Unincorporated	\$68,844	\$6,709	\$62,135	\$92,735	\$109,433	\$30,600	\$94,251	\$124,851	\$123,750	\$131,619
Davis	\$170,944	\$23,326	\$147,618	\$230,238	\$271,728	\$82,620	\$254,482	\$337,102	\$326,600	\$338,370
West Sacramento	\$131,291	\$17,146	\$114,145	\$177,156	\$208,698	\$63,011	\$194,084	\$257,095	\$247,932	\$256,394
Winters	\$17,807	\$2,794	\$15,013	\$23,663	\$28,306	\$8,650	\$26,645	\$35,295	\$34,266	\$35,573
Woodland	\$147,303	\$19,970	\$127,333	\$198,261	\$234,150	\$70,928	\$218,468	\$289,396	\$279,613	\$289,444
YUBA COUNTY										
Unincorporated	\$150,025	\$19,721	\$130,304	\$202,098	\$238,477	\$71,794	\$221,133	\$292,927	\$283,485	\$296,705
Marysville	\$30,859	\$4,491	\$26,368	\$41,571	\$49,052	\$15,203	\$46,830	\$62,033	\$60,189	\$62,959
Wheatland	\$8,804	\$1,626	\$7,178	\$11,512	\$13,993	\$4,334	\$13,344	\$17,678	\$17,163	\$18,044
Totals	\$9,275,212	\$611,149	\$8,664,063	\$6,395,511	\$7,531,583	\$ (2,268,552)	\$6,987,412	\$9,255,964	\$8,947,818	\$9,388,576

PUC Section 99314 Total Allocations

Jurisdiction	FY 2016/17 Revised Allocation	Additional Fund balance	Available 2016/17, after deducting 15/16 balance	Adjusted 2016/17 per SCO revision, Nov 2016	SCO Feb 2016 Estimate, FY 2016/17	Outstanding 15/16 Balance	Adjusted 2015/16 per SCO revision, Oct 2016	Adopted 2015/16 Allocation	2014/15	2013/14
City of Elk Grove	\$40,951	\$5,983	\$34,968	\$60,193	N/A	\$25,225	\$86,387	\$111,612	\$106,312	\$96,934
City of Folsom	\$13,017	\$1,629	\$11,388	\$16,389	N/A	\$5,001	\$17,126	\$22,127	\$25,109	\$44,561
Sacramento Regional Transit District	\$2,061,485	\$265,904	\$1,795,581	\$2,674,954	N/A	\$879,373	\$3,011,296	\$3,890,669	\$3,589,072	\$3,977,004
Yuba-Sutter Transit Authority	\$40,992	\$5,247	\$35,745	\$52,781	N/A	\$17,036	\$58,334	\$75,370	\$77,498	\$80,051
City of Davis	\$77,334	\$9,907	\$67,427	\$99,659	N/A	\$32,232	\$110,380	\$142,612	\$141,316	\$143,654
Yolo County Transportation District	\$121,910	\$15,181	\$106,729	\$152,721	N/A	\$45,992	\$157,493	\$203,485	\$140,588	\$213,026
City of Folsom - Specialized Service			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Paratransit Inc. CSTA - Specialized Service			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
County of Sacramento			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Totals	\$2,355,689	\$303,851	\$2,051,838	\$3,056,697	\$3,888,280	\$ (1,004,859)	\$3,441,016	\$4,445,875	\$4,079,895	\$4,555,230

Total 99313 & 99314 funds	\$11,630,901	\$915,000	\$10,715,901	\$9,452,208	\$11,419,863	\$ (3,273,411)	\$10,428,428	\$13,701,839	\$13,027,713	\$13,943,806
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February 2017
SACRAMENTO AREA COUNCIL OF GOVERNMENTS
Regional Share of Statewide PUC Allocation: \$266,873,000
REVISED ALLOCATION OF
STATE TRANSIT ASSISTANCE (STA) FUNDS FY 2016-17
(includes adjustments reflecting FY 2015/16 revisions)
PUBLIC UTILITY CODE SECTION 99313 & 99314

Attachment B

JURISDICTION	POPULATION ^{1/}	POPULATION AS A % OF TOTAL	ALLOCATION PUC 99313 ^{2/}	ALLOCATION PUC 99314* ^{2/}	STA Total
SACRAMENTO COUNTY					
Unincorporated	573,313	30.98%	\$1,468,070		\$1,468,070
Citrus Heights	85,147	4.60%	\$218,035		\$218,035
Elk Grove	162,899	8.80%	\$417,133	\$40,951	\$458,084
Folsom	74,909	4.05%	\$191,818	\$13,017	\$204,835
Galt	24,607	1.33%	\$63,011		\$63,011
Isleton	820	0.04%	\$2,100		\$2,100
Rancho Cordova	69,112	3.74%	\$176,974		\$176,974
Sacramento	480,105	25.95%	\$1,229,397		\$1,229,397
Sacramento Regional Transit District	NA	NA	NA	\$2,061,485	\$2,061,485
YOLO COUNTY					
Unincorporated	26,885	1.45%	\$68,844		\$68,844
Davis	66,757	3.61%	\$170,944	\$77,334	\$248,278
West Sacramento	51,272	2.77%	\$131,291		\$131,291
Winters	6,954	0.38%	\$17,807		\$17,807
Woodland	57,525	3.11%	\$147,303		\$147,303
Yolo County Transportation District	NA	NA	NA	\$121,910	\$121,910
SUTTER COUNTY					
Unincorporated	21,039	1.14%	\$53,874		\$53,874
Live Oak	8,546	0.46%	\$21,884		\$21,884
Yuba City	66,363	3.59%	\$169,935		\$169,935
YUBA COUNTY					
Unincorporated	58,588	3.17%	\$150,025		\$150,025
Marysville	12,051	0.65%	\$30,859		\$30,859
Wheatland	3,437	0.19%	\$8,804		\$8,804
Yuba-Sutter Transit Authority	NA	NA	NA	\$40,992	\$40,992
TOTAL	1,850,329	100.00%	\$4,738,108	\$2,355,689	\$7,093,797

County of Sacramento Total	\$1,468,070
Rancho Cordova Total	\$176,974
Sacramento Total	\$1,229,397
Available to SRTD	\$2,795,165
Available to County of Sacramento	\$79,276
Available to Yuba-Sutter Transit Authority	\$476,373

% in RT District	Transfer to SRTD
94.6%	\$1,388,794
100.0%	\$176,974
100.0%	\$1,229,397

Sacramento County	\$79,276
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- Sources: Report E-5, Department of Finance, Demographic Research Unit, 1/1/2015
- Entire amount must be used for transportation planning and mass transportation purposes.
- 94.6% is reserved for Sacramento Regional Transit District.
- 100% is reserved for Sacramento Regional Transit District.
- 100% is reserved for Yuba-Sutter Transit Authority.
- This is the total PUC Section 99313 Allocation to SACOG for the fiscal year