

AGENDA: May 28, 2020

TO: Budget & Administration/Personnel (B&A/P) Committee

FROM: Tracy New, Director of Finance and Budget

RE: Fiscal Year (FY) 2020-21 Budget Amendment

THIS ITEM IS TO PROVIDE ADDITIONAL INFORMATION

TDA Reserves

FY2019-20 TDA reserves may be used to pay the FY2019-20 allocation. Current reserve amount is \$805,078. Based on HdL's April 2020 projection for Q4 FY 2019-20, the TDA shortfall estimate is \$602,834 as of June 30, 2020. We receive our last TDA payment of the fiscal year on June 24, 2020, if revenue is less than HdL's April 2020 projection, it is possible that we could use the full reserve this year.

FY2019-20 TDA Estimated Revenues and Reserve

\$10,192,228 Allocated
(\$ 9,589,394) Estimated revenues
(\$602,834) Amount needed to cover FY2019-20 estimated shortfall

\$807,078 FY2019-20 TDA reserve
(\$602,834) FY2019-20 estimated shortfall
\$202,244 Estimated reserve carryover to FY2020-21

FY 2020-21 Budget

\$681,674 TDA reserve (8% projected revenues \$8,520,928)
(\$202,244) Estimated carryover from FY2019-20
\$479,430 Amount needed to replenish reserve to 8% of projected revenue

FY2020-21, TDA revenues are estimated to be 20% lower than FY2018-19 actuals, this equates to a 17.36% reduction from FY2020-21 budget approved by the Commission on April 2, 2020.

FY2020-21 TDA Revenue Projection and Budget

\$10,651.60 FY2018-19 Actual TDA revenues

-\$2,130,232 (-20%)

\$8,520,928 Projected revenue for FY2020-21

\$10,310,617 FY2020-21 revenue from adopted budget

(\$8,520,928) Current projection

\$1,789,689 Reduction from previous allocation

\$1,789,689 reduction/\$10,310,617 adopted = -17.36% reduction in revenues.

FY2020-21 Reserve Budget

The April 2020 FY2020-21 budget reflected the 8% required reserve fully funded. The proposed FY2020-21 budget transfers \$479,431 to replenish the reserve reducing the amount available for allocation to recipients.

April 2020 vs May 2020

\$1,789,689 Reduction to projected revenue

\$479,431 Amount to replenish reserves to 8%

\$2,269,120 Reduction to revenue available for allocation

\$2,269,120 reduction/\$10,310,617 adopted = -22.01% reduction in allocation to recipients.

If reserves are not replenished, the \$1,789,689 reduction would be spread evenly to all recipients. The table below shows the amount allocated to recipients with and without replenishing the TDA reserve balance to 8% of TDA revenues.

	FY20-21 Approved 4/2/20	FY20-21 Proposed 5-28-20		
		Replenish Reserve	No reserve	\$ Difference
1 Apportionment Schedule				
2				
3				
4				
5				
6 Transportation Development Act (TDA):				
7 TDA Reserve Fund	-	479,431	-	(479,431)
8				
9 SCCRTC: Administration	644,081	502,334	532,283	29,949
10 Planning	553,904	432,003	457,759	25,756
11 <i>Subtotal</i>	1,197,985	934,337	990,042	55,705
12				
13 Bike to Work	60,000	46,795	49,585	2,790
14 Bike & Pedestrian Safety (CTSC)	130,000	101,390	107,435	6,045
15 <i>Subtotal</i>	190,000	148,186	157,020	8,835
16				
17 Santa Cruz METRO	7,628,850	5,949,923	6,304,655	354,732
18 Specialized Transit (Community Bridges/CTSA)	749,501	584,554	619,405	34,851
19 Volunteer Center	89,226	69,589	73,738	4,149
20 City of Capitola	16,953	13,222	14,010	788
21 City of Santa Cruz - Non Transit	108,945	84,969	90,035	5,066
22 City of Scotts Valley	20,002	15,600	16,530	930
23 City of Watsonville	87,777	68,459	72,541	4,082
24 County of Santa Cruz	221,378	172,658	182,952	10,294
25 <i>Subtotal</i>	8,922,632	6,958,975	7,373,866	414,891
26				
27 TOTAL TDA APPORTIONED	10,310,617	8,520,928	8,520,928	-

RTC Programs and Projects

Staff is developing a revised budget based on the economic impact of COVID-19 as it relates to transportation funding, including TDA and Measure D. All of our Regional Projects are moving forward as planned. We are at the beginning of our project timeline with healthy ending balances on the Highway, Monterey Bay Sanctuary Scenic Trail, and Rail programs. Most of the scheduled projects were not expending at the level programmed. We do not expect to expend all resources, until FY2021-22 at the earliest. We plan to assess whether projects are delivering as scheduled and the effect of actual revenue on project delivery towards the end of this calendar year. At that time, we will be in a better position to access if we will have to adjust our timeline for project delivery.