



Approve Amendment #1 to the Budget and Overall Work Program for Fiscal Year 2024-2025

Consent

**Author:** Loretta Su

**Attachments:** Yes

**Referring Committee:** Policy & Innovation

**Issue:**

Approval of Amendment #1 to the Budget and Overall Work Program (Budget/OWP) for Fiscal Year (FY) 2024-2025

**Request:**

Approve

**Recommendation for Board:**

The Policy & Innovation Committee recommended that the board approve Amendment #1 to the Budget/OWP for FY 2024-2025 and authorize submittal to Caltrans and federal funding agencies.

**Recommendation for Committee:**

That the Policy and Innovation Committee recommend that the board approve Amendment #1 to the Budget/OWP for FY 2024-2025 and authorize submittal to Caltrans and federal funding agencies.

**Background:**

The SACOG Board of Directors adopts an annual budget for the SACOG Planning and Administration General Fund (General Fund Budget) which includes the Overall Work Program activities (OWP), Board of Directors and Advocacy budget, capital assets, and other related functions/activities not associated with the OWP. The Capitol Valley Regional Service Authority for Freeways and Expressways (CVR-SAFE) Board of Directors adopts its annual budget which includes expenses related to the freeway emergencies services in the counties of El Dorado, Sacramento, San Joaquin, Sutter, Yolo and Yuba counties and its activities are also included in OWP. The annual budgets are prepared on a modified accrual basis of accounting and adopted on a basis consistent with generally accepted accounting principles. The legal level of control is at the object level by fund and the board must approve additional appropriations.

SACOG's OWP is prepared to comply with SACOG's federal and State Agencies' regulatory funding requirements and describes the continuing, comprehensive, and coordinated metropolitan planning process for the six-county Sacramento region. Staff typically will bring several amendments to the Budget/OWP throughout the year to modify projects, add new projects or revenues, change project descriptions, or adjust staff and expenditures between OWP work elements and/or operating activities.

SACOG's Planning and Administration General Fund Budget is separated out into two functional budgets for tracking and reporting purposes. The first budget is the Operations Budget which includes OWP activities, capital assets and other related activities not associated with the OWP and is mainly funded through a combination of formula-based federal and state revenue sources, supplemented by short term specific discretionary and non-discretionary grants and contract funds.

The second budget is the Board and Advocacy Budget which includes a portion of technical assistance SACOG provides to its members, the agency's state and federal advocacy efforts, as well as board costs such as per diem and mileage expenses. The Board and Advocacy Budget is primarily funded by annual dues payments from SACOG member cities and counties. The Board of Directors adopted the Budget/OWP for Fiscal Year 2024-2025 ("Adopted Budget/OWP") in April 2024.

### **Discussion/Analysis:**

Amendment #1 to the Budget/OWP for Fiscal Year 2024-2025 reflects total expenditures of \$42,949,965, an increase of \$1,666,288 or 4.0 percent, compared to the Adopted Budget/OWP.

The primarily changes in revenues, use of reserve funds and expenditures reflected in Amendment #1 are as follows:

### **SACOG Operations Budget**

#### **❖ Changes in Revenues**

- Adjusted carryover amounts for various fund sources and grants:
  - Transit Operative Pass-Through Funds for California Integrated Travel Project (CALITP) (SAC219) in the amount of \$2,180,000 funded with State Transit and Intercity Rail Capital Program (TIRCP). This is a pass-through funds to transit operators for the purchase the contactless fare payments system which was originally budgeted in FY 2023-2024.
  - Decrease in REAP 1 Housing carryover amount of \$839,635.
  - Decrease in Planning, Programming & Monitoring carryover amount of \$109,057.
  - Increase in REAP 2 Green Means Go carryover of \$267,659.
  - Increase in Transit and Intercity Rail Capital Program (SB125) of \$697,330.
- Reduced various discretionary grant award and program amounts (FTA Section 5304, FTA RAISE, RSTP, Carbon Reduction Program (CRP), etc.) to reflect revenues and expenditures expected in the current fiscal year in the amount of approximately \$539,156 due to timing of expenditures.
- Removed consultant costs provided to Capital Area Regional Tolling Authority (CARTA) by \$865,903. The CARTA board approved the CARTA budget of \$1,300,000 at its May meeting which allows CARTA to contract directly with the consultant.
- Adjusted the Indirect Cost Allocation Plan (ICAP) and Fringe Benefit Rate to reflect the rate approved by the federal cognizant agency (FTA).

### ❖ **Changes in Expenditures**

- Reallocated staff hours between projects to reflect actual workload and anticipated employee utilization Adjusted the expenditures for projects noted above to reflect a net increase of expenditures in the amount of \$1,666,288.

The Overall Work Program Work for Fiscal Year 2024-2025 which reflects changes from Amendment #1 as stated above is available to view or download on SACOG's website by clicking this link: [OWP Amend#1](#).

**Attachment A** shows the changes in overall revenue by funding source. **Attachments B, C, D, E & F** provide a summary of revenues and expenditures included in Amendment #1 to the FY 2024-2025 Budget/OWP.

**Attachment G** is the adjusted Indirect Cost Rate calculation approved by the federal cognizant agency (FTA).

### **SAFE Budget (for Information only)**

The CVR-SAFE Budget for FY 2024-2025 is \$3,474,427 and its activities are included in the Budget/OWP. The SAFE Board adopted the CVR-SAFE Budget in June 2024. No action is required by SACOG board.

### **CARTA (for Information only)**

In February, the CARTA Board of Directors designated SACOG to be the administering agency for its operations. For the current fiscal year, the SACOG Board of Directors in January approved spending SACOG funds on some of the initial support for establishing CARTA. SACOG provides administrative services for CARTA, so its activities are included in the Budget/OWP for FY 2024-2025. The board approved a \$1.3 million loan of SACOG Managed Fund to CARTA to be repaid to SACOG with interest in April 2024. The CARTA Board of Directors adopted the CARTA budget at its May 16, meeting.

### **Fiscal Impact/Grant Information:**

The Amendment #1 to the Budget/OWP for FY 2024-2025 reflects a total revenue of \$37,452,176 and use of reserve of \$4,597,789 and undesignated fund balance of \$900,000 to cover total expenditures of \$42,949,965 in staff, consultant, capital, indirect, board expenses and pass-through expenditures, of which \$41,711,919 is SACOG Operations Budget and \$1,238,046 for Board and Advocacy Budget.

### **List of Attachments:**

Attachments A-F

Resolution