



Approve Amendment #2 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 #2 to the Budget and Overall Work Program (Budget/OWP) for Fiscal Year (FY) 2024-2025

Request:

Approve

Recommendation for Board:

The Policy & Innovation Committee unanimously recommended that the board approve Amendment #2 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 #2 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 activities and advocacy efforts, capital assets, and other related functions/activities not associated with the OWP.

The annual budgets are prepared on a modified accrual basis consistent with generally accepted accounting principles. The legal control is exercised at the fund object level, and board approval is required for any additional appropriations. The Overall Work Program adheres to both federal and state funding regulations and describes the transportation planning activities for the six-county Sacramento region. Staff typically brings several amendments to the Budget/OWP throughout the year to update project descriptions, revenues, personnel allocations, and expenditures across OWP work elements and operating activities. The Board of Directors adopted the final Budget/OWP for Fiscal Year 2024-2025 in April 2024, and approved Amendment #1 to the Budget/OWP in October 2024.

SACOG Planning and Administration General Fund Budget (General Fund Budget) is separated out into two functional budgets for tracking and reporting purposes:

- **The Operations Budget:** includes OWP activities, capital assets and other related activities not associated with the OWP. The funding primarily consists of formula-based federal and state revenue sources, augmented by both short-term specific discretionary and non-discretionary grants, as well as contractual funds.
- **The Board and Advocacy Budget:** 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 primary funding source is annual dues paid by SACOG member cities and counties.

Discussion/Analysis:

Amendment #2 to the Fiscal Year 2024-2025 Budget/OWP reflects total revenues of \$41,230,721, which is a decrease of \$1,719,244 or 4 percent compared to Amendment #1. This includes a \$4,649 reduction in revenue and a \$1,714,595 decrease in fund balance use, consisting of a \$897,970 reduction in SACOG Managed Fund usage and a \$816,655 decrease in approved unassigned fund balance usage.

Key changes in Revenues, Use of Reserve Funds and Expenditures

SACOG Operations Budget

Changes in Revenues

- The Federal Transit Administration (FTA) Section 5303 and Federal Highway Administration (FHWA) Planning funds have decreased by \$75,682 to align with the final apportionments issued by Caltrans.
- Transportation Development Act (TDA) Administrative and Planning Fees have reduced by \$326,681 due to revised sales tax revenue from Sacramento County.
- Several funding sources and grants were adjusted to correspond with the current fiscal year's revenues and expenditures:
 - Transit and Intercity Rail Capital Program (SB125): Reduced by \$499,272
 - CARTA Local Funds: Reduced by \$96,666
 - Planning, Programming & Monitoring: Increased by \$53,987
 - Discretionary grant awards (including FTA Section 5307, FTA RAISE, RSTP, Carbon Reduction Program): Reduced by \$18,857

Changes in Reserve/Carryover Fund Balance

- The use of SACOG Managed Fund has decreased by \$897,970 due to an anticipated loan repayment of \$500,000 and interest income of \$400,000.
- The use of Fund Balance has decreased by \$816,655, resulting in a saving of \$382,225 and a carryover to the Fiscal Year 2025-2026 of \$434,430.

Changes in Expenditure

- Staff hours were reallocated among projects to better match actual workload and expected employee utilization.
- Total expenditures decreased by \$1,719,244. Key changes include:
 - Salaries and Benefits: Decreased by \$279,285 due to eliminating two unfilled positions.
 - Consultant/Legal Costs: Reduced by \$1,077,633 primarily due to the deferral of certain

consulting expenses related to Blueprint, EEI, and SB125 Long-Range Planning to FY 2025-2026. This reduction is partially offset by increases in consulting costs associated with discretionary grants and programs.

- Pass-through Costs: Decreased by \$146,750 for the Green Means Go program to correspond to the current fiscal year revenues.
- Other Costs: Decreased by \$215,576 due to deferring software costs to FY 2025-2026.

Board and Advocacy Budget

No change to this budget.

Attachment A displays overall revenue changes by funding source. **Attachments B-C** summarize revenues and expenditures, and **Attachments D-E** detail the allocation of revenues and expenditures to projects in Amendment #2 to the FY 2024-2025 Budget/OWP. **Attachment F** provides a summary of revenues and expenditures and estimated Fund Balance for the Planning and Administration General Fund.

The Overall Work Program for Fiscal Year 2024-2025, which incorporates changes from Amendment #2 as mentioned, is available for viewing or downloading on SACOG's website via the following link: [OWP Amend#2](#).

SAFE Budget (for Information only)

The CVR-SAFE Budget, as amended for FY 2024-2025 is \$3,663,909 and its activities are included in the Budget/OWP. The SAFE Board adopted the CVR-SAFE Budget in June 2024, and approved Amendment #1 to the Budget in December 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:

Amendment #2 to the FY 2024-2025 Budget/OWP reflects total revenue of \$37,881,625 and reserve funds usage of \$3,349,096, covering expenditures of \$41,230,721. This includes \$39,992,674 for SACOG Operations and \$1,238,046 for Board and Advocacy.

List of Attachments:

Attachments A-F Budget Schedules