



Fiscal Year 2022-23 Year to Date Budget Status Report

Receive and File

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Attachments: Yes

Approved by: James Corless

Referring Committee: Policy & Innovation

1. Issue:

This report summarizes the material variances between the budget and revenues and expenses through the second quarter of Fiscal Year 2022-2023.

2. Recommendation:

None; this is for information only.

3. Background/Analysis:

SACOG manages two primary budgets and a special revenue budget. The first and largest budget is SACOG's Operations Budget that covers the Overall Work Program (OWP) activities, Capital Assets and locally funded projects and costs. The Operations Budget/OWP is 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, 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 Board and Advocacy Budget is primarily funded by annual dues payments from SACOG member cities and counties. The third budget is the Capital Valley SAFE budget (SAFE) that includes activities for implementing, operating, and maintaining the motorist aid system of call boxes and 511 operations within the counties of El Dorado, Sacramento, San Joaquin, Sutter, Yolo, Yuba and Glenn.

The Board of Directors adopted the Operations Budget/OWP and Board and Advocacy Budget for Fiscal Year 2022-2023 on May 19, 2022, and the SAFE Board of Directors adopted the SAFE budget on June 16, 2022. Amendments to the Budget/OWP are typical 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.

4. Discussion/Analysis:

The attached financial reports contain the cumulative effect of SACOG Operations, Board and Advocacy and SAFE Budgets from July 1, 2022 to December 31, 2022, as well as budget-to-actual comparison. The budget reflects a linear programming of funds while actual work is contingent on various factors. Therefore, during the fiscal year, there will be fluctuations of budget-to-actual. Since SACOG funding is primarily on a reimbursement basis, any deviation in expenditure also results in a corresponding deviation in revenue.

The table below shows a combined summary of revenues and expenditures for the Operations, Board & Advocacy and SAFE budgets, as well as budget-to-actual comparison for the six months ended December 31, 2022.

Budget-to-Actual				
as of December 31, 2022			Budget YTD - 50%	
REVENUES	Budget	Actual to Date	Variance	% Spent
Federal	\$ 10,800,628	\$ 3,932,179	\$ 6,868,449	36%
State	20,604,114	1,743,479	18,860,635	8%
Local	5,781,601	4,937,396	844,205	85%
DMV Fees/Service to Others	3,187,544	1,360,673	1,826,871	43%
Member Dues	941,064	941,065	(1)	100%
Other	1,860,748	199,845	1,660,903	11%
TOTAL REVENUES	\$ 43,175,699	\$ 13,114,637	\$ 30,061,062	30%
EXPENDITURES:	Budget	Actual to Date	Variance	% of Budget
Salaries & Benefits	\$ 12,583,284	\$ 5,643,809	\$ 6,939,475	45%
Indirect Costs	2,039,925	1,127,858	912,067	55%
Consulting Costs	5,919,485	1,468,202	4,451,283	25%
Pass-Through Costs	19,658,228	1,236,360	18,421,868	6%
Other Costs	2,974,777	626,664	2,348,113	21%
TOTAL EXPENDITURES	\$ 43,175,699	\$ 10,102,893	\$ 33,072,806	23%

As noted earlier, the budget reflects a linear programming of funds but the actual work is contingent on various factors. For the six months ended December 31, 2022, the following projects/grants were under budget due to the timing of work by consultants and member jurisdictions:

- **Discretionary Grants/Projects:** These projects are at the beginning stage of implementation, so consulting costs are under budget. Projects include Leveraging Road Pricing & Shared Use Mobility Incentives, Northern CA Megaregion Zero-Emission Vehicles Medium/Heavy Duty Vehicle Blueprint, Truxel Bridge Concept and Feasibility Study, Next Generation Regional Mobility Hub Design and Implementation.
- **Connect Card:** The close-out and transfer agreements were completed in December 2022. Final payment to vendor in January 2023.
- **REAP 1 (Housing):** Staff continued to administer approximately 80 contracts and MOUs in supporting the adoption and implementation of member jurisdictions' housing elements. All member jurisdictions' housing elements were approved and adopted by HCD, except Davis and Woodland. Davis needs to complete its rezoning and Woodland is working with the technical consultant and HCD to discuss next steps to wrap up the city's housing element. Due to the delay in adopting the housing elements, housing projects/tasks were delayed which resulted in lower than budgeted pass-through costs.

- **Green Means Go:** This project is in the early stage of implementation. Staff and consultant provided technical panel discussion and services various member jurisdictions. Staff completed pre-application consultations with project sponsors and completed the program guidelines and released a call for projects in the Planning and Capital categories. The board took action on the Early Activation funding awards in November 2022. A total of \$3.2M was awarded to 5 applicants. Staff will bring recommendations for funding awards in the Planning and Capital categories in early 2023.
- **Transportation Demand Management:** Staff continued ongoing work to maintain Sac Region 511 website and provided technical assistance to outreach partners in managing subsidy programs, pulling reports from the database, and other ongoing database management. Staff continued to monitor subrecipient grants on TDM projects. Staff released a new round of TDM grants (branded Mode Shift grants) and received a total of 9 applications. Staff will bring recommendations for funding awards in February 2023. Staff also selected a consultant to assist staff in updating the TDM framework that will prioritize TDM work over the next 3-5 years. There is a need to take more of an equity lens to setting these priorities and revisit the types of TDM programs and services that are being offered now that there will be more hybrid and remote work in the coming years.

Attachment A provides a summary of revenues and expenditures with budget-to-actual comparison for the three budgets for the six months ended December 31, 2022.

Attachment B provides a budget-to-actual expenditures comparison by project for the six months ended December 31, 2022.

5. Fiscal Impact/Grant Information:

Noted above.