



Approve Amendment #1 to the Budget and Overall Work Program for Fiscal Year 2023-2024

Consent

Prepared by: Loretta Su

Attachments: Yes

Approved by: James Corless

Referring Committee: Policy & Innovation

1. Issue:

Approval of Amendment #1 to the Budget and Overall Work Program (Budget/OWP) for Fiscal Year (FY) 2023-2024

2. Recommendation:

The Policy and Innovation Committee unanimously recommended that the board approve Amendment #1 to the Budget/OWP for FY 2023-2024 and authorize submittal to Caltrans and federal funding agencies.

3. Background/Analysis:

The SACOG Board of Directors adopts an annual budget for the SACOG Planning and Administration 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. 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.

SACOG's Planning and Administration General Fund Budget includes expenditures for SACOG Operations and Board and Advocacy. The Operations portion of the 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 nondiscretionary grants and contract funds and member dues. The Board and Advocacy portion of the budget includes 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 FY 2023-2024 (“Adopted Budget/OWP”) on May 18, 2023.

4. Discussion/Analysis:

Amendment #1 to the Budget/OWP for FY 2023-2024 reflects total revenues and expenditures of \$40,079,913, a decrease of \$792,403 or 1.9 percent, compared to the Adopted Budget/OWP. The decrease is due mainly to the adjustments/changes in the SACOG Operations Budget.

SACOG Operations Budget

Amendment #1 to the SACOG Operations Budget for FY 2023-2024 includes the following adjustments/changes:

- Added new projects and grants to the Budget/OWP. This includes:
 - Carbon Reduction Program (CRP) (SAC234) in the amount of \$842,500 and Trail Plan Implementation (SAC235) in the amount of \$241,494, funded with Infrastructure Investment and Job Act (IIJA) Carbon Reduction Program. However, these are multi-year projects required to be reported in their entirety, so the current fiscal year result is only \$290,816 for both projects. **Attachment J** is the approved program strategy recommendations for federal CRP funding for the six-county region.
 - U.S. 50 Comprehensive Multimodal Corridor Plan (“50 CMCP”) (SAC236) in the amount of \$750,000, of which \$500,000 is funded with FHWA State Planning and Research Part I (SPR Part I) and \$250,000 is funded with local funds. However, this is a multi-year project required to be reported in its entirety, so the current fiscal year result is only \$225,000. **Attachment K** is the conditional grant award.
 - Del Paso Multimodal Transportation Network and Land Use Compatibility Action Plan (SAC237) in the amount of \$515,100, of which \$450,000 is funded with FTA 5304 and \$65,100 is funded with local funds and in-kind match. However, this is a multi-year project required to be reported in its entirety, so the current fiscal year result is only \$200,000. **Attachment L** is the conditional grant award.
- Adjusted carryover amounts for various fund sources and grants:
 - Increase in federal formula funds (FTA 5303 & FHWA PL) carryover of \$170,398.
 - Increase in use of SACOG Managed Funds of \$288,541 as Local Match for the Raise Grant.
 - Increase in Green Means Go carryover of \$219,019.
 - Increase in various multi-year grants carryover of \$52,918.
 - Decrease in REAP 1 Housing carryover amount and deferred revenue of \$2,274,195.
- Adjusted the Indirect Cost Allocation Plan (ICAP) and Fringe Benefit Rate to reflect the rate approved by the federal cognizant agency (FTA).
- Re-allocated staff hours between projects to reflect resulted from the new projects and grants noted above.

Attachment A shows the changes in overall revenue by funding source. **Attachments B and C** provide a summary of revenues and expenditures included in Amendment #1 to the FY 2023-24 Budget/OWP by functional areas. **Attachments D and E** show how revenues and expenditures included in Amendment #1 to the FY 2023-2024 Budget/OWP are allocated across the agency’s work activities.

Attachment F provided a summary of revenues and expenditures and estimated Fund Balance in Amendment

#1 to the Planning and Administration General Fund for FY 2023-2024, compared to the Adopted Budget/OWP. The Planning and Administration General Fund consists of expenditures for the SACOG Operations and Board and Advocacy.

The OWP Work Element Details to reflect changes from Amendment #1 as stated above and it is available to view or download on SACOG's website by clicking this link: [OWP Document Amend#1](#).

Board and Advocacy Budget

The Board and Advocacy Budget is separate from the Budget/OWP because it funds activities that cannot be funded with state and federal funds, including state and federal advocacy, board per diem and other expenses. It also funds partnerships and technical assistance to member jurisdictions beyond what is possible in the main budget either due to eligibility or budget constraints. The total Board and Advocacy Budget remains \$1,136,453 but reflects minor updates to expenses by expense categories. Attachment G is Amendment #1 to the Board and Advocacy Budget for FY 2023-2024, compared to the Adopted Budget/OWP.

Attachment H provides a summary of SACOG's overhead costs, and an approved Indirect Cost Rate included as part of Amendment #1 to the FY 2023-2024 Budget/OWP.

Attachments M & N are separate resolutions approving the Operations Budget and the Board and Advocacy Budget.

SAFE Budget (for Information only)

The CVR-SAFE Budget for FY 2023-2024 is \$3,391,929 and its activities are included in the Budget/OWP. The SAFE Board adopted the CVR-SAFE Budget in June 2023. Attachment I is the CVR-SAFE Budget.

5. Fiscal Impact/Grant Information:

Amendment #1 to the Budget/OWP for FY 2023-2024 reflects total expenditures of \$40,079,913 in staff, consultant, capital, indirect, board expenses and pass-through expenditures, of which \$35,551,531 is SACOG Operations Budget, \$1,136,453 for Board and Advocacy Budget, and \$3,391,930 for the CVR-SAFE Budget.