



Agenda Item No. (5)(a)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of September 22, 2022

From: Jacob Brown, Senior Analyst, Capital and Grant Programs
Amy Frye, Director, Capital and Grant Programs
Joseph M. Wire, Auditor-Controller
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE ACTIONS RELATED TO GRANT PROGRAMS**
(a) **AUTHORIZE DIRECT ENCUMBRANCE AND DISBURSEMENT OF FY 22/23 REVENUE-BASED STATE TRANSIT ASSISTANCE FUNDS TO THE METROPOLITAN TRANSPORTATION COMMISSION**

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors authorize the General Manager to request that the Metropolitan Transportation Commission (MTC) encumber \$4,341,929 in Revenue-based State Transit Assistance (STA) to MTC to support implementation of the Blue Ribbon Transit Transformation Action Plan (Action Plan). This encumbrance will allow for the disbursement and payment of \$4,341,929 to MTC to implement the Action Plan.

This matter will be presented to the Board of Directors at its September 23, 2022, meeting for appropriate action.

Summary

In July 2021, the MTC Commission set aside \$85 million of formula-based Federal Transit Administration (FTA) American Rescue Plan (ARP) funds for Action Plan activities. In October 2021, these funds were instead allocated directly to operators through MTC Resolution 4481 to preserve operator eligibility to compete for ARP Additional Assistance Funds. The District received \$5,390,277 in formula-based ARP funds in October 2021 that are subject to exchange, and FTA awarded \$75,029,220 in competitive ARP Additional Assistance funds to the District in March 2022. The District was only eligible to apply for these additional ARP funds because the region had allocated all of the formula-based ARP funds to operators in October.

MTC Resolution 4481 also directed MTC staff to identify fund sources for a funding exchange to restore the \$85 million set aside for the Action Plan. An exchange with STA Population-based funds was facilitated through the MTC FY23 Fund Estimate and an amendment to MTC Resolution 4321. By relinquishing its FY23 STA Population-based funds to MTC, the District effectively fulfilled \$1,048,348 of its \$5,390,277 commitment to the Action Plan account. To

fulfill its remaining commitment of \$4,341,929 to the Blue Ribbon account, the District must now authorize an exchange with FY23 STA Revenue-based funds. This Board action will authorize this transfer, enabling MTC to encumber and disburse \$4,341,929 of the District’s FY23 STA Revenue-based funding to the Action Plan account.

The Board, in its July 22, 2022 meeting, authorized the General Manager to file an application with MTC for FY23 STA funds through Resolution No. 2022-064.

Fiscal Impact

There is no fiscal impact associated with this Board action. Approval of this item will decrease the District’s FY23 STA Revenue-based funding by \$4,341,929, from \$8,901,072 to \$4,559,143. These funds are directly offset by the Action Plan exchange funds received in October 2021.

Source	Amount
Action Plan exchange ARP funds programmed to District in October 2021	\$5,390,277
FY23 STA Population-based funds relinquished to MTC through MTC Resolution 4321	(\$1,048,348)
FY23 STA Revenue-based funds to be encumbered and disbursed to MTC as a result of this Board action	(\$4,341,929)
Net Impact	\$0