

# Metropolitan Transportation Commission

January 27, 2021

Agenda Item 9a - 21-0207

## MTC Resolution No. 4453 – Programming of Coronavirus Response and Relief Supplementary Appropriations Act of 2021

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**Subject:** Proposed programming of approximately \$180 million of Coronavirus Response and Relief Appropriations Act of 2021(CRRSAA) funding to Bay Area transit operators that received insufficient shares of CARES Act funding due to inaccurate revenue loss forecasts.

**Background:** As reported on at the January 13<sup>th</sup> Programming and Allocations Committee meeting, last month Congress approved and the President signed a combined \$2.3 trillion COVID relief package and FY 2021 Appropriations bill, providing significant funding for public transportation in addition to other relief.

The COVID-relief portion of the bill provides \$14 billion in supplemental funding to public transit to offset the massive drop in revenue resulting from the pandemic. This will provide about \$982 million to the Bay Area to assist the region’s transit operators. The specific amounts to those urbanized areas are as follows:

- San Francisco-Oakland: \$822,676,366
- San Jose: \$144,159,107
- Santa Rosa: \$15,435,820

### True-Up

When approving the final distribution of CARES Act funding last July, the Commission directed staff to apply a “true-up” of the CARES funding distribution to any future allocation of federal dollars for pandemic relief, that would compensate operators that received less CARES funding than they should have due to inaccurate revenue loss forecasts. The true-up directive was contained in an amendment to the motion approving the programming of the second tranche of funds. The related language from the July 22, 2020 meeting minutes is below:

*“Revised with an amendment conditioned upon a “true up” of any negative differential between projected and actual sales tax and/or fare revenues with any future allocation of federal dollars for pandemic/ economic relief. Such calculation shall be based upon the actual receipts for the periods March - August and September – December 2020, or appropriate time-period for actual available data. In the event any transit operator received less than their adjusted share of CARES Act funding*

*due to the inaccurate forecasts, such differentials shall be compensated with a future federal allocation of emergency funding. If Congress fails to appropriate any such additional dollars for transit operators, then MTC staff shall identify other new augmented sources of flexible new federal funding which can appropriately compensate operators for those shortfalls.”*

To fulfill the directive of the Commission as well as to quickly get funding to those operators that are struggling to meet budget requirements in the current fiscal year, staff is proposing to program a portion of the CRRSAA funds to complete the CARES funding true-up.

To determine programming amounts, staff recalculated the total \$1.3 billion CARES allocation for all operators using the actual revenue losses between March and December of 2020, rather than the revenue loss assumptions that were used at the time. Based on this recalculation, staff proposes the following allocations to operators that received a lesser share of CARES funding due to inaccurate forecasts:

Agency	True-Up Allocation
BART	\$103,717,002
Caltrain	\$6,936,627
GGBHTD	\$20,319,959
SFMTA	\$43,750,147
WETA	\$4,877,943
<b>TOTAL</b>	<b>\$179,601,678</b>
<b>Remaining for 2nd Distribution:</b>	<b>\$802,669,615</b>

While only five operators are proposed to receive allocations from the initial distribution, it is important to note that all Bay Area operators are facing significant budgetary impacts due to the pandemic and economic uncertainty. Many, due to social distancing requirements and budgetary constraints, are struggling to meet the needs of transit dependent riders now, and budget for the post-pandemic reinstatement of adequate service levels.

#### Next Steps for the Distribution of Remaining CRRSAA Funds

In the coming weeks, staff will be developing alternative distribution scenarios for the approximately \$803 million in CRRSAA funds that remain, and will be communicating with Commissioners, transit operators, and other stakeholders, as appropriate, to develop a proposal that takes into account anticipated revenue losses resulting from the pandemic, operator budgetary expenses, and service needs of transit dependent riders.


At the February 24<sup>th</sup> Commission meeting, staff will provide an update on the reported financial and service outlook for Bay Area operators in the current and upcoming fiscal years, to help inform the distribution discussions.

Staff intends to bring a proposal for the distribution of remaining CRRSAA funding to the Programming and Allocation Committee meeting in March, for consideration and recommendation for approval by the Commission later the same month.

**Issues:** None.

**Recommendation:** Approval of Resolution No. 4453.

**Attachments:** MTC Resolution No. 4453

  
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Therese W. McMillan