

**Metropolitan Transportation Commission
Administration Committee**

May 13, 2026

Agenda Item 2g-26-0591

**Fiscal Year (FY) 2026 Metropolitan Transportation Commission (MTC)
Statement of Revenues and Expenditures for the Period Ended March 31, 2026
(Unaudited)**

Subject:

Statement of revenues and expenditures for the period ended March 31, 2026 (unaudited).

Background:

The Statement of Revenues and Expenditures has been prepared in accordance with the generally accepted accounting principles (GAAP). The columns have been designed to provide an easy comparison of current year-to-date actuals to the prior year-to-date actuals, including dollar and percentage variances.

Revenue:

As of March 31, 2026, year-to-date revenues were \$74.1 million, which was \$31.7 million less than the prior year-to-date actual. The decrease was primarily due to a decrease of \$35.8 million in Regional Early Action Planning (REAP 2.0) grant from the State Department of Housing and Community Development. This is due to spending down from ongoing priorities and initiatives. The grant will expire in December 2026. The revenue decrease was also due to the timing differences in grant revenues recorded. The decrease was partially offset by a \$6.0 million grant from Silicon Valley Community Foundation for Bay Area Housing Finance Authority (BAHFA) to start a home revolving loan fund in FY 2026. This grant was transferred to BAHFA and recorded as a transfer out expense in the same accounting period.

Expenditure:

As of March 31, 2026, the year-to-date expenditures were \$93.6 million, which was \$12.3 million higher than the prior year-to-date actual. The increase was primarily attributable to the No-Cost and Reduced Cost Interagency Transfer Pilot Program. Year-to-date expenditures also increased due to higher salary and benefit expenses, resulting from increased staffing levels, a Cost-of-Living Adjustment (COLA) implemented pursuant to the Memorandum of Understanding, and a methodology change in leave expenses. In the prior year, leave expenses were recorded to individual funds/entities. In FY 2026, leave expenses were recorded to a cost pool in MTC general

fund and then allocated to other funds/entities through indirect cost allocation process.

Transfers:

As of March 31, 2026, the total year-to-date net transfers resulted in a net inflow of \$21.9 million, an increase of \$23.9 million compared to the prior year-to-date actual. The increase was primarily due to the transfer of \$25.8 million in Regional Early Action Planning (REAP 2.0) grant funds to BAHFA in FY 2025.

Budget & Forecast Updates:

MTC operating revenues of \$74.1 million through March 31, 2026, represent 23.7% of the \$313.1 million revised FY 2026 budget. Federal, state, and local grant receipts continue to drive this timing lag, with State grants at 17.8% of budget and Federal grants at 20.4%, consistent with the semi-annual and milestone-based cadence of these reimbursements. Conversely, sales tax receipts are ahead of plan at 71.2% of budget, and investment income has reached \$2.3 million, or 86.6% of budget, reflecting yields higher than those budgeted. Transfers in of \$27.9 million (67.3% of budget) are tracking ahead of a straight-line pace, driven primarily by the quarterly distribution of BATA 2% transfer to MTC.

FY 2026 year-to-date total MTC operating expenditures of \$93.6 million, or 26.9% of the \$348.0 million revised budget, remain well within the approved budget. Salaries and benefits are tracking at 69.9% of budget, reflecting the FY 2026 methodology change that allocates leave expenses through a benefit cost pool. Professional Fees (13.7%), Allocations to Other Agencies (18.5%), Travel (27.7%), and Overhead (53.8%) are all below a straight-line pace due to invoicing timing and the backloaded cadence of consultant and pass-through activity. Capital outlay is 117.6% of the \$0.8 million budget, driven by reclassified costs previously not budgeted, and is not expected to create overall budget pressure.

No further budget amendments are scheduled for FY 2025-26. Staff continue to monitor grant reimbursement timing and expect the MTC to close the year within the approved revised budget, with a projected net surplus consistent with the adopted budget.

Recommendations:

None. Information only.

Attachments:

- Attachment A – MTC Statement of Revenues and Expenditures for the Period Ended March 31, 2026 (unaudited)



Andrew B. Fremier