

Subject	Shortfall in the Measure C Carpool, Vanpool and Park-and-Ride Program
Summary of Issues	<p>In mid-2007, Authority staff discovered that an over-appropriation of funds had been made for the Measure C Carpool, Vanpool, and Park-and-Ride Lot Program. Specifically, actual expenditures and obligations to date exceed 1% of the Measure C sales tax revenues collected through FY 2006-07. This excess obligation will need to be taken out of the final Measure C allocation in FY 2008-09 to ensure the program does not exceed the 1% limit. This reduction in allocation will adversely impact 511 Contra Costa program budgets. To offset this impact staff proposes to increase the first Measure J allocation, covering the last quarter of FY 2008-09, by advancing future Measure J funds. The advance would not exceed the Measure C allocation reduction and would be paid back over the next three to four years.</p>
Recommendations	<p>Measure C funds are used by 511 Contra Costa to supplement Air District Transportation Fund for Clean Air (TFCA) funds and pay for indirect costs of the program not eligible for TFCA funding.</p> <p>Authorize staff to reduce the last Measure C allocation in the Carpool, Vanpool, and Park-and-Ride program by the projected “shortfall” amount. Also advance Measure J Transportation Demand Management (TDM) program funding into the first Measure J TDM program allocation in FY 2009 to offset the budget impact of the shortfall; requiring pay back of the advance by FY 2012.</p>
Financial Implications	<p>The Measure C Carpool, Vanpool, and Park-and-Ride program would close having expended 1% of total sales tax revenue in the program as defined in the expenditure plan. An advance of Measure J funding into the first allocation would have little impact on the overall program. The advance would be paid back over 3-4 years through allocation reductions.</p>
Options	<p>Do not authorize the Measure J advance, thus reducing the allocation amount for the 511 Contra Costa program budgets for FY 2008-09.</p>
Attachments	<p>N/A</p>
Changes from Committee	<p><i>Approved as recommended</i></p>

Background

When examining the actual cash balances of the Measure C programs through FY 2006-2007, the Measure C Carpool, Vanpool, and Park-and-Ride program showed a positive program cash balance of \$173,396. However, on closer examination staff determined that this balance does not account for \$377,555 in outstanding allocations from prior years which have not yet been spent. Staff now anticipates that at the end of FY 2007-08, the 1% of cumulative sales tax revenue limit for the program will be short by approximately \$238,310 of the funding needed to cover program expenditures and unexpended allocations to date. This shortfall will need to be addressed and accounted for in the FY 2008-09 Measure C allocation – the last allocation for the Measure C program.

The shortfall is a result of several factors. Foremost, it is a result of an unpredictable revenue stream over the last 3-4 years and the Authority staff not accounting for unexpended allocations when calculating funding availability in subsequent budgets when such unobligated balances were carried over by the RTPCs.

The 511 Contra Costa program provides ridematching and transit incentives to reduce commute traffic. The program depends on Measure C funds to supplement Transportation Fund for Clean Air (TFCA) funding received by the BAAQMD TFCA 40% Program Manager Funds and pay for indirect costs of the programs not eligible under TFCA.

In order to make the 511 Contra Costa programs' budgets "whole" – i.e., avoid significant one-time reductions in the FY 2008-09 allocation to offset this over-allocation – staff recommends an advancement of future Measure J funds to augment the first Measure J allocation for the program, covering the last quarter of FY 2008-09. The advance would have to be paid from subsequent TDM program allocations over the next 3-4 years. The advance amount and payback schedule will be established to allow the 511 Contra Costa program to maintain current budget levels plus a small annual increase. The advance will not exceed the Measure C shortfall amount of \$238,310 and the payback schedule will not exceed 4 years.

Staff will work with the 511 CC program managers to determine an appropriate advance amount that considers budget requirements and current unspent allocations. The 511 CC program managers are committed to a minimal advance amount and quick payback as long as they are able to deliver their program at a reasonable level. Staff will return to the Planning Committee next month with a proposed advance amount and payback schedule.

Staff will continue to work with 511 Contra Costa managers to ensure the unspent Measure C allocations are spent in a reasonable time to ensure that Measure C can be closed out appropriately. Staff will also work with the 511 Contra Costa Program Managers to develop a roll-over policy for your consideration for any unspent Measure J allocations during the life of that Measure allowing unspent allocations to be managed more closely.