



RESOLUTION APPROVING UP TO \$3,012,914 IN SAN FRANCISCO'S ESTIMATED FISCAL YEAR 2021/22 STATE TRANSIT ASSISTANCE COUNTY BLOCK GRANT FUNDS FOR PARATRANSIT

WHEREAS, In 2018, the Metropolitan Transportation Commission (MTC) established a transit-focused State Transit Assistance (STA) County Block Grant program, combining funds that were previously distributed via a regional paratransit program, a regional Lifeline Transportation Program (LTP), and a northern counties/small transit operators' program; and

WHEREAS, As the Congestion Management Agency (CMA) for San Francisco, the Transportation Authority is responsible for administering San Francisco's STA County Block Grant program; and

WHEREAS, MTC requires that by May 1 of each year, CMAs submit the distribution policy for STA population-based funds; and

WHEREAS, STA funds come from the state sales tax on diesel fuel and have been a volatile source of funding even before the COVID-19 pandemic; and

WHEREAS, Annual STA revenues are projections and annual amounts may be higher or lower when confirmed at the end of each FY following the State's reconciliation of actual revenues generated; and

WHEREAS, MTC's current projection for San Francisco's FY 2021/22 STA County Block Grant funds, total \$3,012,914; and

WHEREAS, Given the uncertainty of forecasting STA revenues, MTC recommends that CMAs program 95% of their county's estimated STA amount; and

WHEREAS, In April 2020, in anticipation of a decline in STA revenues and other revenues upon which the San Francisco Municipal Transportation Agency (SFMTA) relies for its operating budget and having fulfilled prior STA Block Grant



funding commitments, the Transportation Authority Board approved up to \$3,794,000 (the entire estimated amount of San Francisco's FY 2020/21 STA County Block Grant funds at the time, subsequently revised downward to \$3,066,371) to support SFMTA's paratransit program operations, which provides transit trips for seniors, persons with disabilities and others who are unable to use SFMTA's fixed route service; and

WHEREAS, Since the COVID-19 pandemic continues to have significant impacts on the funding sources that SFMTA relies upon for its operating budget, Transportation Authority staff is again recommending programming up to the entire estimated \$3,012,914 in FY 2021/22 STA County Block Grant funds to support SFMTA's paratransit program operations including the Essential Trip Card, a program to help older adults and people with disabilities pay for essential trips in taxis during the COVID-19 pandemic; and

WHEREAS, At its March 24, 2021 meeting the Citizens Advisory Committee considered this item and adopted a motion of support for the staff recommendation; now, therefore be it

RESOLVED, That the Transportation Authority hereby approves up to \$3,012,912 in San Francisco's estimated FY 2021/22 STA County Block Grant funds to support SFMTA's paratransit program operations; and be it further

RESOLVED, That the Executive Director is hereby authorized to communicate this information to the MTC, other relevant agencies, and interested parties.



Memorandum

AGENDA ITEM 7

DATE: March 31, 2021
TO: Transportation Authority Board
FROM: Anna LaForte - Deputy Director for Policy and Programming
SUBJECT: 04/13/21 Board Meeting: Approve Up to \$3,012,914 in San Francisco’s Estimated Fiscal Year 2021/22 State Transit Assistance County Block Grant Funds for Paratransit

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <p>Approve up to \$3,012,914 in San Francisco’s Estimated Fiscal Year 2021/22 State Transit Assistance (STA) County Block Grant Funds for Paratransit</p> <p>SUMMARY</p> <p>In 2018, the Metropolitan Transportation Commission (MTC) established the STA County Block Grant program to be administered by Congestion Management Agencies (CMAs). MTC used to distribute these funds via a regional paratransit program, a regional Lifeline Transportation Program (LTP), and a northern counties/small transit operators program. For the first cycle (FYs 2018/19 and 2019/20) the Transportation Authority Board directed 40% (\$3.1 million) of San Francisco’s share of revenues to the San Francisco Municipal Transportation Agency’s (SFMTA’s) paratransit program and the remaining 60% (\$4.7 million) to the San Francisco LTP (see Table 1 below). In light of the significant decline in transit fare and other operating revenues due to the COVID-19 pandemic, in April 2020 the Board programmed up to \$3.794 million in FY 2020/21 block grant funds to the SFMTA’s paratransit program. We recommend continuing to prioritize SFMTA’s paratransit program, including the Essential Trip Card (ETC) program, for San Francisco’s estimated share of FY 2021/22 STA block grant funds (\$3,012,914). At the Board meeting, SFMTA staff will provide a brief update on the ETC program.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Fund Allocation <input checked="" type="checkbox"/> Fund Programming <input type="checkbox"/> Policy/Legislation <input type="checkbox"/> Plan/Study <input type="checkbox"/> Capital Project Oversight/Delivery <input type="checkbox"/> Budget/Finance <input type="checkbox"/> Contract/Agreement <input type="checkbox"/> Other: _____
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BACKGROUND

STA revenues come from the state sales tax on diesel fuel. It is a flexible transit funding program that can be used for a wide range of transit-related capital and operating purposes. It is also a volatile source of funding, even before the COVID-19 pandemic, given the fluctuations in the price of diesel fuel. In FY 2018/19, MTC began distributing a majority of the region’s STA population-based funds to CMAs through a transit-focused STA County Block Grant program. The program allows each county to determine how best to invest in paratransit and other transit operating and capital needs, including providing lifeline transit services. Funds are distributed among the nine Bay Area counties based on the percentage that each county would have received in FY 2018/19 under the former regional programs. MTC requires that by May 1 of each year, CMAs submit the distribution policy for STA population-based funds.

In FYs 2018/19 and 2019/20, San Francisco received a total of \$7.7 million in STA block grant funds. The Board directed \$3.1 million (40%) to the SFMTA for its paratransit program based on the amount that SFMTA would have received under the regional program in FY 2018/19. For the remaining \$4.7 million (60%), the Board approved the SF LTP Cycle 1 program of projects that address transportation needs of low-income populations. Cycle 1 programming is summarized in Table 1 below.

Table 1. San Francisco STA County Block Grant Program FY 2018/19 - FY 2019/20	
Paratransit (operations) (SFMTA)	\$3,141,610
San Francisco Community Health Mobility Navigation Project: Removing Health Care Transportation Barriers for Low Access Neighborhoods (SFMTA)	\$396,300
Continuing Late Night Transit Service to Communities in Need (SFMTA)	\$1,609,700
Elevator Attendant Initiative (BART)	\$2,600,000
Total	\$7,747,610

For FY 2020/21, San Francisco was projected to receive \$3.794 million in FY 2020/21 STA block grant funds as of February 2020. The Board’s first programming priority was to backfill then-anticipated lower STA revenues for the three LTP Cycle 1 projects. Fortunately, this was not required because the projects received their full STA allocations from MTC. The second programming priority was the SFMTA’s paratransit program operations. As of February 2021, San Francisco is anticipated to receive \$3,066,371 this fiscal year, which is about 19% less than anticipated one year ago. Due to a reduction in service demand from the COVID-19 pandemic, the paratransit program budget has decreased so it will not experience impacts



from the lower than anticipated STA fund estimate. Any additional STA funds would result in a lesser need for SFMTA’s operating revenues.

DISCUSSION

As noted above, STA funds tend to be a volatile fund source. In February each year, we receive an estimate of San Francisco’s share of revenues for the next funding cycle as well as the current fiscal year, which may be higher or lower when confirmed at the end of each fiscal year following the State’s reconciliation of revenues generated. When the Board approved the FY 2020/21 STA County Block Grant to SFMTA’s paratransit program in April 2020, we noted that we would return in Spring 2021 to program the FY 2021/22 STA revenues. Additionally, we would assess the current STA revenue forecast and consider the status of SFMTA’s operating revenues to develop a recommendation about whether to continue directing all the funds toward SFMTA’s paratransit program or to issue a call for projects for San Francisco’s LTP. Table 2 below shows the current estimates for San Francisco’s FY 2020/21 and 2021/22 STA County Share Block Grant funds.

Table 2. Estimated San Francisco STA County Block Grant Funds FY 2020/21 and 2021/22			
	Funds Recommended (April 2020)	Estimated Funds Available As of February 2021	Increase/ (Decrease)
FY 2020/21 Paratransit (operations) (SFMTA)	up to \$3,794,003	\$3,066,371*	(\$727,632)
FY 2021/22 Paratransit (operations) (SFMTA) (proposed)	N/A	up to \$3,012,914** (proposed)	N/A

* MTC will provide revised county share estimates in Fall 2021.

** Due to the uncertainty of forecasting STA revenues, MTC recommends that CMAs program 95% of their county’s estimated STA amount.

In FY 2021/22, San Francisco is projected to receive \$3,012,914, which is lower than previous years and very similar to FY 2020/21 estimates as of February 2021 based on the California Department of Finance’s diesel price forecast. We expect to receive actual FY 2020/21 revenues and updated FY 2021/22 revenue estimates in the fall, both of which will likely be higher than current estimates if the price of diesel fuel continues to increase. We recommend programming up to the estimated \$3,012,914 in FY 2021/22 funds to support SFMTA’s paratransit program operations including the Essential Trip Card, a program to help older adults and people with disabilities pay for essential trips in taxis during the COVID-19 pandemic.



Next Steps. Following Board approval of this item, we will provide the Board resolution to MTC by its May 1 deadline. We anticipate returning to the Board in Spring 2022 to program the FY 2022/23 STA revenues. At that time, we will assess the current STA revenue forecast and consider the status of SFMTA's operating revenues, as well as other factors to develop a recommendation about whether to continue directing all the funds toward SFMTA's paratransit program or to issue a call for projects for San Francisco's LTP.

FINANCIAL IMPACT

There are no impacts to the Transportation Authority's budget associated with the recommended action.

CAC POSITION

The Citizens Advisory Committee considered this item at its March 24, 2021 meeting and adopted a motion of support for the staff recommendation.

SUPPLEMENTAL MATERIALS

None.