



DATE: May 6, 2019

TO: Alameda County Transportation Commission

FROM: Patricia Reavey, Deputy Executive Director of Finance and Administration
Lily Balinton, Director of Finance

SUBJECT: Measure B and Measure BB Sales Tax Budget Update for FY2018-19

Recommendation

It is recommended that the Commission approve:

- An increase to the Alameda CTC Measure B sales tax revenue budget for FY2018-19 from the currently adopted amount of \$152.0 million to \$158.0 million for an increase of \$6.0 million and an increase in the corresponding direct local distribution expenditures based on the formulas established in the 2000 transportation expenditure plan, and
- An increase to the Alameda CTC Measure BB sales tax revenue budget for FY2018-19 from the currently adopted amount of \$152.0 million to \$158.0 million for an increase of \$6.0 million and an increase in the corresponding direct local distribution expenditures based on the formulas established in the 2014 transportation expenditure plan.

Summary

The proposed Measure B and Measure BB budget increases are 3.95 percent higher than the currently adopted budget. Based on receipts to date, sales tax revenues are projected to out-perform the original projection in the budget by 4.71 percent. Overall receipts in the 1st and 2nd quarters of the fiscal year were higher than budget by about 12.0 to 14.0 percent. However, since the California Department of Tax and Finance Administration (CDTFA) has taken over the administration of California sales tax funds, they have changed the methodology in which sales tax funds are distributed to recipients. The projected receipts received over the last couple of months are conservative estimates based on the new CDTFA calculation methodology. This revised projection exceeds last fiscal year's historical peak of actual collection levels of \$154.5 million and \$153.5 million for Measure B and Measure BB, respectively. These revised sales tax projections will be included as a budget adjustment to the FY2018-19 budget, increasing projected revenues overall by \$12.0 million and the corresponding direct local distribution budgeted expenditures based on the formulas established in the 2000 and 2014 transportation expenditure plans.

Background

An adjustment to sales tax revenues in the budget is not always necessary once it has been established, however, when actual revenues are coming in higher than budget, it is imperative that we ensure that the Agency has adequate legal expenditure authority to allow for the transfer of all direct local distribution funds to the member agencies as sales tax revenues are collected. For this reason, staff feels it is important for the Commission to adopt this sales tax revenues budget update for FY2018-19.

Fiscal Impact: The fiscal impact of approving the proposed FY2018-19 sales tax budget update would be to provide additional resources of \$12.0 million and authorize the corresponding direct local distribution expenditures based on the formulas established in the 2000 and 2014 transportation expenditure plans.