

STAFF REPORT

DATE: March 28, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: Jamie Adelman, Acting VP, Finance/CFO
SUBJ: AUTHORIZING THE GENERAL MANAGER/CEO TO SUBMIT
AND EXECUTE FEDERAL TRANSIT ADMINISTRATION
GRANTS FOR AMERICAN RESCUE PLAN ACT FUNDS

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approval of this action will allow the General Manager/CEO to submit and execute Federal Transit Administration (FTA) grants for American Rescue Plan Act of 2021 (ARP Act) funds for Fiscal Year (FY) 23 and later years' costs.

FISCAL IMPACT

Authorizes the General Manager/CEO to apply for ARP Act funding for FY23 and later years without requiring additional Sacramento Regional Transit District (SacRT) Board approvals. This approval will provide SacRT with access to \$103,983,264 in ARP Act funding to address ongoing revenue impacts related to COVID-19.

DISCUSSION

On March 11, 2021, the ARP Act was signed into law by President Biden. The Act provides \$30.46 billion in in grant funds to support the nation's public transit systems as they continue to respond and recover from the COVID-19 pandemic. The FTA is allocating, by statutory formula, \$26.1 billion nationwide to transportation agencies in urbanized areas to fund operating, capital, and other expenses eligible under the formula programs. SacRT's share of the ARP Act formula funding is \$103,983,264. In addition, SacRT will be applying for ARP Act funding for El Dorado County Transit Authority (\$946,103) and Paratransit, Inc. (\$1,750,000).

Since March 2020, when the state began imposing restrictions in response to the COVID-19 pandemic, ridership and fare revenues have generally declined, but costs overall have not. SacRT ridership currently stands at approximately 50% of pre-COVID levels. While some government mandates in response to COVID have been lifted, and others are anticipated to be lifted soon, it is unknown how quickly and to what extent ridership will return to pre-COVID levels.

ARP Act funding will be needed to offset anticipated continuing shortfalls in operating revenue. SacRT intends to apply ARP Act funding to FY23 and FY24 operating costs, and, if available, to operating costs in subsequent fiscal years. ARP funds expire in September 2029.

SacRT cannot request ARP Act funding for FY23 and subsequent years without Board approval. The Board will consider approval of the FY23 SacRT budget in mid-June 2022. Authorizing the General Manager/CEO to submit and execute the ARP Act grant now allows quicker access to ARP Act funds.

Staff recommends authorizing the General Manager/CEO to submit/execute FTA grants for ARP Act funds to expedite the receipt of these funds beginning in FY23 with authorization extending to subsequent years until ARP funds are no longer available.

RESOLUTION NO. 2022-03-027

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

March 28, 2022

**AUTHORIZING THE GENERAL MANAGER/CEO TO SUBMIT AND EXECUTE
FEDERAL TRANSIT ADMINISTRATION GRANTS FOR AMERICAN RESCUE PLAN
ACT FUNDS**

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the General Manager/CEO is hereby authorized to submit and execute Federal Transit Administration (FTA) grants for American Rescue Plan Act of 2021 (ARP Act) funds until all ARP Act funds to which SacRT is entitled have been expended.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary