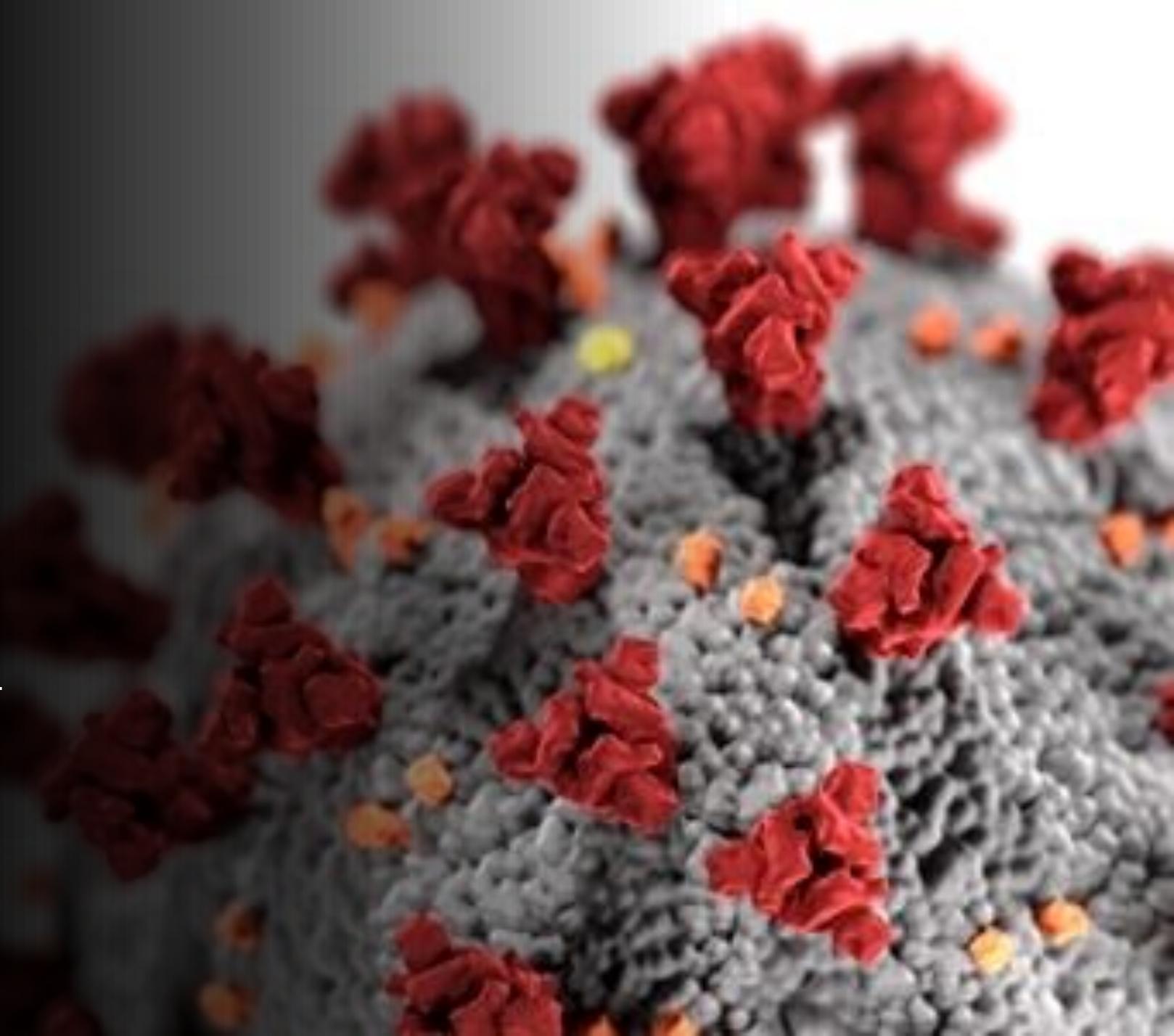




COVID-19 Impacts on Sales Tax



Sales Tax

- Sales tax for SJCOG is Local Transportation Fund (LTF) and Measure K for the Local Transportation Authority
- LTF is 1/4¢ of the statewide sales tax (Bradley Burns) based primarily on point of sale transactions
- Measure K is the voter-approved 1/2¢ sales and use tax on taxable transactions that can be both point of sale or delivered and used in San Joaquin County
- California Department of Tax and Fee Administration (CDTFA) makes payments to us 2 months in arrears. April payment represented February sales, May for March sales, June for April sales.

- This means, on an accrual basis, the FY doesn't end until August's payment representing June sales, so the actual COVID-19's impact on FY 19-20 won't be known until late August.
- And maybe not then: the Governor has granted many retail firms 3-month extensions for the March and April filing deadlines until June and July

Revenue Forecast Assumptions for Both LTF/LTA

- San Joaquin County unemployment went from 8.4% in March to 18.3% in April and likely will fall further in May. So:
- Estimates are based on the following assumptions and likely will be different, either up or down:
 - 50% reduction for April, May and June sales (compared to the same months last year) received in June, July and August to close out this fiscal year.
 - 50% reduction July, August and September
 - Decrease the shortfall to 25% for the next three months
 - zero reduction for the remainder of the FY.
- Recovery is at an average annual increase of 3.5%

Covid-19 Impact on Local Transportation Fund

Fiscal 18/19 year to date				Fiscal 19/20 year to date				Fiscal 20/21 year to date			
Sales Month	Payment Month	Payment Total	%Δ	Sales Month	Payment Month	Payment Total	%Δ	Sales Month	Payment Month	Payment Total	%Δ
Jul-18	Sep-18	2,756,365.67	-25.6%	Jul-19	Sep-19	2,967,738.47	7.7%	Jul-20	Sep-20	1,483,869.24	-50.0%
Aug-18	Oct-18	3,843,564.38	94.2%	Aug-19	Oct-19	3,703,000.20	-3.7%	Aug-20	Oct-20	1,851,500.10	-50.0%
Sep-18	Nov-18	2,740,344.57	3.8%	Sep-19	Nov-19	3,074,133.32	12.2%	Sep-20	Nov-20	1,537,066.66	-50.0%
Oct-18	Dec-18	2,938,452.68	-18.5%	Oct-19	Dec-19	2,895,214.68	-1.5%	Oct-20	Dec-20	2,171,411.01	-25.0%
Nov-18	Jan-19	2,775,032.59	35.1%	Nov-19	Jan-20	3,040,398.88	9.6%	Nov-20	Jan-21	2,280,299.16	-25.0%
Dec-18	Feb-19	4,181,048.44	52.7%	Dec-19	Feb-20	3,805,561.20	-9.0%	Dec-20	Feb-21	2,854,170.90	-25.0%
Jan-19	Mar-19	2,717,267.88	-18.4%	Jan-20	Mar-20	2,582,072.03	-5.0%	Jan-21	Mar-21	2,582,072.03	0.0%
Feb-19	Apr-19	3,147,529.77	69.3%	Feb-20	Apr-20	2,827,349.93	-10.2%	Feb-21	Apr-21	2,827,349.93	0.0%
Mar-19	May-19	2,299,090.43	-34.6%	Mar-20	May-20	2,298,365.93	0.0%	Mar-21	May-21	2,298,365.93	0.0%
Apr-19	Jun-19	2,749,708.07	13.7%	Apr-20	Jun-20	1,374,854.04	-50.0%	Apr-21	Jun-21	1,374,854.04	0.0%
May-19	Jul-19	3,290,334.98	26.7%	May-20	Jul-20	1,645,167.49	-50.0%	May-21	Jul-21	1,645,167.49	0.0%
Jun-19	Aug-19	2,681,776.83	10.6%	Jun-20	Aug-20	1,340,888.42	-50.0%	Jun-21	Aug-21	1,340,888.42	0.0%
		36,120,516.29	9.9%			31,554,744.58	-12.6%			24,247,014.90	-23.2%

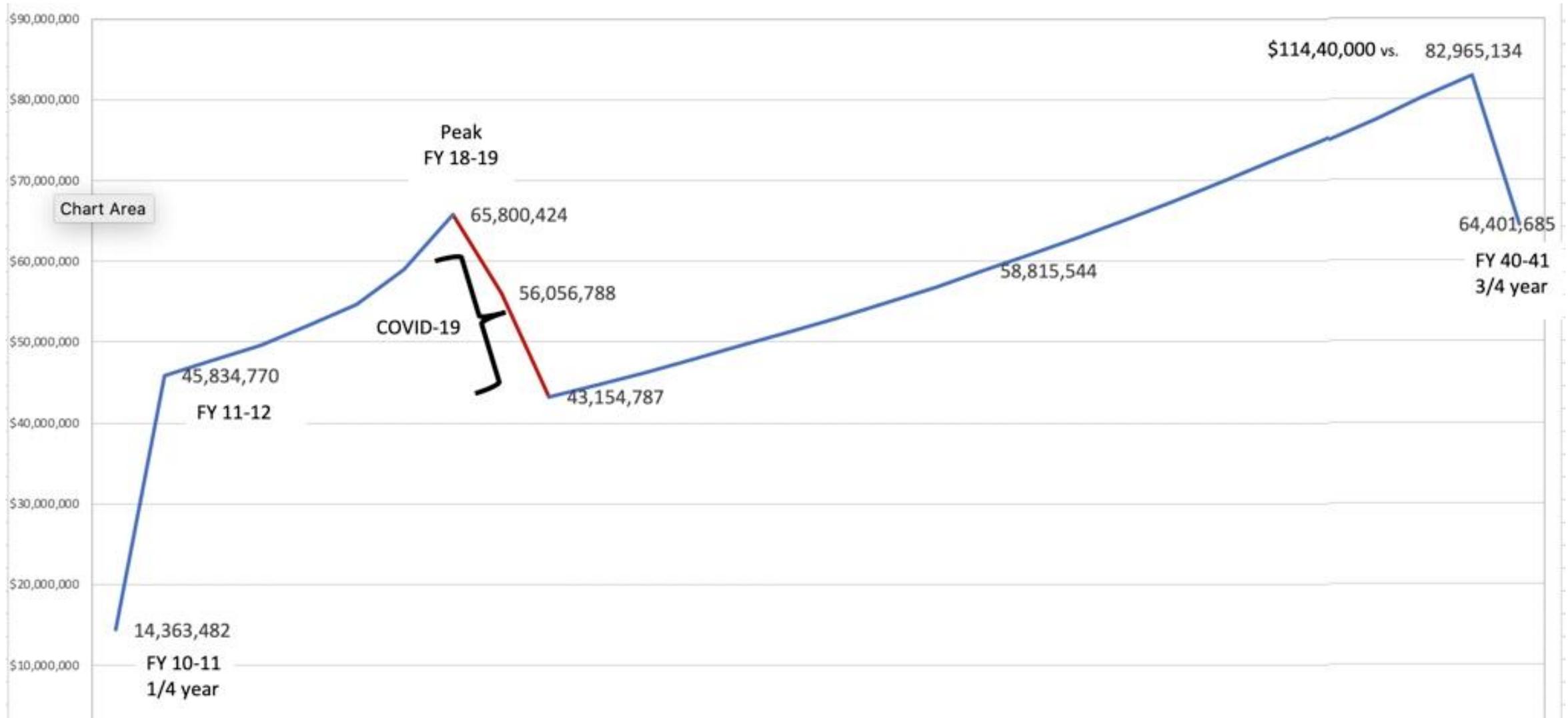
TABLE 1			
LOCAL TRANSPORTATION FUND			
REVISED REVENUE ESTIMATE AND APPORTIONMENT			
FISCAL YEAR: 2019-20		Original Est.	
		Adopted Sept 2019	
REVISED REVENUE FY 2019-20	\$ 31,554,745	\$ 37,204,131	-5,649,386.42
RECOMMENDATIONS			
I. LESS ADMINISTRATIVE ALLOCATIONS			
COUNTY AUDITOR*	2,000	2,000	0.00
COG TDA ADMINISTRATION*	290,000	290,000	0.00
A. COG TRANSPORTATION PLANNING			
2.9% PLANNING APPORTIONMENT**	915,088	1,078,920	-163,832.21
	30,347,657	35,833,211	
B. COUNTY AND CITIES			
2% BICYCLE/PEDESTRIAN** APPORTIONMENT	606,953	716,664	-109,711.08
	29,740,704	35,116,547	
C. SAN JOAQUIN REGIONAL RAIL COMMISSION **			
11.50%	3,420,181	4,038,403	-618,221.96
	26,320,523	31,078,144	
D. ARTICLE 4.5 -Consolidated Transportation Service Agency			
2% APPORTIONMENT	526,410	552,774	-26,363.54
II. BALANCE AVAILABLE FOR 2018-19 BY AREA APPORTIONMENT ARTICLE 4 AND ARTICLE 8 PURPOSES**			
	25,794,112	30,525,370	-4,731,257.63
*Upon adoption by the COG Board, these amounts are fixed and will be apportioned "off the top".			
**These amounts will vary with actual revenues received.			
See Table 2 for breakdown of 2% bicycle/pedestrian funds and general purpose revenues.			

TABLE 1 LOCAL TRANSPORTATION FUND REVENUE ESTIMATE AND APPORTIONMENT FISCAL YEAR: 2020-21				
		Revised		
		19-20 Estimate		% change
ESTIMATED REVENUE FY 2020-21		\$ 24,247,015	\$ 31,554,745	\$ (7,307,729.68) -23%
RECOMMENDATIONS				
I. LESS ADMINISTRATIVE ALLOCATIONS				
COUNTY AUDITOR*	2,000		2,000	0
COG TDA ADMINISTRATION*	290,000		290,000	0
A. COG TRANSPORTATION PLANNING				
2.9% PLANNING APPORTIONMENT**	703,163		915,088	-211,924 -23%
		23,251,851	30,347,657	-7,095,806 -23%
B. COUNTY AND CITIES				
2% BICYCLE/PEDESTRIAN** APPORTIONMENT	465,037		606,953	-141,916.11 -23%
		22,786,814	29,740,704	-6,953,889.41 -23%
C. SAN JOAQUIN REGIONAL RAIL COMMISSION **				
11.50%	2,620,484		3,420,181	-799,697.28 -23%
		20,166,331	26,320,523	-6,154,192.13 -23%
D. ARTICLE 4.5 -Consolidated Transportation Service Agency				
2% APPORTIONMENT		403,327	526,410	-123,083.84 -23%
II. BALANCE AVAILABLE FOR 2018-19 BY AREA APPORTIONMENT ARTICLE 4 AND ARTICLE 8 PURPOSES**				
		19,763,004	25,794,112	-6,031,108.28 -23%
*Upon adoption by the COG Board, these amounts are fixed and will be apportioned "off the top". **These amounts will vary with actual revenues received. See Table 2 for breakdown of 2% bicycle/pedestrian funds and general purpose revenues.				

COVID-19 IMPACT ON MEASURE K

Fiscal 18/19 year to date				Fiscal 19/20 year to date				Fiscal 20/21 year to date			
Sales Month	Payment Month	Payment Total		Sales Month	Payment Month	Payment Total		Sales Month	Payment Month	Payment Total	
Jul-18	Sep-18	4,931,681.30	-14.7%	Jul-19	Sep-19	5,319,789.92	7.9%	Jul-19	Sep-19	2,659,894.96	-50.0%
Aug-18	Oct-18	6,864,626.65	80.8%	Aug-19	Oct-19	6,597,401.78	-3.9%	Aug-19	Oct-19	3,298,700.89	-50.0%
Sep-18	Nov-18	5,675,996.54	12.1%	Sep-19	Nov-19	4,909,883.80	-13.5%	Sep-19	Nov-19	2,454,941.90	-50.0%
Oct-18	Dec-18	5,475,994.48	-7.1%	Oct-19	Dec-19	5,305,106.02	-3.1%	Oct-19	Dec-19	3,978,829.52	-25.0%
Nov-18	Jan-19	5,341,727.72	33.3%	Nov-19	Jan-20	5,457,644.30	2.2%	Nov-19	Jan-20	4,093,233.23	-25.0%
Dec-18	Feb-19	6,493,105.67	21.5%	Dec-19	Feb-20	7,191,104.64	10.7%	Dec-19	Feb-20	5,393,328.48	-25.0%
Jan-19	Mar-19	5,206,576.61	-5.4%	Jan-20	Mar-20	4,487,070.69	-13.8%	Jan-20	Mar-20	4,487,070.69	0.0%
Feb-19	Apr-19	5,504,090.02	58.3%	Feb-20	Apr-20	4,756,596.02	-13.6%	Feb-20	Apr-20	4,756,596.02	0.0%
Mar-19	May-19	4,070,697.62	-37.7%	Mar-20	May-20	3,914,227.02	-3.8%	Mar-20	May-20	3,914,227.02	0.0%
Apr-19	Jun-19	5,220,099.51	17.4%	Apr-20	Jun-20	2,610,049.76	-50.0%	Apr-20	Jun-20	2,610,049.76	0.0%
May-19	Jul-19	6,008,888.13	24.5%	May-20	Jul-20	3,004,444.07	-50.0%	May-20	Jul-20	3,004,444.07	0.0%
Jun-19	Aug-19	5,006,940.10	13.6%	Jun-20	Aug-20	2,503,470.05	-50.0%	Jun-20	Aug-20	2,503,470.05	0.0%
		65,800,424.35	11.4%			56,056,788.06	-17.382%			43,154,786.57	-29.897%

Measure K Annual Revenue (2011-2041)



Overall Measure K Impacts

- Under these assumptions, the new total 30-year MK revenue is ~\$1.7 billion
- Down from post-Great Recession revenue estimate of ~\$2.6 billion
- Between the 2 downturns, 70% lost from 2006 revenue estimate of \$5.6 billion
- Immediate reduction to quarterly Local Street Repair/Safety allocations
- Lengthening of Regional Arterial project scheduling

Positive news

- March sales (received in May) was flat in LTF and down only 3.8% in MK
- It appears stimulus checks are being spent
- Housing sales continue to be closing in south county. River Islands reports best ever sales in April and strong in March
 - Construction and materials generate sales tax
 - Population growth increases sales tax base
- County beginning to re-open
 - Spending more on taxable sales
 - Re-employing the labor force
 - Increased mobility generating sales tax on gas
 - Pent-up demand for goods and services

Q&A?