



DATE: October 12, 2020

TO: Transportation Authority of Marin Funding, Programs and Legislation Executive Committee

FROM: Anne Richman, Executive Director *Anne Richman*
Dan Cherrier, Principal Project Delivery Manager

SUBJECT: Update on COVID-19 Impacts on the Marin Safe Routes to Schools Program (Discussion), Agenda Item 7

RECOMMENDATION

Discussion Item, review and consider the impacts of COVID-19 on the Marin Safe Routes to Schools (SR2S) Program revenues and scope.

BACKGROUND

Established in 2000, Marin County's SR2S Program is an award-winning program designed to reduce congestion around schools, while instilling healthy habits in children and creating a safer and cleaner environment for all. The Program consists of classroom education, special events, infrastructure improvements, and other strategies that aim to increase the number of non-motorized (walk and bicycle) and high occupancy vehicle (carpool and transit) trips to and from schools.

Marin's SR2S Program has been in operation for 20 years and with the passage of a dedicated funding source from the Measure A/AA ½-cent Transportation Sales Tax, TAM became the administrator of the program in 2005. Under TAM's administration, the program has expanded to include over 50 schools and involvement of over 25,000 students.

During the presentation of the FY21 TAM Measure AA Strategic Plan, staff noted that the SR2S Program was solvent for the current year and that we would return in the fall with further information. This item presents an update on program activities and on the program's financial forecast.

The SR2S Program has continued in a virtual format since the COVID-19 related shelter in place began this past March. The schools have worked with the SR2S team to allow for the educational programs to continue without interruption. Several schools have recently announced plans to return small cohorts of students to in-person instruction. The SR2S team is currently determining if some of the educational program should return to an in-person format or continue in a virtual format.

The Program is managed by a team led by Parisi Transportation Consultants (PTC). PTC is entering the third year of a three-year contract with options for two additional years. Sub-contractors include the Marin County Bicycle Coalition and Kallins Consulting.

DISCUSSION/ANALYSIS

Revenues: The table below shows a 5-year comparison of the sales tax revenue forecast for the SR2S Program adopted in June 2020, with last year’s Strategic Plan revenue forecast (adopted in June 2019). The cumulative reduction in revenues for the Program at the end of the 5-year period is more than \$800,000.

Safe Routes to Schools Program Revenues (Measure AA)					
	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Adopted June 2020	\$664,601	\$623,454	\$603,909	\$585,455	\$607,768
Adopted June 2019	\$729,569	\$751,767	\$774,520	\$797,841	\$876,194
Difference (2020 less 2019)	(\$64,968)	(\$128,313)	(\$170,611)	(\$212,386)	(\$268,429)

TAM has been very successful in obtaining one-time funding in the past. Examples include federal and state safe routes to school funding as well as the Non-Motorized Transportation Pilot for Street Smarts. Unfortunately, those funds are no longer available. However, these additional funds have allowed the program to operate at an expanded level for many years and have also helped to preserve the available Measure A/AA funds. The Program has a reserve of approximately \$1.4 million as of June 30, 2020.

This reserve has allowed the Program to operate in the \$950,000 annual range for the last few years. The reserve would have allowed the Program to maintain the current level of service for many years if the revenue trend continued as expected in June 2019. Unfortunately, the reduced cash flows associated with the current recession have accelerated the need to draw down the available reserve level.

Given the updated revenue projections, staff has worked with the current SR2S team to reduce some Program elements for this year. Two main areas were identified, that are anticipated to allow the program to reduce expenses but still maintain the core school-centered services as well as maintain program staffing. The proposed changes are:

- 1) The Street Smarts Program will not be deployed for the 2020/2021 School Year, and the revenues normally associated with the program will instead be used for other SR2S services. The Street Smarts Program provided targeted messaging including banners with safety messages, displayed on streets throughout the county during the school year. The program is in need of an overhaul however, as the current banners have reached the end of their life cycle, and new messaging is appropriate. The team is planning to spend this off-year to propose a revised Street Smarts Program.
- 2) Existing SR2S Maps will be updated, but new ones will not be created for this current year.

These two modifications to the SR2S Program should net a savings of near \$100,000 to \$150,000 for the current year.

Staff is also working with the consultant team to determine what a \$750,000 annual program would look like, in order to better align with expected revenues in the long term. Fortunately, the available reserve allows for changes to the Program to be incorporated gradually.

FISCAL CONSIDERATION

With the trimmed down program expenditures, sufficient funds exist to maintain the SR2S Program for the current school year and for many years after. Please refer to the table below.

Safe Routes to Schools Program Reserve (Measure A/AA/B)							
	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Expected Revenue	\$660,000	\$640,000	\$620,000	\$610,000	\$630,000	\$650,000	\$670,000
Expected Program Cost	\$800,000	\$850,000	\$850,000	\$800,000	\$800,000	\$750,000	\$750,000
Available Reserve (at end of year)	\$1.26 M	\$1.05 M	\$820,000	630,000	\$460,000	\$360,000	\$280,000

Note: expected revenue includes \$25,000 from the Vehicle Registration Fee for Street Smarts except for the current year. Program costs increase in FY 21/22 due to the return of the Street Smarts Program.

Using the above projections, the program is sustainable at about an \$800-850,000 annual level for the next five years. By FY 25/26 the Program will operate at the \$750,000 level that will gradually increase with expected sales tax growth. At that point, the SR2S Program would be operating at approximately 75% of the current level, if no additional funding were available. Beginning in FY 27/28 available revenue exceeds the \$750,000 level and no further reduction of the Reserve is expected. The large increase after FY 26/27 is due to the Measure AA reserve “off the top” collection being completed.

In contrast, if no changes are made, at a \$950,000 annual cost level, the program would draw down the available reserves in about four years. In addition, as Program costs increase over time, just to maintain the current level of service would require greater than \$950,000 in expenditures in the later years.

NEXT STEPS

Continue to monitor actual revenues and costs. Continue to explore one-time revenue sources. Determine by early 2021 if an extension to the contact with the current team is warranted or begin the process for a Request for Proposal (RFP). Staff will return to the Board with updates.

ATTACHMENTS

None

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