

## MEMORANDUM

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DATE: May 6, 2020  
TO: Member Agencies  
FROM: Stacie Guzman, Executive Director  
RE: Notice of Local Project Funding Allocation Formula Update for FY 2020-2021

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### Local Project Funding Allocation Formula

The Measure V Expenditure Plan (Plan), as passed by Merced County voters in November 2016 and amended by the MCAG Governing Board in May 2018, states:

*The funds for the Local Projects program will be allocated annually to local jurisdictions (the Cities and the County) using a formula as follows:*

- 1. A base amount of \$150,000 will be allocated to each jurisdiction;*
- 2. The remaining funds will be allocated based on the average of the jurisdiction's share of the total countywide population and their share of the total countywide public maintained road miles. For example, if a jurisdiction has 35% of the population and 75% of the road miles they will be allocated 55% of the funds remaining after the base amounts are allocated.*

The Local Project Funding agreements executed between each jurisdiction and MCAG state:

*Article I, Paragraph A(2) – Recipient allocations are subject to change based on variations of annual population figures and percent of road miles pursuant to Article II Paragraph A(2) herein.*

*Article II, Paragraph A(2) – MCAG shall annually update the Measure V revenue projections and the resulting fund allocation formulas to reflect the most current population using the California Department of Finance's annual population estimates (Report E-1 published annually in May) and the Maintained Miles by jurisdiction as published in the most current California Public Road Data. MCAG shall use the updated Local Projects allocation formulas in the allocations beginning July 1 of each new fiscal year, which is from July 1 to June 30. MCAG shall provide the RECIPIENT prompt notice of any update to the allocation formulas and MCAG's application of the updated formula to the RECIPIENT's allocation.*

### Allocation Formula Update for FY 2020-21

Based on the direction provided in the Expenditure Plan and current Local Project Funding Agreements summarized above, MCAG updated the Local Projects Funding Allocation formula to be implemented with revenue collected after June 30, 2020. Per the Expenditure Plan and Local Projects Funding Agreements, the update to the allocation formula reflects the most recent changes to population and road miles data.

<b>POPULATION DATA BY JURISDICTION</b>					
	<b>2018 Population</b>	<b>2018 % of Total</b>	<b>2020 Population</b>	<b>2020 % of Total</b>	<b>% Change Population</b>
Atwater	31,235	11.16 %	31,378	11.07 %	0.5 %
Dos Palos	5,679	2.03 %	5,546	1.96 %	- 2.3 %
Gustine	5,874	2.10 %	5,875	2.07 %	0.2 %
Livingston	14,328	5.12 %	15,052	5.31 %	5.1 %
Los Banos	40,986	14.64 %	41,923	14.79 %	2.3 %
Merced	86,750	30.98 %	88,120	31.08 %	1.6 %
County of Merced	95,125	33.98 %	95,627	33.73 %	0.5 %
Total Population	279,977	100 %	283,521	100 %	1.3 %

<b>ROAD MILES DATA BY JURISDICTION</b>					
	<b>2016 Road Miles</b>	<b>2016 % of Total</b>	<b>2018 Road Miles</b>	<b>2018 % of Total</b>	<b>% Change Road Miles</b>
Atwater	103.70	3.64 %	96.12	3.84 %	- 7 %
Dos Palos	22.83	0.81 %	22.83	0.91 %	0 %
Gustine	21.97	0.78 %	21.89	0.87 %	0 %
Livingston	46.97	1.66 %	46.52	1.86 %	- 1 %
Los Banos	129.61	4.58 %	127.32	5.08 %	- 2 %
Merced	273.51	9.66 %	270.04	10.78 %	- 1 %
County of Merced	2,233.95	78.88 %	1,921.31	76.67 %	- 14 %
Total Miles	2,831.92	100 %	2,506.03	100 %	- 12 %

<b>FUNDING ALLOCATION PERCENTAGE BY JURISDICTION</b>			
<b>(% Road Miles + % Population) ÷ 2 = Allocation %</b>			
	<b>2019 Allocation %</b>	<b>2020 Allocation %</b>	<b>% Change</b>
Atwater	7.40 %	7.45 %	0.6 %
Dos Palos	1.42 %	1.43 %	1.2 %
Gustine	1.44 %	1.47 %	2.5 %
Livingston	3.39 %	3.58 %	5.8 %
Los Banos	9.61 %	9.93 %	3.4 %
Merced	20.32 %	20.93 %	3.0 %
County of Merced	56.43 %	55.20 %	- 2.2 %
Total	100 %	100 %	

## **COVID-19 Impacts on Revenue**

Staff expects that due to the economic impact of COVID-19 and the fact that Measure V revenue is entirely derived from a one-half cent sales tax, there will be a reduction in revenue from the prior fiscal year (~\$18 million per year). As the exact reduction in revenue generated remains unknown, three sets of estimates are provided in this memo: Measure V FY 2020-21 revenue of \$15 million, \$13.5 million, and \$12 million. (See next page)

### **Data Sources**

#### 2018 Road Miles:

California Public Road Data 2018, Table 6 - Merced County  
Caltrans, November 2019

<https://dot.ca.gov/programs/research-innovation-system-information/highway-performance-monitoring-system>

#### 2016 Road Miles:

California Public Road Data 2016, Table 6 - Merced County  
Caltrans, March 2018

<https://dot.ca.gov/programs/research-innovation-system-information/highway-performance-monitoring-system>

#### 2020 Population:

E-1 Population Estimates for Cities, Counties and the State with Annual Percent Change — January 1, 2019 and 2020.

California Department of Finance, May 2020.

<http://www.dof.ca.gov/Forecasting/Demographics/Estimates/E-1/>

2018 Population: from the E-1 report published May 2018.

### **Contact**

Please direct questions to Matt Fell at [matt.fell@mcagov.org](mailto:matt.fell@mcagov.org) (209)723-3153 x 128.

**Estimated Measure V Local Projects Funding Allocations by Jurisdiction for FY 2020-2021**  
**Three scenarios of overall revenue**

Note: at least 20% of Local Projects Funding must be spent on Alternative Modes.

If overall program revenue is <b>\$15 million</b> in FY 2020-21			
	<b>Annual Base Amount</b>	<b>50/50 Formula Amount</b>	<b>Estimated Annual Allocation</b>
Atwater	\$ 150,000	\$ 480,616	\$ 630,616
Dos Palos	\$ 150,000	\$ 92,465	\$ 242,465
Gustine	\$ 150,000	\$ 94,997	\$ 244,997
Livingston	\$ 150,000	\$ 231,080	\$ 381,080
Los Banos	\$ 150,000	\$ 640,714	\$ 790,714
Merced City	\$ 150,000	\$ 1,349,862	\$ 1,499,862
County	\$ 150,000	\$ 3,560,266	\$ 3,710,266
<b>Total</b>	<b>\$ 1,050,000</b>	<b>\$ 6,450,000</b>	<b>\$ 7,500,000</b>

If overall program revenue is <b>\$13.5 million</b> in FY 2020-21			
	<b>Annual Base Amount</b>	<b>50/50 Formula Amount</b>	<b>Estimated Annual Allocation</b>
Atwater	\$ 150,000	\$ 424,730	\$ 574,730
Dos Palos	\$ 150,000	\$ 81,713	\$ 231,713
Gustine	\$ 150,000	\$ 83,951	\$ 233,951
Livingston	\$ 150,000	\$ 204,210	\$ 354,210
Los Banos	\$ 150,000	\$ 566,212	\$ 716,212
Merced City	\$ 150,000	\$ 1,192,902	\$ 1,342,902
County	\$ 150,000	\$ 3,146,282	\$ 3,296,282
<b>Total</b>	<b>\$ 1,050,000</b>	<b>\$ 5,700,000</b>	<b>\$ 6,750,000</b>

If overall program revenue is <b>\$12 million</b> in FY 2020-21			
	<b>Annual Base Amount</b>	<b>50/50 Formula Amount</b>	<b>Estimated Annual Allocation</b>
Atwater	\$ 150,000	\$ 368,844	\$ 518,844
Dos Palos	\$ 150,000	\$ 70,961	\$ 220,961
Gustine	\$ 150,000	\$ 72,905	\$ 222,905
Livingston	\$ 150,000	\$ 177,341	\$ 327,341
Los Banos	\$ 150,000	\$ 491,711	\$ 641,711
Merced City	\$ 150,000	\$ 1,035,941	\$ 1,185,941
County	\$ 150,000	\$ 2,732,297	\$ 2,882,297
<b>Total</b>	<b>\$ 1,050,000</b>	<b>\$ 4,950,000</b>	<b>\$ 6,000,000</b>