STAFF REPORT

MEETING DATE:	**April 30, 2026**
SUBJECT:	**Adopt Fiscal Year 2026/27 Overall Work Program**
AGENDA ITEM:	**11**
STAFF CONTACT:	**Michael Kuker, CNU-A, Senior Transportation Planner**

SUMMARY:
The agency's Overall Work Program (OWP) and planning budget for Fiscal Year (FY) 2026/27 has been prepared in consultation with federal, state, and local agency partners. It includes budgets for SRTA staff time, consultant services, support services, direct expenses, administrative overhead, and pass-through to eligible subrecipients of regional funds. The FY 2026/27 budget of $4,593,446 is fully funded by anticipated revenue.

STAFF RECOMMENDATION:
It is recommended that the board of directors:

1. Approve the FY 2026/27 Overall Work Program, pursuant to Resolution 26-02 (Attachment A) including a cost-of-living adjustment of two percent for all job classifications, effective July 1, 2026;
2. Authorize the executive director to sign the FY 2026/27 Overall Work Program Agreement and certifications and assurances that all requirements have been met, including future amendments to these documents as needed;
3. Authorize the executive director to make administrative edits to the OWP to correct errors and address further comments from state and federal partners as part of the approval process; and
4. Authorize the executive director to sign the FY 2026/27 Indirect Cost Allocation Plan (ICAP) submission certification.

DISCUSSION:
Background – The OWP covers all planning and programming related activities for the agency. The scope of work addresses the agency's core planning functions and puts the regional transportation plan and regional planning priorities for the fiscal year into action. In addition to serving as the agency's detailed work plan and budget, the OWP:

- Ensures consistency with available revenues and eligible activities which are reviewed by SRTA's funding partners including Caltrans, the Federal Highway Administration, and the Federal Transit Administration;
- Provides opportunities for public participation in SRTA's planning and budgeting processes; and
- Establishes levels of direct funding support that SRTA may provide to local agency partners and other eligible subrecipients.

SRTA Board of Directors and Member Agency Review – Regional planning priorities for FY 2026/27 were presented to the board of directors in December 2025 for feedback, and the draft OWP was presented in February 2026. Draft and final versions of the FY 2026/27 OWP were provided to SRTA's Technical Advisory Committee (TAC) and presented at TAC meetings in February and April 2026.

Interagency Review – Each year SRTA's state and federal funding partners review and provide comments on the draft OWP. Comments from federal and state agencies were provided on March 27, 2026. This year, comments from federal and state partners were primarily technical and minor in nature, with an emphasis on alignment with federal and state goals.

Fiscal and Work Program Highlights – For FY 2026/27, the OWP budget is $4,593,446. A complete budget breakdown, including revenues and expenditures by fund source and work element, is provided in Attachment B. Compared to the originally adopted FY 2025/26 OWP budget, the FY 2026/27 OWP planning budget is $89.764 higher, primarily due to the Caltrans requirement to fully program discretionary grants and a six month extension for the data dashboard project to complete travel model component updates relying on software vendor assistance. Year-to-year variations are common, due to changes in grant-funded activities and grant requirements to initially program the full amount of a new grant in the year the award is anticipated to be made.

For FY 2026/27, one new work element was added in anticipation of possible competitive grant awards to be announced this summer: Shasta NextGen Railroad Corridor Crossing Plan (Work Element 707.13), would address mobility, connectivity, and safety challenges posed by the region's railroad crossings, which was supported by partner agencies. The project is a multi-year $450,000 planning effort that would be funded with competitive grant funds and regional match, however, the full project amount must be programmed in the potential year of award (i.e., FY 2026/27). Secondly, additional SB 1 formula planning funds were added to evaluate real world benefits and outcomes of individual and combined Sustainable Communities Strategies implemented in the region since SB 375 was passed in 2008 (Work Element 701.19). Lastly, all or part of previously received grant funds are programmed in the FY 2026/27 OWP.

Indirect Cost Allocation Plan (ICAP) – The ICAP sets the rate whereby SRTA may be reimbursed for salaries and associated employer payroll costs (fringe benefits) that cannot be assigned to a specific work element or project. Anticipated indirect expenses for building improvements and repairs; retirement expenses; office supplies and equipment; professional services (e.g., audits, legal, human resources); and staff hours billed to indirect reflect a greater share of the overall budget than what may be reimbursed under SRTA's current ICAP rate of 194.79 percent. Staff estimates the ICAP rate for FY 2026/27 will be 199.62 percent. SRTA's FY 2026/27 ICAP Rate Calculation submission will be sent to the Caltrans Independent Office of Audits and Investigations after the board meeting for review and approval. Any changes to the agreed ICAP rate between SRTA and Caltrans would be reflected in a future OWP amendment.

Cost of Living Adjustment – On July 1, 2024, the board of directors approved updated job classifications and an updated salary compensation schedule after completion of a long-delayed agency-wide compensation review, which increased SRTA's personnel budget by four and a half percent (4.5%). Additionally, a maximum three percent cost-of-living adjustment (COLA) for FY 2025/26, starting July 1, 2025, was approved. Rather than take a multi-year COLA approach, the board of directors requested staff bring this topic back toward the end of FY 2025/26 and present recommendations for board consideration. This is consistent with SRTA policies to have a compensation program designed to attract, retain, motivate, and reward the best possible workforce in an equitable manner. This is maintained by conducting periodic review of agency compensation against comparable agencies to ensure compensation remains competitive.

Consistent with prior direction, staff reviewed the federal Consumer Price Index (CPI) for Urban Consumers for the State of California. The CPI rate at the end of calendar year 2025 was 3.1% (formula on next page).

$$\frac{\text{Annual Average 2025 - Annual Average 2024}}{\text{Annual Average 2024}} = \frac{352.508 - 341.951}{341.951} = 3.1\%$$

Staff reviewed to see what comparable agencies were doing. Seven of the ten comparable regional agencies provided information as follows for FY 2026/27: 4% COLA (1 agency), 3% COLA (4 agencies), 2.8% COLA (1 agency), In discussions/TBD (1 agency). The executive director provided this information to the Fiscal & Policy Committee presenting rates from 2.5% to 3.0%. ***The current budget reflects the Fiscal & Policy Committee's recommendation of a 2.0% COLA for all job classifications, effective July 1, 2026.*** This would increase the personnel costs $27,748, or 1.1%. If a 3.0% COLA were to be approved, it would be an additional increase of $13,905 for salaries and benefits, or a total increase of $41,653 (2.5% of personnel budget) with no COLA.

ALTERNATIVES:

The board of directors may modify the FY 2026/27 OWP work plan and associated budgets, provided the changes are consistent with project funding eligibility requirements and agreements with Caltrans, the Federal Highway Administration, and the Federal Transit Administration. The board of directors may direct staff to further evaluate cost-of-living-adjustment information and table action on this item until a future meeting.

OTHER AGENCY INVOLVEMENT:

The OWP is approved by state and federal funding partners, including Caltrans, the Federal Highway Administration, and the Federal Transit Administration. The Technical Advisory Committee (TAC) met on April 15, 2026, to review and discuss the OWP.

FISCAL AND POLICY COMMITTEE:

The Fiscal & Policy Committee received an update on the FY 2026/27 OWP and discussed potential cost-of-living adjustments. The Committee is recommending a COLA of 2%, effective July 1, 2026, for all job classifications, which the proposed budget reflects. Additionally, it was discussed that the board of directors and executive director should consider maintaining an annual evaluation of compensation.

FISCAL IMPACT:

The proposed FY 2026/27 OWP budget of $4,593,446 is consistent with anticipated revenues. If the board proposes any other budget changes, staff would make the necessary adjustments to the OWP before submitting a final OWP to federal and state funding partners for approval. Should anticipated grant funds not be awarded or revenues decrease for any reason, staff will return to the board of directors at a future meeting recommending changes, including potentially eliminating work tasks and/or reallocating funds, provided such changes are consistent with available funding and eligible activities.

Sean Tiedgen, AICP, Executive Director

Attachments:

A: Resolution 26-02, Adopt Fiscal Year 2026/27 Overall Work Program and Budget
B: FY 2026/27 Overall Work Program is available online at:
https://www.srta.ca.gov/148/Overall-Work-Program

RESOLUTION 26-02

A RESOLUTION OF THE SHASTA REGIONAL TRANSPORTATION AGENCY ADOPTING THE FISCAL YEAR 2026/27 OVERALL WORK PROGRAM AND BUDGET

WHEREAS, the Federal Highway Administration and Federal Transit Administration, as a condition to the allocation of federal transportation planning funds, require each Metropolitan Planning Organization (MPO) to annually develop a comprehensive Overall Work Program (OWP) as a planning, programming, and budgeting tool for the coming fiscal year; and

WHEREAS, Shasta Regional Transportation Agency (SRTA) is the designated MPO for the Shasta County region; and

WHEREAS, SRTA developed the Fiscal Year (FY) 2026/27 OWP with work elements that have been reviewed by both state and federal funding agencies; and

WHEREAS, said OWP has been found to conform to all state and federal planning requirements and to reflect the priorities, scope of work, and level of effort required for regional transportation planning; and

WHEREAS, Section 5.05.040 of SRTA's Human Resources Policies and Procedures outline that SRTA's compensation program is designed to attract, retain, motivate, and reward the best possible workforce in an equitable manner while seeking to provide competitive pay in relation to the job market, job responsibilities, and the required level of expertise, where agency circumstances allow; and

WHEREAS, periodically, as part of the board of directors' review of Salary and Benefits, the executive director or authorized designee will review the compensation plan to evaluate current market value and labor market inflation and recommend ranges be adjusted to reflect market changes; and

WHEREAS, the Fiscal and Policy Committee and SRTA Board of Directors reviewed the results of staff's recent cost-of-living adjustment comparisons and desires to provide compensation that is in line with comparable agencies; and

WHEREAS, the SRTA Board of Directors may approve changes to compensation plans for all job classifications by resolution and may adjust compensation in the executive director's employment agreement by resolution without amending said agreement; and

NOW, THEREFORE, BE IT RESOLVED by the Board of the Directors of the Shasta Regional Transportation Agency that SRTA:

1. Approves and adopts the FY 2026/27 Overall Work Program and budget; and
2. Approves a cost-of-living adjustment of two percent (2.0%) for all job classifications, effective July 1, 2026; and
3. Authorizes the executive director to make minor administrative changes and corrections as needed in response to further comments provided by approving agencies; and
4. Authorizes the executive director to sign annual certifications and assurances that all funding program requirements have been met.

PASSED AND ADOPTED this 30th day of April 2026, by the Board of Directors of the Shasta Regional Transportation Agency.

ATTEST:

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Kevin Crye, Chair
Shasta Regional Transportation Agency

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Sean Tiedgen, AICP, Executive Director
Shasta Regional Transportation Agency