

February 11, 2026

Proposed FY 2027 ITOC Annual Operating Budget

Overview

The TransNet Extension Ordinance provides \$250,000 annually, adjusted for inflation, to cover costs incurred in administering the TransNet Independent Taxpayer Oversight Committee (ITOC) activities. Costs such as mileage, advertisement, postage, and consulting service expenses, along with salaries and benefits of SANDAG staff who support the ITOC, are eligible.

Key Considerations

For FY 2027, the proposed ITOC operating budget is \$864,688 (Attachment 1). The budget includes SANDAG staff costs, consultant fees for the annual fiscal and triennial performance audits, and other miscellaneous costs to support ITOC meetings and administration. The budget is supported by the \$562,426 annual allocation and \$302,262 in carryover funding from prior allocations. The additional unbudgeted carryover balance, to be used for future ITOC activities in FY 2028 and beyond, is \$388,943.

The FY 2027 budget is significantly higher than FY 2025 and FY 2026. This is due to the cost of conducting the Triennial Performance Audit in the upcoming year, which includes \$340,423 in consultant fees and a \$73,462 increase in SANDAG salaries, benefits, and indirect costs to support the audit. All other expenses are nearly the same as FY 2026.

Next Steps

The Board of Directors will be asked to consider the draft FY 2027 Program Budget, including the proposed ITOC operating budget, at its March 13, 2026, meeting.

Susan Huntington, Director of Financial Planning, Budgets, and Grants

Attachment: 1. Draft FY 2027 ITOC Annual Operating Budget

Action: **Recommend**

The TransNet Independent Taxpayer Oversight Committee (ITOC) is asked to recommend that the Board of Directors approve the proposed ITOC Operating Budget as part of the FY 2027 SANDAG Program Budget.

Fiscal Impact:

The proposed FY 2027 The TransNet Independent Taxpayer Oversight Committee (ITOC) operating budget is \$864,688.

Schedule/Scope Impact:

The ITOC operating budget funds the administration of ITOC activities, including conducting annual fiscal and compliance audits, triennial performance audits, and developing the associated year-end report.