

February 11, 2026

Revised FY 2026 and FY 2027 to FY 2031 TransNet Program and Transit-Related Revenues

Overview

Each year, SANDAG issues funding estimates for the Transportation Development Act (TDA), Federal Transit Administration (FTA), and TransNet programs. These estimates serve as the fiscal foundation for the upcoming budget year and provide a five-year planning horizon. This multi-year projection is critical for transit operators and local jurisdictions, as it allows for the long-term scheduling of capital projects—such as rail infrastructure and fleet electrification—while ensuring stable operating subsidies to maintain current service levels. An overview of these funding sources is provided in Attachment 1.

Key Considerations

Proposed FY 2026 TransNet and TDA Revised Estimates

For FY 2026, anticipated revenues are expected to be more than those approved by the [Board of Directors Meeting, February 2025](#). Based on actual revenues received in FY 2025 being higher than expected and the first six months of FY 2026 continuing an upward trend, an adjustment to both the TransNet and TDA estimates is recommended.

In February 2025, the Board approved a forecast that projected \$420 million for FY 2025 and \$421.5 million for FY 2026. Actual collections for FY 2025 totaled \$426.9 million (\$6.9 million or 2% above the previous year's total). Year-to-date, FY 2026 TransNet revenue is tracking roughly 3.25% above FY 2025.

Updating these estimates now, rather than waiting for the next annual cycle, ensures that local agencies have access to the most accurate data for their own budgeting processes. By acknowledging this trend early, SANDAG enables transit partners to potentially accelerate "shovel-ready" projects or offset rising operational costs.

TDA revenues generally follow a similar trajectory to TransNet revenues, but at a slower rate. In February 2025, the Board approved a forecast that projected \$194.5 million for FY 2026. Collections totaled \$205.7 million in FY 2025 (1.96% above previous year's total), therefore the new updated TDA forecast is updated to reflect an estimate of \$205.7 million, which is a flat growth for FY 2026 over FY 2025.

Action: Information

Staff will present an overview of the following:

1. The proposed revision to the FY 2026 TransNet and Transportation Development Act (TDA) program estimates; and
2. The FY 2027 to FY 2031 estimates and apportionments for TDA, Federal Transit Administration, and TransNet funds.

Fiscal Impact:

SANDAG estimates \$805 million will be available for FY 2026 across the Transportation Development Act (TDA), the Federal Transit Administration (FTA), and TransNet funds. This represents a \$25.931 million increase in combined TDA and TransNet funding compared to previous year estimates.

Schedule/Scope Impact:

Pending approval by the Board of Directors, SANDAG and the transit agencies will use the FY 2027 to FY 2031 TDA, FTA, and TransNet estimates to inform the FY 2027 budget development process. The transit operators also would use the FY 2026 TDA and TransNet revised estimates to inform any amendments to its Capital Improvement Program budgets and amend its FY 2026 TDA claims.

Tables 1 and 2 provide a summary of the Board approved revenues, proposed revised revenues, and the difference for TransNet and TDA funding for FY 2026.

Table 1: Transportation Development Act Updated Revenues for FY 2026 (\$000s)

| | Board Approved Feb. 2025 | Proposed Revised Estimates | Difference |
|--|-----------------------------|----------------------------------|-----------------|
| TDA Program Revenues | FY 2026 | FY 2026 | |
| Estimated Sales Tax Receipts | \$194,506 | \$205,738 | \$11,232 |
| TDA Program Allocations | | | |
| Less SANDAG Administration (PUC 99233.1) | \$743 | \$555 | (\$188)* |
| Less 3% Planning Funds (PUC 99233.2) | \$5,811 | \$6,172 | \$361 |
| Less 2% Bicycle/Pedestrian Funds (PUC 99233.3) | \$3,758 | \$4,115 | \$357 |
| Less 5%Community Transit Service (PUC 99233.7) | \$9,207 | \$10,287 | \$1,080 |
| Subtotal | \$19,519 | \$21,129 | \$1,610 |
| MTS Claim | \$127,968 | \$134,090 | \$6,122 |
| NCTD Claim | \$52,343 | \$55,534 | \$3,191 |
| SANDAG Claim | \$10,202 | \$11,742 | \$1,540 |
| CTSA Claim | \$184 | \$206 | \$22 |
| Total Claims¹ | \$190,697 | \$201,572 | \$10,875 |

*The negative amount in SANDAG Admin is to reflect completion of expenditures for the TDA Triennial Audit which was finalized in FY 2025 instead of FY 2026.

¹ A portion of claims includes the Off the Top Allocations

Table 2: TransNet Updated Revenues for FY 2026 (\$000s)

| | Board Approved Feb. 2025 | Proposed Revised Estimates | Difference |
|--|-----------------------------|----------------------------------|------------------------|
| TransNet Program Revenues | FY 2026 | FY 2026 | |
| Estimated Sales Tax Receipts | \$421,508 | \$436,207 | \$14,699 |
| TransNet Program Allocations | | | |
| Administrative Allocations | \$8,430 | \$8,724 | \$294 |
| Independent Taxpayer Oversight Committee | \$528 | \$546 | \$18 |
| Bike, Pedestrian & Neighborhood Safety | \$8,430 | \$8,724 | \$294 |
| <i>Total off-the-top Programs</i> | <i>\$17,388</i> | <i>\$17,994</i> | <i>\$606</i> |
| Net Available for Subprograms* | <u>\$404,119</u> | <u>\$418,213</u> | <u>\$14,093</u> |
| Program Allocations | | | |
| Major Corridors Program | \$171,347 | \$177,322 | \$5,975 |
| New BRT/Rail Operations | \$32,734 | \$33,875 | \$1,141 |
| Transit System Improvements | \$66,680 | \$69,005 | \$2,325 |
| Local System Improvement | \$133,359 | \$138,010 | \$4,651 |
| Total Program Allocations* | <u>\$404,120</u> | <u>\$418,213</u> | <u>\$14,092</u> |

*Totals may not match due to rounding

Forecast Methodology

The forecast methodology used to develop the TransNet and TDA estimates is described in Attachment 2. The revenue estimates for each of the funding sources for FY 2027 through FY 2031 are shown in Attachment 3.

FY 2027-2031 TransNet, TDA, and FTA Estimates

For FY 2027, the TransNet estimate is approximately \$445 million and reflects an estimated growth rate of approximately 2.14% over anticipated revenues for FY 2026 of \$436 million. Of this total, the TransNet Transit System Improvements, which includes funding for transit operations and capital improvements, Americans with Disabilities, and competitive grant program funding for senior transportation services, estimate is approximately \$70.478 million.

The TDA estimate for FY 2027 is approximately \$207.8 million and reflects similar growth as confirmed by the County of San Diego.

The FTA estimate for FY 2027 is approximately \$172 million. Estimates for FY 2027 are based on the Federal Register which provides the FTA apportionment based on the federal transportation bill passed in the Bipartisan Infrastructure Law as enacted in the Infrastructure Investment and Jobs Act (IIJA).

Peer Review Process

Based on a request by the TransNet Independent Taxpayer Oversight Committee (ITOC) and consistent with the [SANDAG Data Accuracy and Modeling Work Plan](#), on November 19, 2025, a Peer Review Process (PRP) meeting, consisting of subject matter experts and an external economic forecasting expert panel, was convened to review the proposed forecast methodology. The PRP expert panel concurred with the proposed forecast methodology. In addition, the current forecast went through the SANDAG Quality Assurance/Quality Control process in January 2026.

Next Steps

Upon approval by the Board, SANDAG and the transit agencies will use these estimates to inform the FY 2027 budget development process and any proposed FY 2026 amendments to Capital Improvement Program budgets and/or TDA claims.

Susan Huntington, Director Financial Planning Budgets, and Grants

- Attachments:
1. Funding Programs Overview
 2. Forecast Methodology for Transportation Development Act and TransNet FY 2026 Update and Forecasts for FY 2027 – FY 2031
 3. Revised FY 2026 Estimates and Estimates and Apportionments for FY 2027 – FY 2031