

Transit Financial Planning Efforts: Scope, Coordination, and Timeline

Key takeaways

- SACOG and the transit operators facing a near-term fiscal cliff are all working on five-to-ten-year financial plans to understand the **magnitude and severity** of the financial challenges facing transit in the region
 - These efforts will also include financial scenarios that chart a vision for what transit service could be with additional funding
- SACOG's Long-Term Financial Plan will use the output of the work that the operators are currently doing or have done, including their individually developed financial plans
 - However, SACOG's Plan will only focus on the **financial component**; SACOG will not be conducting route-level analysis or service planning
- SACOG's Plan will establish a **Financial Plan Working Group** comprised of executive-level transit agency staff to provide direction, review, and solicit feedback on deliverables, financial assumptions, and more. Additional engagement and coordination are also planned (e.g., workshops, one-on-one discussions, etc.)

Long-Term Financial Plan – SACOG

As a condition of receiving future Senate Bill (SB) 125 funding¹, SACOG is required to develop a Long-Term Financial Plan for each public transit operator in the RTPA (SacRT, YoloTD, Yuba-Sutter Transit, SCT Link, and Unitrans).

¹ “The bill would require the Transportation Agency to develop and administer an accountability program to govern the distribution of funds made available to the Transportation Agency for the Zero-Emission Transit Capital Program and the General Fund component of the Transit and Intercity Rail Capital Program described above. [...] The bill would, as part of the accountability program, require a regional transportation planning agency to submit a long-term financial plan to the Transportation Agency by June 26, 2026, as prescribed. The bill would make a regional transportation planning agency ineligible to receive a grant under the above-described existing Transit and Intercity Rail Capital Program in the 2026–27 fiscal year, or any subsequent fiscal years, unless the Transportation Agency approves the long-term financial plan.” Senate Bill 125, Chapter 54, [California-2023-SB125-Chaptered](#)

Per the program's [guidelines](#), each long-term financial plan shall include, but is not limited to:

- I. *Demonstration of the implementation of ridership retention and recovery strategies, including, but not limited to, policies that prioritize safety and cleanliness and streamlined coordination between transit operators, such as schedule coordination, reduced boarding times, operational management, and site sharing, to improve rider experience.*
- II. *A five-year forecast of operating funding requirements with detail on all sources of funding proposed for operations, including any new local and regional funding sources being pursued and the progress and improvements implemented since the last submitted regional short-term financial plan.*

Through a competitive procurement process, the SACOG Board of Directors approved contract authorization on March 20, 2025, to HDR Engineering, Inc. for additional support beyond staff capacity to deliver on two major tasks as required by SB 125:

Task 1 – Existing conditions: Financial analysis and review

Staff, with support from a consultant, will review and analyze existing operating and capital plans for each transit operator with the goal of identifying trends in operations and capital funding, as well as identifying efforts that may have an impact on future transit funding.

In this task, there will be a review of operating plans and assumptions therein (e.g., short-range transit plans, comprehensive operational analysis, etc.), capital plans and proposed capital projects, and fleet management plans (e.g., zero-emission transition plans, transit asset management plans, etc.).

Deliverable: Financial Analysis and Summary of Regional Conditions

Task 2 – Long-Term Financial Plan and Recovery Strategy

Using the findings from Task 1, staff, with consultant support, will develop a seven-to-ten-year scenario-based financial plan of operations and capital funding for each transit operator.

The plan will include multiple funding and service scenarios, including a baseline scenario that assumes no new funding sources over the forecast period.

Other scenarios will be developed in close coordination with each transit operator, and will include potential new revenue streams (e.g., sales, property, and/or payroll taxes), alternative service delivery models that improve cost efficiency, and/or alternative approaches to capital expansion priorities. The plan will also include a broader regional

“Blueprint Implementation” scenario to demonstrate the gap between the existing transit system and the one envisioned in the Blueprint.

This task will also include a recovery strategy component, which will detail financially sustainable investments that implement the region’s Next Generation Transit Strategy to make transit faster, more equitable, seamless, cost effective, and improves access to regional opportunities.

Deliverable: Long-Term Financial Plan Scenarios and Recovery Strategy Report

Comprehensive Operational Analysis (COA) – SacRT

SacRT is currently undergoing a Comprehensive Operational Analysis (COA) that has two major parts:

Part 1. Short-Range Transit Plan update

The COA will update SacRT’s five-year Short-Range Transit Plan (SRTP), which will focus on achieving fiscal sustainability while avoiding major service reductions or fare increases. The plan will also provide recommendations towards organizational normalization of new initiatives and service area annexations from the past few years (e.g., SacRT Flex, Elk Grove transit annexation, etc.).

The SRTP process typically includes detailed existing conditions review (e.g., travel demand, ridership, and demographic analysis), route-level operations implementation plan, and a short-term financial forecast. Most SRTP’s typically also include a short-term capital implementation plan.

Part 2. Long-Range Transit Plan update

The COA will also update SacRT’s thirty-year Long-Range Transit Plan (LRTP), which will include the development of a technically sound, fiscally realistic, publicly supported expenditure plan for a potential local funding measure in 2026. The plan will also include a baseline scenario that assumes a “business as usual” funding environment.

The LRTP will develop a long-term vision for operating and capital improvements on the SacRT system and create a prioritized list of projects over the next 30 years.

Coordination with SACOG’s effort

Staff, with consultant support, will incorporate the interim and final output of SacRT’s COA into SACOG’s Long-Term Financial Plan. As one example, staff plans to include the proposed local funding measure and expenditure plan that will be developed in SacRT’s LRTP update as a financial scenario.

To ensure further alignment between the COA and SACOG's Long-Term Financial Plan, staff are planning interviews and one-on-one workshops with SacRT's executive-level staff to validate assumptions on ridership, service levels, and revenue growth. These engagement efforts complement the Financial Plan Working Group, which will bring all the operators together to collaborate on these topics on a regular basis throughout the project.

Short-Range Transit Plan – YoloTD

YoloTD is currently also updating its Short-Range Transit Plan (SRTP). The update includes alternative service analysis for its fixed-route and microtransit services. The update will include a five-year financial plan with three scenarios: Contraction, Stasis, and Expansion. It will also detail capital costs of transit investments that improve bus stops, bike parking, real-time information, signal priority, and more.

Coordination with SACOG's effort:

Mirroring the coordination and engagement strategy with SacRT, staff will incorporate the interim and final outputs of YoloTD's SRTP update into the Long-Term Financial Plan (e.g., some or all the scenarios that YoloTD is developing). Likewise, in addition to the Financial Plan Working Group, staff are planning interviews and workshops with YoloTD's executive-level staff to validate and align revenue, expense, and service level assumptions.

Other operators: SCT Link, Unitrans, and Yuba-Sutter Transit

SACOG will also develop a long-term financial plan for the other three public transit operators in the RTPA that are not facing a near-term fiscal cliff: SCT Link, Unitrans/UC Davis, and Yuba-Sutter Transit. These three operators have either already completed or are wrapping up their own Short-Range Transit Plans.

Coordination with SACOG's effort

Staff will also hold interviews and workshops with these three operators, in addition to their participation in the Financial Plan Working Group. While the SRTP's for these operators have already or will soon conclude, staff will work with the operators to co-develop financial scenarios based on their existing plans, goals, and policies.

Timeline of efforts underway

