



Transit Financial Planning Efforts: Scope, Coordination, and Timeline

Receive and File

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Attachments: Yes

Referring Committee: Transportation

Issue:

A summary of financial planning efforts underway at SACOG and the region's transit operators as it pertains to meeting the requirements of the Senate Bill 125 Transit Program.

Request:

Receive & File

Recommendation for Board:

None, this is for information only.

Recommendation for Committee:

None, this is for information only.

Background:

In July of 2023, the California State Legislature passed Senate Bill 125 which provided a \$5.1 billion infusion to public transit across the state. The Legislature's intent for the four-year program, as outlined in Senate Bill 125, is to:

- Provide one-time multi-year bridge funding for transit operators to address operational costs until long-term transit sustainability solutions are identified
- Assist transit operators in preventing service cuts and increasing ridership
- Prioritize the availability of transit for riders who are transit dependent
- Prioritize transit agencies representing a significant percentage of the region's ridership

Senate Bill 125 also established an accountability program to govern the distribution of funds. As part of the accountability program, SACOG is required to complete a Long-Term Financial Plan for Sacramento Regional Transit District (SacRT), South County Transit (SCT) Link, University of California, Davis (Unitrans), Yolo Transportation District (YoloTD), and Yuba-Sutter Transit Authority.

SACOG must submit the Long-Term Financial Plan to the California State Transportation Agency (CalSTA) by June 30, 2026, to continue to be eligible to receive future funding from Senate Bill 125.

Discussion/Analysis:

On April 3, 2025, the Transportation Committee recommended approval of an updated funding plan for Year 2 and Year 3 of Senate Bill 125. On April 17, 2025, the SACOG Board of Directors approved the Transportation Committee's recommendation for Year 2 and Year 3 of Senate Bill 125.

At both meetings, the item generated significant discussion around the financial health of the region's transit system and the importance of addressing the near-term structural budget deficits, or "fiscal cliff", facing some of the region's transit operators.

The discussion also raised questions about what is being done to address the long-term financial sustainability of transit in the region in the absence of additional one-time funding from the state and how SACOG will approach the Long-Term Financial Plan requirement to continue to be eligible for future Senate Bill 125 funding.

Staff have developed a short summary of SACOG's approach to the required Long-Term Financial Plan, provided in Attachment A. The summary describes the scope of the effort and how SACOG will engage and coordinate with the transit operators, both individually and collectively. The summary also provides additional context on other financial planning efforts underway at SacRT and YoloTD, both which were funded in Year 1 of Senate Bill 125.

Fiscal Impact/Grant Information:

None, this is for information only.

List of Attachments:

Attachment A - Transit Financial Planning Efforts: Scope, Coordination, and Timeline