



Policy & Innovation Committee

Meeting Date: September 9, 2024

Agenda Item No. 2

Approve Revised State of Good Repair Fund Allocation for Fiscal Year 2024-2025

Consent

Author: Caroline Payne

Attachments: Yes

Referring Committee: Not applicable

Issue:

Each year in August, the State Controller publishes revised estimates of sales revenues for the State of Good Repair (SGR) fund. SACOG staff use the changes in revenue estimates to recalculate funding allocations for each local transit agency.

Request:

Approve

Recommendation for Board:

That the board approve revised State of Good Repair funds allocation of Fiscal Year (FY) 2024-2025 and authorize the executive director to report changes to Caltrans.

Recommendation for Committee:

That the Policy and Innovation Committee recommend that the board approve revised State of Good Repair funds allocation of Fiscal Year (FY) 2024-2025 and authorize the executive director to report changes to Caltrans.

Background:

Senate Bill 1 (SB 1) (Chapter 5, Statutes of 2017), the Road and Repair and Accountability Act of 2017 established a new State of Good Repair (SGR) Program to provide additional revenues for transit infrastructure repair and service improvements. The SGR program is derived from a portion of vehicle registration and is administered by the California Department of Transportation (Caltrans). Approximately \$105 million annually is distributed to transit operators in California for eligible maintenance, rehabilitation of both existing vehicles and transit facilities, and capital projects such as purchase of new transit vehicles. These investments will lead to cleaner transit vehicle fleets, increased reliability and safety, and reduced greenhouse gas emissions and other pollutants.

Like the State Transit Assistance (STA) program, the State Controller's Office allocates 50 percent of SGR funds based upon the region's share of the state population, and 50 percent based upon transit operator revenues for the prior fiscal year as a share of statewide transit operator revenues. However, the funds are restricted to transit operators only.

Each year SACOG approves transit operator's eligible projects as adopted by their respective governing boards. The regional project list is then submitted to Caltrans for final approval and funding in September each year. In the August board meeting, SACOG approved the proposed transit projects list.

SACOG administers the SGR funding for Sacramento, Sutter, Yolo, and Yuba counties. The El Dorado County Transportation Commission and Placer County Transportation Planning Agency administer the SGR funding for their respective counties.

Discussion/Analysis:

On January 31, 2024, the State Controller published SGR initial revenue allocations for FY 2024-2025. The estimated funds available for Sacramento, Sutter, Yolo, and Yuba counties were \$3,281,136 of Section 99313 and \$1,121,192 of Section 99314 for a total of \$4,402,328.

On August 1, 2024, the State Controller published revised SGR revenue allocations for FY 2024-2025. The estimated funds available for the four-county region are \$3,498,232 of Section 99313 and \$1,195,411 of Section 99314 for a total of \$4,693,643 as shown in attachment A. The revenue allocations increased by about \$291,000; seven percent from the initial estimates published in January.

Attachment B shows the changes in revenue per approved project. The first table shows the August revised allocations, and the second shows the initial January allocations. The changes in project revenue allocation will be reported to Caltrans for final approval and funding.

Fiscal Impact/Grant Information:

Included in the Overall Work Program/Budget

List of Attachments:

- (1) Revised FY24-25 SGR Allocations
- (2) Revised FY24-25 SGR Operator Projects Allocations