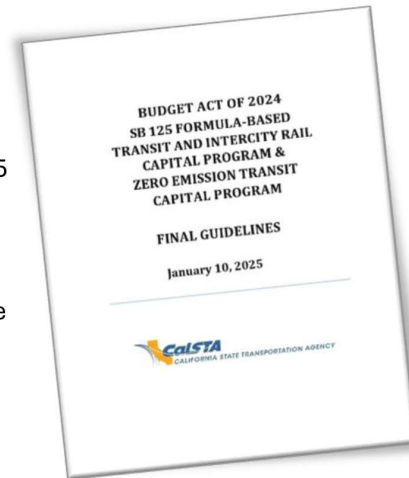


## Senate Bill 125 Transit Program: Regional Principles, Accountability Measures, and Administrative Requirements

The California State Transportation Agency (CalSTA) published updated **Final Guidelines** for the Senate Bill 125 Transit Program on January 10, 2025.

Please refer to these guidelines for program objectives, eligible recipients and projects, funding distributions, state reporting requirements, and more.



### Regional principles to guide the funding plan



1. Address operating budget deficits first to prevent service cuts



2. Prioritize funding for high-ridership transit operators and transit-dependent riders



3. Promote accountability of transit operators to improve ridership, optimize performance, and foster collaboration



4. Ensure safety and state of good repair of vehicles and infrastructure with a strong nexus to transit service



5. Maintain flexibility in the funding plan as budget conditions and other needs change year to year

## Accountability measures for operators receiving transit operations funding

In alignment with Senate Bill 125 guidelines and the Regional Principles, funding for transit operations is conditioned on making satisfactory progress towards the following accountability measures.

Area of Improvement	Accountability Measure	Intended target/goal
Ridership recovery	<b>Connect Card 2.0</b> Report on the implementation of the region's next generation integrated fare media, colloquially known as Connect Card 2.0	Ridership trends upwards and exceeds pre-pandemic levels
	<b>Safety and security</b> Report and quantify progress of initiatives and efficacy of efforts to improve safety and security on transit (e.g., transit ambassador programs, technology upgrades, surveys, safety information campaigns, etc.)	
	<b>Schedule coordination</b> Report on actions taken to coordinate transit schedules and improve inter-agency transfers for riders at key transit hubs when implementing service changes (if any)	
	<b>Customer information</b> <i>GTFS Realtime</i> *. Report on progress to implement GTFS Realtime on all fixed-route modes in operation without existing GTFS Realtime capabilities	
	<i>GTFS Schedule</i> *. Audit, identify improvements (if needed), and report on progress to enhance the quality and accuracy of GTFS Schedule data	
Performance	<b>Cost efficiency, cost effectiveness, service productivity*</b> Report on planned, in progress, or adopted actions to improve cost efficiency, cost effectiveness, and service productivity without cutting service (e.g., optimized service delivery, reduced service redundancies, etc.)	Improved cost control and operational efficiency
Inter-agency collaboration	<b>Ongoing planning efforts</b> Report on interim findings of ongoing planning efforts funded by Senate Bill 125 (e.g., Short-Range Transit Plans, Comprehensive Operational Analysis)	Enhanced communication, knowledge exchange, and trust between SACOG and operators

\*See Appendix B for a glossary of terms

## Administrative requirements

### Roles and responsibilities

Entity	Responsibilities
Sacramento Area Council of Governments (SACOG)	<ol style="list-style-type: none"> <li>1. Allocate Senate Bill 125 funds to projects based on Regional Transportation Planning Agency (RTPA) area eligible transit operator need, Senate Bill 125 Final Guidelines, and Regional Principles.</li> <li>2. Track interest earned on all Senate Bill 125 funds in SACOG accounts and allocate as appropriate.</li> <li>3. Complete a Long-Range Financial Plan for Senate Bill 125 eligible transit operators in the four-county RTPA area.</li> <li>4. Ensure funded projects meet program eligibility requirements.</li> <li>5. Obtain formal request of funding from operators on agency letterhead signed by the Executive Director/General Manager/Chief Executive Officer.</li> <li>6. Submit Senate Bill 125 allocation packages to CalSTA with all required documentation.</li> <li>7. Complete Annual Senate Bill 125 reporting as required by Section 6 in the Final Guidelines of the program.</li> <li>8. Comply with all relevant federal and State laws, regulations, and funding policies.</li> </ol>
Eligible transit operators	<ol style="list-style-type: none"> <li>1. Provide proposed Senate Bill 125 operating funding need and/or capital project list to SACOG staff.</li> <li>2. Ensure capital project list meets eligibility for Senate Bill 125 Transit Program.</li> <li>3. Provide formal request of funding, including a detailed project list, on agency letterhead signed by the Executive Director/General Manager/Chief Executive Officer prior to SACOG Board action.</li> <li>4. Submit to SACOG required project information through forms provided by CalSTA.</li> <li>5. Submit Quarterly Report(s) to SACOG in accordance with the reporting requirements section outlined herein.</li> <li>6. Comply with all relevant federal and State laws, regulations, guidelines, and funding policies.</li> <li>7. For capital projects, upon completion, recipients will submit a Final Project Report.</li> </ol>
CalSTA	<ol style="list-style-type: none"> <li>1. Review and approve allocation packages and updates on a rolling basis.</li> <li>2. Disperse funds to SACOG for allocation to eligible transit operators based on Board approval</li> <li>3. Develop, maintain, and revise program guidelines as necessary.</li> </ol>

### Reporting requirements

Every recipient of Senate Bill 125 funding shall submit a Quarterly Report to SACOG identifying the activities, progress, delays, and/or milestones achieved for project(s) funded by the program.

Quarterly Reports shall be submitted on or before the deadlines listed in **Table 1** below for each quarter where a reimbursement request is submitted to SACOG by the recipient.

For recipients utilizing Senate Bill 125 funding for transit operations (e.g., expenses related to the delivery of transit service including labor, purchased transportation, supplies, utilities, insurance, etc.), recipients shall include progress made on the accountability measures through the Quarterly Report. SACOG staff will evaluate progress reported by recipients on the accountability measures and provide informational reports to the SACOG Transportation Committee and Board.

All required forms can be found on SACOG’s Senate Bill 125 webpage: [Link](#)

**Table 1. Quarterly Report deadlines**

Quarter	Months	Quarterly Report deadline
<b>1</b>	July, August, September	December 15
<b>2</b>	October, November, December	March 15
<b>3</b>	January, February, March	June 15
<b>4</b>	April, May, June	September 15

## Reimbursement requests for approved Senate Bill 125 expenses

The following process shall apply to every recipient seeking reimbursement for Senate Bill 125 expenses approved by the SACOG Board. Recipients will only be disbursed Senate Bill 125 funding on a reimbursement basis. Invoices should be submitted to SACOG for payment on a quarterly basis at a minimum.

1. Recipient prepares and submits reimbursement packet to SACOG. The packet shall include the following:
  - a. Cover letter
  - b. Invoice
  - c. Paid invoices to vendor and/or payroll or other associated operating costs
  - d. Supporting documents of the expenses paid to vendor, contractor, or agency staff
    - i. See **Appendix A: Required Supporting Documentation for Reimbursement Requests** for more information
2. SACOG staff will review the reimbursement packet. The review will include:
  - a. That the amount does not exceed the approved allocation
  - b. The project was approved by the SACOG Board
  - c. The reimbursement request is complete with all applicable supporting documentation provided
  - d. Any recent changes to projects and project budgets, if applicable
3. SACOG staff will prepare payment as Senate Bill 125 funds are made available by CalSTA.
  - a. CalSTA will disperse funds to SACOG as they are made available in the state budget.
  - b. The funds are/will be deposited in SACOG’s Senate Bill 125 accounts with Sacramento County.
  - c. SACOG will provide Senate Bill 125 funds via reimbursement to eligible recipients with executed subrecipient agreements in a timely manner.

## **Delays in projects and extension requests**

Following funding approval by the SACOG Board, a project must move forward in a timely manner. If a project is anticipating delays and funds will not be used prior to June 30, 2029, the deadline for CalSTA to approve all Senate Bill 125 allocations, then those funds will be reallocated to a different project in the RTPA. Those funds that must be reallocated due to a delay are not required to fund other projects from the original project sponsor. For minor delays of less than three months, please include the following information in your Quarterly Report:

- An explanation of the situation and/or cause of the delay.
- Steps the agency plans to take in resolving the source of the delay
- An estimated updated timeline for project completion

## **Record keeping and retention**

All recipients shall comply with any applicable Senate Bill 125 funding regulation that requires the recipients to maintain records of allocations and expenditures. All recipients must permit access to and make records available for review, monitoring, or audit by appropriate state agencies and SACOG.

All recipients shall retain working papers and reports for a minimum of three years after the date of project completion, unless the recipient is notified in writing by the cognizant funding agency, oversight agency, or pass-through entity to extend the retention period. When the recipient is aware that the awarding agency (CalSTA), pass-through entity (SACOG), or recipient is contesting a finding, the recipient shall contact the parties contesting the finding for guidance prior to destruction of working papers and reports.

## **Sanctions and corrective actions**

If a recipient of Senate Bill 125 funding fails to fulfill the requirements contained herein, SACOG shall take appropriate actions which may include, but is not limited to, implementing one or more of the following sanctions or corrective actions.

- Withholding a percentage of the Senate Bill 125 funding until the requirement(s) are satisfactorily fulfilled in accordance with all applicable SACOG and CalSTA requirements
- Withholding or disallowing reimbursement for overhead costs
- Suspending Senate Bill 125 funding until a review is complete in accordance with all applicable SACOG and CalSTA requirements
- Terminating the Senate Bill 125 funding agreement with a recipient

SACOG or CalSTA may terminate the disbursement of funds if it learns of or otherwise discovers that there are allegations supported by reasonable evidence that a violation of any state or federal law or policy by the recipient which affects performance of this funding, or any other grant agreement or contract entered into with SACOG or CalSTA. If funding disbursement is terminated, or project approval revoked, the operator may be required to fully or partially repay funds from the program.

## **Appendix A: Required Supporting Documentation for Reimbursement Requests**

The following are examples of supporting documentation that SACOG will accept as part of a Reimbursement Request package. This list is non-exhaustive and SACOG may accept additional documentation as applicable. Applicable documentation will vary depending on the project that expenses were incurred on.

- Approved timesheets and/or itemized financial/payroll system report providing:
  - Names
  - Dates
  - Hours worked toward specific tasks/deliverables
  - Hourly rates
  - Benefits
  - Overhead
- Travel request approval/details and appropriate documentation for type of travel expenses, including:
  - Purpose of travel, date, miles driven, addresses travelled from and to (map is preferred)
  - Itemized receipts for all meals/incidentals.
    - SACOG will reimburse expenses up to the state per diem rates.
  - If any charges are for more than one person, names of all parties and purpose of charge must be provided.
- Approval of indirect rate from cognizant agency
- Copy of cancelled check showing proof of cleared payment
- Purpose of meeting, agenda, list of attendees.
- Detailed receipts
- Proof of payment
- Documentation supporting in-kind or other match, typically for grant purposes
- If staff time is used for match, follow “labor costs” documentation requirements
- If other costs are used, follow the rules for other types of expenses and provide details on procurement process used.
  - To be allowable for match, any costs incurred must have been procured following same rules SACOG is subject to.
- If providing actual funds, identify what type of funds are being provided (local, state, federal, federal aid) and/or source of funds (granting agency)
- For reimbursement of operating expenses, the following documentation is acceptable:
  - Submission of summary billing, including a general ledger summary
  - Copy of vendor invoices, if applicable

## Appendix B: Glossary of Terms

Term	Definition
Cost efficiency	Operating cost per vehicle revenue hour
Cost effectiveness	Operating cost per passenger boarding
GTFS Realtime	A data standard that allows public transportation agencies to provide up-to-date information about current arrival and departure times, service alerts, and vehicle position, providing riders a better experience when planning trips.
GTFS Schedule	A data standard that defines a common format for static public transportation information.
Service productivity	Passenger boardings per vehicle revenue hour