



March 18, 2025

James Corless
Executive Director
Sacramento Area Council of
Governments (SACOG)
1415 L Street, Suite 300
Sacramento, CA 95814

Dear Mr. Corless:

Please consider this letter SacRT's official request for SB 125 funding totaling \$51 million to cover Fiscal Year 2025/2026 (FY 26) operating expenditures. This total includes the repurposing of \$6 million originally set aside for the Stockton BRT project and contingent on an award in TIRCP Cycle 7.

As of January 1, 2025, SacRT successfully transitioned its Smart Ride service to the new SacRT Flex program in an effort to significantly cut costs while providing a vital service to those with mobility needs. However, in early February, SacRT was notified of an approximately \$7 million reduction in LTF revenue allocations for fiscal year 2024/2025 (FY 25). This negated the estimated savings for FY 25 and eliminated funding projected to be carried forward to FY 26. The reduction of LTF revenues is also projected to continue through FY 26.

As a result of the events noted above, continued economic uncertainty, and ongoing inflationary impacts, a larger budgetary gap for FY 26 than originally estimated was realized. Based on this information, SacRT is requesting the \$6 million in SB 125 funding originally assigned to the Stockton BRT be repurposed as funding for operations in FY 26. This, along with the original request of \$45 million of SB 125 funding, will be sufficient to balance the budget for FY 26 and maintain service levels while SacRT continues to work towards a fiscally sustainable future.

Sincerely,



Jason Johnson
VP, Finance/CFO