



Approve State of Good Repair Fund Allocation for Fiscal Year 2025-2026

Consent

**Author:** Caroline Payne

**Attachments:** Yes

**Referring Committee:** Policy & Innovation

**Issue:**

Each year the State Controller publishes estimates of sales revenues for the State of Good Repair (SGR) fund. SACOG staff uses the revenue estimates to calculate funding allocations for each local transit agency.

**Request:**

Approve

**Recommendation for Board:**

The Policy & Innovation Committee recommended that the board: (1) approve allocation of Fiscal Year (FY) 2025-2026 State of Good Repair funds to eligible transit operators on a population-based formula; and (2) authorize the executive director to report the funding for each transit operator from the four-county region to Caltrans.

**Recommendation for Committee:**

That the Policy and Innovation Committee recommend that the board: (1) approve allocation of FY 2025-2026 State of Good Repair funds to eligible transit operators on a population-based formula; and (2) authorize the executive director to report the funding for each transit operator from the four-county region to Caltrans.

**Background:**

Senate Bill 1 (SB 1) (Chapter 5, Statutes of 2017), the Road and Repair and Accountability Act of 2017, was signed. SB 1 established a new State of Good Repair (SGR) Program to provide additional revenues for transit infrastructure repair and service improvements. SGR program which is administered by the California Department of Transportation (Caltrans) is derived from a portion of vehicle registration. 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 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.

When SACOG began administering the SGR program, SACOG consulted with the Transit Coordinating Committee (TCC), comprised of the transit operators within the region. The TCC recommended that SACOG distribute SGR funding on a population basis. SACOG has allocated funding based on population since the first allocations in fiscal year 2018.

Transit operators are required to submit eligible projects to SACOG for approval after being approved by their respective governing boards. The regional project list is then submitted to Caltrans for final approval and funding in September each year. Staff will submit proposed transit projects list for SACOG's board approval in August 2025.

SACOG, as the Regional Transportation Planning Agency (RTPA) administers the SGR funding for the four-county region of 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, 2025, the State Controller published SGR revenue allocations for FY 2025-2026. The estimated funds available for Sacramento, Sutter, Yolo, and Yuba counties are \$4,693,642, of which \$3,498,232 is Section 99313, and \$1,195,410 is Section 99314 as shown in Attachment A. Public Utility Code Section 99313 is the regional share of funds based on the region's share of state population while Section 99314 is the operators' share of funds based on the revenues reported to the State Controller. Funding is allocated by the population formulas like STA for the eligible transit agencies.

**Fiscal Impact/Grant Information:**

There is no fiscal impact to SACOG's operating budget. The funds are allocated by formula to local transit agencies and staff time for administering the program is reflected in the Budget and Overall Work Program.

**List of Attachments:**

Attachment A-FY25-26 SGR Allocations tables