



Approve State of Good Repair Fund Allocation for Fiscal Year 2023-2024

Consent

Prepared by: Caroline Payne

Attachments: Yes

Approved by: James Corless

Referring Committee: Policy & Innovation

1. 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.

2. Recommendation:

The Policy and Innovation Committee recommends that the board: (1) approve allocation of Fiscal Year (FY) 2023-2024 SGR funds to eligible transit operators on a population-based formula, as recommended by the Transit Coordinating Committee (TCC); and (2) authorize the executive director to report the funding amounts for each transit operator from the four-county region to Caltrans.

3. Background/Analysis:

On April 28, 2017, 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 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.

Transit operators are required to submit eligible projects to SACOG as 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 2023.

SACOG 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.

4. Discussion/Analysis:

On January 31, 2023, the State Controller published STA-SGR revenue allocations for FY 2023-2024. The estimated funds available for Sacramento, Sutter, Yolo, and Yuba counties for FY 2022-2023 is \$3,172,409 of Section 99313 and \$1,088,532 of Section 99314 for a total of \$4,260,941 (Attachment A). The Transit Coordinating Committee (TCC) discussed the allocations and recommends that the funding be allocated by the population formulas used to derive the earlier funding amounts for the eligible transit agencies.

5. 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 agency's overall work program.