



Senate Bill 125 Transit Funding Update

Receive and File

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**Attachments:** No

**Approved by:** James Corless

**Referring Committee:** Transportation

**1. Issue:**

Senate Bill 125 created a new one-time source of transit funding to be distributed to the Regional Transportation Planning Agencies (RTPAs). This information item will provide an overview of the programs and the accelerated timeline for allocation.

**2. Recommendation:**

None; this item is for information only.

**3. Background/Analysis:**

In July 2023, California passed Senate Bill 125 (SB 125), which created a new one-time source of transit funding to address operating and capital needs that have been growing in recent years for the state's transit operators/agencies. Through SB 125, approximately \$5.1 billion in funding statewide was included in the State's Fiscal Year 2023-2024 Budget, which will be distributed through two programs: The Transit and Intercity Rail Capital Program (TIRCP) and the new Zero Emission Transit Capital Program (ZETCP). The TIRCP program will distribute \$4 billion over two fiscal years for capital and transit operations, and the ZETCP program will distribute \$1.1 billion over four fiscal years for vehicle purchase and charging infrastructure. These programs are being administered by the California State Transportation Agency (CalSTA).

California's RTPAs will be the recipient of the funds, and the amount funds received by the RTPAs will be determined by a formula. Each RTPA has the discretion to determine the allocation of funds within their boundaries. The SACOG region (between the three RTPAs of SACOG, PCTPA, and EDCTC) is expected receive approximately \$297 million in new funding over the course of the program. The breakdown of the expected funding is below.

	<i><b>SACOG</b></i>	<i><b>PCTPA</b></i>	<i><b>EDCTC</b></i>	<i><b>Total</b></i>
<i><b>TIRCP</b></i>	\$200,896,191	\$32,754,414	\$18,193,898	\$251,844,503
<i><b>ZETCP</b></i>	\$37,311,512	\$5,097,577	\$2,607,216	\$45,016,305
<i><b>Total</b></i>	\$238,207,703	\$37,851,991	\$20,801,114	\$296,860,808

**4. Discussion/Analysis:**

To obtain this new funding, RTPAs are required to submit an initial allocation plan to CalSTA by December 31, which should outline any capital projects and/or operating funds that we anticipate expending in the first year. That initial allocation plan is not required to allocate the total amount of funding in the first fiscal year.

After December 31, RTPAs are allowed to update their allocation plans on a rolling basis. SB 125 includes an accountability program to govern the distribution of the funds. RTPAs will be required to conduct financial and transit service quality analysis, which will be a new requirement for the RTPAs. The short-term financial analysis will be required to be completed with the initial allocation package if the RTPA believes there will be a need for transit operating support between FY 2023-2024 and FY 2026-2027. It is expected that these new requirements will be an eligible expense for the RTPAs, but the program guidelines have not clarified this in the draft program guidelines.

In preparation for the December deadline, SACOG staff has begun working with our transit operators across the region to identify needs. This item was presented to the Transit Coordinating Committee in September and staff is scheduling one-on-one meetings with the operators to begin the initial allocation plan. Staff expects to bring an item to the December Transportation Committee and Board to adopt an initial allocation plan. Additionally, SACOG staff intends to bring future items on this topic to the board in November, as well as to adopt the required initial allocation plan in December.

#### **5. Fiscal Impact/Grant Information:**

The additional staff work required by SB 125 in reporting and planning is an eligible expense for the SB 125 programs. A maximum of 1% of the total funding is allowed to be used cover the administration of the programs. For SACOG that equates to \$2,382,070.