

Connect Bay Area Act

Senate Bill 63 (2025)

Rider-Focused Improvements Expenditure Plan

June 2026

MTC Resolution 4767

Attachment A

Metropolitan Transportation Commission

Regional Network Management Section

<http://www.mtc.ca.gov>

This page intentionally left blank

Connect Bay Area Act Rider-Focus Improvements Expenditure Plan

Table of Contents

Section 1 – OVERVIEW..... 4
Section 2 – REGIONAL NETWORK MANAGEMENT 5
Section 3 – EXPENDITURE PLAN CATEGORIES 6
Section 4 – PROGRAM PROCEDURES..... 9

DRAFT

Section 1 – OVERVIEW

Background

Senate Bill 63 (Wiener/Arreguín), the Connect Bay Area Act, was enacted in 2025 and authorizes a transportation funding measure to be placed on the November 2026 ballot in Alameda, Contra Costa, San Francisco, San Mateo and Santa Clara counties. An authorized measure would generate approximately \$980 million annually to sustain and improve transit and would be funded by a 14-year regional transportation sales tax (0.5% in each county except San Francisco, where the rate would be 1%). Any measure would be administered by the newly established Public Transit Revenue Measure District (District), governed by the same board as the Metropolitan Transportation Commission (MTC).

Goals

The Connect Bay Area Act aims to:

- Prevent major service cuts on BART, Muni, Caltrain and AC Transit resulting from budget shortfalls following the COVID-19 pandemic.
- Improve the transit rider experience by making transit more affordable, easier to navigate, and more accessible for all riders, including seniors and persons with disabilities.
- Make other transportation improvements in Alameda, Contra Costa, San Mateo and Santa Clara counties.

Approximately 63% of the money raised goes to the operation of buses, trains and ferries on BART, Muni, Caltrain, AC Transit, San Francisco Bay Ferry, East Bay bus agencies and Golden Gate Transit.

About one-third is guaranteed for Santa Clara Valley Transportation Authority (VTA), SamTrans, Contra Costa Transportation Authority, and Alameda County Transportation Commission, who have the flexibility to use the money for transit infrastructure and vehicles, running transit service, or paving roads with regular bus service.

Approximately 5% would fund improvements to the rider experience by making transit faster, more affordable, more accessible for seniors and people with disabilities, and easier to navigate with improved signage.

Finally, up to 0.22% can be used for measure administration costs incurred by the Metropolitan Transportation Commission and the new Public Transit Revenue Measure District. Measure proceeds can also cover specified one-time costs, such as election costs.

Section 2 – REGIONAL NETWORK MANAGEMENT

Background

In 2020, MTC created the Blue-Ribbon Transit Recovery Task Force (Task Force) to set a course for public transit’s recovery from the COVID-19 pandemic. This group was charged with developing a Bay Area Transit Transformation Action Plan, identifying the actions needed to reshape the region’s transit system into a more connected, more efficient and more user-focused mobility network across the entire Bay Area – and beyond. This set of 27 actions forms the cornerstone of a formal Bay Area Transit Transformation Action Plan (Action Plan), adopted by the Metropolitan Transportation Commission in fall 2021.

As a result of the Action Plan, a Network Management Business Case Evaluation kicked off in late 2021 to assess and recommend a preferred Regional Network Management framework that would support implementation of the Action Plan and help achieve near-term and longer-range transit mobility goals. The business case was guided by a 14-member Network Management Business Case Advisory Group comprised of transit operators and stakeholders. The business case was completed in December 2022, and the Commission approved the Regional Network Management Framework in February 2023.

The regional network management activities outlined above are a result of the work done by the Commission, the Task Force, consultants and partners.

The RNM Approach

As the San Francisco Bay area’s transportation planning, financing, and coordinating agency, MTC supports regional efforts to make Bay Area transit simpler, easier to use and more affordable. Regional Network Management (RNM) looks at the entire transit system to identify ways to improve the network and rider experience.

MTC and transit agency partners are working on a variety of projects from the Bay Area Transit Transformation Action Plan that will make the transit rider experience better. Priority projects include efforts to improve transit fare policies, mapping and wayfinding, accessibility, and transit priority.

Three meeting bodies guide the Regional Network Management (RNM) work at MTC. Together, these committees will provide input and make recommendations based on the expertise of transit leaders and Bay Area transit riders:

- Regional Network Management Committee: A committee of the MTC Commission that helps set the vision for transit in the Bay Area and drive the direction of the RNM.
- Regional Network Management Customer Advisory Group: Representatives from advocacy organizations, MTC ABAG’s Community Advisory Council and local

government who stand for the customer and can help inform decision-making with the customer in mind.

- Regional Network Management Council: General manager-level representatives from transit operators and MTC who understand transit operations and can represent the interests of their stakeholders and provide leadership and critical input on regional policies.

Section 3 – EXPENDITURE PLAN CATEGORIES

Overview

The Connect Bay Area Act, as enacted by the California Legislature, dedicates 5% of total retail transactions and use tax revenues generated in Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara Counties to rider-focused improvements that aim to improve the rider experience and support increased ridership. Revenues from this 5% are statutorily dedicated to three broad expenditure categories as defined by law: 1) “Fare programs, including free and reduced-cost transfers and expanding the Clipper START program”; 2) “Accessibility programs and projects”; and 3) “Mapping and wayfinding and transit priority projects and programs” (Source: California Government Code Section 67750 § 10-12). These three categories encompass most of the actions contained in the 2021 [Bay Area Transit Transformation Action Plan](#).

Revenue Forecast

Assuming a revenue measure authorized by the Connect Bay Area Act is approved by voters in the five counties at the November 3, 2026 general election, an estimated total of approximately \$740 million in year-of-expenditure dollars will be generated over the life of the revenue measure to support the three rider-focused expenditure categories. Table 1 below provides a breakdown of these estimated revenues by fiscal year (FY) and category.

Table 1. Rider-Focused Improvements Categories Revenue Forecast (Source: HDL Companies, October 2025 forecast for SB 63 on behalf of MTC)

SB 63 Expenditure Category* <i>In Millions of Year-of-Expenditure \$</i>	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
<i>Clipper START/Free Transfers</i>	\$5.8	\$24.0	\$24.7	\$25.5	\$26.3	\$27.2	\$28.0	\$28.9
<i>Accessibility</i>	\$2.3	\$9.6	\$9.9	\$10.2	\$10.5	\$10.8	\$11.2	\$11.5
<i>Transit Priority/Mapping and Wayfinding</i>	\$2.3	\$9.6	\$9.9	\$10.2	\$10.5	\$10.8	\$11.2	\$11.5
	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	TOTAL
<i>Clipper START/Free Transfers</i>	\$29.8	\$30.8	\$31.7	\$32.8	\$33.8	\$34.9	\$27.0	\$411.2
<i>Accessibility</i>	\$11.9	\$12.3	\$12.7	\$13.1	\$13.5	\$13.9	\$10.8	\$164.2
<i>Transit Priority/Mapping and Wayfinding</i>	\$11.9	\$12.3	\$12.7	\$13.1	\$13.5	\$13.9	\$10.8	\$164.2
GRAND TOTAL								\$739.6

* Amounts shown do not reflect one-time costs that will be covered in early year(s) of measure (including election cost reimbursements, SB 63 required financial efficiency review costs, potential legal costs and other one-time costs tied to administering the tax ordinance).

Eligible Projects/Programs

The following rider-focused project and programs categories are eligible to make use of funds from the above identified revenue over the life of the revenue measure.

Fare Programs

Description: Delivering rider-friendly fare products and programs helps make transit more affordable for today’s users and encourages more people to use transit.

Goals:

- Support affordable access to public transportation
- Increase transit ridership by making the system more cohesive and easier to use
- Promote inter-agency collaboration and coordination of fare policies

Eligible Programs/Projects:

- **Clipper START:** The Clipper START program offers income-qualified Bay Area residents a 50% discount on their transit fares.
- **Free/Discounted Inter-agency Transfers:** Customers transferring between transit operators using Clipper receive a discount of up to \$2.85 (adjusted as needed based on whatever the highest local bus fare is in the Bay Area) for every transfer they make within the first 120 minutes of their initial Clipper tap into the transit system.

- **Fare Programs:** Other regional fare programs that serve to increase ridership and support affordable fares for users as determined by the MTC Commission, in consultation with the Regional Network Management Council.

Accessibility Programs

Description: Improve mobility and access to services for older adults and people with disabilities and give more Bay Area residents the freedom to get around the region independently.

Goals:

- Promote innovative programs and services that improve access to opportunities and services for older adults and people with disabilities
- Invest in capacity-building infrastructure to allow for better service delivery by local transit operators
- Provide financial support to deliver improved service based on needs identified by the disability community and older adults.

Eligible Programs/Projects:

- **Mobility Management:** Supporting county-level Mobility Managers to coordinate rides and function as a go-between for transit agencies, serving people with disabilities, older adults, and people with low incomes.
- **Improvements to Paratransit Service:** Delivery of paratransit service improvements including service levels changes, “one seat rides”, policy changes, and technology enhancements to increase efficiencies and improve the paratransit rider experience.
- **Coordinated Plan:** Projects and programs included in the Coordinated Public Transit-Human Services Transportation Plan (most recently updated in 2024), as adopted by the MTC Commission or local jurisdictions.

Mapping and Wayfinding/Customer Information Programs

Description: The Regional Mapping and Wayfinding Project is working to make it easier to ride transit in the Bay Area by making wayfinding materials (maps, signs, screens, etc.) more consistent and easier to identify. Whether users are traveling by bus, rail, ferry, or a combination, the signs and communication systems will be the same across all Bay Area transit operators.

Goals:

- Provide easy-to-understand, dependable and familiar transit information for travelers, regardless of where they are in the Bay Area
- Improve the accessibility of the transit system for all types of users

- Generate efficiencies by standardizing the development signs, customer information, and maps across all operators.

Eligible Programs/Projects:

- **Deliver Wayfinding and Signage Improvements:** Deploy new standardized signage, including digital wayfinding infrastructure, at hundreds of locations around the Bay Area, including at bus stops, rail stations, transit centers, and ferry terminals.
- **Maintain a Common Regional Transit Visual Identity:** Update and support transit operator use of the Regional Wayfinding Standards, which include the [Regional Network Identity Design Guide](#) and the [Transit Stop Signage Design Guide](#), as adopted by the Regional Network Management Council or any updated version of these Guides.

Transit Priority Programs

Description: Transit Priority investments improve transit travel time and reliability, better serving riders and lowering costs for operators.

Goals:

- Fund transit reliability capital improvements that reduce travel time for riders
- Provide technical support to local jurisdictions and transit operators on best practices to improve transit reliability
- Increase transit ridership through improved transit reliability

Eligible Programs/Projects:

- **Funding for Implementation of Capital Projects:** Various projects implemented by transit operators, local jurisdictions, and/or Caltrans that improve transit travel time and reliability including, but not limited to dedicated transit lanes, transit signal priority, improved transit stop design, transit vehicle/high-occupancy vehicle lanes, traffic/parking regulations and enforcement systems/technology, and queue jump lanes.
- **Technical Support:** Support for transit operators and other infrastructure project sponsors on best practices to improve transit reliability and the customer experience

Section 4 – PROGRAM PROCEDURES

Programming of Revenues

Revenues generated by a revenue measure authorized by the Connect Bay Area Act under the rider-focused improvements categories detailed in Section 3 of this Expenditure Plan are subject to programming actions by the MTC Commission consistent with state statute as defined in California Government Code § 67750-67756.

Geographic Use of Funds

Revenues supporting capital projects under this Expenditure Plan may only be used for projects located within the boundaries of the Public Transit Revenue Measure District as defined by California Government Code § 67710.

Revenues supporting an operational project or program under this Expenditure Plan must provide service(s) to the jurisdictions within the boundaries of the Public Transit Revenue Measure District.

Performance

All statutory performance and accountability measures applicable to a revenue measure established under the Connect Bay Area Act apply to the funding detailed in this Expenditure Plan.

The performance and effectiveness of individual projects and programs that receive funds from the categories defined in Section 3 of this Expenditure Plan will be evaluated through the Regional Network Management Framework process and/or specific project/program evaluations undertaken by a project sponsor or MTC.

Funding Program Development Process

At least once every four years, starting in calendar year 2027, and for the duration of the revenue measure, the MTC Commission will adopt a multi-year funding program encompassing a rider-focused improvements program of projects. This program will detail funding amounts to be programmed by category as defined in Section 3 of this Expenditure Plan as well as the specific projects and programs to be awarded funds.

Prior to the MTC Commission's adoption of a multi-year funding program, and consistent with the Regional Network Management Framework, the proposed funding program will be presented to the Regional Network Management Council and the Regional Network Management Customer Advisory Group, or their designated successors, to solicit input on the proposed use of funds. These bodies' recommendations for the use of funds should be based on their determination of which projects and programs will have the greatest impact on improving the rider experience, growing ridership, and maintaining a financially sustainable public transit system.

MTC will also solicit public comment and input on the proposed multi-year funding program by posting the draft plan on its website at least 60 days prior to its consideration for formal adoption by the MTC Commission.