

**Metropolitan Transportation Commission
Programming and Allocations Committee**

July 9, 2025

Agenda Item 3a-25-0732

MTC Resolution No. 4706, Revised

Subject:

Amendment to the FY2025-26 Regional Measure 3 (RM3) Operating program to support the implementation of the Marin-Sonoma Coordinated Transit Service (MASCOTS) plan and to program prior years' RM3 Operating funds to AC Transit.

Background:

MTC Resolution No. 4706 establishes the FY2025-26 RM3 Operating Program of \$53.2 million for Transbay Terminal, ferry, and eligible regional express bus operations. Within the annual RM3 Operating Program, funding levels for operating assistance are determined for the Transbay Terminal (8%), Regional Express Bus (34%), and Expanded Ferry Service (58%). Only the San Francisco Bay Area Water Emergency Transit Authority (WETA), the Transbay Joint Powers Authority (TJPA), and selected operators that provide Express Bus service are eligible to receive RM3 Operating funds. The original resolution programmed \$800,000 less than the total available funds for the RM3 Operating Program in FY2025-26. As shown in Table 1, this proposed revision raises the Regional Express Bus project by \$800,000 to \$18.4 million, a full 34% of the \$54 million program total. This revision also programs \$9.4 million in Express Bus funds from prior years' RM3 Operating funds to deliver on the shortfall funding commitments outlined in MTC Resolution No. 4619, Revised.

Table 1. Proposed FY2025-26 RM3 Operating Program Overview

Project	FY2025-26 RM3 Total Programming (\$M)
Transbay Terminal	\$4.3
Ferry Service	\$31.3
Regional Express Bus	\$18.4
Regional Express Bus (Prior Years' Funds)	\$9.4
Total	\$63.4

Marin-Sonoma Coordinated Transit Service (MASCOTS) Plan

The Marin-Sonoma Coordinated Transit Service Plan, known as MASCOTS, is an ongoing effort by transportation agencies in Marin and Sonoma counties to optimize transit services within the US-101/SMART corridor by improving service efficiency, effectiveness, and clarity as well as responding to changes in travel behavior since the COVID-19 pandemic. The MASCOTS plan aims to take an operator-neutral approach in evaluating the modes, levels of service, and markets served by transit along the corridor. A participant in MASCOTS, the Golden Gate Bridge, Highway and Transportation District (GGBHTD) is eligible to receive RM3 operating funds for express bus services which feed into the Richmond-San Rafael and San Francisco-Oakland Bay Bridges, including routes that interact with the US-101/SMART corridor.

Contribution of Prior Years' RM3 Operating Program Funds

Over the period spanning FY2018-19 to FY2021-22, roughly \$24 million in RM3 funding for express bus operations was accrued but not disbursed while RM3 was under legal challenge. Now that legal challenges have been dismissed, MTC is able to disburse this funding to eligible recipients as part of MTC's \$300 million regional funding commitment to offset operator deficits, outlined in MTC Resolution No. 4619, Revised.

Across FY2023-24 and FY2024-25, MTC programmed \$11.4 million in RM3 Operating Program funds to AC Transit as part of the \$32.6 million total commitment to the operator. In addition to the \$11.7 million originally programmed in the FY2025-26 RM3 Operating Program, AC Transit will receive \$9.4 million in prior years' RM3 funds, fulfilling MTC's regional funding commitment to AC Transit.

Staff will return to the Commission with a recommendation on potential uses of the remaining \$14.4 million in prior years' funds to address the fiscal cliff at a later date, following further coordination with transit agency partners.

Summary of FY2025-26 Programming for Express Bus

In line with MTC Resolution No. 4619, Revised, the proposed FY2025-26 programming for the Express Bus component first funds \$17.4 million in remaining FY2025-26 standardized shortfalls projected by RM3-eligible operators. Next, \$100,000 is programmed each to Central Contra Costa Transit Authority (CCCTA) and Eastern Contra Costa Transit Authority (ECCTA) for other purposes. To support MASCOTS implementation, this proposed revision programs the remaining \$800,000 in FY2025-26 RM3 Regional Express Bus funds to GGBHTD, in support of the MASCOT service and funding plan. This revision also programs an additional \$9.4 million in prior years' RM3 funds to AC Transit to complete MTC's regional funding commitment to the agency.

Proposed programming amounts for the Express Bus Program for FY2025-26 are summarized in Table 2.

Table 2. Proposed FY2025-26 RM3 Operating Program (Express Bus)

Operator	FY2025-26 RM3 Programming for Fiscal Cliff (\$M)	FY2025-26 RM3 Programming for Other Purposes (\$M)	FY2025-26 RM3 Total Programming (\$M)
AC Transit (includes prior years' funds)	\$21.1	\$0	\$21.1
CCCTA	\$0	\$0.1	\$0.1
GGBHTD	\$2.5	\$0.8	\$3.3
LAVTA	\$0.7	\$0	\$0.7
NVTA	\$0.8	\$0	\$0.8
SolTrans	\$1.0	\$0	\$1.0
ECCTA	\$0.05	\$0.1	\$0.15
WestCAT	\$0.6	\$0	\$0.6
Total	\$26.7	\$1.0	\$27.7

In accordance with the RM3 Policies and Procedures (MTC Resolution No. 4404, Revised), the additional RM3 funding amounts for GGBHTD and AC Transit remain within limits such that

the combined RM2 and RM3 operating revenue received is not greater than the cost of operating RM3-eligible service, less fare revenue.

Funding Availability

MTC's RM3 Policies and Procedures state that MTC will adopt a project specific budget for RM3 operating funds prior to allocation. The proposed FY2025-26 programming levels are consistent with Bay Area Toll Authority revenue projections for RM3. However, should actual revenues be lower than budgeted revenues, revisions to programming will be necessary to stay within the statutory 16 percent maximum.

Issues:

The proposed RM3 Express Program for FY2025-26 was developed to help address the needs of transit operators facing fiscal challenges and to help MTC adhere to the commitment made for the State to ensure near-term public transit sustainability in exchange for SB 125 funding. MTC expects that the RM3 Express Bus program will change from year to year until transit operating funding becomes more certain. In budgeting, transit operators should not expect funding levels for the program to be fixed. Looking ahead, MTC staff will holistically assess express bus service needs regionwide to identify routes that support RM3's statutory objective of reducing bridge corridor congestion.

Recommendations:

Refer MTC Resolution No. 4706, Revised, to the Commission for approval.

Attachments:

- MTC Resolution No. 4706, Revised
 - Attachment A - RM3 Operating Program of Projects
- Presentation



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