

**Metropolitan Transportation Commission
Programming and Allocations Committee**

October 8, 2025

Agenda Item 3a-25-1337

Senate Bill 125 Regional Accountability Update

Subject:

An informational update on the status of large operators' progress toward Senate Bill (SB) 125 Regional Accountability Measures.

Senate Bill (SB) 125 Background

Amendments to the California State Budget Act of 2023 provided immediate transit operating assistance to help avert the near-term transit operating fiscal cliff that has resulted from the COVID-19 pandemic and associated changes in travel patterns. Based on adopted formulas, the Bay Area is expected to receive an estimated \$400 million from the newly created Zero-Emission Transit Capital Program (ZETCP) and an additional \$770 million from the Transit and Intercity Rail Capital Program (TIRCP) between FY2023-24 and FY2027-28. State action allows these funds to be used flexibly for capital or operating purposes, pursuant to Regional Transportation Planning Agency (RTPA) discretion. Consistent with prior MTC advocacy and supported by the possibility of leveraging between \$6 and \$8 billion in federal funds, a combined \$665 million in SB 125 funds will support capital expenses related to BART to Silicon Valley Phase II and BART Core Capacity, resulting in \$505 million in SB 125 funds available for operating purposes. These funds will be supplemented by an estimated \$30 million in interest earned on SB 125 funds.

Funding for Fiscal Cliff Support Through FY2025-26

In December 2023, MTC submitted to the California State Transportation Agency (CalSTA) its SB 125 Short-Term Financial Plan, which demonstrated the plan to use SB 125 funds to address operating shortfalls and meet capital commitments. This plan included the use of \$300 million in currently unassigned regional funds that can be made available as a one-time contribution to transit operations expenses. The table below outlines the full program of SB 125 and regional funds, consisting of Regional Measure 3 (RM3) Operating funds, State Transit Assistance (STA) Population-Based funds, Transit Capital Priorities (TCP) funds, and Surface Transportation Block Grant Program (STP) and Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds, which are administered under the One Bay Area Grant (OBAG) program.

Operator	SB 125 Operating	RM3 Operating	STA Pop- Based	FTA 5307/ 5337 (TCP)	STP/ CMAQ Operating (OBAG)	Total Operating	SB 125 Capital	STP/ CMAQ Capital (OBAG)	Total Capital	Grand Total
AC Transit		\$32.6				\$32.6				\$32.6
ACE	\$3.6					\$3.6				\$3.6
BART	\$282.6			\$58.5		\$341.1	\$290.0	\$60.0	\$350.0	\$691.1
Caltrain	\$10.4		\$10.9	\$15.0		\$36.3				\$36.3
ECCTA		\$0.7				\$0.7				\$0.7
GGT	\$20.8	\$6.5	\$13.7			\$41.1				\$41.1
LAVTA		\$2.3				\$2.3				\$2.3
MTC	\$2.0					\$2.0				\$2.0
NVTA		\$2.2	\$0.3			\$2.5				\$2.5
SFMTA	\$216.7			\$58.8	\$33.3	\$308.8				\$308.8
SolTrans		\$2.0				\$2.0				\$2.0
VTa							\$375.0		\$375.0	\$375.0
WestCAT		\$3.1				\$3.1				\$3.1
Total	\$536.2	\$49.5	\$24.9	\$132.3	\$33.3	\$776.2	\$665.0	\$60.0	\$725.0	\$1,501.2

To date, MTC has received \$728 million in SB 125 funds and has allocated \$407 million in SB 125 funds and \$75 million in regional funds for FY2024-25 and FY2025-26 operating assistance and MTC planning and administration. The remaining regional funds are currently progressing through federal approval processes. These dollars support transit agencies' continued service provision, funding critical needs including operator salaries, fuel/energy, public safety/police services, and maintenance activities. SB 125 operating dollars do not fund operator capital commitments.

Near-term milestones related to SB 125 include MTC's allocation of the final \$128 million in SB 125 funds for FY2025-26 operating assistance and the receipt of \$193 million in Year 3 SB 125 funds in summer 2026. Staff are also currently working with stakeholders to develop the OBAG 4 program, with final policy adoption anticipated in early 2026. The program is set to include a contribution of approximately \$100 million in STP/CMAQ federal funds, including a \$7.8 million swap for TCP funds.

Funding for Fiscal Cliff Support in FY2026-27 and Beyond

Many of the Bay Area's largest transit operators are projecting significant operating shortfalls as early as mid-2026, after the conclusion of funding support from SB 125 and MTC's regional funding framework. To meet these urgent needs, the California Legislature passed Senate Bill (SB) 63, which authorizes a measure for placement on the November 2026 ballot to sustain and improve public transportation. The bill is currently awaiting the Governor's signature, and consists of a 14-year sales tax at a rate of one-half cent in Alameda, Contra Costa, San Mateo, and Santa Clara counties and a

rate of one-cent in the City and County of San Francisco. The bill includes a detailed expenditure plan that prescribes amounts to be provided to transit operators and county transportation agencies in the five counties, as well as to MTC for rider-focused transit improvements. If approved by voters, the measure would take effect in early 2027.

The bill also includes provisions aimed at ensuring accountability to taxpayers, transit riders, and local government partners through three mechanisms: financial efficiency requirements including an independent third-party financial review for large operators; maintenance of effort requirements, in which certain operators must maintain existing levels of operations funding; and enhanced transit agency accountability via ad hoc adjudication committees, which would have the authority to withhold of a portion of an operator's funds as a result of concerns raised by any of the participating counties.

The status of SB 63 and other state-level efforts to address the transit operations fiscal cliff will be discussed in more detail at the MTC Legislation Committee meeting on October 10, 2025.

Regional Accountability Measures

MTC Resolution No. 4619, Revised also establishes a set of Regional Accountability Measures including customer experience and efficiency enhancements that operators must advance to be eligible for SB 125 funding. For all operators receiving SB 125 operating funds, these requirements include participation in ongoing Transit Transformation Action Plan initiatives, and implementation of schedule coordination and real-time transit data improvements. Other accountability requirements are specific to individual operators and center around safety and security, fare evasion reduction, and comprehensive service improvements.

Summary of Interim Progress for Large Operators Receiving SB 125 Funds

This item summarizes the current status of progress toward the SB 125 Regional Accountability Measures for Alameda-Contra Costa Transit District (AC Transit), the San Francisco Bay Area Rapid Transit Authority (BART); the Peninsula Corridor Joint Powers Board (Caltrain); Golden Gate Bridge, Highway and Transportation District; and the San Francisco Municipal Transportation Agency (SFMTA).

Summarized in greater detail in Attachment A, large operators receiving SB 125 operating funds have generally fulfilled or made satisfactory progress toward the SB 125 Regional Accountability Measures. Notably, participation in regional initiatives remains strong among large operators, with

all operators fulfilling the requirements identified by MTC. All major operators have shifted to the common operator sign-up schedule (January and August) and have participated in schedule coordination efforts including the “Big Sync” in August 2025. General Transit Feed Specification (GTFS) best practice adherence is an area for improvement, with most operators not meeting all best practices. Operators are generally making satisfactory progress toward longer-term initiatives focused on fare collection, service optimization, ambassador programs, and crisis prevention.

Next Steps

Looking ahead, MTC urges operators to continue work toward fulfillment of the SB 125 Regional Accountability Measures, following the concrete near-term milestones identified for each operator in Attachment A. MTC will continue to assess operator progress toward the accountability measures when allocating the remaining FY2025-26 operating funds, and will continue to provide status updates to the Programming and Allocations Committee on a rolling basis throughout fall 2025 and winter 2026. Staff will return to this committee in early 2026 with a final summary update presentation.

Issues:

None.

Recommendations:

Information

Attachments:

- Attachment A – Senate Bill 125 Regional Accountability Progress Summary
- Presentation



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