



Connect Bay Area Act (SB 63) Overview & Next Steps

December 17, 2025



METROPOLITAN
TRANSPORTATION
COMMISSION

SB 63 Overview

- ▶ Authorizes a November 2026 ballot measure in counties of Alameda, Contra Costa, San Mateo, San Francisco and Santa Clara counties to prevent major service cuts on BART, Caltrain, SF Muni and AC Transit.
- ▶ Revenue Mechanism: 14-year sales tax, generating approximately \$980 million/year
 - ▶ Alameda, Contra Costa, San Mateo and Santa Clara: **0.5% rate**
 - ▶ San Francisco: **1% rate**

Also provides:

- **Flexible transit operating and capital funding**, plus targeted road repair funds in Alameda, Contra Costa, San Mateo and Santa Clara counties.
- **Funding to improve the transit rider experience** (e.g., Clipper START, free and discounted transfers, accessibility improvements, mapping & wayfinding and transit priority).

Preventing Major Transit Service Cuts

- ▶ BART, Muni, Caltrain and AC Transit collectively face an annual operating deficit of more than \$800 million in FY 2026-27 and growing thereafter.
- ▶ **These four operators receive 60% of annual funding in measure and 95% of the dedicated transit operating funding in expenditure plan.** Measure is not expected to fully close deficit for BART or Muni, necessitating further cost savings by operators.

| Agency | SB 63 Measure Annual Amount in millions* |
|------------|--|
| | (Based on FY 2027-28 forecast) |
| BART | \$310 |
| Muni | \$155 |
| Caltrain | \$70 |
| AC Transit | \$50 |

* Note: Amounts shown do not reflect one-time costs of unknown amounts that are anticipated to be incurred by MTC and new Public Transit Revenue Measure District in event of passage, including election-related costs.

Funding for Local County Priorities

- ▶ Flexible funding for counties may be spent on public transit (operations or capital purposes) and/or local road repair on roads served by “fixed route transit.”
- ▶ County funding levels are based on each county’s tax proceeds remaining after contributing to transit operations in accord with the SB 63 expenditure plan.
- ▶ San Francisco receives no flex funding as all of its revenue goes to transit operations serving San Francisco, after required set-asides for admin. and rider-focused improvements.

| Agency | SB 63 Measure Annual Amount in millions* |
|---|--|
| | (Based on FY 2027-28 forecast) |
| Santa Clara Valley Transportation Authority | \$245 |
| SamTrans | \$45 |
| Contra Costa Transportation Authority | \$25 |
| Alameda County Transportation Commission | \$10 |

* Note: Amounts shown do not reflect one-time costs of unknown amounts that are anticipated to be incurred by MTC and new Public Transit Revenue Measure District in event of passage, including election-related costs.



Rider-Focused Improvements

The final SB 63 expenditure plan includes approximately \$45 million/year spending plan for rider-focused improvements to make transit more affordable, accessible and easier to use, as follows:



Fare programs (\$25 million)

- Fund free and reduced-cost transfers, which can save multi-agency commuters \$1,500/year. Projected to increase ridership by 30,000 daily trips.
- Double the capacity of the Clipper START discount program to make transit more affordable for an additional 100,000 low-income riders.

Accessibility (\$10 million)

- Investments in accessibility, such as streamlined paratransit eligibility and cross-jurisdictional paratransit, will improve mobility for older adults and people with disabilities.



Transit Priority and Customer Navigation (\$10 million)

- Mapping and wayfinding upgrades at intermodal hubs and strategic transit priority investments will make it easier to navigate the system and improve bus speed and reliability on significant corridors.

East Bay Local Bus Service, Bus Service to North Bay & Ferry

SB 63 Measure Annual Amount in millions*

(Based on FY 2027-28 forecast)

Agency

**Alameda County small bus
(Union City and LAVTA)**

\$5

**Contra Costa County small
bus** (County Connection,
WestCat, Tri-Delta Transit)**

\$15

Golden Gate Transit

\$1

San Francisco Bay Ferry

\$6

- Note: Amounts shown do not reflect one-time costs of unknown amounts that are anticipated to be incurred by MTC and new Public Transit Revenue Measure District in event of passage, including election-related costs.
- **Funding is allocated to Alameda County Transportation agency and Contra Costa Transportation agency for them to determine allocation among small bus agencies.



SB 63 provides funding to smaller transit agencies that provide local bus service in the East Bay, feeder service to BART, access to SF from the North Bay and ferry and express bus options in the high-traffic Bay Bridge corridor.



MTC Responsibilities

Allocating Funding to Transit Agencies & Rider-Focused Programs

- ▶ To specified transit agencies: AC Transit, BART, Caltrain, SF Muni, SF Bay Ferry, Golden Gate Transit.
- ▶ To Alameda County Transportation Commission and Contra Costa Transportation Authority for them to allocate funds to small bus operators in their counties.
- ▶ To rider-focused improvements – Clipper START, free/reduced transfers, accessibility, transit priority & mapping and wayfinding.

Ridership Study

- ▶ Forecast of ridership impact on AC Transit, Caltrain, BART and SF Muni from planned projects and strategies in adopted long-range plan (Plan Bay Area 2050+) – due March 31, 2026.

Financial Efficiency Review

- ▶ Phase 1 – Spring/Summer 2026
- ▶ Phase 2 – Post-election – due approximately April 2028

Operator Oversight

- ▶ Ongoing, as condition of allocating funds



Applies to AC Transit, BART, SF Muni and Caltrain

Must be approved by Oversight Committee established by MTC

Financial Efficiency Study: Phase 1

Phase 1 Scope:

- ▶ Cost-saving measures taken by operators since 2020
- ▶ Near-term opportunities for increasing or improving service and enhancing the customer experience within existing resources.
- ▶ Operators' real property assets and identification of potential redevelopment opportunities, with an emphasis on housing, commercial and mixed-used projects that can support ridership growth and generate long term value.

Phase 1: 2026 Milestones

Jan 2026
**Oversight
Committee
members
identified**

Jan/Feb 2025
**Oversight
Committee Convened**

Membership:

MTC chair/designee, operator board member (chair/designee), four independent experts, ex-officio reps (California State Transportation Agency & Department of Finance)

Apr 1, 2026
**Consultant must
complete Phase One
analysis**

- Consultant delivers findings
- Oversight Committee reviews draft, directs revisions, and adopts final report
- Commission transmits final Phase One report to the four operators, legislature, CalSTA and the five participating county transportation entities. No specific deadline for this.

Jul 1, 2026
**Operators commit to
Phase One strategies**

- Each operator identifies strategies it will implement
- Adoption as formal policy or budget actions

Phase 2: 2027 to Early 2028

June – Dec 2026 **Phase Two Scope & Procurement**

- Develop Phase Two scope based on Phase 1 findings
- Consultant procurement finalized by end of 2026 (assuming full RFP process)

Jan 2027 – April 2028 **Phase Two Review**

- Consultant conducts Phase Two analysis
- Deliverables include:
 - Menu of cost-saving measures (administrative, operating, capital)
 - Regional development & financing strategy (property redevelopment opportunities)
 - Oversight Committee reviews, directs revisions, and adopts final Phase Two report

Oversight of Transit Agencies

Applicable to BART, Muni, AC Transit and Caltrain

- ▶ **Cost Saving Measures Must Be Implemented**

To receive measure funds, each agency must verify to MTC that they comply with their Phase 2 implementation plan cost saving measures.

- ▶ **County-Initiated Oversight**

County Transportation Agencies or Board of Supervisors can vote after two years to initiate an ad-hoc committee of MTC Commissioners to review and potentially withhold up to 7% of an operators' funds if standards (including safety and cleanliness) are not being met in that county.

Applicable to all transit agencies funded in measure

- ▶ **Transit Operations Maintenance of Effort Required**

Operators required to maintain their expected level of funding for transit operations and not supplant any existing sources of operating funding

- ▶ Exceptions allowed under certain circumstances, subject to MTC approval.

Connect Bay Area Act 2026 Timeline

| December 2025 | Jan. 1, 2026 | Jan/Feb | March 31 | April 1 | July 1 |
|--|--------------------|---|--|---|---|
| Consultant hired by MTC to conduct Phase 1 of Financial Efficiency Review of BART, AC Transit, Caltrain and Muni | SB 63 takes effect | Financial Efficiency Review Oversight Committee appointed and convened by MTC | Ridership impact study of Plan Bay Area projects, with focus on rail connectivity submitted to Legislature by MTC. | Deadline for consultant to complete Phase 1 of Review | <ul style="list-style-type: none"> • Deadline for operators to identify and adopt “early action” strategies under Phase 1 • District to perform its election-related responsibilities, including drafting ballot question and impartial analysis. |

Connect Bay Area Act 2026–2027

Timeline

| August | September | October | November | April 2027 | July 2027 |
|---|--|--|--------------------------|--|--|
| County boards of supervisors must take action to place measure on ballot by August 7. | MTC/District's role providing public information continues | MTC/District's role providing public information continues | Election day held Nov. 3 | If measure approved, tax collection begins | If measure approved, first disbursement of funds anticipated |

Informing the Public

As a government agency, MTC is committed to providing impartial, factual information to voters.

Planned informational materials include:

- Overview fact sheet
- Frequently Asked Questions (FAQ)
- Revenue forecast and expenditure plan summary
- Operator-specific fact sheets
- County-specific fact sheets
- Accountability provisions fact sheet
- Rider-focused improvements fact sheet
- Maps
- Educational video(s)





Informing the Public About SB 63

- MTC anticipates playing our usual coordinating role on regional transit communications related to SB 63 with other Bay Area transportation agencies.
- In addition to developing the materials referenced previously, MTC will aim to be responsive to requests for factual information.
- Information will be posted on MTC's website.



**METROPOLITAN
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COMMISSION**



**Bay Area Regional Transportation Measure
Voter Survey Report**

Metropolitan Transportation Commission

November 2025

Survey Methodology

- ▶ Multi-modal (live telephone/web) survey of Likely November 2026 voters, conducted October 6 – 21, 2025
- ▶ 2,800 total responses, overall margin of error ± 2.3 , weighted to be representative of the 5-county area
 - Alameda County (n = 500)
 - Contra Costa County (n = 500)
 - San Francisco County (n = 800, includes a 50/50 split-sample)
 - San Mateo County (n = 500)
 - Santa Clara County (n = 500)
- ▶ Offered in English, Spanish and Chinese
- ▶ Where applicable, results compared to prior EMC polling on behalf of MTC

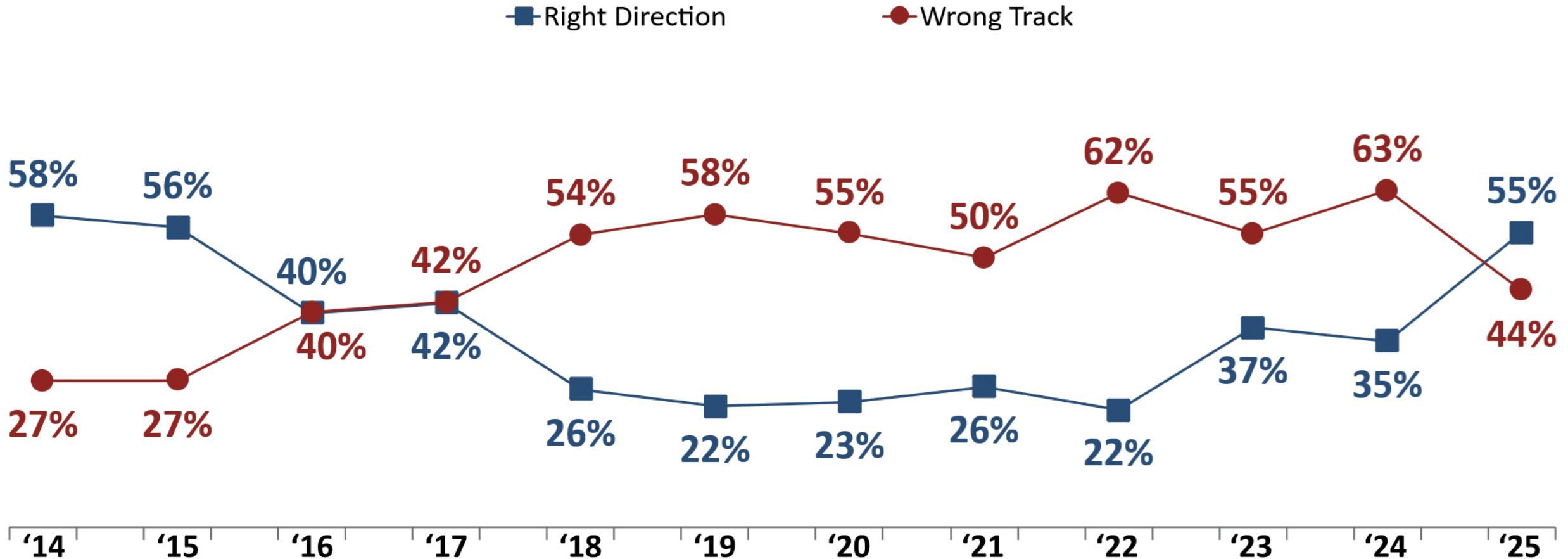
Please note that due to rounding, some percentages may not add up to exactly 100%.

Key Findings of October 2025 Poll

- ▶ Overall **optimism** in the Bay Area has improved.
- ▶ Ratings of the local **public transit** system have **improved** as well, and more rate it important today compared to two years ago.
- ▶ Intended outcomes of a potential regional transportation sales tax are considered important, and many are passionate about the need for **maintaining reliable transit service**.
- ▶ Support for a measure is **above a majority**, even when San Francisco voters are told about a potential second transit measure.
- ▶ Concerns about the cost of, living, taxes and trust in government hold support for a measure **well below two-thirds**.

Direction of the Bay Area

Overall optimism in the Bay Area is up.

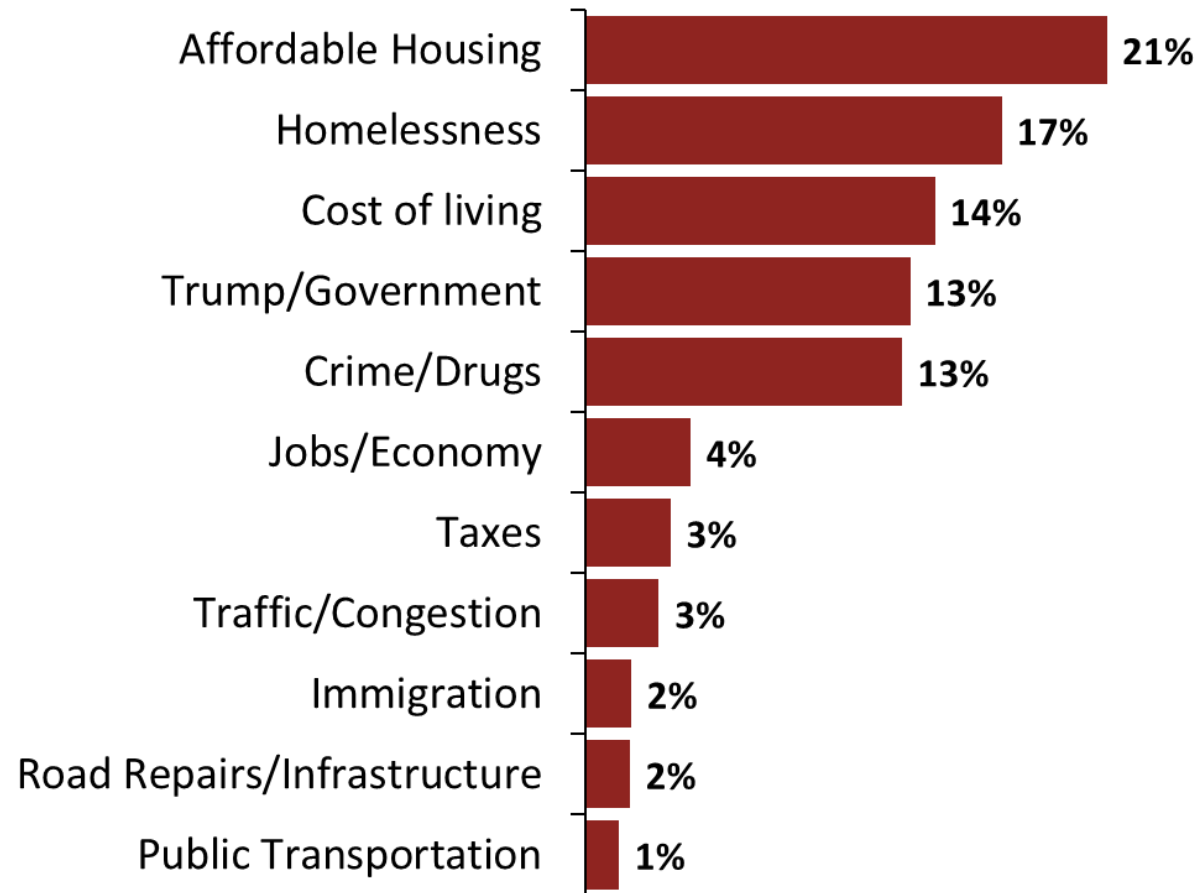


Q3. Do you feel that things in the Bay Area are generally going in the right direction or do you feel things have gotten pretty seriously off on the wrong track? (Note: data reflects the 5-county survey area only)

Most Important Problem

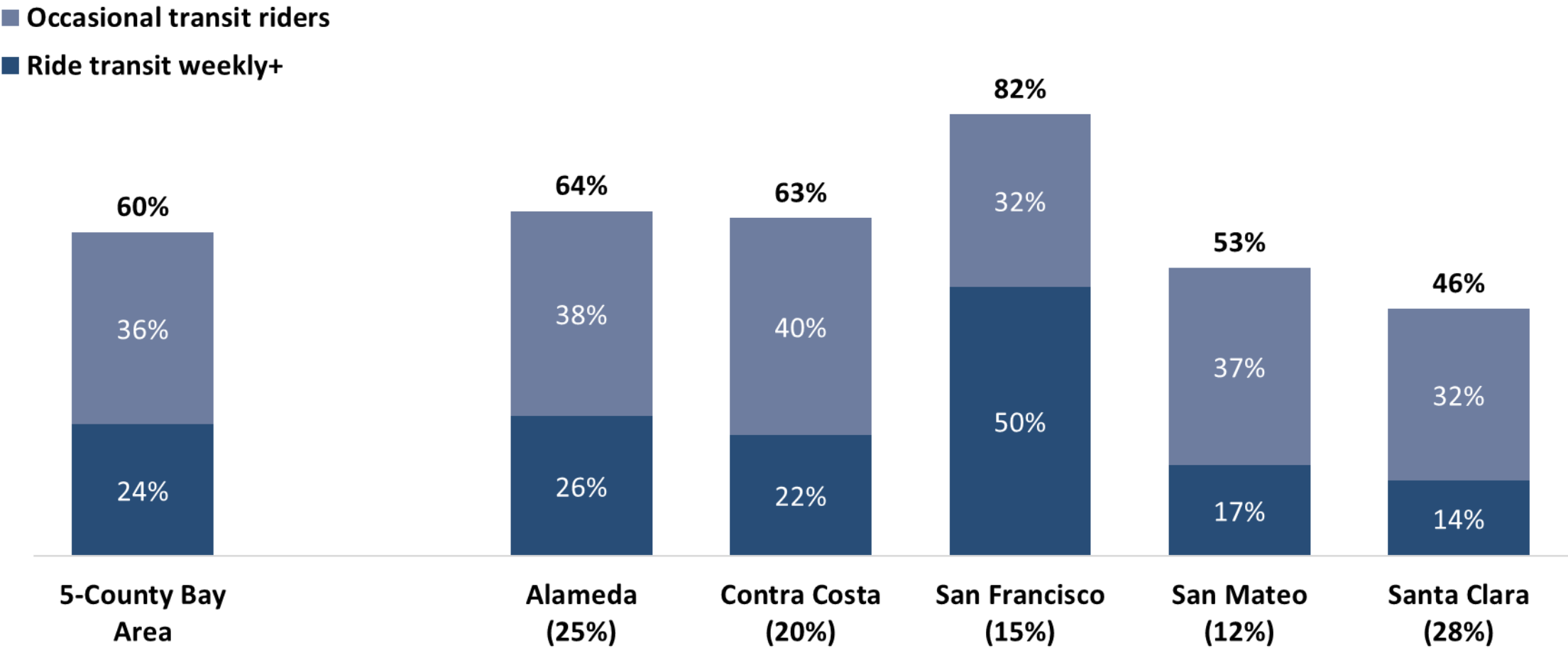
Affordability issues, homelessness, and crime have been the most prominent top-of-mind concerns for several years, while concerns about Trump have been rising. Roads, transportation, and traffic have consistently been a lower-tier concern.

What do you think is the most important problem facing the Bay Area today? (open-ended question)



Transit Ridership (Self-Reported)

Transit Ridership

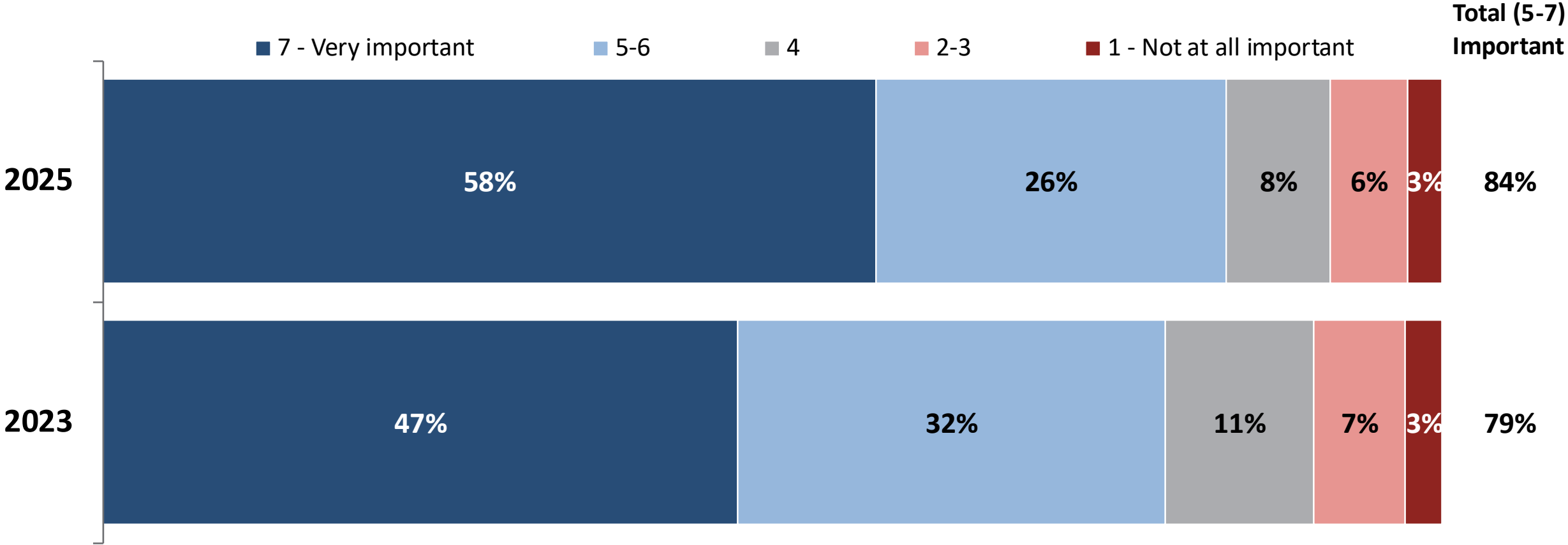


Numbers in parentheses represent subgroup proportion of electorate

Importance of Public Transit

Public transit is even more important to Bay Area voters today than it was two years ago.

How important would you say public transit is for the Bay Area?



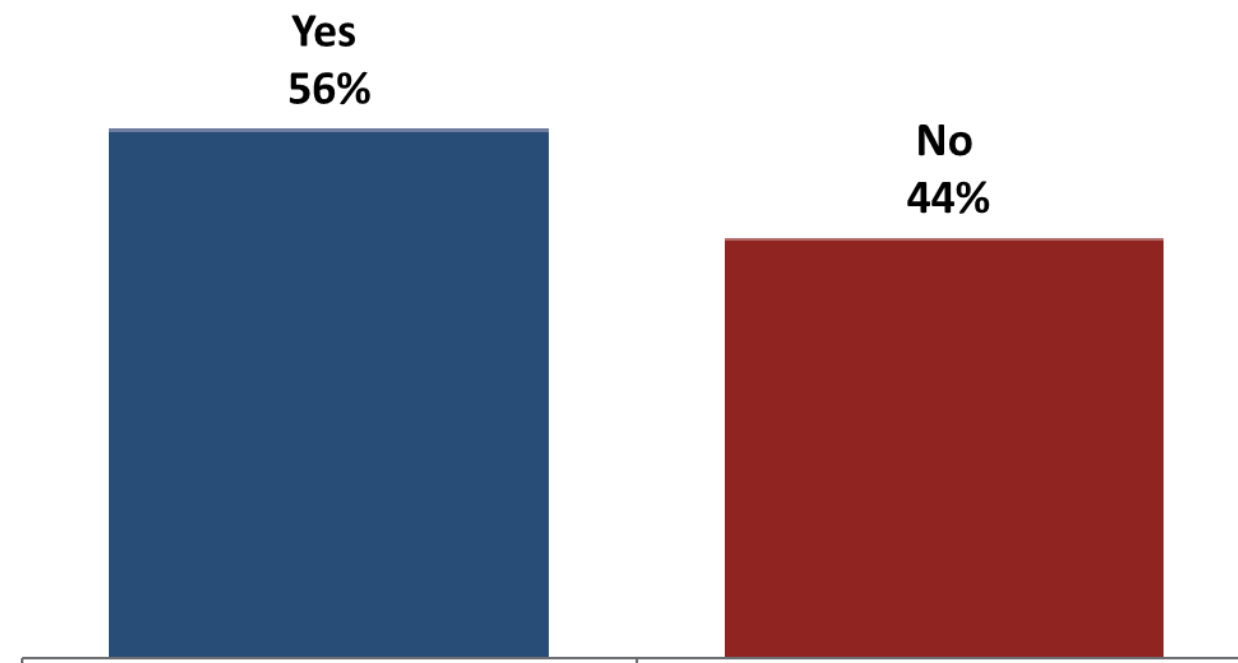
Regional Measure Vote

Support for a regional measure is above a majority, but below the two-thirds threshold.

To prevent major service cuts to BART and other transit, avoid increased traffic, and reduce pollution by:

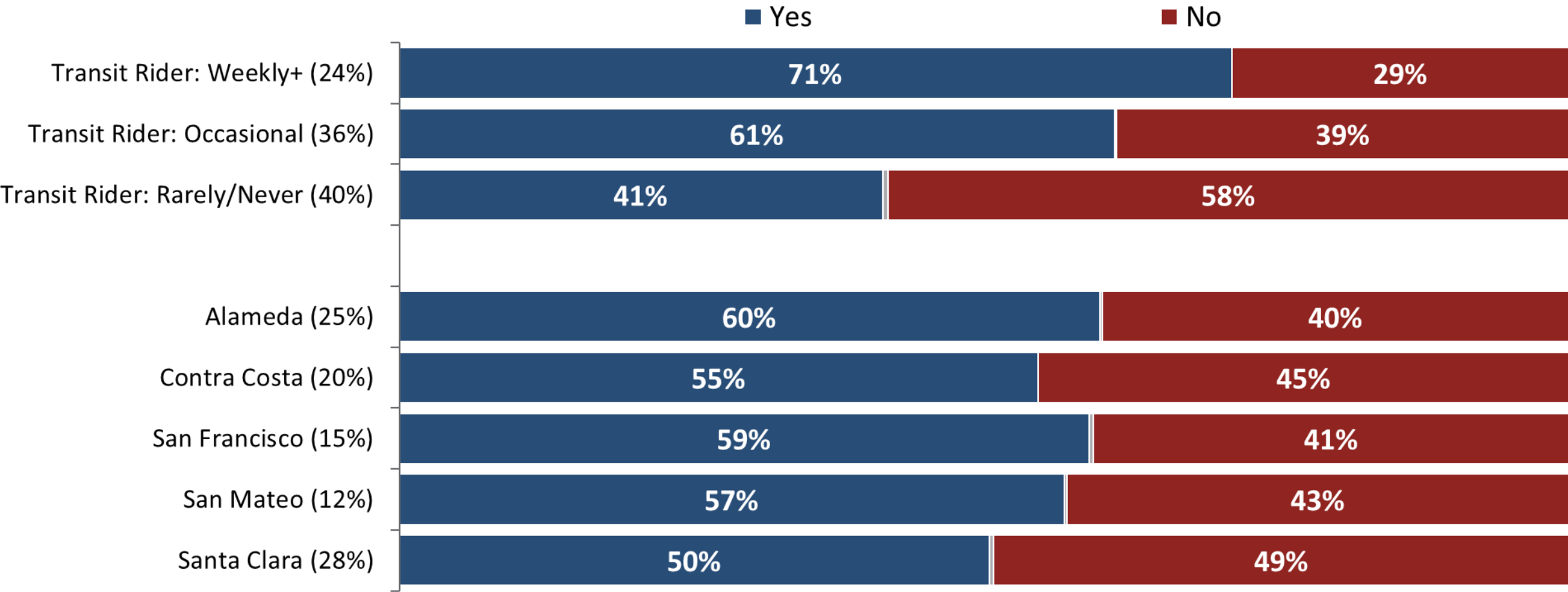
- Preserving BART, Caltrain, VTA, SamTrans, AC Transit, Muni, other transit for everyone, including workers, students, seniors, persons with disabilities;
- Supporting transit safety, cleanliness, affordability, reliability;
- Repairing roads/potholes;
- Requiring financial transparency, oversight, accountability;

shall the measure enacting a 0.5% (Alameda, Contra Costa, San Mateo, Santa Clara counties) and 1% (San Francisco) sales tax for 14 years generating approximately \$980,000,000 annually, be adopted?



Regional Measure Vote by Subgroups

Numbers in parentheses represent subgroup proportion of electorate

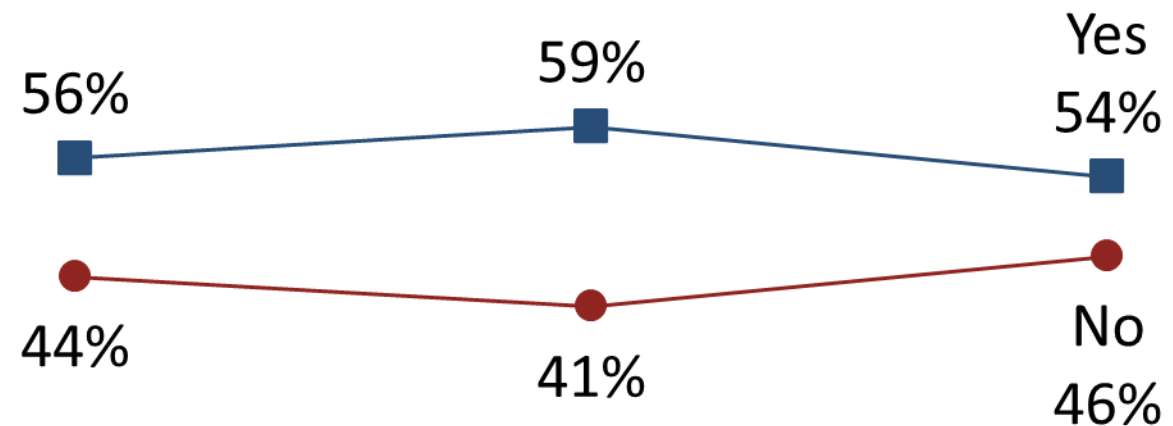


Measure Vote Progression

After a simulated campaign of information and opposition, support remains above a majority but short of two-thirds.

Opposition:

Some people say we simply can't afford to increase taxes when the cost of living here is already so high. We pay some of the highest taxes in the nation, and we still don't have safe or reliable public transit. More money won't do anything to improve transit here; it will just get wasted and misspent like the rest.



Initial Vote

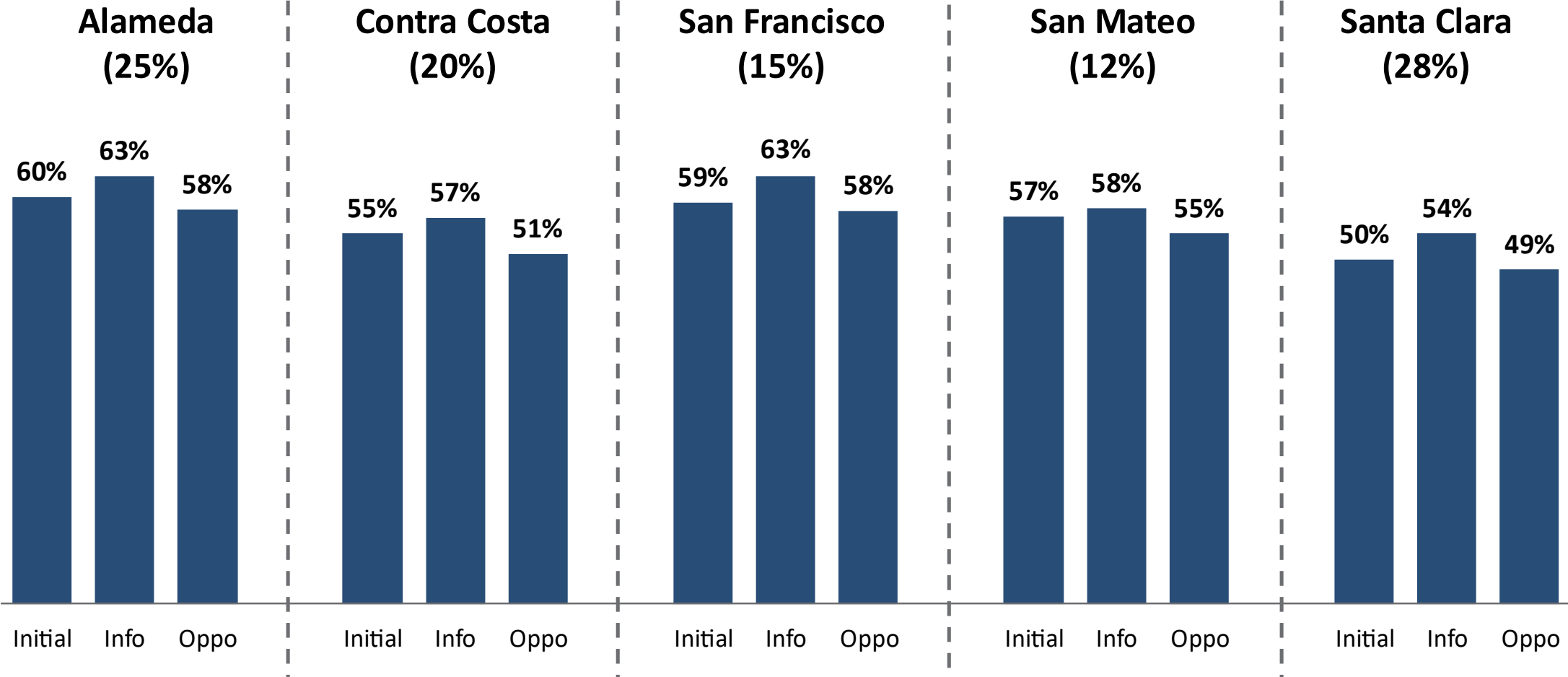
After Information

After Opposition

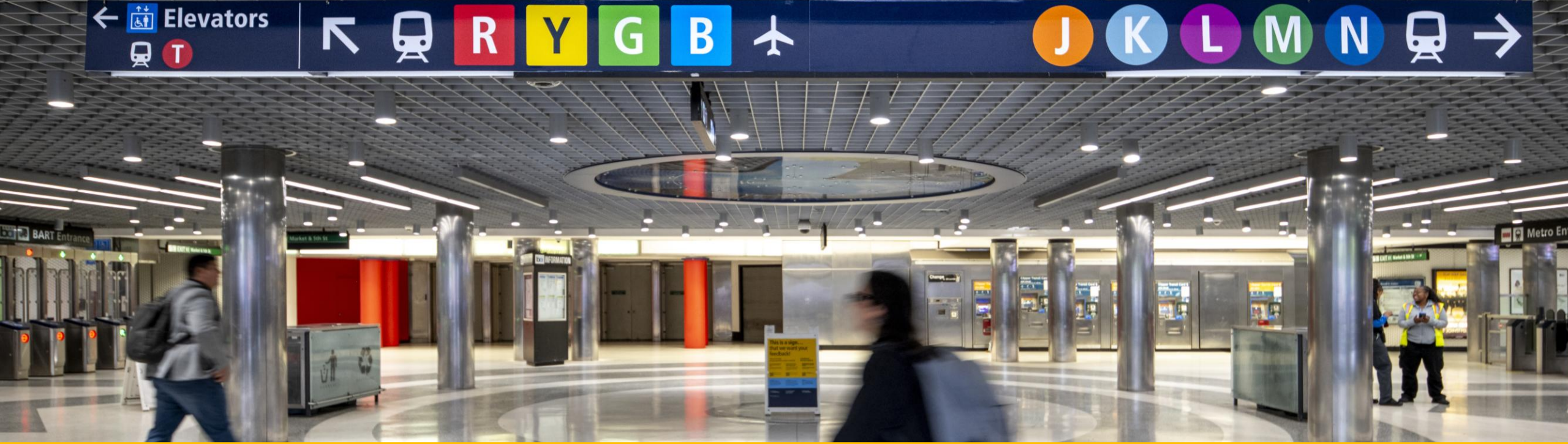
Vote Progression by County

% YES

Numbers in parentheses represent subgroup proportion of electorate



- ▶ Ratings of Bay Area public transit have improved, and there is overwhelming awareness of the **importance of transit**.
- ▶ Bay Area voters **want the outcomes** of a potential revenue measure.
- ▶ Support for a regional sales tax is solidly **above a majority regionwide**, and within each county, after information.
- ▶ Concerns about the **cost of living, taxes, and fiscal accountability** hold support under the two-thirds threshold.



Questions & Discussion