



Overview: Joint Legislative Audit Committee – Audit of East Bay Transit Agencies and MTC



METROPOLITAN
TRANSPORTATION
COMMISSION

MTC Commission

Item 14b

June 24, 2026

Background

- Requested by Senator Aisha Wahab, the Joint Legislative Audit Committee (JLAC) ordered an audit of East Bay transit operators and MTC
- Audit was in response to perceptions about the possible benefits of transit operator consolidation, and concerns over transit operator long-term financial stability
- Operators: AC Transit, Union City, County Connection, WestCAT, Tri-Delta Transit, Wheels (LAVTA)
- The primary audit goals:
 - Evaluate governance, autonomy, and coordination
 - Assess rider experience and service integration
 - Analyze ridership trends and performance
 - Examine financial health and consolidation potential



Audit Process

- Timeframe –
 - Initial Meetings Summer of 2025
 - Draft Report & MTC Response in Early May
 - Final Report Released on May 28th
- Document Review & Interviews
- Auditor field reviews to gauge service and rider experience
- Review of Transit Operators and MTC were done separately and in isolation



California
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Audit Main Findings



Coordination across agencies is strong and rider experience is generally functional



MTC regional integration initiatives (focused on the Transit Transformation Action Plan) continue to lag behind schedule.



Ridership recovery remains slow and most agencies face a challenging financial outlook



Zero emission transition increases costs



Consolidation offers limited benefit

MTC Recommendations and Response

Recommendation 1: Related to the Transit Transformation Action Plan (TTAP), MTC should immediately establish realistic and attainable time frames for each item by setting major milestones and subtasks; identify potential risks and mitigation strategies for delays.

MTC Response:

- TTAP was a voluntary action taken to improve public transportation coming out of the pandemic.
- The established action timelines were purposefully ambitious.
- MTC is implementing the Action Plan in coordination with the region's 27 transit operators.
- MTC formalized RNM structure to support Action Plan Implementation
- We agree with the goal of enhanced transparency on project delivery timelines

Recommendation 2: To guide decision making and measure TTAP progress, MTC should build upon the adopted performance metrics to include achievable outcomes and define linkages between metrics and outcomes when it updates the action plan.

MTC Response: We agree. The mission of Regional Network Management is to drive improvements in the customer experience for Bay Area transit. We will use the adopted performance metrics to measure and track outcomes.

MTC Recommendations and Response (Cont.)

Recommendation 3: MTC should further identify funding sources, such as federal, state or locally-generated revenue, that could be obtained and directed to transit agencies at risk of reducing services,

MTC should also work with transit agencies to identify operational cost savings where possible.

MTC Response:

- Since the pandemic, MTC has advocated for over \$5 billion in new revenue to assist with financial challenges.
- Last year, MTC successfully advocated for the passage of SB 63 which authorizes a 14-year regional transit measure to be placed on the November 2026 ballot to provide new transit operations funding.
- MTC will continue to advocate that the State of California increase financial support for public transit.

Next Steps

- JLAC requires audit subjects to provide updates on efforts to implement audit recommendations at 60-day, six month, and one-year intervals.
- Staff will submit its report on recommendation implementation on or before July 27th, through the JLACs' secure website.