

Metropolitan Transportation Commission

June 25, 2025

Agenda Item 12a

Senate Bill 63 (Wiener/Arreguín) Transportation Revenue Measure Enabling Legislation

Subject:

Advocacy Framework to Guide Legislation's Investment in Rider-Focused Improvements.

Background:

Senate Bill (SB) 63 continues to advance through the Legislature, with active negotiations underway among regional and local stakeholders. County transportation agencies (CTA) are leading the technical assistance work to inform the expenditure plan. The legislation includes an August 11 deadline for an expenditure plan to be amended into the bill. Senators Wiener and Arreguín have conveyed that they intend to circulate a letter containing a draft expenditure plan – informed by CTA technical assistance and other stakeholder feedback – as early as next week to serve as the basis for negotiations. Given this, the next two months provide a key window for the Commission to influence the measure's investment strategy for rider-focused improvements.

At the Commission's May 2025 meeting, staff presented a draft expenditure proposal for rider-focused improvements based on a \$55 million annual budget (that amount is equivalent to 10% of the "Scenario 1A" four county ½-cent sales tax rate MTC polled late last year).

Commissioners directed staff to refine the proposal and return in June with clear priorities for endorsement. Staff has since previewed a draft recommendation with the MTC ABAG Joint Legislation Committee; the Committee's input is incorporated into today's materials. Staff recommend the Commission endorse the proposed investment strategy as well as indicate Commission priorities for rider-focused improvements to be delivered through a regional transportation revenue measure.

At the Commission's direction, this agenda item also includes a presentation from the Regional Network Management (RNM) team on progress implementing various components of the *Bay Area Transit Transformation Action Plan (Action Plan)*. The RNM team's work, which is done in close collaboration with Bay Area transit agencies, is directly informing the proposed investment strategy for SB 63 rider-focused improvements.

Funding Rider-Focused Improvements

The Commission has a long track record of supporting Bay Area transit coordination to improve the transit rider experience – work that accelerated during the COVID-19 pandemic with the Blue Ribbon Transit Recovery Task Force and the 2021 adoption of the *Action Plan*. That work has already yielded results: deploying Clipper START and two Clipper BayPass pilots, Regional Mapping and Wayfinding standards and prototype deployment, and early Transit Priority projects have begun to demonstrate the benefits to transit ridership and customer satisfaction that are possible.

While most revenue from SB 63 is appropriately intended to go toward preventing service cuts, the Commission and key stakeholders have consistently emphasized that delivering meaningful and visible improvements to the rider experience should be a priority as it is essential to increasing transit ridership and building public trust and support. The Transportation Revenue Measure (TRM) Select Committee in 2024 endorsed investing 10 percent of measure proceeds to the *Action Plan* implementation and the Commission’s 2025 SB 63 advocacy principles specify that the measure must fund and deliver rider-focused improvements.

The following suite of initiatives has been studied, developed, tested, and primed to launch, but needs new funding to provide and/or sustain regionwide impact:

- **Free and Reduced Transfers:** Implemented as part of NextGen Clipper, this policy will make transit more affordable and seamless by waiving transfers from bus to bus and lowering the cost of transferring from a bus to rail or ferry by \$2.85. For a frequent multi-agency commuter, the change could save up to \$1,500 per year and is projected to generate 30,000 additional daily rides, according to the October 2021 *Bay Area Fare Coordination and Integration Study Draft Business Case*. MTC and operator partners estimate a \$17 million annual cost for this fare subsidy; program funds are used to reimburse transit operators for lost fares.
- **Clipper START:** This is a popular fare discount program that provides a 50 percent discount to eligible low-income adults for travel on most of the Bay Area’s transit agencies. Clipper START’s current funding level of \$16 million annually (\$8 million regional contribution, which is matched by operators) can support an estimated 100,000 Clipper START users. Another \$8 million in regional funds (if matched by operators)

would double Clipper START program capacity. Like the transfer policy, program funds are provided directly back to individual operators as reimbursement.

- **Accessibility:** In 2024, MTC, in partnership with transit agencies, riders, advocates and other stakeholders, updated the *Coordinated Public Transit-Human Services Transportation Plan* to, among other priorities, include actions 21 – 25 of the *Action Plan*. Staff is now working to prioritize and implement key recommendations. High-impact cost-effective improvements include streamlining the ADA paratransit application experience, supporting one-seat rides across ADA paratransit service boundaries, expanding accessibility at fixed-route bus stops, among other improvements. While these improvements require new investment, many can be delivered at a relatively reasonable scale. For example, the *2021 Contra Costa Accessible Transportation Strategic Plan* estimates that start-up costs for one-seat rides and eligibility streamlining range from \$100,000 to \$1 million.
- **Mapping and Wayfinding:** The vision driving this project is a Bay Area transit system in which everyone, including people with disabilities, can navigate public transit with confidence. While foundational work began earlier, a new regionwide effort launched in 2022 has brought renewed commitment and momentum to creating consistent, accessible design standards for signage and maps. Developed in close collaboration with transit agencies and informed by extensive public engagement, draft design standards have been completed and are now being tested in real-world conditions at key transit locations across the region. Transit rider input on these prototypes will inform the final design. Just as the Clipper card eliminated the friction created by different fare media, this effort will harmonize the experience for riders as they navigate throughout the Bay Area. New funding is needed to fully deploy the updated maps, bus stop signs, transit hub, pedestrian directional signage and more across the Bay Area.
- **Transit Priority:** As part of the *Action Plan* implementation, MTC is working with cities and transit agencies to identify bus delay hot spots and develop toolkits to implement bus speed and reliability improvements, such as transit signal priority, dedicated bus lanes and queue jumps. Since 2012, MTC has invested \$150 million in transit priority enhancements throughout the Bay Area. The cost of transit priority improvements varies

widely, from under \$5,000 to relocate a bus stop to over \$15 million per mile for a dedicated bus rapid transit lane, making it hard to estimate a precise funding need.

However, it is clear that significantly more funding is needed for improvements at scale.

MTC ABAG Legislation Committee Discussion

At its June meeting, the MTC ABAG Legislation Committee emphasized that while preventing major service cuts must remain the top priority, the measure also needs to deliver visible improvements to riders. Committee members offered suggestions for how to prioritize rider-focused investments – recommending a focus on outcomes that clearly benefit riders, support ridership growth, and require both coordinated action and regional funding to be effective. There was strong and near-unanimous support for the recommended fare program investments (free and reduced transfers and doubling Clipper START capacity) and accessibility improvements as well as an interest in ensuring the accessibility funding level can support the growing needs for an aging population. Members also expressed support for wayfinding and transit speed and reliability improvements, while noting that the administrative and funding burden for implementing some of these investments may more appropriately fall to individual transit operators and county transportation agencies.

Principles to Balance

MTC's adopted principles for SB 63 (Attachment A) provide important context for identifying priorities for the rider-focused portion of the expenditure plan. While all six principles are relevant, the three summarized below are especially pertinent to this discussion:

- **Measure Must Be Passable:** A successful measure must be viable both in the Legislature and with voters. That means simplicity, broad political support, and visible benefits that resonate with the public.
- **Measure Must Prevent Major Transit Service Cuts for Regional Operators:** The measure must generate sufficient funding to prevent major service cuts that damage the Bay Area economy, decrease mobility, and harm long-term climate, equity and quality of life outcomes.
- **Measure Must Advance Transit Transformation:** The measure must fund rider-focused improvements that make Bay Area transit more connected and user-friendly.

These principles are interdependent. To be successful, the measure must be balanced: it must both sustain essential service and deliver visible improvements for riders. Rider-focused investments are a core strategy for strengthening the system and increasing the measure's chances of passage.

Considerations to Inform Commission Discussion

Staff recommends the Commission consider the following criteria in its advocacy for rider-focused improvements within the SB 63 expenditure plan:

- **Deliver Tangible Public Benefit Aligned with Rider Priorities:** Prioritize high-return improvements that directly enhance the near-term rider experience and support ridership growth. Investment decisions should reflect what the Bay Area public has identified as important through surveys and polling — such as affordability, convenience, and ease of use across the system.
- **Balance Scale and Impact:** Identify what can realistically be delivered within a funding level that preserves the measure's ability to prevent major service cuts. The goal is not to fund everything — it's to provide funding for the most impactful improvements without undermining the broader fiscal stability of the system.
- **Target TRM Rider-Focused Funds Where Regional Investment is Needed:** Identify which improvements must be funded and administered at the regional level to achieve benefit across up to five counties. In other cases, the regional role may be to establish standards and pilot solutions, with project delivery and funding led by local partners.
- **Taxpayer Benefit:** Ensure investments provide direct benefits to taxpayers contributing to the measure, consistent with MTC's adopted SB 63 advocacy principle of fairness.

Recommendation:

Staff recommends the Commission advocate for \$45 million annually to implement rider-focused improvements, with funding allocated as follows:

1. Regional contribution to fare programs (free and reduced-cost transfers, doubling Clipper START capacity to extend the program to another 100,000 riders): \$25 million
2. Accessibility improvements: \$10 million

3. Mapping and wayfinding at intermodal hubs & transit priority improvements on corridors that cross county lines: \$10 million

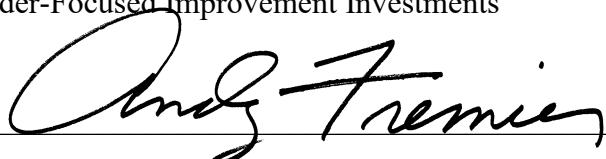
Note: The \$45 million amount equates to 8 percent of a four-county ½-cent sales tax and 5 percent of a five-county ½-cent sales tax, based on fiscal year 2026-27 sales tax projections by Sperry Capital.

These investments should be the top priorities for rider-focused improvements in the measure. Fare programs are a high-impact, cost-effective way to improve affordability and grow ridership. Accessibility investments improve mobility for the fastest growing population segment (older adults) and for riders with disabilities, who are highly dependent on transit. Mapping and wayfinding improvements are integral to improving transit access for everyone by making transit navigation easier and lowering the barrier to getting new riders to try transit. Likewise transit priority improvements on key regional corridors require coordination and funding that spans jurisdictions.

Staff further recommends that county-controlled funds be eligible for additional rider-facing improvements – including local transit priority projects and operator implementation of regionally harmonized signage – to maintain alignment with the Regional Network Management efforts.

Attachments:

- Attachment A: MTC SB 63 Principles
- Attachment B: Regional Network Management Presentation
- Attachment C: SB 63 Investments in Rider-Focused Improvement Investments



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