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TRANSPORTATION

July 23, 2025

**Sue Noack**

Chair, Metropolitan Transportation Commission (MTC)

**David Haubert**

Chair, Alameda County Transportation Commission (ACTC)

**Aaron Meadows**

Chair, Contra Costa Transportation Authority (CCTA)

**Myrna Melgar**

Chair, San Francisco County Transportation Authority (SFCTA) and MTC Commissioner

**Jeff Gee**

Chair, San Mateo County Transportation District (SMCTD)

**Carlos Romero**

Chair, San Mateo County Transportation Authority (SMCTA)

**Sergio Lopez**

Chair, Santa Clara Valley Transportation Authority (SCVTA)

**Re: Senate Bill 63 (Wiener, Arreguin) - Proposed Five-County Expenditure Plan**

Dear Chairs Noack, Haubert, Meadows, Melgar, Gee, Romero, and Lopez,

We write with an update regarding our work to provide critically needed revenue to preserve and improve public transportation service in the Bay Area. Our region's major public transportation

systems — including BART, AC Transit, Caltrain, and Muni — are at a crossroads. These public transit operators face the prospect of devastating service cuts that would force them into a death spiral after emergency federal and state assistance runs out in the next few years. Other operators — such as SamTrans and VTA — may also face growing financial needs in the coming years as they seek to sustain and enhance services or invest in transit capital projects.

A future with severely diminished public transportation is unacceptable for the Bay Area's residents, visitors, and economy. Close to 60% of Bay Area public transportation riders use transit five or more days per week and 91% expect to ride transit the same or more next year.<sup>1</sup> According to recent polling, two thirds of likely Bay Area voters agree that Bay Area public transit needs more operations funding, and a majority of likely voters in Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara counties would support a sales tax to provide this critically needed funding.<sup>2</sup>

We introduced SB 63 to authorize a Bay Area sales tax measure that would — in combination with other local strategies — prevent these devastating service cuts while improving the rider experience. Over the past several years, both before and since introducing SB 63, we have engaged with numerous local stakeholders to ensure we understand key considerations related to a potential regional transportation revenue measure. This led us to propose a three-county sales tax measure, with the opportunity for San Mateo and Santa Clara counties to opt in to the measure. We resolved to seek technical assistance from staff at the five county transportation authorities that may be part of the measure, transit operators, and other stakeholders in order to inform a potential expenditure plan.

In order to provide counties with the information they need to determine whether to opt in to the sales tax measure proposed by SB 63, these counties — as well as all of the other counties that are in the measure — need to understand what the expenditure plan would be. **To that end, we propose the following five-county expenditure plan for an SB 63 sales tax measure.** This expenditure plan does *not* contemplate a three- or four-county measure should San Mateo or Santa Clara counties not opt in to a measure. Separate conversations are necessary to determine an expenditure plan for a three- or four-county measure.

### **Proposed Expenditure Plan Informed by Local Input and Technical Assistance**

We would like to thank county transportation authority and transit operator staff for their technical assistance while SB 63 has proceeded through the legislative process. Staff responded in a timely manner to our requests for information related to operator deficits, ridership data, and different ridership-based methodologies for attributing responsibility for operator deficits amongst counties for the purposes of SB 63. We also appreciate MTC for engaging, at the request of various counties, in an independent third-party review of BART's, Caltrain's, Muni's, and AC Transit's deficits. We also thank MTC for providing technical assistance on various measure administrative costs and working to develop more consensus at the commission level on potential transit transformation expenditures and levels. Finally, we appreciate staff at Caltrain

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<sup>1</sup> [MTC Travel Survey Summary](#)

<sup>2</sup> [MTC Polling Report](#)

and its member agencies for socializing and discussing a variety of options to address Caltrain's reported deficit. To date, this specific expenditure plan was not provided or explicitly endorsed by specific staff or local boards, but it is informed by the described technical assistance.

Existing transit funding relationships among Bay Area counties and transit operators are complex and varied, making it especially challenging to develop an expenditure plan for a regional measure that both addresses key transit needs and is as fair and consistent as possible. This technical assistance we received from local agency staff and policy makers was instrumental in helping us develop an expenditure plan that results in counties paying for systems their residents use in a fair manner.

We acknowledge the complexity and long history behind existing Bay Area public transportation agency funding relationships. This expenditure plan is not intended to set a new precedent for locally governed funding relationships. Rather, it provides medium-term stability for public transit systems in a manner that is as fair and consistent as possible, allowing transit systems to maintain service while longer term conversations over local funding relationships can continue as needed.

## **Revenue Measure Overview**

Revenue Mechanism: Sales Tax

Geography: Counties of Alameda, Contra Costa, San Mateo, and Santa Clara and the City and County of San Francisco

Rates: ½ cent in Alameda, Contra Costa, San Mateo, and Santa Clara Counties and one cent in San Francisco

Duration: 14 years

## **Expenditure Plan Overview**

The expenditure plan included in SB 63 will dedicate a specified *percentage of the total measure* for each recipient referenced in the expenditure plan. These target funding amounts are informed by technical assistance received during the expenditure plan development process. The designated recipients are:

- The Transportation Revenue Measure District (TRMD) created by the bill, for administration
  - The administrative allocation is 0.22% (calculated as the sum of 0.25% of each county's ½-cent revenue generation)
  - In addition to an annual administrative allocation, one-time administrative costs to be taken off the top of the measure, including the financial efficiency review and ballot-related expenses
- MTC, to implement rider-focused transit improvements, consistent with the Bay Area's 2021 Transit Transformation Action Plan (T-TAP):
  - Fare programs (Clipper START and free/discounted transfers)
  - Accessibility
  - Transit Priority (including Transit Signal Priority) and Mapping and Wayfinding

- The Transit Transformation allocation is 4.4% (calculated as the sum of 5% of each county’s ½-cent revenue generation)
- MTC to allocate to the following operators for public transit operations expenses. Note that additional conversations related to accountability of such funds continue and will be further socialized prior to planned opt-in votes by counties. For example, the language regarding the financial efficiency review is being finalized. Also, San Mateo County partners have expressed a desire for additional accountability measures. The operators to receive their specified allocations from MTC are:
  - BART
  - Caltrain
    - Caltrain figure is based on a distribution discussed at the most recent Caltrain ad hoc meeting. Additional conversations by Caltrain member agencies to confirm this figure continue. The Caltrain funding amount shall be resolved prior to planned San Mateo and Santa Clara board meetings where relevant boards will discuss opting in to the measure.
  - AC Transit
  - Muni
  - SF Bay Ferry
  - Golden Gate Transit
  - Alameda County small bus operators dedicated pot (LAVTA and Union City Transit)
    - The magnitude of the allocations to each individual operator identified in this pot determined by ACTC on an annual basis
  - Contra Costa County small bus operators dedicated pot (County Connection, Tri Delta Transit, and WestCAT)
    - The magnitude of the allocations to each individual operator identified in this pot determined by CCTA on an annual basis
- The following county transportation entities receive all remaining funds – if any – generated in their counties not used for the transit operators/initiatives in the expenditure plan, for public transportation expenses, with no ability for the TRMD/MTC to withhold these funds
  - ACTC
  - CCTA
  - SFCTA
  - SMCTD
  - SCVTA

**Expenditure Plan – Annual TRMD/MTC Funding**

Entity/Purpose	% of Measure	FY 31 \$s (\$millions)
TRMD, Administration	0.22%	\$2.32
MTC, rider-focused T-TAP	<b>4.4%</b>	\$46.40

In the bill, MTC Transit Transformation amounts will be split up into the below programs:

**MTC Transit Transformation Detailed Breakdown**

Program/Investments	% of Measure	FY 31 \$s (\$millions)
Clipper START/Free Transfers	2.5%	\$25.78
Accessibility	1.0%	\$10.31
Transit Priority (i.e. TSP) and Mapping and Wayfinding	1.0%	\$10.31
<b>Totals</b>	<b>4.4%</b>	<b>\$46.40</b>

**Operator Recipients** (percents and dollars rounded to the nearest whole number, except when percentage is under 3%, where it is rounded to the nearest tenth, or dollar amount is under \$30, where it is rounded to the nearest hundredth)

Operator	% of Measure	FY 31 \$s (\$millions)
BART*	31%	\$330
AC Transit	5%	\$51
Muni*	16%	\$170
Caltrain**	7%	\$75
Alameda County Small Bus Operators (LAVTA and Union City Transit)	0.5%	\$5.25
Contra Costa County Small Bus Operators (County Connection, Tri Delta Transit, and WestCAT)	1.5%	\$15.75
SF Bay Ferry	0.7%	\$7
Golden Gate Transit	0.1%	\$1

\*Conversations with specific counties regarding accountability related to BART and Muni continue. The legislative approach to accountability shall be resolved prior to planned San Mateo and Santa Clara board meetings where relevant boards will discuss opting in to the measure.

\*\*The Caltrain funding figure is provisional pending further confirmation from member agencies. The Caltrain funding figure shall be resolved prior to planned San Mateo and Santa Clara board meetings where relevant boards will discuss opting in to the measure.

**County Transportation Entities** (percents and dollars rounded to the nearest whole number, except when percentage is under 3%, where it is rounded to the nearest tenth, or dollar amount is under \$30, where it is rounded to the nearest hundredth)

Entity	% of Measure	FY 31 (\$\$\$) (\$millions)
ACTC	1.0%	\$10.26
CCTA	2.5%	\$26.51
SFCTA	0%	\$0
SMCTD	4.7%	\$50.00
VTA	25.1%	\$264.07

**Resolution Related to Accountability and Financial Efficiency is Necessary**

Separate from the discussion of the expenditure plan, we continue to work with local stakeholders to finalize the financial efficiency review language in the bill. Additionally, San Mateo County partners have expressed a desire for additional accountability measures. We will be in touch with relevant staff and stakeholders on this language. The legislative approach to accountability shall be resolved prior to planned San Mateo and Santa Clara meetings where relevant boards will discuss opting in to the measure.

Thank you for your consideration of the proposed five-county SB 63 expenditure plan. Should you have any questions, please reach out to us directly or to Raayan Mohtashemi or Luis Amezcua on our staff at [raayan.mohtashemi@sen.ca.gov](mailto:raayan.mohtashemi@sen.ca.gov) or [luis.amezcua@sen.ca.gov](mailto:luis.amezcua@sen.ca.gov).

Sincerely,



**Scott Wiener**  
Senator, 11th District



**Jesse Arreguin**  
Senator, 7th District

Cc:

President Pro Tempore Mike McGuire - Member, Bay Area Caucus

Speaker Robert Rivas - Member, Bay Area Caucus

Senator Josh Becker - Chair, Bay Area Caucus

Assemblymember Buffy Wicks - Vice-Chair, Bay Area Caucus and Chair, Assembly Appropriations Committee

Senator Dave Cortese - Chair, Senate Transportation Committee

Assemblymember Lori Wilson - Chair, Assembly Transportation Committee

Senator Jerry McNerney - Chair, Senate Revenue and Taxation Committee

Assemblymember Mike Gipson - Chair, Assembly Revenue and Taxation Committee

Senator Anna Caballero - Chair, Senate Appropriations Committee

Candace Andersen, President, Contra Costa County Board of Supervisors and MTC Commissioner  
Rafael Mandelman, President, City and County of San Francisco Board of Supervisors  
David Canepa, President, San Mateo County Board of Supervisors and MTC Commissioner  
Otto Lee, President, Santa Clara County Board of Supervisors  
Barbara Lee, Mayor, City of Oakland and MTC Commissioner  
Daniel Lurie, Mayor, City and County of San Francisco  
Matt Mahan, Mayor, City of San Jose and MTC Commissioner  
Gary Singh - Mayor, City of Union City  
Margaret Abe-Koga, MTC Commissioner  
Marilyn Ezzy Ashcraft, MTC Commissioner  
Pat Burt, MTC Commissioner  
Alicia John-Baptiste, MTC Commissioner  
Nate Miley, MTC Commissioner  
Gina Papan, MTC Commissioner  
Adam Rak - Chair, City/County Association of Governments of San Mateo County (C/CAG)  
Mark Foley - Chair, Bay Area Rapid Transit District (BART)  
Diane Shaw - President, Alameda-Contra Costa Transit District (AC Transit)  
Janet Tarlov - Chair, San Francisco Municipal Transportation Agency (SFMTA) Board of Directors  
Steve Heminger - Chair, Peninsula Corridor Joint Powers Board (Caltrain)  
Kevin Wilk - Chair, Central Contra Costa Transit Authority (County Connection)  
Diane Burgis - Chair, Eastern Contra Costa Transit Authority (Tri Delta Transit)  
Tiffany Grimsley - Chair, Western Contra Costa Transit Authority (WestCAT)  
Julie Testa - Chair, Livermore Amador Valley Transit Authority (LAVTA)  
Jim Wunderman - Chair, San Francisco Bay Ferry  
Gerald D. Cochran - President, Golden Gate Bridge Highway and Transportation District  
Andrew Fremier - Executive Director, MTC  
Tony Tavares - Executive Director, ACTC  
Timothy Haile - Executive Director, CCTA  
Tilly Chang - Executive Director, SFCTA  
April Chan - General Manager/CEO, SMCTD and Executive Director, SMCTA  
Carolyn Gonot - General Manager/CEO, SCVTA  
Sean Charpentier - Executive Director, C/CAG  
Robert Powers - General Manager, BART  
Salvador Llamas - General Manager/CEO, AC Transit  
Julie Kirschbaum - Director of Transportation, SFMTA  
Michelle Bouchard - Executive Director, Caltrain  
Bill Churchill - General Manager, County Connection  
Rashidi Barnes - CEO, Tri Delta Transit  
Rob Thompson - General Manager, WestCAT  
Christy Wegener - Executive Director, LAVTA  
Stephen Adams - Transit Manager, Union City Transit  
Seamus Murphy - Executive Director, San Francisco Bay Ferry  
Denis Mulligan - General Manager, Golden Gate Bridge Highway and Transportation District

Chairs Noack, Haubert, Meadows, Melgar, Gee, Romero, and Lopez

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Senator Christopher Cabaldon - Member, Bay Area Caucus

Senator Tim Grayson - Member, Bay Area Caucus

Senator Aisha Wahab - Member, Bay Area Caucus

Assemblymember Cecilia M. Aguiar-Curry - Member, Bay Area Caucus

Assemblymember Patrick J. Ahrens - Member, Bay Area Caucus

Assemblymember Anamarie Avila Farias - Member, Bay Area Caucus

Assemblymember Rebecca Bauer-Kahan - Member, Bay Area Caucus

Assemblymember Marc Berman - Member, Bay Area Caucus

Assemblymember Mia Bonta - Member, Bay Area Caucus

Assemblymember Damon Connolly - Member, Bay Area Caucus

Assemblymember Matt Haney - Member, Bay Area Caucus

Assemblymember Ash Kalra - Member, Bay Area Caucus

Assemblymember Alex Lee - Member, Bay Area Caucus

Assemblymember Liz Ortega - Member, Bay Area Caucus

Assemblymember Diane Papan - Member, Bay Area Caucus

Assemblymember Gail Pellerin - Member, Bay Area Caucus

Assemblymember Chris Rogers - Member, Bay Area Caucus

Assemblymember Catherine Stefani - Member, Bay Area Caucus