

Date: November 15, 2023
W.I.: 1514
Referred By: Commission
Revised: 12/20/2023-C
11/20/2024-C
05/28/2025-C

ABSTRACT

Resolution No. 4619, Revised

This resolution approves the principles to inform funding distribution, the funding distribution framework, and regional accountability measures for funding from the Transit and Intercity Rail Program (TIRCP), Zero-Emission Transit Capital Program (ZETCP), and various regional funding sources pursuant to Senate Bill (SB) 125 (Chapter 54, Statutes of 2023).

This resolution includes the following attachments:

Attachment A – Principles to Inform the Distribution of Transit Operations Funding from Senate Bill 125

Attachment B – Senate Bill 125 Transit Operations Funding Distribution Framework

Attachment C – Regional Accountability Measures

Attachment D – Senate Bill 125 Regional Funding Framework

Attachments A, B, and C were revised on December 20, 2023, to provide more detail on the Regional Accountability Measures, and to include information on the mechanism for ensuring transit agency board acknowledgement of the measures and monitoring of their implementation.

MTC Resolution No. 4619, Revised was revised on November 20, 2024 to add Attachment D, Senate Bill 125 Regional Funding Framework, which summarizes the distribution of \$300 million in regional funds from the Federal Transit Administration (FTA) Section 5307, FTA Section 5337, Surface Transportation Program/Congestion Management and Air Quality Improvement Program (STP/CMAQ), State Transportation Assistance (STA) Population-Based Program, and Regional Measure 3 (RM3) Operating Program.

Attachment D was revised on May 28, 2025, to update programming amounts and corresponding programming resolutions for the \$300 million regional funding framework, and to make minor changes in the amount of STA Population-Based funds assigned to Golden Gate Bridge, Highway, and Transportation District and Napa Valley Transportation Authority.

Further discussion is contained in the Programming and Allocations Committee Summary Sheets dated November 8, 2023, December 13, 2023, November 13, 2024, and May 14, 2025.

Date: November 15, 2023
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Referred By: PAC

RE: Senate Bill 125 Transit Operations Funding Principles, Distribution Framework, and Regional Accountability Measures

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4619

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Sections 66500 et seq.; and

WHEREAS, MTC is the designated Regional Transportation Planning Agency (RTPA) for the nine-county Bay Area; and

WHEREAS, Assembly Bill 102 (Chapter 38, Statutes of 2023) and Senate Bill 125 (Chapter 54, Statutes of 2023) amended the Budget Act of 2023 to appropriate \$4 billion to TIRCP between Fiscal Year (FY) 2023-24 and 2024-25 and \$1.1 billion between FY 2023-24 and FY2026-27 to establish the Zero-Emission Transit Capital Program (ZETCP); and

WHEREAS, Senate Bill 125 (Chapter 54, Statutes of 2023) guides the distribution of this funding to RTPAs, which have the flexibility to use the money to fund transit operations or capital improvements; and

WHEREAS, Senate Bill 125 (Chapter 54, Statutes of 2023) establishes an accountability program to govern the distribution of these funds; and

WHEREAS, the principles that MTC shall use to develop the distribution framework for Senate Bill 125 transit operations funding are set forth in Attachment A, which is incorporated herein as though set forth at length; and

WHEREAS, the Senate Bill 125 funding framework developed in partnership with Bay Area transit operators using the principles defined in Attachment A and a regionally standardized set of assumptions compliant with the Senate Bill 125 guidelines is summarized in Attachment B; and

WHEREAS, transit operations funding provided in accordance with Senate Bill 125 (State or Regional Contribution) will be conditioned on satisfactory progress toward and/or implementation of the regional accountability measures outlined in Attachment C; and

WHEREAS, MTC will determine whether an operator has made satisfactory progress toward and/or implemented the regional accountability measures described in Attachment C; and

WHEREAS, Attachment D outlines the uncommitted regional funding that can be redirected to provide one-time operations support to operators facing a fiscal cliff and the framework for assigning specific funding amounts and sources to operators; now, therefore, be it

RESOLVED, that MTC adopts the Senate Bill 125 principles to inform the distribution of funding as set forth in Attachment A; and, be it further

RESOLVED, that MTC adopts the Senate Bill 125 funding distribution framework as set forth in Attachment B; and, be it further

RESOLVED, that MTC may adjust the Senate Bill 125 funding distribution framework in order to respond to changing needs as transit operator financial conditions continue to evolve; and, be it further

RESOLVED, that MTC adopts the regional accountability measures as set forth in Attachment C; and, be it further

RESOLVED, that MTC will distribute funding for transit operations to operators in accordance with the framework outlined in Attachment D; and, be it further

RESOLVED, that the Executive Director of MTC, or their designee, is authorized and directed to modify the Senate Bill 125 funding distribution framework as listed in Attachment B to meet requirements of the California State Transportation Agency; and, be it further

RESOLVED, that the that the Executive Director of MTC, or their designee, is authorized to make programming changes to Attachment D, up to \$350,000 for each project, in consultation with the affected sponsor.

METROPOLITAN TRANSPORTATION COMMISSION

Alfredo Pedroza, Chair

The above resolution, revising and superseding the resolution approved on November 15, 2023 was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in San Francisco, California, and at other remote locations, on November 20, 2024.

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Attachment A
Resolution No. 4619
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Principles to Inform the Distribution of Transit Operations Funding from Senate Bill 125

The following six principles were used to inform the proposed distribution of funding. These principles were developed in partnership with Bay Area transit operators.

1. Use state and regional funds for transit operations to address the most dire shortfalls and avoid service cuts

Consistent with the legislative intent of Senate Bill (SB) 125, the distribution will consider the magnitude of shortfalls and the service cuts that would occur if shortfalls were not addressed in the distribution of state and regional funding for transit operations.

2. Prioritize high-ridership agencies and the provision of service for transit-dependent riders

In accordance with the SB 125 legislative intent, the distribution will consider the demographics of current riders and ridership markets in the distribution of funding. MTC encourages operators to use state and regional funds to prioritize the retention and restoration of service on high-ridership routes and those that serve a high number of transit-dependent riders.

3. Incentivize accountability of transit operators to improve coordination and customer experience

MTC will identify specific progress milestones related to improvements to coordination and customer experience that operators must meet prior to the distribution of funds. Requirements for coordination and customer experience improvements will be informed by the direction of the Regional Network Management Council, comprised of elected officials and transit operator representatives, and as such, MTC reserves the right to condition funding on the delivery specific initiatives at a future date.

4. Preserve flexibility to adjust distribution year to year as circumstance change

It is likely that shortfalls may change over time for a number of reasons, including operator-driven changes to service provision or ridership recovery trajectories that differ from estimates and alter revenue

from sources such as fares and parking. As such, it is critical that MTC retain flexibility to adjust the distribution from year to year in response to decreasing or increasing shortfalls.

5. Ensure consistency and level footing across operator shortfall forecasts

Forecasting future shortfalls over a multi-year period requires many assumptions, including assumptions around future state operations funding, the effect of inflation on expenses, and the amount of service provided. These assumptions have meaningful impacts on the shortfall calculations. In order to prevent an operator being disadvantaged because the assumptions used in their forecast were different from those used by another operator, MTC has provided a set of standardized assumptions used by all operators to estimate shortfalls for the purpose of distribution.

6. Minimize impact to non-operating/capital and state of good repair programs

To the extent possible, the distribution will aim to not adversely affect the availability of funding for critical capital and state of good repair investment purposes. While deferral of discretionary capital projects may be needed to free up revenue for operations support, essential safety and state of good repair needs will be reflected in the distribution framework.

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MTC Resolution No. 4619, Revised
Attachment D
SB 125 Regional Funding Framework

Sponsor	Total Regional Funding Programmed	Regional Funding Programmed to Date	Remaining Regional Funding to Program	Programming Resolution(s)
AC Transit	\$ 32,569,189	\$ 32,569,189	\$ -	
RM3 Operating	\$ 32,569,189	\$ 32,569,189	\$ -	MTC Resolution No. 4625 MTC Resolution No. 4644 MTC Resolution No. 4706
BART	\$ 129,445,931	\$ 129,445,931	\$ -	
FTA Section 5307	\$ 16,925,711	\$ 16,925,711	\$ -	MTC Resolution No. 4674
FTA Section 5337	\$ 41,601,813	\$ 41,601,813	\$ -	MTC Resolution No. 4674
STA Population-Based	\$ 10,918,407	\$ 10,918,407	\$ -	MTC Resolution No. 4704
STP/CMAQ ¹	\$ 60,000,000	\$ 60,000,000	\$ -	MTC Resolution No. 4678
Caltrain	\$ 15,000,000	\$ 15,000,000	\$ -	
FTA Section 5337	\$ 15,000,000	\$ 15,000,000	\$ -	MTC Resolution No. 4674
ECCTA	\$ 741,193	\$ 741,193	\$ -	
RM3 Operating	\$ 741,193	\$ 741,193	\$ -	MTC Resolution No. 4625 MTC Resolution No. 4644 MTC Resolution No. 4706
Golden Gate Transit	\$ 20,290,787	\$ 20,290,787	\$ -	
RM3 Operating	\$ 6,545,304	\$ 6,545,304	\$ -	MTC Resolution No. 4625 MTC Resolution No. 4644 MTC Resolution No. 4706
STA Population-Based	\$ 13,745,483	\$ 13,745,483	\$ -	MTC Resolution No. 4704
LAVTA	\$ 2,288,812	\$ 2,288,812	\$ -	
RM3 Operating	\$ 2,288,812	\$ 2,288,812	\$ -	MTC Resolution No. 4625 MTC Resolution No. 4644 MTC Resolution No. 4706
NVTA	\$ 2,450,167	\$ 2,450,167	\$ -	
RM3 Operating	\$ 2,182,724	\$ 2,182,724	\$ -	MTC Resolution No. 4625 MTC Resolution No. 4644 MTC Resolution No. 4706
STA Population-Based	\$ 267,443	\$ 267,443	\$ -	MTC Resolution No. 4642 MTC Resolution No. 4704
SFMTA	\$ 92,064,422	\$ 92,064,422	\$ -	
FTA Section 5307	\$ 7,864,051	\$ 7,864,051	\$ -	MTC Resolution No. 4674
FTA Section 5337	\$ 50,900,000	\$ 50,900,000	\$ -	MTC Resolution No. 4674
STP/CMAQ	\$ 33,300,371	\$ 33,300,371	\$ -	MTC Resolution No. 4678
SolTrans	\$ 2,036,490	\$ 2,036,490	\$ -	
RM3 Operating	\$ 2,036,490	\$ 2,036,490	\$ -	MTC Resolution No. 4644 MTC Resolution No. 4706
WestCAT	\$ 3,113,009	\$ 3,113,009	\$ -	
RM3 Operating	\$ 3,113,009	\$ 3,113,009	\$ -	MTC Resolution No. 4644 MTC Resolution No. 4706
Total	\$ 300,000,000	\$ 300,000,000	\$ -	

¹ \$60 million in CMAQ funds will be programmed to BART for the Transbay Core Capacity Program, enabling \$60 million in SB 125 TIRCP funds to shift to fund FY2025-26 operating expenses.