



SamTrans Board of Directors

Meeting of May 7, 2025

Correspondence as of April 25, 2025

Subject

1. Joint San Mateo County Letter – Regional Measure Amendments April 2025



April 21, 2025

The Honorable Dave Cortese
Chair, Senate Transportation Committee
State Capitol, Room 405
Sacramento, CA 95814

The Honorable Jerry McNerney
Senate Revenue and Taxation Committee
State Capitol, Room 410
Sacramento, CA 95814

RE: SB 63 (Wiener and Arreguin) Regional Transportation Funding

Dear Chairs Cortese and McNerney:

San Mateo County is committed to maintaining a strong regional public transit network in the Bay Area. We thank the authors for their thoughtful and inclusive approach to developing SB 63. Leaders of the San Mateo County Transit District (SamTrans), the San Mateo County Transportation Authority (SMCTA), and the City/County Association of Governments of San Mateo County (C/CAG) are in regular discussions together with County leaders. Our joint goal is to determine the best approach for San Mateo County to provide additional operating assistance for Caltrain and BART, while protecting the renewal of a current County transportation sales tax (Measure A) in 2028.

We appreciate the proactive engagement of the bill authors who provided a path for San Mateo County to “opt in” to the Regional Measure. However, before San Mateo County can seriously consider opting into the Regional Measure, several provisions within SB 63 warrant further discussion. We look forward to collaborating with the bill authors and the legislature to develop specific amendment language related to the following ideas:

- **The Transportation Authorities of the included counties should govern the Transportation Revenue Measure District (TRMD).** Existing local sales tax authorities in each county covered by SB 63 already distribute transportation sales taxes. The most efficient and fiscally-responsible pathway for administering a new sales tax is to leverage existing agencies, not create a new one. The existing transportation authorities could function jointly as one new district, or individually but in coordination. Voters are more likely to trust their local elected officials to administer new taxes, which will help build support for the measure.
- **Timing Limitations:** The TRMD must be permitted to go to the ballot only once, in 2026, and the TRMD must sunset when the tax expires.

SAN MATEO COUNTY TRANSIT DISTRICT
1250 San Carlos Avenue
San Carlos, CA 94070 (650) 508-6200

- **Percentage funding:** SB 63 or its authorized tax measure should designate a percentage share of revenues to fund each operator, not specific dollar amounts. The percentages should reflect agreed-upon levels of support based on current projected tax revenue.
- **Remove MTC's Transit Transformation category from the regional measure.** SB 63 must authorize an emergency self-help tax measure to save critical rail and bus service for passengers, not to fund enhancements. Allocating 10% of tax revenues for MTC's Transit Transformation efforts would divert tens of millions of dollars away from basic needs of the region's transit systems. MTC's Transit Transformation is a worthwhile program that should be funded by state funds or a different mechanism (such as with funds from all nine bay area counties – not just those participating in the SB 63 tax), but it does not address the region's transit funding emergency.
- **Return to source requirement:** SB 63 should specify that excess funds – beyond the agreed-upon contributions towards specific agencies' operating deficits – must be returned to the counties where they are generated. Additionally, if an operator receiving regional support under SB 63 no longer faces an unmanageable fiscal crisis, tax dollars should be redirected to the contributing counties.

Accountability is a top priority for San Mateo County leaders and likely voters:

- Funds should be withheld from transit operators that fail to comply with reporting, cost savings, and financial stability measures.
- The county transportation authorities should work together, in consultation with operators, to develop accountability metrics, key milestones and benchmarks, enforcement, and reporting requirements to the state legislature.
- Operators must specify exactly how they will spend new SB 63 tax dollars within each county and publish their plans for financial recovery and long-term sustainability, including cost savings, ridership growth and non-tax revenue generation.
- Each participating county should be treated equitably relative to all elements of the funded regional transit systems' station maintenance, service enhancements or cuts.
- The State of California convened a Transit Transformation Taskforce. The Taskforce's findings and recommendations should be considered in developing and finalizing accountability measures.

We look forward to discussing amendments to SB 63 with you. If you have any questions please contact Jessica Epstein, SamTrans and SMCTA Government and Community Affairs Director, at epsteinj@samtrans.com and Sean Charpentier, C/CAG Executive Director, at scharpentier@smcgov.org.

Sincerely,



Jeff Gee

Chair, San Mateo County Transit District Board of Directors

Chairs Cortese and McNerney

April 21, 2025

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Carlos Romero

Chair, San Mateo County Transportation Authority Board of Directors



Adam Rak

Chair, City/County Association of Governments San Mateo County

Cc: San Mateo County Transit District Board of Directors

San Mateo County Transportation Authority Board of Directors

City/County Association of Governments San Mateo County Board of Directors

Peninsula Corridor Joint Powers Board (PCJPB) Board of Directors

Santa Clara Valley Transportation Authority and San Francisco Board of Supervisors (as member agencies of the PCJPB)

Senator Scott Wiener

Senator Jesse Arreguín

Assemblymember Catherine Stefani

David Canepa, Commissioner, Metropolitan Transportation Commission

Gina Papan, Commissioner, Metropolitan Transportation Commission

Legislative Delegations of the San Mateo County Transit District, San Mateo County Transportation Authority, City/County Association of Governments and Peninsula Corridor Joint Powers Board