



Regional Transit Measure



SamTrans Board Meeting | Jessica Epstein, Director
Government and Community Affairs | July 2, 2025

AGENDA

- SB 63 Timeline
- Key Decisions
- Pros v. Cons of Joining Regional Measure and Options
- Agency Funding Information
- Potential Expenditure Plans
- Measure A Potential Impacts
- Proposed Agreements
- Next Steps

SB 63 Timeline

- June 2 – Passed Senate
 - Currently with Assembly, first to Assembly Transportation and then to Assembly Revenue and Taxation
- June 9 – July 18 – Must be heard in policy committees during these dates
- **July 2 and 10 – SamTrans and TA board meetings with polling data presentation**
- **July 7 – Assembly Transportation Committee**
- **July 14 – Assembly Revenue and Taxation Committee**
- **Late July – TA and C/CAG vote on whether to recommend the San Mateo County Transit District (SMCTD) opts in**
- **August 6 – SMCTD vote on whether to opt in**
- **August 11 – Deadline to opt in**
- August 29 – If it passes policy committees, deadline to pass Assembly Appropriations
- September 9 – Last day the bill can be amended
- September 12 – Deadline to pass legislature
- October 12 – Deadline for Governor to act on bills

Key Decisions

Should San Mateo County...

Opt-in or not:

- If yes, at what amount: ¼ or ½ cent
- If no, develop a new plan for SamTrans to fund Caltrain's \$32M annual operating deficit obligation for FY27-FY34 and beyond

If opt-in, fund one or more of the following agencies/programs and at what amount:

- BART
- MUNI
- MTC-lead Transit Transformation
- Other public transit
- CALTRAIN: *SMC must fund share of Caltrain as a JPB member*

Pros and Cons to Joining the Regional Measure

Pro:

- Fastest injection of emergency funds to preserve Caltrain operations and fulfill SMCTD's obligation as JPB partner
- Most likely to earn voter approval: potential Citizen's Initiative 50% +1 vote threshold
- Best way to protect Measure A reauthorization: renewal without raising taxes
- Preserves Measure A's infrastructure focus (e.g. local street and pothole repair, safety at highway interchanges, bicycle/pedestrian improvements, grade separations, railroad "state of good repair" capital improvements)
- Helps preserve BART and Muni service in San Mateo County

Con:

- Raises taxes by $\frac{1}{4}$ or $\frac{1}{2}$ cent in 2026
- Less appetite for other local tax measures
- If passed, either 9 or 11 SMC cities will have sales tax over 10%

SMC Ballot Measure Options

Measure A ½ cent sales tax currently generates approximately \$120M per year

- **Regional Measure:**
 - Join at ¼ cent – generates \$60M
 - Join at ½ cent – generates \$120M
- **Measure A:**
 - Renew at existing ½ cent rate – generates \$120M
 - Renew at ½ cent and increase by ⅛ cent to ⅝ cents – generates \$150M

What public transit systems do San Mateo County riders use?

After SamTrans, BART has the highest annual boardings in San Mateo County, followed by Caltrain and Muni

- SamTrans – 10M+
- BART – 3M+
- Caltrain – 2.3M
- Muni – 2.2M

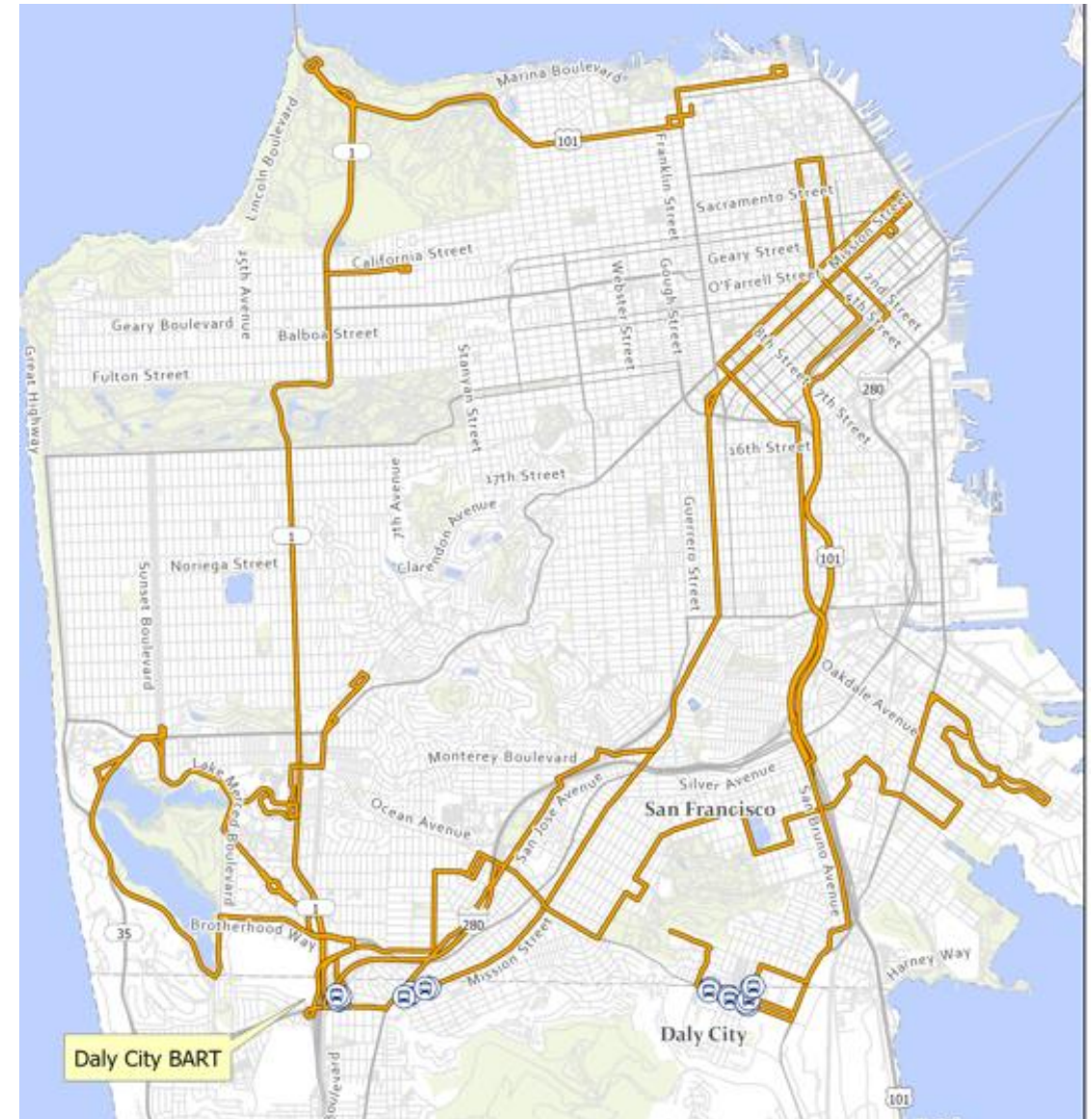
Muni Routes Serving San Mateo County

Muni service in San Mateo County:

- Muni provides nine routes to/from Daly City

SamTrans service in San Francisco:

- SamTrans provides two routes to Transbay Center with limited local stops and two routes to Mission and 1st in downtown San Francisco with one being late night service
- One route to Stonestown Galleria



Pros and Cons: Joining at ¼ cent

Pros:

- Provides additional revenues
- Limits tax burden (and how much we can fund)
- Could fully cover Caltrain's projected deficit, may need help from Measure A
- Provides some limited financial support to BART and Muni for service in San Mateo County
- Provides some protection for Measure A infrastructure investments

Cons:

- Nine cities will have tax rates higher than 10%
- Lower contributions to BART/Muni could provide fewer service commitments
- No return-to-source for SMCTD
- No transit transformation funds

Pros and Cons: Joining at ½ cent

Pro:

- Fully and independently funds SMC share of Caltrain's needs
- Provides significant, flexible return-to-source funds to SMCTD for public transit needs, like:
 - SamTrans one-time capital investments
 - Preserves SamTrans services for the transit dependent
 - Protects against operational deficits
 - Other local priorities
- Provides contributions to Muni and BART service in San Mateo County
- Better protects against Muni and BART service reductions in San Mateo County
- Provides some funding for transit transformation
- Best protects Measure A infrastructure investments

Con

- Further limits appetite for local tax measures
- Eleven cities will have tax rates higher than 10%
- Higher potential for overreliance on a 10-to-15-year measure

Potential Funding Ranges

Agency	Potential SMC Share	Context
Caltrain	SMC share - \$32M* - Required to fund, JPB Member	- *32M placeholder pending JPB negotiations - \$75M annual deficit
BART	Potential range \$25M - \$32M - No obligation to independently fund BART	- Pandemic fare loss \$340M - 10% of all day boardings for BART originate in SMC (includes SFO) - 8% of BART riders reside in SMC - SMC receives sales tax revenue from SFO
MUNI	Potential range \$5M - \$10M - No obligation to independently fund Muni	- \$360M annual deficit - 1.4% of all day boardings for Muni originate in SMC - 3% of Muni riders reside in SMC (small sample size in survey) - 2.2M annual boardings in SMC; just below Caltrain - Multiple pandemic issues caused financial impacts
MTC	\$9M (fare share TBD) - Obligation TBD	- MTC shared at its June 25 meeting it needs \$45M annually which may be adjusted depending on number of counties in measure - 1/5 share of \$45M = \$9M - Potential pass-through to counties; contributions to be negotiated

Joining Regional Measure at ½ Cent

Agency	\$ Amount	Percent
Caltrain	\$32M	27%
BART	\$32M	27%
Muni	\$10M	8%
MTC - Transit Transformation with some pass-through to SMC	\$9M	8%
Return to Source - Transit Transformation with some pass-through to SMC	\$37M	30%
Total	\$120M	100%

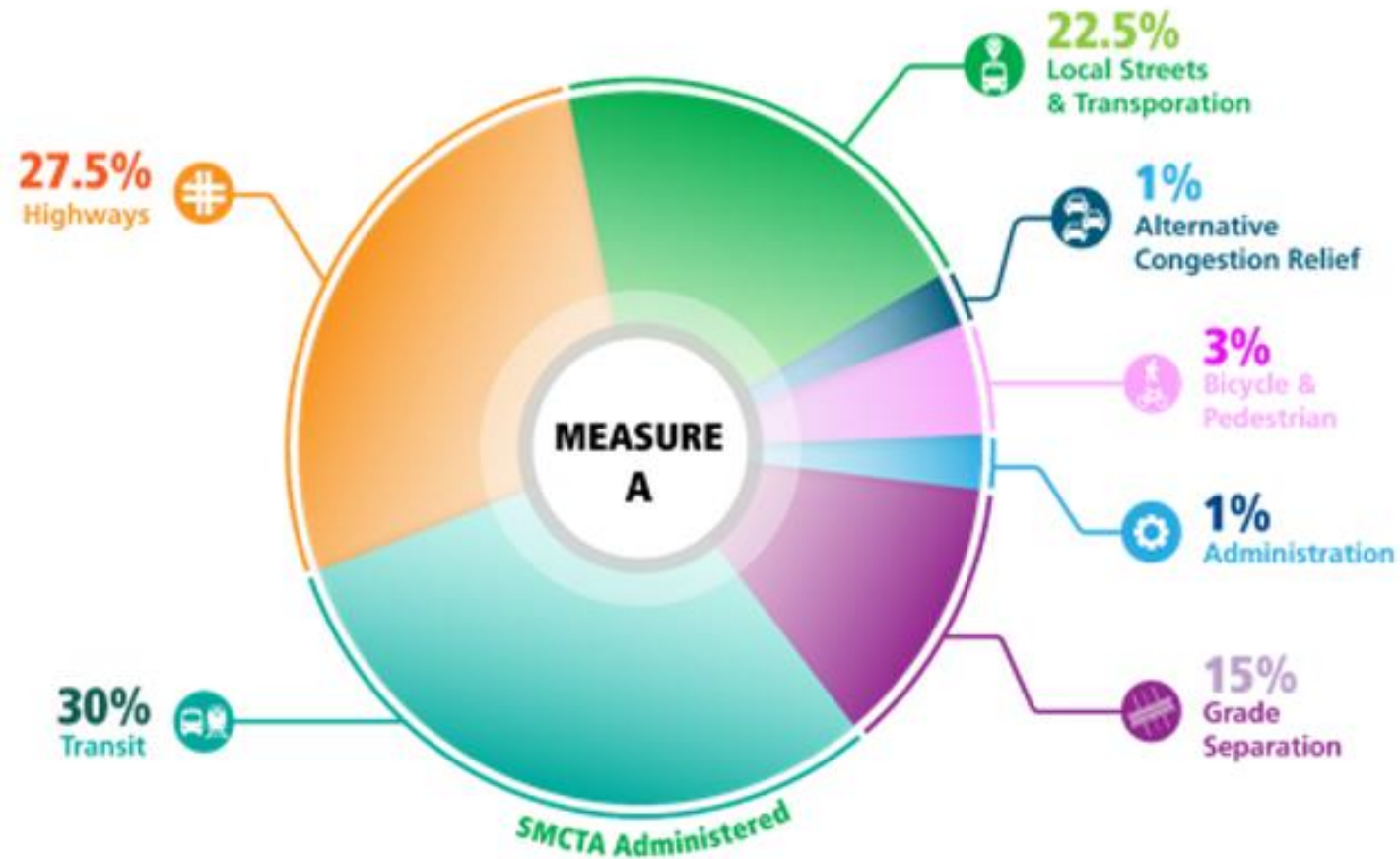
Joining Regional Measure at ¼ Cent - Option A

Agency	\$ Amount	Percent
Caltrain	\$32M - Full funding	53%
BART	\$23M	38%
Muni	\$5M	8%
Total	\$60M	100%

Joining Regional Measure at ¼ Cent - Option B

Agency	\$ Amount	Percent
Caltrain	\$25M - Meets remainder of need through existing Measure A	42%
BART	\$25M	42%
Muni	\$5M	8%
MTC - Transit Transformation	\$5M	8%
Total	\$60M	100%

Measure A Current Funding Categories



Funding Caltrain via Measure A – no Regional Measure

Current Measure A (2004)

Caltrain operations	\$9.6M	8%
Remaining operations - Shuttle, paratransit, BART	\$12M	10%
Capital	\$98.4M	82%
Total	\$120M	100%

New Measure A (2028)

Caltrain operations	\$32M	27%
Shuttle and paratransit	\$14.4M - assumes 50% increase in costs for shuttle and paratransit; no BART	12%
Capital	\$73.6M	61%
Total	\$120M	100%

No funding for SamTrans, BART, Transit Transformation, or local Quality of Life issues at transit stops

SMC Proposed Agreements

As the Board considers "opting-in" to the regional measure, should the Board empower staff to negotiate either side-letters or agreements with BART and Muni that address the following concerns?

- Reasonable service levels in San Mateo County
- Quality of life standards at San Mateo County BART stations: cleanliness, lighting, safety, and infrastructure (e.g. operational elevators, escalators, etc.)
- New surcharges that could disproportionately impact San Mateo County riders
- Unexpected contingencies (e.g. external funding windfalls, insolvency, inability to provide service)
- Focused San Mateo County expenditure updates
- Local monitoring and oversight of side-letter agreements

Other Priorities

Shall staff continue to advocate for the following Board priorities?

- Return-to-source funds for SMCTD public transit
- Transit Transformation: limited funding, local impact
- MTC oversight: only commissioners from participating counties
- MTC authority: sunsets with 2026 Regional Measure
- Full funding for Caltrain
- No consolidation of Caltrain or SamTrans

Next Steps

Polling Review BOD meetings:

- July 10 – TA BOD meeting

Decision BOD meetings:

- July 30 – Special C/CAG BOD meeting
- July 31 – Special TA BOD meeting
- August 6 – SamTrans BOD meeting