San Mateo County Transit District

Report of the Measure W Citizens' Oversight Committee

Fiscal Year 2024 (July 2023 – June 2024)



samTrans

SAN MATEO COUNTY Transportation Authority

The Measure W Citizens Oversight Committee (COC) is pleased to provide its Fiscal Year 2023-24 (FY24) annual report on the expenditure of proceeds from the San Mateo County Transit District's (District) 2018 Measure W.

The principal duties of the COC are to ensure that the proceeds have been expended for the purposes set forth in the Measure W ballot language and to provide a report on the independent audit conducted pursuant to the ballot language and the District Ordinance (Ordinance) which placed Measure W on the ballot.

Measure W tasks the COC with providing information to the taxpayers of San Mateo County in the following ways:

- Receive the District's annual audit report on receipts and expenditures of Measure W tax proceeds and expenditures under the Congestion Relief Plan
- Hold an annual public hearing on the audit report
- Issue an annual report of the COC on the audit results

The Board of Directors of the District and the Board of Directors of the San Mateo County Transportation Authority (TA) are responsible for the prioritization and distribution of funds received pursuant to the provisions of Measure W. The independent audit conducted by the District and the COC's report are intended to provide additional accountability with respect to the expenditure of these proceeds by both the District and the TA.

The District's FY 2024 audit report for Measure W tax was conducted by Eide Bailly, LLP, an independent accounting firm with several years of experience in conducting independent audits of the financial results of both the District and the TA. In its audit, Eide Bailly, LLP provided what is known as an unmodified opinion (what is often referred to as a "clean" opinion) on the Measure W financial statements prepared by District staff. The COC held a public hearing on the report on February 4, 2025. A copy of the audit report is attached as Appendix A.

Measure W Funding Categories and Principles

In 2018, San Mateo County voters approved Measure W, a 30-year half cent sales tax beginning July 1, 2019 through June 30, 2049, by a vote of 66.9%. In doing so, they provided the county with additional resources to improve transit and relieve traffic congestion. The District levies the tax and administers investments for 50% of the program under the County Public Transportation Systems category in Measure W's Congestion Relief Plan, and the TA is responsible for administering the other categories, which make up the remaining 50% of the measure.

Figure 1. Measure W Funding Categories

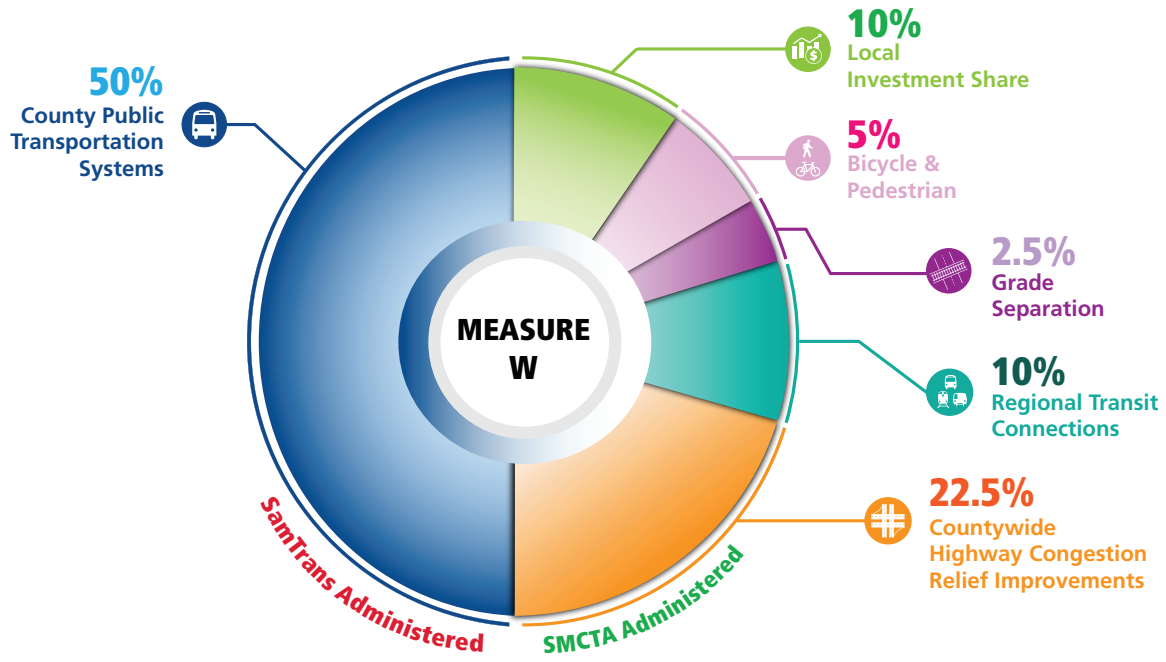


Figure Source: TA Strategic Plan 2020-2024

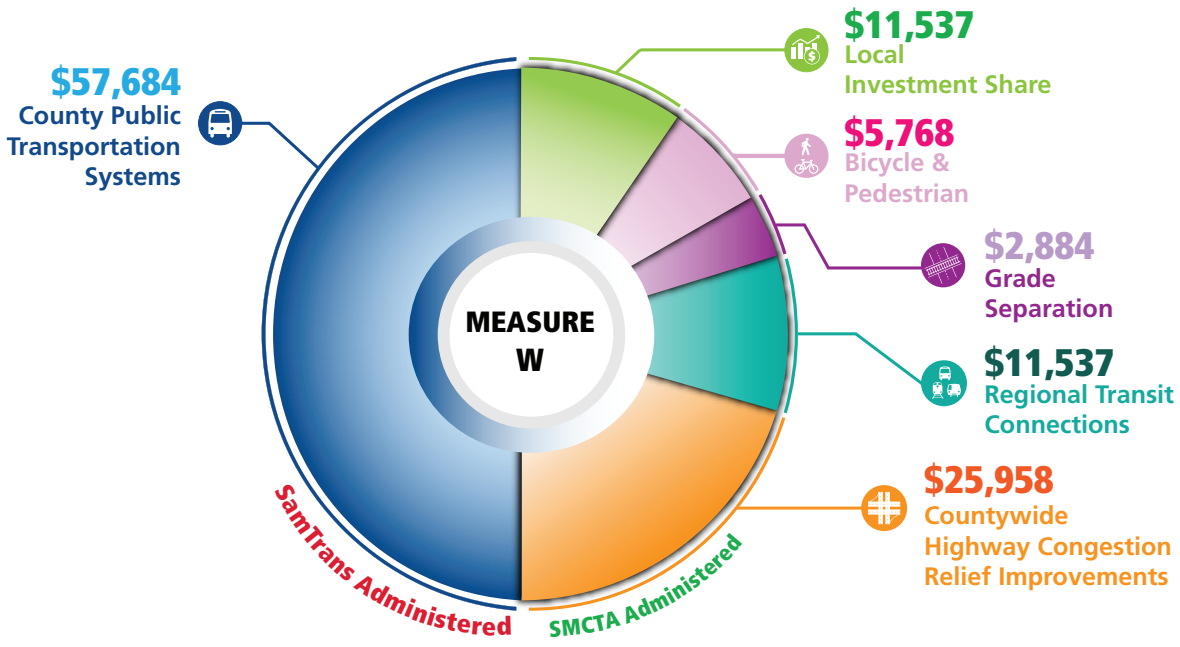
Measure W contains 11 Core Principles to guide program implementation where applicable:

1. Relieve traffic congestion countywide.
2. Invest in a financially sustainable public transportation system that increases ridership, embraces innovation, creates more transportation choices, improves travel experience, and provides quality, affordable transit options for youth, seniors, people with disabilities, and people with lower incomes.
3. Implement environmentally friendly transportation solutions and projects that incorporate green stormwater infrastructure and plan for climate change.
4. Promote economic vitality, economic development, and the creation of quality jobs.
5. Maximize opportunities to leverage investment and services from public and private partners.
6. Enhance safety and public health.
7. Invest in repair and maintenance of existing and future infrastructure.
8. Facilitate the reduction of vehicle miles traveled, travel times and greenhouse gas emissions.
9. Incorporate the inclusion and implementation of complete street policies and other strategies that encourage safe accommodation of all people using the roads, regardless of mode of travel.
10. Incentivize transit, bicycle, pedestrian, carpooling and other shared-ride options over driving alone; and
11. Maximize traffic reduction potential associated with the creation of housing in high-quality transit corridors.

A. Receipt and Distribution of Measure W Funding

A total of $115.4 million in Measure W sales tax was realized and received in FY 2024. Per Measure W, the funds are divided equally between the District and TA as shown in Figure 1 above. Figure 2 provides the specific breakdown of funding apportioned between the District and the TA program categories based on the funding received.

Figure 2. Fiscal Year 2024 Measure W Revenue Distributions (in thousands)



Data Source: Fiscal Year 2024 Audit Report

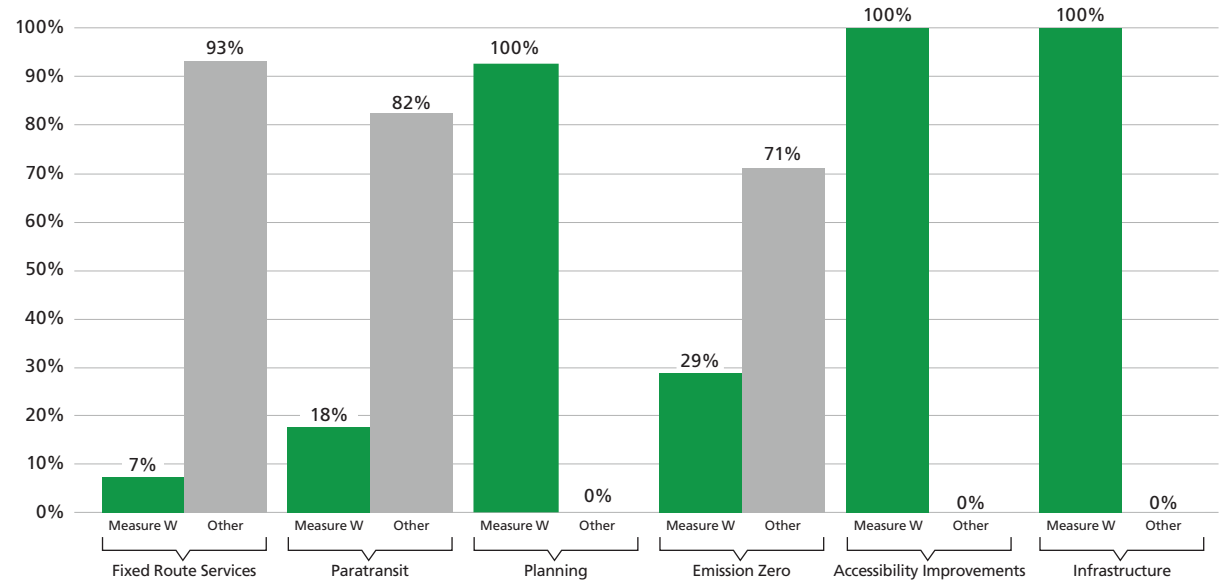
B. District Expenditures of Measure W in Fiscal Year 2024

District Measure W revenues were spent on supporting SamTrans transit services in several operating and capital projects. Measure W generated $57.7 million to the District and expenditures totaled $24.5 million in FY 2024. The District will spend the remaining Measure W funding in future years.

In FY 2024, Measure W District funds were spent in the following categories:

- Support operating costs associated with fixed-route school-oriented SamTrans services: $5m
- Provide accessible transportation services with shared-ride Redi-Wheels and RediCoast Paratransit services: $4.3 m
- Strategic plan to provide policy direction and a Capital Improvement Plan: $4.9 m
- Emission Zero Projects, including the purchase of 17 battery electric buses and developing a transition plan for Zero Emission Bus implementation: $9.7 m
- Infrastructure improvements: $0.3 m
- Study for Americans with Disabilities Act requirements for District buildings to determine Accessibility Improvements: $0.3 m
- Measure W Administration: <$0.1 m

Figure 3. Fiscal Year 2024 District Category Expenditures by Funding Source



Note: Funding percentages relate specifically to FY 2024 District Measure W projects (Measure W Audit Report, page 12)

C. TA Expenditures of Measure W in Fiscal Year 2024

In 1988, San Mateo County voters approved Measure A, a 20-year half-cent sales tax to fund and leverage additional funding for transportation projects and programs in San Mateo County. The approval of Measure A created the TA to manage and administer the sales tax revenues generated in conformance with the Transportation Expenditure Plan (TEP). The 1988 sales tax expired on December 31, 2008, and in 2004, the San Mateo County voters reauthorized the Measure A half-cent sales tax and a new TEP for an additional 25 years (from January 1, 2009 through December 31, 2033). The TEP describes programs and projects, as identified by the cities, local agencies and citizens of San Mateo County, and includes funding for multiple modes to help meet the County's transportation needs.

Unlike the District, which expends Measure W funds on projects and programs directly, the TA serves primarily as a granting agency and provides Measure W funds to cities and other local agencies throughout San Mateo County. The TA's investments in FY 2024 are guided by the TA's Strategic Plan 2020-2024, which was adopted in December 2019 by the TA Board of Directors. The Strategic Plan outlines the principles, vision, goals, and implementation procedures for both Measure A and Measure W funds over a 5-year period. Adoption of a Strategic Plan every 5 years is a requirement of both the TA's Measure A Transportation Expenditure Plan and the Measure W Congestion Relief Plan. The TA adopted the next iteration of the Strategic Plan, Strategic Plan 2025-2029, at the December 2024 Board of Director's meeting.

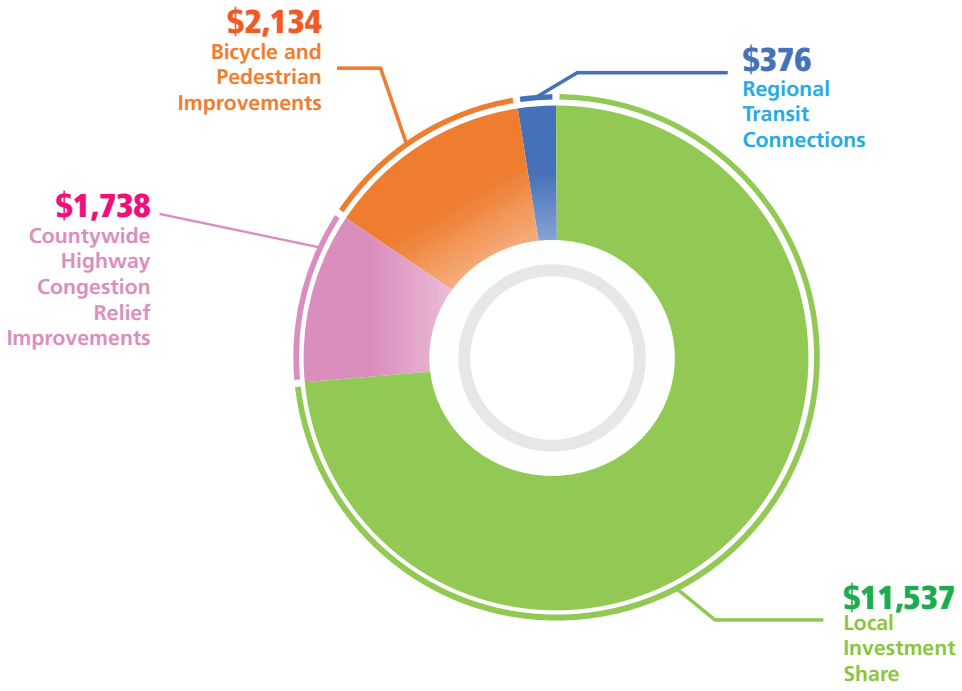
With the notable exception of the local investment share (Local Safety, Pothole and Congestion Relief Improvements as identified in the Measure W expenditure plan), which is provided directly to cities and the County by the TA, the remainder of the TA's Measure W funding is programmed and allocated through competitive calls for projects (CFP) for each program category. The TA's CFP's typically occur on biennial cycles for each category. While funds are awarded to projects in each CFP cycle by the TA Board of Directors, the expenditure of those funds is based on actual reimbursements to project sponsors for eligible project expenses.

For FY 2024, actual expenses were realized in the Highway, Local Investment Share, Bicycle & Pedestrian, and Regional Transit Connections programs. Highway expenditures also include the Alternative Congestion Relief/Transportation Demand Management (ACR/TDM) program sub-category, which is called out in Figure 4 separately. While there were expenditures in the RTC program, they were associated with annual administrative overhead and development of the RTC plan adopted by the TA Board in October 2024. A call for projects was issued in early April 2025. The only TA Measure program category with no expenses is the Grade Separation program. Program guidelines for the Grade Separation program will be addressed as part of the TA's strategic plan update, which is currently in development. Since the inception of Measure W, $13.2 million has been collected in the Grade Separation category to support future projects.

Expenses in FY 2024 are shown in Figure 4, and correspond to the following efforts and projects:

- Countywide Highway Congestion Improvements including:
  - US 101 / SR 92 Interchange Area Improvements final design work.
  - Moss Beach State Route 1 Congestion and Safety Improvements initial planning; and
  - Town of Colma's El Camino Real Bike & Pedestrian Improvements
  - ACR program expenditures for projects across San Mateo County.
- Local Investment Share (Local Safety, Pothole and Congestion Relief Improvements) for local transportation investments such as roadway rehabilitation, planning and implementing traffic safety projects and promoting alternative modes of transportation.
- Additional Bicycle and Pedestrian projects across San Mateo County including:
  - The County Office of Education's Safe Routes to School program.
  - Planning and Project Development for San Mateo County's Alpine Road Corridor Improvements
  - Redwood City's Vision Zero program

Figure 4. Fiscal Year 2024 TA Measure W Expense Distributions (in thousands)



Data Source: Fiscal Year 2024 Audit Report

TA Funding Allocations and Consistency with Measure W Core Principles

The Strategic Plan 2020-2024 establishes scoring criteria[1] based on the Measure W Core principles[2] as well as the Goals of Measure A[3]. These scoring criteria are applied to the competitive CFP's for the following program categories: Highways, Grade Separations, Pedestrian and Bicycle, and Regional Transit Connections. Projects that compete well in the CFP process are those that score well in accordance with these criteria. In FY 2024, the TA conducted one CFP's that included Measure W funding, Cycle 5 of the Highway Program.

The Highway Program CFP was issued in June 2023 and the program awards were adopted in December 2023. A total of twelve applications were received from ten jurisdictions with all projects being selected for a funding award through the evaluation process. In total, these projects were awarded $135.9 million in funding by the TA Board with $17.2 million coming from Measure W.

Notable Measure W project awards include: Willow Road pedestrian and bicycle safety improvements in the City of Menlo Park; East Palo Alto's University Avenue Grand Corridor; El Camino Real Bicycle and Pedestrian Improvements in the Town of Colma/ City of South San Francisco; and the Moss Beach Safety and Congestion Improvements on Highway 1.

Additionally, as part of the Pedestrian & Bicycle Program, the TA Strategic Plan 2020-2024 directs 2.5% of Measure W funding to the County's Safe Routes to School (SRTS) program. As noted in the FY 2022 COC annual report, two years of funding for SRTS, $0.4 million, was programmed and allocated at the April 7, 2022 TA Board meeting for FYs 2023 and 2024. These funds are directed to the San Mateo County Office of Education which administer the SRTS CFP directly with local schools and school districts.

Administrative Overhead

Administrative overhead is comprised of administrative wages, benefits, and indirect costs necessary to support shared services provided by the District. To promote equitable distribution, the District utilizes an external consulting firm to establish the Indirect Cost Allocation Plan (ICAP) rate. These overhead costs are dependent on positions, salaries, vacancy rates, and the finalized ICAP rate for the fiscal year. In FY 2024, the TA's administrative overhead costs amounted to $0.6 million, while the District's administrative overhead costs were less than $0.1 million.

[1] Strategic Plan 2020-2024, Appendix E
[2] Strategic Plan 2020-2024, Table 3-2
[3] Strategic Plan 2020-2024, Page 3

Equity Considerations for the Distribution of TA Funding

As part of the TA Strategic Plan 2020-2024, equity is highlighted as a core evaluation criterion in TA CFP processes. Projects are evaluated holistically in terms of geographic and socioeconomic equity.

Geographic Equity

Geographic equity is evaluated by a Call for Projects Scoring Evaluation Committee assembled to review the submitted applications. The Committee assesses whether sales tax revenue is being distributed fairly to all areas in the San Mateo County. Specifically, the Evaluation Committee often looks at whether funds are proposed to be distributed between the Coast side versus the Bayside and amongst the North, Central, and Southern portions of the county. This often includes a review of past funding awards, in particular for smaller jurisdictions that may not often apply for Measure A and Measure W funding. The Evaluation Committee then makes recommendations to the TA Board of Directors for their consideration if there are any deviations proposed from the ranked project list.

Socioeconomic Equity

Socioeconomic equity scoring criteria are more directly linked to evaluating locations throughout San Mateo County that may have higher proportions of the historically underserved and/or communities with lower incomes or higher ratios of people of color as compared to other locations. These criteria are generally consistent with the Senate Bill 535 statewide criteria, the Metropolitan Transportation Commission's (MTC) regional criteria, and the newly developed Reimagine SamTrans countywide criteria.

Additionally, applicants are provided with a narrative question that allows them to describe other equity benefits for other vulnerable populations such as children, seniors, people living in high density/ affordable housing, low-income residents, transit-dependent populations, and others that may not be directly captured in the technical equity analysis metrics.

Technical Assistance to Jurisdictions

The Strategic Plan 2020-2024 recommended the TA strive to further its role with technical assistance, as resources permit, to advance project delivery. The following are the four areas of concentration for TA technical assistance:Provide technical assistance to sponsors, not limited to the Highway Program.

- Provide technical assistance to sponsors, not limited to the Highway Program.
- Utilize consultant services to offer Complete Streets and other best practice workshops.
- Temporarily offer consultant services to sponsors, on request, to keep projects moving, while minimizing delay.
- Provide consultant services to help sponsors better position themselves to obtain grant funds to better leverage TA funding.

Currently, the Highway Program and the Pedestrian and Bicycle Program both provide technical assistance to develop and lead projects on behalf of sponsors. As part of the Highway Program adopted in December 2023, six of the twelve project awards requested technical assistance from the TA.

Regional Transit Connections

The Regional Transit Connections program category receives ten percent of Measure W revenue. The intent of the category is to invest in infrastructure and services that are designed to improve transit connectivity between San Mateo County and the rest of the nine-county Bay Area region. The Strategic Plan 2020-2024 recommended that a Regional Transit Connections planning study and an accompanying Transit Capital Improvement Program (CIP) be prepared to better inform the competitive selection process. Funding for the development of the Regional Transit Connections Plan was programmed and allocated on March 2, 2023, and the plan was adopted by the TA Board in October 2024. A call for projects was released in early April 2025.

Appendices

A. FY 2024 Measure W Audit

Additional Information

1. District FY 2024 Annual Comprehensive Financial Report
2. District FY 2024 Popular Annual Financial Report
3. District FY 2024 Adopted Budget
4. TA FY 2024 Annual Comprehensive Financial Report
5. TA FY 2024 Popular Annual Financial Report
6. TA FY 2024 Adopted Budget
7. TA Strategic Plan 2020-2024

SAN MATEO COUNTY TRANSIT DISTRICT
1250 San Carlos Avenue
San Carlos, CA 94070

650-508-6200 | 1-800-660-4287

www.samtrans.com
www.smcta.com

