



SamTrans Board of Directors
Meeting of August 6, 2025

Correspondence as of August 5, 2025

Subject

1. Senator Scott Wiener and Senator Jesse Arreguin Joint Letter - Re: Accountability Provisions in Senate Bill 63 (August 5, 2025)
2. Santa Clara Valley Transportation Authority Chair Letter – RE: VTA Board of Directors Process and Direction on SB 63 (July 28, 2025)
3. City/County Association of Governments of San Mateo County (C/CAG) Letter – RE: SB 63 (Weiner) Opt In Recommendation for SamTrans (August 1, 2025)
4. Alameda County Transportation Commission (ACTA), Contra Costa Transportation Authority (CCTA), and San Francisco County Transportation Authority (SFCTA) Joint Letter to Senators Wiener and Arreguin – RE: Senate Bill 63 (August 4, 2025)
5. San Mateo County Central Labor Council and San Mateo County Building and Construction Trades Council Joint Letter – RE: Senate Bill 63 (August 4, 2025)
6. San Mateo County Transportation Authority Letter – RE: Senate Bill 63 (August 5, 2025)
7. San Francisco Bay Area Planning and Urban Research Association (SPUR) Letter - RE: Agenda item 12.b.ii - Receive Update on and Consider Opting In to Senate Bill 63 Regional Transportation Funding Measure (August 5, 2025)
8. San Mateo County Economic Development Association (SAMCEDA) and Chamber San Mateo County Joint Letter – RE: Senate Bill 63 (August 5, 2025)
9. Public Comment: Please Vote Yes on SB 63 – Protect Transit Access in San Mateo County
10. Public Comment: PLEASE APPROVE PARTICIPATION IN THE REGIONAL TRANSP0 FUNDING MEASURE

CAPITOL OFFICE
1021 O STREET, SUITE 8620
SACRAMENTO, CA 95814
TEL (916) 651-4011
FAX (916) 651-4911

DISTRICT OFFICE
455 GOLDEN GATE AVENUE
SUITE 14800
SAN FRANCISCO, CA 94102
TEL (415) 557-1300
FAX (415) 557-1252

SENATOR.WIENER@SENATE.CA.GOV

California State Senate

SENATOR
SCOTT WIENER

威善高

ELEVENTH SENATE DISTRICT



SENATOR
JESSE ARREGUÍN

SEVENTH SENATE DISTRICT



CAPITOL OFFICE
1021 O STREET, SUITE 6710
SACRAMENTO, CA 95814
TEL (916) 651-4007

DISTRICT OFFICE
1515 CLAY STREET SUITE 2202
OAKLAND, CA 94612
TEL (510) 286-1333

SENATOR.ARREGUIN@SENATE.CA.GOV

LEGISLATIVE JEWISH CAUCUS
CO-CHAIR
COMMITTEES:
BUDGET & FISCAL REVIEW
CHAIR
JOINT LEGISLATIVE BUDGET
CHAIR
LEGISLATIVE ETHICS
CHAIR
HEALTH
JUDICIARY
LOCAL GOVERNMENT
PUBLIC SAFETY
JOINT RULES

COMMITTEES
CHAIR OF PUBLIC SAFETY
CHAIR OF HUMAN SERVICES
BUSINESS, PROFESSIONS
& ECONOMIC DEVELOPMENT
ENERGY, UTILITIES
& COMMISSIONS
HOUSING
LOCAL GOVERNMENT
TRANSPORTATION

August 5, 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)

Jeff Gee

Chair, San Mateo County Transportation District (SMCTD)

Sergio Lopez

Chair, Santa Clara Valley Transportation Authority (SCVTA)

Carlos Romero

Chair, San Mateo County Transportation Authority

Adam Rak

Chair, City/County Association of Governments of San Mateo County (C/CAG)

Re: Accountability Provisions in SB 63

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

Thank you for your engagement on SB 63. Accountability for public transit operators has been a consistent theme throughout this legislative process and in prior legislative and budget-related transit funding efforts. We agree that Bay Area public transit should be safe, clean, reliable, more seamlessly integrated, and set up to improve financial efficiency to provide enhanced service for riders. Further, we agree that there should be oversight to ensure that SB 63 revenue measure funds are spent in accordance with all legislative requirements and that transit operators treat all

participating counties fairly and consistently. This letter outlines various existing accountability requirements, as well as accountability provisions we are committing to include in SB 63.

Existing Accountability Provisions

We introduced SB 63 with multiple accountability measures - including the following:

Independent Third-Party Financial Efficiency Review

SB 63 subjects BART, Muni, Caltrain, and AC Transit to a mandatory independent third-party financial efficiency review that identifies cost-saving opportunities and efficiencies. The bill requires these operators to adopt an implementation plan detailing which cost-saving opportunities and efficiencies they will take to continue receiving SB 63 revenues.

Regional Network Management

Reflecting elected officials' and the public's long-standing desire for more effective transit coordination for a seamless and positive rider experience, SB 63 provides real teeth to the enforcement of regional network management policies developed under the existing regional network management framework. These policies and programs include initiatives such as free and discounted transfers, the popular Bay Pass program, and other policies to ensure greater coordination on schedules, fares, and other standards, while providing flexibility for these policies to evolve to meet rider needs.

SB 63 requires BART, Muni, Caltrain, AC Transit, SF Bay Ferry, County Connection, WestCAT, Tri Delta Transit, LAVTA, and Union City Transit to comply with these policies and programs to receive SB 63 revenues.

Strong Legal Requirements on Distribution of Revenues

SB 63 prescribes how the Transportation Revenue Measure District (TRMD) and Metropolitan Transportation Commission (MTC) shall distribute SB 63 revenues. Specifically, the TRMD and MTC are responsible for distributing specified revenues to county transportation entities and transit operators, respectively, at the levels proposed in the SB 63 expenditure plan. SB 63 specifies that the TRMD has no ability to withhold the funds it is responsible for allocating - meaning that the county transportation entities will get their return to source funds. Further, SB 63 specifies how MTC is or is not to condition the funds it must allocate to the transit operators, providing operators with clear expectations of expected revenues while enforcing accountability.

Independent Oversight

Section 67754 added by the bill requires the establishment of an Independent Oversight Committee with membership appointed by the participating counties. The Independent Oversight Committee is tasked with ensuring that regional measure revenues are spent consistent with SB 63's requirements.

New and Enhanced Accountability Requirements

Relationships and Desires for Accountability Vary Across the Region

A regional transit measure as contemplated by SB 63 is inherently and understandably complicated by the varying perspectives, histories, and resulting concerns that different counties have of and with different transit operators. We acknowledge concerns that have been raised by San Mateo County stakeholders related to San Mateo County residents not having direct representation on the boards of some operators proposed to be funded by an SB 63 revenue measure (particularly BART and Muni), and an ensuing call for additional accountability measures beyond those required in the bill to ensure that operators fairly and consistently apply their adopted standards, policies, and commitments across participating counties. Given the significant, temporary increase in operating funding provided by SB 63 to transit, we believe that a broad desire for enhanced accountability is shared by counties throughout the region. Additionally, we have heard a strong call for enhanced financial efficiency measures in the bill from various public and elected stakeholders.

Regional Accountability Committee

Acknowledging a need to establish enhanced accountability measures, we will include in SB 63 an Accountability Committee (see detailed proposal/text in Attachment A) that is composed of 2 representatives from each participating county and is tasked with ensuring that specified transit operators consistently and fairly apply adopted standards, policies, and commitments related to cleanliness, service changes, fare policy, and other relevant areas. The accountability committee provides a direct, equal, and fair venue for participating counties - including counties that do not have direct governing relationships with transit operators - to assess and adjudicate claims by county transportation entities that such standards, policies, or commitments are not being fairly and consistently applied across counties. By authorizing the accountability committee to require corrective action and withhold up to 5% of the funds from transit operators until that corrective action is taken, this framework provides unprecedented accountability for all counties onto these specified operators in a manner that upholds region-wide standards of accountability and fairness.

We believe this regional accountability approach provides a strong and equitable mechanism to address the oversight and representation concerns that San Mateo County stakeholders have raised with us while also benefiting and being able to garner support from all participating counties.

Strengthened Financial Efficiency Review

Pursuant to feedback received from various stakeholders - and in an effort to more closely align with similar efficiency review models - we will also update and strengthen the financial efficiency review language included in SB 63 (see Attachment B for detailed proposal/text). Specifically, we are updating the financial efficiency review language to include an early action phase to deliver near-term efficiency improvements in mid-2026, establishing an Oversight Committee composed of transit operators and independent experts to exercise approval authority over operator-prepared implementation plans based on the more comprehensive review phase, and establishing a requirement for operators to adhere to adopted implementation plan

commitments. We believe that these changes will increase the effectiveness of the financial efficiency review and help set our region's operators on a course toward long term fiscal sustainability.

In summary, we believe that our planned accountability refinements and additions provide a fair, region wide approach to accountability that is robust and flexible enough to address variation in governance and representation structures for all participating counties while conforming to principles of regional fairness and fair treatment. As reflected in recent correspondence provided to our offices, accountability approaches that involve the unilateral withholding of funds or mandating of bilateral agreements would set an uneven accountability playing field and is not sufficiently supported by the existing revenue measure district counties. It thus could not be incorporated into the legislation without posing a significant risk to the viability of a measure. While we are strongly supportive of enhanced accountability provisions and seek continued engagement with stakeholders, we could not entertain accountability provisions that allow a specific county to separately condition funds to BART, Muni, Caltrain, or AC Transit. Similarly, we are not willing to prescribe entry into bilateral agreements between specific operators or counties as a requirement within SB 63.

We appreciate the robust and heartfelt dialogue on accountability that SB 63 has engendered in the region and we trust that all stakeholders understand that we must ensure fairness and equal treatment for all participating jurisdictions.

Sincerely,



Scott Wiener
Senator, 11th District



Jesse Arreguin
Senator, 7th District

Cc:

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

Margaret Abe-Koga, MTC Commissioner

Candace Andersen, MTC Commissioner

Marilyn Ezzy Ashcraft, MTC Commissioner

Pat Burt, MTC Commissioner

David Canepa, MTC Commissioner

Alicia John-Baptiste, MTC Commissioner

Mayor Barbara Lee, MTC Commissioner

Mayor Matt Mahan, MTC Commissioner

Nate Miley, MTC Commissioner

Gina Papan, MTC Commissioner

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)

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

Senator Christopher Cabaldon - Member, Bay Area Caucus

Senator Tim Grayson - Member, Bay Area Caucus

President Pro Tempore Mike McGuire - 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

Speaker Robert Rivas - Member, Bay Area Caucus

Assemblymember Chris Rogers - Member, Bay Area Caucus

Assemblymember Catherine Stefani - Member, Bay Area Caucus

Attachment A

SB 63 Authors' Accountability Committee Proposal

Summary

This approach describes a regional oversight structure to ensure that transit operators receiving significant funding from a new SB 63 sales tax are accountable to the counties participating in the measure by requiring transit operators to apply their adopted policies, standards, or commitments consistently and fairly across all counties participating in the SB 63 measure, and requiring corrective action if issues are identified. Specifically, it provides participating counties a venue to raise concerns and seek redress while upholding region wide standards of accountability and fairness.

Definitions

Participating County Entity: Refers to the representative county transportation entity of a county included in the geography of the Transportation Revenue Measure District (TRMD) – aka a county that is participating in the revenue measure. Participating County Entities for a 5-County measure are: ACTC, CCTA, SFCTA, SMCTD, and VTA.

Subject Operator: Refers to an operator set to receive greater than \$50 million in FY 31 dollars from MTC through a Regional Transportation Revenue Measure as specified in GOV 67750(c) of SB 63: BART, Muni, AC Transit, and Caltrain.

Proposal Text:

- 1) SB 63 requires MTC to establish an Accountability Committee that consists of two commissioners from each of the participating counties.
- 2) The Accountability Committee shall be responsible for assessing and adjudicating petitions from a participating county entity regarding regionally inconsistent application or execution of a subject operator's adopted standards, policies, or commitments described in (3) across participating counties. This would occur in circumstances when:
 - (a) A subject operator is not consistently applying or achieving the standard, policy, or commitment in the participating county entity's geographic jurisdiction as reasonably compared to other participating county entity's geographic jurisdictions.
 - (b) The standard, policy, or commitment disproportionately disadvantages the operation or maintenance of the subject operator's transit system in the participating county entity's geographic jurisdiction and there is no compelling reason for that standard, policy, or commitment to disproportionately disadvantage the operation or maintenance of the subject operator's transit system in the participating county entity's geographic jurisdiction.
- 3) The scope of the adopted standards, policies, or commitments – or application of those standards, policies, or commitments – that may be the subject of the petition, assessment, and

adjudication are the following issues related to the operation or maintenance of the subject operator's transit system in the participating county entity's geographic jurisdiction:

- a) Service frequency or route changes
 - b) Fare policy, such as the assessment of surcharges
 - c) Station, facility, or vehicle cleanliness
 - d) Station or facility maintenance
 - e) Station or facility closures
 - f) Safety and Security
- 4) The participating county entity shall seek to address the issue that is the subject of a prospective petition directly with the subject operator, including providing the operator an opportunity to directly address the issue, prior to taking the board action required by (5).
 - 5) A participating county entity shall take a formal board action in order to petition the Accountability Committee.
 - 6) Assessment and Adjudication: If presented with a petition from a participating county entity, the Accountability Committee shall determine the following in consultation with the participating county entity and subject transit operator:
 - a) Whether the Accountability Committee agrees with the participating county entity's claim(s) in the petition.
 - b) Whether it shall recommend to the commission corrective action and a response/cure period by the subject operator to address the participating county entity's petition or if no further action is necessary.
 - 7) If the operator is non-responsive or the response is insufficient, the Accountability Committee shall determine whether or not to recommend that the commission withhold, in total at any given time, up to 5 percent of SB 63 regional revenue measure funding dedicated to the subject operator as specified in GOV 67750(c) in an amount the Accountability Committee deems proportionate to the issue that was the subject of the petition.
 - 8) Recommendations by the committee to withhold funds from a subject operator shall be approved by the commission unless rejected by a 2/3rd supermajority of its voting members.

Attachment B

SB 63 Authors' Financial Efficiency Review Proposal

This proposal requires the four transit operators receiving greater than \$50 million in regional revenue measure funds from MTC (BART, Caltrain, Muni, and AC Transit) to undergo a multi-phase comprehensive financial efficiency review that identifies cost-saving and service improvement opportunities for the transit operators, with regular compliance and verification that the operators are implementing these measures. In doing so, it improves financial efficiency for the transit operators, while moving them toward long-term fiscal sustainability, and results in more effective expenditure of taxpayer resources.

Specifically, the proposal does the following:

- Requires MTC to contract with a third party to conduct a two-part efficiency review consisting of:
 - An early action phase to improve service using existing resources
 - A more comprehensive phase, if the measure passes, to identify cost-saving measures and efficiencies that would reduce one-time and ongoing fixed and variable transit operator costs
- Requires BART, Muni, AC Transit, and Caltrain to commit to taking early actions identified in phase 1 of the review.
- Requires BART, Muni, AC Transit, and Caltrain to work with an Oversight Committee that includes independent public transit experts to adopt implementation plans detailing cost-saving measures identified in phase 2 of the review they will take.
- Requires the commission to work with transit operators to verify they adhere to their adopted implementation plans over the life of the measure, ensuring follow-through.

Replace Sections 67760 through 67767 in SB 63 with the following:

CHAPTER 4. Financial Transparency and Review

67760. *(a) The Legislature finds and declares that financial efficiency and transparency are imperative to build public confidence and support for public transportation.*

67762. *(a) The commission shall engage in a financial efficiency review of AC Transit, BART, Caltrain, and Muni pursuant to the timeline in Section 67766.*

(b) Phase One of the review shall exclusively identify the following:

(1) Cost-saving measures and efficiencies implemented by the transit operators subject to the review since January 1, 2020.

(2) Early action strategies that would assist the transit operators subject to the review in delivering increased or improved service and enhanced customer experiences with existing resources.

(c) Phase Two of the review shall identify a menu of cost-saving efficiencies that, if implemented, would reduce one-time and ongoing fixed and variable costs for the transit operators subject to the review.

(d) The scope of both phases of the review shall consider administrative, operating, and capital costs and shall clearly distinguish between any recommended actions that would not impact service and those that would require service realignments or reductions.

67764. *(a) The commission shall contract and manage a third party. The third party shall conduct one or both phases of the review in consultation with the transit operators subject to the review and an Oversight Committee established by the commission that consists of the following:*

- 1. The Chair of the commission, or another member of the commission designated by the chair*
- 2. The Board Chair, or another member of the board designated by the chair, of each transit operator that is subject to the review*
- 3. Four independent experts appointed by the California Secretary of Transportation with expertise in public transportation operations and finance*

67766. *(a) By May 1, 2026, the independent third party procured for Phase One shall complete the Phase One analysis described in subdivision (b) of section 67762 and transmit it to the Oversight Committee. The Oversight Committee shall approve the Phase One analysis and transmit it to the following entities:*

(1) The transit operators subject to the review

(3) The Legislature, in compliance with Section 9795

(4) The Transportation Agency

(5) Each of the county transportation entities identified in the SB 63 expenditure plan.

(b) By July 1, 2026 the transit operators subject to the review shall identify the specific strategies in the analysis described in subdivision (b) of section 67762 that they are willing to implement, and commit to such implementation.

(c) No later than 16 months after the election results are certified, and if the certified election results identify that the measure has passed, all of the following shall occur:

- (1) The independent third party procured for Phase Two shall complete the analysis described in subdivision (c) of section 67762 and transmit it to the Oversight Committee for transmittal to the entities described in paragraphs (1) to (4), inclusive, of subdivision (a)*
- (2) The Oversight Committee shall specify to the transit operators subject to the review what information, at a minimum, shall be included for each efficiency and cost-saving measure identified in the implementation plans required by this subdivision.*

(d) No later than 4 months after the the actions required by (c), each transit operator subject to the review shall submit to the Oversight Committee a draft implementation plan that describes all measurable efficiency and cost-saving measures the transit operator plans to implement, including all information related to those measures required by the Oversight Committee pursuant to (c). In developing the implementation plan, the transit operator shall balance financial efficiency, service, and system safety.

(e) The Oversight Committee shall review each draft implementation plan and either approve the plan or recommend revisions to further facilitate the implementation of recommendations identified in the Phase Two Analysis.

(f) No later than two months after the Oversight Committee takes action pursuant to (e), the transit operator's board shall do all of the following:

- (1) Incorporate Oversight Committee recommendations made pursuant to (e), if applicable.*
- (2) Adopt a final implementation plan and transmit it to the Oversight Committee and to the entities described in paragraphs (1) to (4), inclusive, of subdivision (a).*
- (3) Notwithstanding (1), an operator may reject including one or more of the Oversight Committee recommendations made pursuant to (e) if the operator makes a written finding when adopting the final implementation plan pursuant to (2) that the recommendation has an unacceptable impact on transit service or safety.*

(g) The Oversight Committee shall sunset after each transit operator subject to the review takes the actions required by (f). Each transit operator subject to the review shall adhere to the final implementation plan it adopted pursuant to (f) for the remainder of the life of the measure, until all specified actions have been completed or unless doing so is infeasible due to circumstances beyond the operator's control, in which case the operator shall make a good faith effort to comply.

(h) As a condition of receiving continued funding pursuant to Chapter 3 (commencing with Section 67750), the commission shall verify that each transit operator subject to the review is in compliance with the requirements of this Chapter.



July 28, 2025

C/CAG Board of Directors
555 County Center, 5th Floor
Redwood City, California 94063

San Mateo County Transportation Authority (SMCTA) Board of Directors
1250 San Carlos Avenue
San Carlos, California 94070

RE: VTA Board of Directors Process and Direction on SB 63

Dear Board of Directors,

As Chair of the Santa Clara Valley Transportation Authority (VTA) Board of Directors, I write to share our experience in considering potential Santa Clara County participation in a regional transportation sales tax measure, SB 63. I believe that San Mateo County and Santa Clara County have shared interests, as well as a history of partnership on local transportation issues, and therefore write in the spirit of transparency and collaboration.

Relevant factors for our county's participation in this measure include VTA's ability to close our current budget gap and deficits, restore service through our Visionary Network Plan, and the need to fully fund our Caltrain obligation, while ensuring transparency and accountability in any expenditures. Absent potential participation in SB 63, funding for Caltrain from Santa Clara County would otherwise likely need to come from a new revenue measure to avoid potential harmful local service cuts. Our board recognizes the value and importance of funding Caltrain, and likewise, what is beyond question is San Mateo County's strong leadership in supporting Caltrain historically. Accordingly, I believe the current language from the bill authors in SB 63 represents a potential way to move forward with future discussions while protecting the service upon which both our counties rely.

To protect and increase service levels while maintaining our regional funding obligations, VTA continues to recommend an approach that maintains to the greatest extent possible each county Transportation Agency's traditional role in funding, programming, and oversight. I believe this represents another opportunity for a unified voice to protect our common interests.

To date, the VTA Board has had many robust discussions on SB 63, with a workshop to discuss available options for Santa Clara County, including joining the regional measure on August 1. Final action on opting-in is scheduled for August 7. For your reference, I have enclosed the VTA staff memo and referral response for the workshop, and will make myself available to any board members who would like to connect personally regarding our experiences. If interested, please feel free to reach out to me directly at sergiol@campbellca.gov or to staff at (408) 250-9567.

Finally, I wish to share a personal note. While the role of VTA Chair means I work on behalf of residents all throughout Santa Clara County, my perspective is shaped by my experience as a small city Mayor. It is because of this experience that I believe in the importance of ensuring all our residents see and feel the benefits of regional transportation funding. Our voice both as smaller cities, as well as county-wide, is stronger when we partner together to ensure there is regional equity in funding to support all transit riders and residents, regardless of the size of our respective jurisdictions.

VTA stands ready to keep the Boards of Directors informed as needed and, if so desired, is happy to discuss the workshop materials in advance of VTA Board action on August 7.

Sincerely,

A handwritten signature in grey ink, appearing to read 'Sergio Lopez', with a stylized, flowing script.

Sergio Lopez
Chair, Santa Clara County Transportation Authority

Cc:

Santa Clara Valley Transportation Authority Board of Directors

Santa Clara Valley Transportation Authority CEO/General Manager Carolyn Gonot

Santa Clara Valley Transportation Authority Chief Government Affairs Officer Beverly Greene



Date: July 25, 2025
 Current Meeting: August 1, 2025
 Board Meeting: August 1, 2025

BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
 Board of Directors

THROUGH: General Manager/CEO, Carolyn M. Gonot

FROM: Chief of Staff, Scott Haywood

SUBJECT: SB 63 Updates and Potential Options for VTA

FOR INFORMATION ONLY

EXECUTIVE SUMMARY:

- In April 2025 the VTA Board of Directors directed staff with evaluating options for addressing financial needs at VTA and our obligations to support regional transit services facing sustained budget shortfalls in the coming years.
- As part of this analysis, staff was asked to explore the potential for adding Santa Clara County to a new tax district and funding measure enabled by Senate Bill (SB) 63, introduced by Senators Scott Weiner and Jesse Arreguin on March 25.
- This memo reviews the major considerations with “opting in” to Senate Bill 63.
- The VTA Board will have the opportunity to take any formal action at the August 7, 2025, board meeting.

STRATEGIC PLAN/GOALS:

Board input and direction on Senate Bill 63 (SB 63) supports VTA’s core business lines, providing a highly integrated transportation network with a focus on faster, more frequent and reliable transit service, project delivery and regional leadership in transportation system management.

BACKGROUND:

For the past several legislative sessions, Senator Wiener has been exploring funding mechanisms to address the transit funding shortfalls that resulted from the pandemic. The VTA Board has been engaged during these efforts, however none of these efforts have produced consensus in the

region.

In March 2025, Senator Wiener and Senator Arreguín introduced SB 63 to pursue relief funding through a more narrowly defined structure and purpose than previous efforts. The new legislation includes the creation of a tax district encompassing the three core counties served by BART (Alameda, Contra Costa and San Francisco) and an option for Santa Clara and San Mateo Counties to opt-in to the tax district. The proposed funding mechanism was a sales tax for a limited number of years.

The VTA Board has been discussing the progress of the legislation at the past several board meetings. While no formal action has been taken, the Board has directed staff to closely monitor SB 63 and identify opportunities for increasing transit funding to Santa Clara County.

Additionally, the Board issued a referral to staff to provide further background for their deliberations. The responses to the referral are attached.

DISCUSSION:

On July 29, Senator Wiener's office released a draft expenditure plan based on a new 14-year sales tax. Revenue estimates are stated in 2031 dollars but will likely be listed as percentages in the final bill. For Santa Clara County, the expenditure plan is divided into the following components.

- Sales Tax Rate - .5%
- Annual Estimated Revenue - \$313 million*
- Annual Administration Fee - \$780,000
- Annual Contribution to MTC Transit Transformation Program - \$15.65 million
- Annual Caltrain Contribution - \$32.5 million
- Remaining Revenue to VTA** - \$264.07 million

*Estimate is slightly different than VTA's estimate due to different projected growth rates.

**Calculated based on a return to source from sales tax generated in Santa Clara County.

As the Board discusses the merits of opting into the measure, below are several items for consideration:

- If VTA does opt-in, staff will develop a detailed expenditure plan for the projected \$264 million in annual revenue. These funds will allow VTA to address its projected financial shortfalls and stave off any service reductions for the foreseeable future. Additionally, VTA will be able to begin implementing the Visionary Network to restore bus and light rail service and better connect communities through more frequent transit. The plan can also include a variety of much-needed capital projects to improve transit throughout the county while also addressing long-term business model changes to ensure VTA's fiscal sustainability. Ultimately, the VTA Board of Directors will have the final approval of the expenditure plan.
- As part of SB 63's expenditure plan, Santa Clara County is projected to contribute a

higher annual amount to Caltrain operations than previously discussed, approximately \$112 million more over 14 years. While this revised amount reflects updated assumptions about Caltrain's operating needs, VTA recognizes the importance of working with regional partners to seek equitable funding outcomes. Staff will continue to advocate for Santa Clara County's fair share of future discretionary funding opportunities, including state and federal transit capital programs, and will pursue opportunities to revisit and strengthen interagency agreements over time. However, these discussions will likely extend beyond the timeline for placing the measure on the ballot.

- The Caltrain allocation in the expenditure plan is a compromise/recommendation among the members of the JPB Ad Hoc Governance Committee, which had discussed multiple options for a formula to allocate member agency responsibility for Caltrain's operating deficit. Attempting to keep SB63 viable, recognizing differences between VTA and SamTrans, and understanding financial considerations for SFMTA, the Ad Hoc Committee agreed to put the rationale for their respective formula positions to the side and compromise on an allocation that had an even split between VTA and SamTrans. In addition, the Ad Hoc Committee agreed that this decision would not establish a precedent for future discussions concerning the JPA.
- Should the regional measure succeed, VTA will explore further refinements to the Caltrain governance structure and foundational agreements, including the Joint Powers Agreement, which was last revised in 1996. With additional investment in Caltrain by VTA to cover ongoing operating deficits, staff recommends consideration of an updated governance arrangement to better reflect member agency contributions and set the railroad up for financial and operational success in the long-term. With state and local partners, VTA staff will also look for regional support on repurposed state cap-and-trade funds that advance, if not complete, important joint benefit projects along the Caltrain corridor including the BART Silicon Valley station and other improvements at Diridon Station, grade separation and crossing safety upgrades, new track and electrification between San Jose Tamien station and Gilroy, and the San Francisco Portal project.
- As described in the board referral, the most impactful element of MTC's Transit Transformation Program for Santa Clara County is Transit Signal Priority (TSP). The current expenditure plan has a limited amount of funds available for TSP projects. This amount should be increased within the program.
- While VTA can ultimately put a local measure on the ballot, based on the most recent polling, staff does not see a viable path for doing so in 2026. If the board opts not to join in SB 63 staff will continue to conduct polling and analyze the results for future opportunities. Staff would also note that SB 63 is intended to be placed on the ballot as a citizen's initiative which requires a majority vote only. A local VTA measure will require a 2/3 majority for passage.

Next steps:

Following the Board workshop discussion, VTA staff will provide a recommendation for the Board's consideration at the next regular meeting of the Board at the August 7, 2025, meeting.

Prepared By: Aaron Quigley, Senior Policy Analyst
Memo No. 9779

Responses to Board Referral Regarding SB 63

At the June 27 VTA Board of Directors (Board) meeting, VTA staff was directed to prepare and present the following referral, prior to the Board's decision whether to opt into Senate Bill (SB) 63, to inform Board deliberation on regional transportation funding needs and commitments:

- 1. Provide estimates of annual revenue generated under various potential sales tax rates (e.g., ½ cent, ¼ cent, ⅛ cent) and durations, including scenarios that reflect different levels of return to source under consideration for SB 63.**

The chart below presents estimates for annual and total revenue in FY28 dollars – these amounts may differ slightly from figures developed/produced by other agencies/groups:

Rates	Projected Annual revenue at 100%	Projected Annual Revenue at 94%*	Projected Annual Revenue at 89%**
1/2	\$288 Million	\$270.7 Million	\$256.3 Million
1/4	\$144 Million	\$135.4 Million	\$128.2 Million
1/8	\$72 Million	\$67.7 Million	\$64.1 Million

Rates	Projected Total revenue at 100%	Projected Total Revenue at 94%*	Projected Total Revenue at 89%**
1/2	\$3.3 Billion – 10 yr \$5.4 Billion – 15 yr	\$3.1 Billion – 10 yr \$5.0 Billion – 15 yr	\$2.9 Billion – 10 yr \$4.8 Billion – 15 yr
1/4	\$1.7 Billion – 10 yr \$2.7 Billion – 15 yr	\$1.6 Billion – 10 yr \$2.5 Billion – 15 yr	\$1.5 Billion – 10 yr \$2.4 Billion – 15 yr
1/8	\$825 Million – 10 yr \$1.4 Billion – 15 yr	\$776 Million – 10 yr \$1.3 Billion – 15 yr	\$735 Million – 10 yr \$1.2 Billion – 15 yr

* 5% for Transit Transformation, 1% administrative fee,

** 10% for Transit Transformation, 1% administrative fee

Figure I. Estimates for Annual and Total Regional Measure Revenues in Santa Clara County

A more detailed projection table of sales tax revenues and totals based on different sales tax rates, durations, and regional overhead rates is incorporated are attached.

2. Summarize VTA's priorities as they pertain to:

a. Transit Transformation efforts (the 5% or 10% shown above as contribution from all participants), including MTC's current position

VTA's top priority for the Transit Transformation funding category is Transit Signal Priority (TSP) projects on our light rail system and bus service on arterials. This is the most impactful Transit Transformation investment in Santa Clara County. TSP will produce time savings and result in faster service for current and future VTA customers, while providing much needed signal upgrades for cities.

The second most important Transit Transformation investment is improvements in transit service for people with disabilities. Today, VTA Access paratransit has over 11,600 clients, some of whom make critical trips across county lines for life-preserving services like dialysis.

VTA staff will continue to monitor other Transit Transformation initiatives, such as funding for Clipper START and free transfer programs, and the Regional Mapping and Wayfinding Project. While both initiatives may enhance customer experience, both are expensive and focused on transit riders who cross county lines. In Santa Clara County, over 90 percent of transit trips start and end within the county, making the return on investment for regional fare and wayfinding projects much smaller.

b. Funding needed to implement programmatic elements of the Visionary Network plan including scenarios that restore passenger service to VTA's highest historic service levels

Implementation of the Visionary Network will put VTA in a prime position to improve the quality of life and expand economic opportunity in Santa Clara County.

The Visionary Network outlines VTA's boldest service plan in decades: a phased roadmap to restore service to historical levels and expand frequent, all-day transit across Santa Clara County. Each phase adds more bus and light rail service where rider demand and market growth call for it most.

Full implementation of the Visionary Network would grow transit service by 80% over today's levels, bringing VTA on par with peer agencies and carry up to 20 million more riders annually. The service plan includes eight service phases and lays out the resources required to unlock them:

Phases 1–3: Restore

Phases 1–3 represent a transformative early investment that, once completed, will restore VTA's service levels to levels we operated in 2001 but with far greater reach, equity, and frequency:

- **Phases 1–2** expand 15-minute weekend service across the Frequent and Local Networks, capitalizing on record-high weekend ridership.
- **Phase 3** increases weekday frequency to 10 minutes on VTA's core Frequent Network, restoring VTA's highest historic service levels for the first time in over 20 years.

Phases 4–5: Connect

Phases 4 and 5 extend the benefits of all-day, frequent service deeper into VTA's network by expanding weekday span and frequency on both the Frequent and Local networks. These phases expand service hours and greatly improve connectivity to regional services such as BART and Caltrain as well as the VTA Frequent Network.

- **Phase 4** expands weekday hours on VTA's core Frequent Network, ensuring consistent early morning and late evening service from 4:00 a.m. to 1:00 a.m., a key step toward meeting the needs of shift workers and late-night riders.
- **Phase 5** brings 20- to 30-minute weekday service to every Local route in the system, paired with longer weekday hours. This phase ensures that weekday coverage routes meet a consistent baseline of service, providing better access to more neighborhoods and a greater variety of trips.

Phases 6–8: Expand

Phases 6 through 8 transform VTA into a truly seven-day-a-week, late-night network including a foundational network of 24-hour service, meeting the needs of riders who travel during evenings, weekends, and overnight hours. Expansion means a high-quality, high-frequency transit network that is the foundation of vibrant neighborhoods and thriving downtowns.

- **Phases 6–7** extend weekend hours on all routes, aligning with weekday service and improving access for workers, weekend travelers, and families.
- **Phase 8** launches overnight “Owl” service on core Frequent Network corridors, providing mobility during the early-morning hours when transit service is typically unavailable. This final phase supports a 24-hour economy and enhances access to jobs and essential services around the clock.

As stated earlier, implementation of the Visionary Network will put VTA in a prime position to improve quality of life and expand economic opportunity in Santa Clara County. This is achievable but will require significant investment.

The chart below summarizes the service hours and additional operating funds needed per phase:

Phase	Additional Service Hours	Additional Operating Funds (in FY24\$)
<i>Restore</i>		
Wknd Freq Network	75,000	\$13 Million
Wknd Local Bus Freq	57,000	\$8.1 Million
Wkday Freq Network	506,000	\$85.4 Million
<i>Enhance</i>		
Wkday Freq Net Span	69,000	\$9.9 Million
Wkday Local Bus Freq/Span	279,000	\$39.7 Million
<i>Expand</i>		
Wknd Freq Network – Span	44,000	\$6.3 Million
Wkend Local Bus – Span	39,000	\$5.6 Million
Owl Network	52,000	\$7.5 Million

Figure II. Visionary Network Operating Costs and Additional Service Hours by Phase

Fully funding Phases 1 through 3 would restore VTA service to levels not seen since 2001 (our highest historic service level), but with significantly greater frequency, reach, and equity. While Santa Clara County’s population has grown by more than 20% since 2001, transit service levels have declined. This plan begins to reverse that trend.

Phases 3 and 5 will require additional capital investments such as new buses, supporting infrastructure, and double-tracking key light rail segments at an estimated cost of \$284.5 million. These are minimum capital needs, and VTA will develop a capital strategy in tandem with any emerging operating funding to ensure we are ready to deliver when the time comes.

3. **Present a preliminary menu of alternative revenue-generating options, in the event VTA chooses not to opt into SB 63, that could sustain and enhance VTA service levels and fulfill regional transit obligations. Include preliminary findings on the feasibility, opportunities, and challenges of each alternative.**

Question is combined with question #4 below.

4. **Provide an analysis of the financial implications to VTA and shared regional transit systems such as Caltrain if no new revenue source is secured by 2028.**

Historically, VTA has had a great deal of success placing sales taxes on the ballot. Since 1984, Santa Clara County voters have repeatedly voted to tax themselves for meaningful transportation improvements. A voter-approved sales tax has the highest likelihood for success and would generate the greatest amount of new revenue.

VTA can place a local measure on the ballot any time there is a county-wide election or call for a special election. If the board elects to move forward with a local measure, staff recommends VTA develop a robust outreach process to work with the community and stakeholders to develop an expenditure plan.

The expenditure plan may include funding for transit operations and transportation capital projects – including non-transit projects such as bicycle, pedestrian and roadway projects. A key element of a local measure would be extensive polling to determine which types of projects matter most to voters, the type and amount of tax, and timing.

Generally, it is most advantageous to place a measure on the ballot during a presidential election when turnout is highest (2028, 2032, or 2036). Based on recent polling, a VTA-only measure does not appear feasible in 2026.

It is critical to VTA that 2000 Measure A be extended prior to the sunset date of 2036. Extending 2000 Measure A will ensure that VTA can maintain current service levels and provide additional funding for transportation projects and services.

Under the immediate scenario where VTA does not opt in to SB63, the alternative would be the revenue mechanisms listed below. Option 1 being a simple renewal of 2000 Measure A, which could be bonded against prior to 2036 (likely for capital needs but not operating); and Option 2 involving an additive measure that would bring in additional revenue between the start of revenue collection post-2028 and the expiration of 2000 Measure A in 2036. The year, tax rate and duration of any alternative revenue mechanism may be modified depending on future polling results.

Should the regional measure fail, it is important to note that Caltrain operations must be funded from some Santa Clara County source. Caltrain operations should not be funded from VTA Transit funds, nor should 2000 Measure A funds be repurposed for commuter rail operations so close to the expiration of that measure.

One potential option of note is a formal process VTA could follow to repurpose up to approximately \$300 million in the 2016 Measure B Caltrain Corridor Capacity category to fund Caltrain operations in the event that there are no new revenue sources. This would, however, require foregoing other Caltrain capital and South County operations investments.

	Option 1	Option 2
Year	2028	2028
Revenue Source	Renewal of 1/2 cent 2000 Measure A	New 1/2 cent sales tax measure on top of 2000 Measure A (allowing Measure A to sunset in 2036)
Duration	30 years	30 years
Annual Revenue Amount	\$369 million beginning in FY37	\$608M/yr - FY30-36; \$369M/yr - FY37 for next 24 years
Notes	Extension of 2000 Measure A, no change in sales tax rate. Can be bonded against before 2036.	New sales tax measure, temporary increase in sales tax rate until 2000 Measure A expires in 2036.

Figure III. Potential Alternative Revenue Mechanisms for Santa Clara County.

While VTA could consider alternative taxes, such as gross receipts and parcel taxes, these have historically been less popular with the electorate. In addition, these types of taxes would be unlikely to produce the amount of revenue needed for VTA and Caltrain's projected shortfalls, capital projects, and service expansion. Beyond these taxes, other revenue options to be considered include:

- Collecting more express lane revenue by advancing more express lanes through a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan. While this option would produce new revenue for transit, it would not be available in the near term as VTA would need to first build out the express lane network.
- Continue to implement transit-oriented development projects – including the River Oaks campus. This option could produce new revenue but will not be avail-

able in the near term as these projects still need to be developed and funded. Additionally, seeking legislative relief to allow VTA to create a Real Estate Special Purpose Entity could allow VTA to share more upside revenue potential with transit-oriented community development

- Seek legislation to expand the Vehicle Registration Fee (VRF) to increase the current maximum of \$10 per vehicle and allow transit to be eligible for VRF funding. VTA currently collects approximately \$15 million annually in VRF funds. Therefore, any change in legislation would require a significant increase in the VRF for VTA to collect revenue similar to a sales tax.
- Seek legislation for other transit-centric user fees related to Transportation Network Companies, Rental Car Companies or Hotels

Without securing a new revenue source by 2028, VTA and shared regional systems like Caltrain face significant financial risk. VTA's board recently adopted a deficit FY2026 and FY2027 biennial budget and the forecast shows projected annual deficits ranging from \$93 million to \$141 million, with a looming fiscal cliff around FY2030. Appendix B attempts to show the impact on VTA under the two options shown above along with our participation in SB63.

Absent new funding, the agency will face severe constraints on its ability to grow operations, invest in capital projects, or sustain existing service levels. This could result in deep cuts to both labor and transit services, undermining regional mobility goals and placing added strain on interconnected systems like Caltrain.

5. Outline a timeline and strategy for future voter polling, regardless of whether the VTA Board ultimately chooses to opt into SB 63.

Should VTA elect to opt-in to SB 63, VTA will likely not conduct any new polling. During this period, there will likely be a number of polls conducted by the region and VTA will work with our partners as opportunities arise.

Should a regional measure not prove successful, VTA will begin polling a minimum of once a year beginning in 2027. The poll questions will gauge voter interest in a local revenue measure and transportation in general. Based on the results, VTA will conduct follow-up polling to determine a potential timeline for placing a potential measure on the ballot. The poll questions will focus on several factors, including but not limited to the type of tax; duration of a tax; when VTA should place the measure on the ballot; and types of projects and programs voters would approve.

As part of this effort, VTA will also be polling to determine the optimal time to request voters renew 2000 Measure A and 2008 Measure B.

Board Referral - Regional Measure Discussion

Appendix A1 - 5% Transit Transformation

Dollars are stated in ,000's

1/2 Cent Scenario	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41	FY42	10YR Total	15YR Total
Sales Tax Revenue	\$ 287,964	\$ 296,603	\$ 305,501	\$ 314,666	\$ 324,106	\$ 333,829	\$ 343,844	\$ 354,159	\$ 364,784	\$ 375,728	\$ 387,000	\$ 398,610	\$ 410,568	\$ 422,885	\$ 435,571	\$ 3,301,185	\$ 5,355,818
Transit Transformation (5%)	14,398	14,830	15,275	15,733	16,205	16,691	17,192	17,708	18,239	18,786	19,350	19,930	20,528	21,144	21,779	165,059	267,791
Administrative Fees (1%)	2,880	2,966	3,055	3,147	3,241	3,338	3,438	3,542	3,648	3,757	3,870	3,986	4,106	4,229	4,356	33,012	53,558
Return to Source	270,686	278,807	287,171	295,786	304,660	313,799	323,213	332,910	342,897	353,184	363,780	374,693	385,934	397,512	409,437	3,103,113	5,034,469
Caltrain Contribution (based on "Option F" estimates)	(24,825)	(25,570)	(26,337)	(27,127)	(27,941)	(28,779)	(29,642)	(30,532)	(31,448)	(32,391)	(33,363)	(34,364)	(35,395)	(36,456)	(37,550)	(284,591)	(461,719)
VTA Projected Deficits	(93,000)	(118,200)	(120,200)	(118,600)	(118,600)	(126,500)	(134,300)	(141,600)	(141,600)	(141,600)	(141,600)	(141,600)	(141,600)	(141,600)	(141,600)	(1,254,200)	(1,962,200)
Available for VTA Needs	\$ 152,861	\$ 135,037	\$ 140,634	\$ 150,059	\$ 158,119	\$ 158,520	\$ 159,271	\$ 160,778	\$ 169,849	\$ 179,193	\$ 188,817	\$ 198,729	\$ 208,939	\$ 219,455	\$ 230,287	\$ 1,564,322	\$ 2,610,549

1/4 Cent Scenario	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41	FY42	10YR Total	15YR Total
Sales Tax Revenue	\$ 143,982	\$ 148,301	\$ 152,751	\$ 157,333	\$ 162,053	\$ 166,915	\$ 171,922	\$ 177,080	\$ 182,392	\$ 187,864	\$ 193,500	\$ 199,305	\$ 205,284	\$ 211,442	\$ 217,786	\$ 1,650,592	\$ 2,677,909
Transit Transformation (5%)	7,199	7,415	7,638	7,867	8,103	8,346	8,596	8,854	9,120	9,393	9,675	9,965	10,264	10,572	10,889	82,530	133,895
Administrative Fees (1%)	1,440	1,483	1,528	1,573	1,621	1,669	1,719	1,771	1,824	1,879	1,935	1,993	2,053	2,114	2,178	16,506	26,779
Return to Source	135,343	139,403	143,585	147,893	152,330	156,900	161,607	166,455	171,449	176,592	181,890	187,346	192,967	198,756	204,719	1,551,557	2,517,234
Caltrain Contribution (based on "Option F" estimates)	(24,825)	(25,570)	(26,337)	(27,127)	(27,941)	(28,779)	(29,642)	(30,532)	(31,448)	(32,391)	(33,363)	(34,364)	(35,395)	(36,456)	(37,550)	(284,591)	(461,719)
VTA Projected Deficits	(93,000)	(118,200)	(120,200)	(118,600)	(118,600)	(126,500)	(134,300)	(141,600)	(141,600)	(141,600)	(141,600)	(141,600)	(141,600)	(141,600)	(141,600)	(1,254,200)	(1,962,200)
Available for VTA Needs	\$ 17,518	\$ (4,366)	\$ (2,951)	\$ 2,166	\$ 5,789	\$ 1,621	\$ (2,336)	\$ (5,677)	\$ (1,599)	\$ 2,601	\$ 6,927	\$ 11,383	\$ 15,972	\$ 20,699	\$ 25,568	\$ 12,765	\$ 93,315

1/8 Cent Scenario	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41	FY42	10YR Total	15YR Total
Sales Tax Revenue	\$ 71,991	\$ 74,151	\$ 76,375	\$ 78,667	\$ 81,027	\$ 83,457	\$ 85,961	\$ 88,540	\$ 91,196	\$ 93,932	\$ 96,750	\$ 99,652	\$ 102,642	\$ 105,721	\$ 108,893	\$ 825,296	\$ 1,338,954
Transit Transformation (5%)	3,600	3,708	3,819	3,933	4,051	4,173	4,298	4,427	4,560	4,697	4,837	4,983	5,132	5,286	5,445	41,265	66,948
Administrative Fees (1%)	720	742	764	787	810	835	860	885	912	939	967	997	1,026	1,057	1,089	8,253	13,390
Return to Source	67,672	69,702	71,793	73,947	76,165	78,450	80,803	83,227	85,724	88,296	90,945	93,673	96,483	99,378	102,359	775,778	1,258,617
Caltrain Contribution (based on "Option F" estimates)	(24,825)	(25,570)	(26,337)	(27,127)	(27,941)	(28,779)	(29,642)	(30,532)	(31,448)	(32,391)	(33,363)	(34,364)	(35,395)	(36,456)	(37,550)	(284,591)	(461,719)
VTA Projected Deficits	(93,000)	(118,200)	(120,200)	(118,600)	(118,600)	(126,500)	(134,300)	(141,600)	(141,600)	(141,600)	(141,600)	(141,600)	(141,600)	(141,600)	(141,600)	(1,254,200)	(1,962,200)
Available for VTA Needs	\$ (50,154)	\$ (74,068)	\$ (74,744)	\$ (71,780)	\$ (70,376)	\$ (76,829)	\$ (83,139)	\$ (88,904)	\$ (87,323)	\$ (85,695)	\$ (84,018)	\$ (82,290)	\$ (80,511)	\$ (78,678)	\$ (76,791)	\$ (763,013)	\$ (1,165,302)

Board Referral - Regional Measure Discussion

Appendix A2 - 10% Transit Transformation

Dollars are stated in ,000's

1/2 Cent Scenario	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41	FY42	10YR Total	15YR Total
Sales Tax Revenue	\$ 287,964	\$ 296,603	\$ 305,501	\$ 314,666	\$ 324,106	\$ 333,829	\$ 343,844	\$ 354,159	\$ 364,784	\$ 375,728	\$ 387,000	\$ 398,610	\$ 410,568	\$ 422,895	\$ 435,571	\$ 3,301,185	\$ 5,355,818
Transit Transformation (10%)	28,796	29,660	30,550	31,467	32,411	33,383	34,384	35,416	36,478	37,573	38,700	39,861	41,057	42,288	43,557	330,118	535,582
Administrative Fees (1%)	2,880	2,966	3,055	3,147	3,241	3,338	3,438	3,542	3,648	3,757	3,870	3,986	4,106	4,229	4,356	33,012	53,558
Return to Source	256,288	263,977	271,896	280,053	288,454	297,108	306,021	315,202	324,658	334,398	344,430	354,762	365,405	376,368	387,659	2,938,054	4,766,678
Caltrain Contribution (based on "Option F" estimates)	(24,825)	(25,570)	(26,337)	(27,127)	(27,941)	(28,779)	(29,642)	(30,532)	(31,448)	(32,391)	(33,363)	(34,364)	(35,395)	(36,456)	(37,550)	(284,591)	(461,719)
VTA Projected Deficits	(93,000)	(118,200)	(120,200)	(118,600)	(118,600)	(126,500)	(134,300)	(141,600)	(141,600)	(141,600)	(141,600)	(141,600)	(141,600)	(141,600)	(141,600)	(1,254,200)	(1,962,200)
Available for VTA Needs	\$ 138,463	\$ 120,207	\$ 125,359	\$ 134,326	\$ 141,914	\$ 141,829	\$ 142,079	\$ 143,070	\$ 151,610	\$ 160,407	\$ 169,467	\$ 178,799	\$ 188,411	\$ 198,311	\$ 208,508	\$ 1,399,263	\$ 2,342,759

1/4 Cent Scenario	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41	FY42	10YR Total	15YR Total
Sales Tax Revenue	\$ 143,982	\$ 148,301	\$ 152,751	\$ 157,333	\$ 162,053	\$ 166,915	\$ 171,922	\$ 177,080	\$ 182,392	\$ 187,864	\$ 193,500	\$ 199,305	\$ 205,284	\$ 211,442	\$ 217,786	\$ 1,650,592	\$ 2,677,909
Transit Transformation (10%)	14,398	14,830	15,275	15,733	16,205	16,691	17,192	17,708	18,239	18,786	19,350	19,930	20,528	21,144	21,779	165,059	267,791
Administrative Fees (1%)	1,440	1,483	1,528	1,573	1,621	1,669	1,719	1,771	1,824	1,879	1,935	1,993	2,053	2,114	2,178	16,506	26,779
Return to Source	128,144	131,988	135,948	140,026	144,227	148,554	153,011	157,601	162,329	167,199	172,215	177,381	182,703	188,184	193,829	1,469,027	2,383,339
Caltrain Contribution (based on "Option F" estimates)	(24,825)	(25,570)	(26,337)	(27,127)	(27,941)	(28,779)	(29,642)	(30,532)	(31,448)	(32,391)	(33,363)	(34,364)	(35,395)	(36,456)	(37,550)	(284,591)	(461,719)
VTA Projected Deficits	(93,000)	(118,200)	(120,200)	(118,600)	(118,600)	(126,500)	(134,300)	(141,600)	(141,600)	(141,600)	(141,600)	(141,600)	(141,600)	(141,600)	(141,600)	(1,254,200)	(1,962,200)
Available for VTA Needs	\$ 10,319	\$ (11,782)	\$ (10,589)	\$ (5,701)	\$ (2,314)	\$ (6,725)	\$ (10,932)	\$ (14,531)	\$ (10,719)	\$ (6,792)	\$ (2,748)	\$ 1,418	\$ 5,708	\$ 10,127	\$ 14,679	\$ (69,764)	\$ (40,580)

1/8 Cent Scenario	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41	FY42	10YR Total	15YR Total
Sales Tax Revenue	\$ 71,991	\$ 74,151	\$ 76,375	\$ 78,667	\$ 81,027	\$ 83,457	\$ 85,961	\$ 88,540	\$ 91,196	\$ 93,932	\$ 96,750	\$ 99,652	\$ 102,642	\$ 105,721	\$ 108,893	\$ 825,296	\$ 1,338,954
Transit Transformation (10%)	7,199	7,415	7,638	7,867	8,103	8,346	8,596	8,854	9,120	9,393	9,675	9,965	10,264	10,572	10,889	82,530	133,895
Administrative Fees (1%)	720	742	764	787	810	835	860	885	912	939	967	997	1,026	1,057	1,089	8,253	13,390
Return to Source	64,072	65,994	67,974	70,013	72,114	74,277	76,505	78,800	81,164	83,599	86,107	88,691	91,351	94,092	96,915	734,514	1,191,669
Caltrain Contribution (based on "Option F" estimates)	(24,825)	(25,570)	(26,337)	(27,127)	(27,941)	(28,779)	(29,642)	(30,532)	(31,448)	(32,391)	(33,363)	(34,364)	(35,395)	(36,456)	(37,550)	(284,591)	(461,719)
VTA Projected Deficits	(93,000)	(118,200)	(120,200)	(118,600)	(118,600)	(126,500)	(134,300)	(141,600)	(141,600)	(141,600)	(141,600)	(141,600)	(141,600)	(141,600)	(141,600)	(1,254,200)	(1,962,200)
Available for VTA Needs	\$ (53,753)	\$ (77,776)	\$ (78,563)	\$ (75,714)	\$ (74,427)	\$ (81,002)	\$ (87,437)	\$ (93,331)	\$ (91,883)	\$ (90,392)	\$ (88,855)	\$ (87,273)	\$ (85,643)	\$ (83,965)	\$ (82,235)	\$ (804,278)	\$ (1,232,250)

Board Referral - Regional Measure Discussion

Appendix B - Impact of Measure Scenarios - 10 Year Horizon

Dollars are stated in millions

		Join SB63	SCC 2000A (Additive)	SCC 2000A (Renew)
First year of revenue		FY2028	FY2030	FY2037
Description		Separate regional measure	Incremental 1/2 cent measure - 2000A lapses March 2036	Renew Measure A - no incremental revenue
Term		14 years	6/24 years	30 years
Impact on 2000 Measure A		None - 2000A would still need renewal	Positive - 2000A is effectively renewed	Positive - this renews 2000A
Financial Implications				
Current projected deficit - reported		\$ (986.70)	\$ (986.70)	\$ (986.70)
New sales tax measure - total net revenue - 10 year period		2,426.20	1,841.10	-
Caltrain contribution FY27		(23.50)	(23.50)	(23.50)
Reprioritize Caltrain Corridor FY27		-	23.50	23.50
Caltrain contribution FY28-FY35		(263.90)	(215.20)	(215.20)
Reprioritize Caltrain Corridor FY28-FY35		-	49.10	215.20
Utilize operating reserve		39.40	145.90	224.50
Restore operating reserve		(50.00)	(160.00)	-
Maintain operating reserve		(45.90)	-	-
Cost/Revenue mitigation efforts (undefined)		-	81.20	762.20
Cumulative net operating balance		\$ 1,095.60	\$ 755.40	\$ -
Beginning operating reserve		226.10	226.10	226.10
Ending operating reserve		282.50	240.10	1.50



Atherton • Belmont • Brisbane • Burlingame • Colma • Daly City • East Palo Alto • Foster City • Half Moon Bay • Hillsborough • Menlo Park • Millbrae • Pacifica • Portola Valley • Redwood City • San Bruno • San Carlos • San Mateo • San Mateo County • South San Francisco • Woodside

August 1, 2025

Jeff Gee, Chair
SamTrans
1250 San Carlos Ave.
San Carlos, CA, 94070

RE: SB 63 (Weiner) Opt In Recommendation for SamTrans

Dear Chair Gee:

The City/County Association of Governments of San Mateo County (C/CAG) Board of Directors met on July 30, 2025 to discuss whether or not to recommend that the County opt-in to SB 63, the Regional Transportation Measure.

The C/CAG Board of Directors approved (18 ayes, 2 noes, and 1 abstention) the following motion:

To recommend opting in to SB 63 at a ½ cent, with a term of 14 years, based on the "SMCTD Alternative" Expenditure Plan attached for reference, with the following conditions:

1. Accountability for the full term of the measure (presented at meeting and based on Memo from Assemblymember Papan, which is attached for reference).
 - a) Creation of a 5-member Regional Measure Oversight Committee (ROC).
 - b) One Member each: SamTrans Board, SMCTA Board, C/CAG Board, County Board of Supervisors, San Mateo County Controller.
 - c) Regional Sales Tax for BART and MUNI shall be subject to performance based release contingent on compliance with oversight terms established by the ROC and identified in binding Interagency Agreements with BART and MUNI.
 - d) If performance obligations are not met, the ROC can withhold any or all funds.

- e) No disproportionate service cuts in San Mateo County by funded agencies, no additional surcharges or fees on San Mateo County riders.
 - f) Enforceable stations operations standards related to cleanliness, lighting, and public safety.
 - g) Work with local governments to facilitate commercial development and shared use at transit stations.
2. That SamTrans prepares:
- a) An expenditure plan for the return to source funding that looks at service and micromobility improvements; and
 - b) an outreach plan that obtains feedback from the Cities and public about the expenditure plan.

#

Before the motion, there was considerable discussion from both C/CAG Board Members and C/CAG Legislative Committee members about the need for quality and efficient transit throughout San Mateo County; strong accountability measures necessary to garner support of the electorate; and the expectation that the measure will improve and transform transit, and that transit operators are taking proactive steps towards sustainability to ensure that similar emergency measures are not required when the regional measure expires.

Please contact Sean Charpentier, C/CAG Executive Director, at scharpentier@smcgov.org if you have any questions.

Sincerely,



Adam Rak, Chair
City/County Association of Governments of San Mateo County

Enclosures:

SMCTD Alternative Expenditure Plan

Proposal for Local Oversight and Equity in Regional Transit Funding, Asm. Papan

cc:

SamTrans Board

SMCTA Board

Caltrain Board

SFMTA

BART

Assemblymember Papan

Assembly Member Berman

Assemblymember Stefani

State Senator Becker

State Senator Weiner

Andy Fremier, MTC

SMCTD Alternative: SB 63 Expenditure Plan

SMC Attributions by Agency

Recipient Agency	% of SMC ½ cent sales tax	Est. Annual San Mateo County Boardings	Today's dollars (FY 26) \$120M	FY 31 \$135M**
Caltrain*	24.07%	2.3M	\$28.89M	\$32.50M
BART	26.64%	3M+	\$31.97M	\$35.97M
Muni	5.1%	2.2M	\$6.10M	\$6.86M
SMCTD	38.95%	10M	\$46.74M	\$52.58M
MTC Transit Transformation	5.00%	N/A	\$6.00M	\$6.75M
Administration	0.25%	N/A	\$0.30M	\$0.34M

*Fully funds Caltrain deficit. Provisional number represents Caltrain JPB recommendation, pending SamTrans approval.

**HDL Revenue Generation Projection FY31



Protecting San Mateo County's Interest in Senate Bill 63 – Proposal for Local Oversight and Equity in Regional Transit Funding

Background

Senate Bill 63 proposes a **½-cent regional sales tax** to support public transit throughout the Bay Area, taxing five of the nine Bay Area Counties including Contra Costa, Alameda, San Francisco, San Mateo and Santa Clara counties with revenues to be distributed among several major transit operators.

While this regional approach to transit funding is contemplated to facilitate systemwide financial stability, it presents unique equity and governance challenges for San Mateo County.

Under the bill as drafted, San Mateo County would contribute substantial tax revenue to transit agencies based outside its jurisdiction—particularly the Bay Area Rapid Transit District (BART) and the San Francisco Municipal Railway (MUNI). San Mateo County lacks any representation, service parity, or operational oversight of these systems, nor does San Mateo County or locally governed transit agencies maintain any contractual service agreements or arrangements with either BART or MUNI that provide any such oversight or operational influence.

Both BART and MUNI provide limited service within the county as does the San Mateo County Transit District (SamTrans) provide limited service to both San Francisco and Santa Clara counties. These informal and traditional arrangements are both common and mutually beneficial between local jurisdictions and overlapping or adjacent transit services. Such overlapping services have never had any formal alignment or contractual basis however nor has funding ever been demanded or expected as part of these overlapping or connected services.

Under SB 63, San Mateo County residents will be taxed to directly subsidize such services, to the mutual benefit of riders from adjacent jurisdictions and the communities therein, yet SB 63 offers no reciprocal investment in San Mateo County transit services from those adjacent jurisdictions nor offers any accountability measures to protect the interests of both riders and taxpayers in San Mateo County.

The Need for San Mateo County Oversight in a Regional Framework

Regional investment must reflect both shared responsibility in maintaining a robust regional transit network as well as operational influence. Requiring San Mateo County taxpayers to

fund services directed by agencies beyond their democratic control—without any meaningful voice in operational decisions—sets a novel and perhaps detrimental precedent for regional collaboration.

In no other Bay Area transportation finance measure has a county been asked to contribute so substantially to out-of-county agencies without representation or reciprocal investment. Under prior bridge toll measures such as RM3, for example, revenue flows were determined and managed with defined return-to-source formulas or allocations governed by the Metropolitan Transportation Commission (MTC) with county input.

San Mateo County's Unique Position

San Mateo County is served by a constellation of regional systems (BART, Caltrain, MUNI, and SamTrans), yet has operational control only over SamTrans and shares control over Caltrain through the Peninsula Corridor Joint Powers Board.

Without safeguards, SB 63 would institutionalize a flow of tax revenue to external agencies with no binding agreement or oversight tool to deliver equitable service or improvements in return and to guarantee that such subsidies are expended on the operational and service needs of riders emanating from San Mateo County.

To safeguard local interests while still supporting the regional vision of SB 63, this memo outlines proposed amendments to ensure San Mateo County's contributions yield fair returns in service, limited oversight, and infrastructure investment.

Proposed Amendments: Oversight, Equity, and Accountability for San Mateo County

1. Creation of a San Mateo County Regional Measure Oversight Committee (ROC)

The **San Mateo County Regional Measure Oversight Committee (ROC)** shall provide governance, oversight, and enforcement of performance standards for transit services funded by the regional sales tax within San Mateo County. The ROC shall have authority over all funds allocated to BART and MUNI that are attributable to San Mateo County taxpayers.

ROC Membership

The ROC shall consist of the following five voting members:

- 1. Elected Member of the San Mateo County Transit District (SamTrans) Board**
(Excluding any member of the San Mateo County Board of Supervisors).

2. **Member of the City/County Association of Governments Board (C/CAG) of San Mateo County**
(Excluding any member of the San Mateo County Board of Supervisors).
 3. **Member of the San Mateo County Transportation Authority Board (SMCTA)**
(Excluding any member of the San Mateo County Board of Supervisors).
 4. **Member of the San Mateo County Board of Supervisors**
 5. **San Mateo County Controller**
-

2. Revenue Flow for San Mateo County (SMC)

- Regional sales tax revenue collected within San Mateo County and designated for **BART or MUNI** shall be subject to **performance-based release** as determined by the ROC.
 - No fixed portion of these funds shall be automatically transferred; instead, the **entirety** of San Mateo County's contributions to BART and MUNI shall be **conditionally disbursed** based on compliance with oversight terms established by the ROC.
-

3. ROC Responsibilities and Enforcement Authority

The ROC shall be responsible for negotiating, adopting, and enforcing binding **Interagency Agreements** with BART and MUNI that govern service and funding obligations related to San Mateo County. These agreements shall include provisions for:

- Minimum **service levels** within San Mateo County (including station coverage, headways, and span of service).
- **Station maintenance** standards, including cleanliness, lighting, safety, and amenities.
- **Fare structure coordination** across BART, MUNI, SamTrans, and Caltrain to ensure equity and accessibility.
- **Schedule integration** to optimize transfers between agencies serving San Mateo County riders.
- **Enforceable benchmarks** to achieve medium to long term sustainability.

Enforcement Mechanisms

If BART or MUNI fails to meet the performance obligations established in the Interagency Agreements, the ROC shall have the authority to:

- Issue formal notices of noncompliance, with defined timelines to cure deficiencies.
 - **Withhold any or all funds** otherwise designated for the noncompliant agency, without limitation, until full compliance is achieved.
 - Redirect unspent or withheld funds to **SamTrans projects** that benefit San Mateo County riders, upon conclusion of the regional measure's collection period.
-

4. Equitable Service Provisions

Because ridership and farebox recovery depend on timely, consistent, and coordinated service, the legislation must include enforceable **regional equity standards**:

- **No Disproportionate Service Cuts:** Any reductions by BART or Caltrain must be proportional across counties. San Mateo County shall not bear a greater share of cuts relative to other service areas.
 - **MUNI Service Protections:** If MUNI receives funds for service in or out of San Mateo County, any cuts to San Mateo County routes must be no more severe than cuts elsewhere in the system during the lifespan of the tax.
 - **Schedule Coordination Mandate:** All participating agencies must coordinate timetables for transfers and connections, particularly at intermodal hubs, to optimize systemwide utility and ridership.
-

5. Fare Equity and Surcharge Prohibition

- **No Additional Surcharges:** SB 63 must prohibit BART or any other operator from imposing additional charges on San Mateo County riders based on county origin or ridership volume. Fare structures must be equitable and regionally consistent.
-

6. Enforceable Station Operations Standards

All BART and MUNI stations within San Mateo County must meet minimum enforceable standards for:

- Cleanliness

- Lighting and visibility
- Public safety

Failure to meet these standards will trigger:

- Financial penalties to the operator, OR
 - Reimbursement costs for corrective actions undertaken by SamTrans or local jurisdictions.
-

7. Commercial Development and Shared Use at Transit Stations

To enhance the passenger experience and generate sustainable station revenue, operators shall:

- **Collaborate with local governments** to permit retail and commercial activities in station common areas.
 - **Facilitate shared parking arrangements** at intermodal stations to allow access by nearby commercial tenants and other transit operators.
 - **Engage local economic development agencies** in long-term station area planning.
-

8. Sunset and Scope of the ROC

- The SamTrans ROC's authority shall apply only to SB 63's 2026 sales tax measure.
- The ROC shall sunset upon full expenditure of the measure's proceeds, unless extended by a future statute.



August 4, 2025

Senator Scott Wiener
1021 O Street, Suite 8620
Sacramento, CA 95814

Senator Jesse Arreguín
1021 O Street, Suite 6710
Sacramento, CA 95814

Dear Senators Wiener and Arreguín,

Thank you for your continued leadership on Senate Bill (SB) 63 and your commitment to engaging with stakeholders to work through the complex and important issues in this legislation. Significant progress has been made this summer, and we appreciate the measured and inclusive approach you have taken to understanding the perspectives of the involved counties and transit agencies and incorporating many of our priorities in the proposed amendments to the bill.

In July, the Alameda County Transportation Commission and the Contra Costa Transportation Authority joined the San Francisco County Transportation Authority in affirming support positions on SB 63. While there are still ongoing discussions regarding the regional measure's full geography, accountability provisions, and governance framework, our agencies felt it was important to demonstrate support for transit and to continue to work together to address the remaining elements. We are committed to working in partnership to advance a regional measure. As such, below are joint comments for your consideration.

We appreciate the continued emphasis on accountability - something voters have consistently identified as critical to supporting a revenue measure - and want to acknowledge our San Mateo colleagues for elevating the importance of counties having a

strong role and voice in ensuring tax dollars are spent responsibly. Transit is essential to life in the Bay Area, connecting people across county lines to jobs, school, services, and each other. A consistent, cross-jurisdictional accountability framework that includes each of the measure's participating counties in its oversight structure is essential to ensure fairness and efficient administration of transit services and the regional measure across operators.

We support the proposal your offices developed related to accountability. Among other features proposed by the Authors and outlined at the July 30, 2025, San Mateo County Transportation Authority Board meeting (slide 14 of staff presentation) was the creation of a Regional Measure Accountability Committee consisting of two MTC commissioners from each of the participating counties. This committee structure would ensure all participating counties are jointly engaged in supporting accountability and give all counties equal representation and responsibility in governance of the regional measure. The Committee will be responsible for assessing and adjudicating petitions from participating counties, including recommending corrective actions and any decisions to withhold funds subject to approval by the Metropolitan Transportation Commission, unless rejected by 2/3 supermajority of its voting members. We believe it is important to have a single venue to hold operators accountable and adjudicate claims as opposed to having multiple oversight bodies, ensuring fair and focused attention, and reducing complexity and confusion for voters.

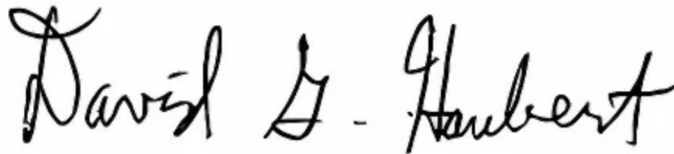
As we ask voters to support increased taxes to fund transit service, it is critical that transit agencies are fully committed to delivering high-quality services and system performance. We are supportive of accountability policies and commitments with a focus on the elements included in your proposal, such as service levels, station and facility performance, and safety and security. We are concerned with any proposal that would treat individual counties or transit agencies differently in terms of performance and service obligations, and agree that any service reductions or fare charges that are unavoidable must be equitable and proportional. We favor a regional approach to overseeing this measure, as proposed by the Authors.

Alameda, Contra Costa and San Francisco counties are currently the only counties included in the measure. It is important that our residents and transit riders, who would generate the majority of the measure's revenues, are not disadvantaged by any proposed changes to the legislation, for which our agencies currently have support positions.

Given the fast-paced nature of current developments, we felt it was important to convey these considerations. Our understanding is that additional financial efficiency and

implementation framework information will be available shortly. We look forward to continuing to work with you and our partner agencies to advance this important legislation.

Respectfully,

A handwritten signature in black ink that reads "David G. Haubert". The signature is written in a cursive, flowing style.

David Haubert
Chair
Alameda County Transportation Commission

A handwritten signature in black ink that reads "Aaron Meadows". The signature is written in a cursive, flowing style.

Aaron Meadows
Chair
Contra Costa Transportation Authority

A handwritten signature in blue ink that reads "Myrna Melgar". The signature is written in a cursive, flowing style.

Myrna Melgar
Chair
San Francisco County Transportation Authority

cc:

Jeff Gee, Chair, SamTrans Board of Directors

Carlos Romero, Chair, San Mateo County Transportation Authority Board of Directors

Adam Rak, Chair, City/County Association of Governments of San Mateo County Board of Directors

Andy Fremier, Executive Director Metropolitan Transportation Commission

Alix Bockelman, Chief Deputy Executive Director Metropolitan Transportation Commission



San Mateo County Central Labor Council
San Mateo County Building and Construction Trades Council

Our Solidarity is Our Strength



August 4, 2025

Jeff Gee, Chair
San Mateo County Transit District (SamTrans)
1250 San Carlos Avenue
San Carlos, CA 94070

Honorable Chair Gee, Vice Chair Chuang, and Members of the Board of Directors:

On behalf of the San Mateo Central Labor Council and the San Mateo Building Trades Council, representing over 100 affiliate unions and upwards of 90,000 members and their families, we would like to urge the SamTrans Board of Directors to opt in to the Regional Transportation Measure being contemplated by Senate Bill 63 (SB 63) at a one half cent (½) tax rate rather than using Measure A as a vehicle for funding the fiscal cliff.

We would like to add our support to the recommendations of the Caltrain JPB, San Mateo County Transportation Authority, and City/County Association of Governments. From our perspective, opting in to SB63 is the strategic and smart decision for the cities, the county, and working families countywide for the following reasons:

- At the ½ cent sales tax option, the regional transportation measure will provide San Mateo County with new funding to stave off drastic cuts to Caltrain, BART, and Muni ó while also creating new return to source revenue estimated at \$44M to \$50M annually.
- Only SB63 has the potential to create this time-certain new revenue stream to address this funding crisis without impacting existing or future Measure A expenditure plans.
- Without a regional measure, San Mateo County will need to use existing financial resources in the near term to fund +/- \$32M for Caltrain. It will also put future Measure A infrastructure funding critical to every city and the county at risk of being diverted to addressing ongoing operating deficits.
- It is essential to protect transit jobs as well as service for low-income residents while also preserving the capital project funding in Measure A which funds tens of millions of dollars in work annually across the entire county. The local transit infrastructure projects in planning or under construction translate to quality jobs for our local workforce, thereby further driving tax dollars back into our local economy.

Participating in the regional measure at ½ cent, with necessary regional accountability controls and agreements in place as well as an increased withholding limit to protect San Mateo County taxpayers, is required to address the transit fiscal crisis and avoid the catastrophic service cuts that will be required without a new funding source.

Thank you for your consideration.

Respectfully,

A handwritten signature in blue ink that reads 'Julie Lind'.

Julie Lind
Executive Officer
San Mateo Central Labor Council

A handwritten signature in blue ink that reads 'Bart M. Pantoja'.

Bart Pantoja
Business Manager
San Mateo County Building Trades



BOARD OF DIRECTORS 2025

CARLOS ROMERO, CHAIR
JULIA MATES, VICE CHAIR
NOELIA CORZO
ANDERS FUNG
RICO E. MEDINA
MARK NAGALES
JACKIE SPEIER

APRIL CHAN
EXECUTIVE DIRECTOR

August 5, 2025

Jeff Gee, Chair
San Mateo County Transit District (SamTrans)
1250 San Carlos Avenue
San Carlos, CA 94070

Dear Honorable Chair Gee and Members of the Board of Directors,

On behalf of the San Mateo County Transportation Authority (TA), I write to express our support for the San Mateo County Transit District (District) opting into Senate Bill (SB) 63.

At its July 30, 2025 meeting, the TA Board voted to support opting in to SB 63 at the ½ cent level using the SMCTD Alternative Expenditure Plan, and to encourage the bill authors to increase the percentage so that more than 5% can be held back from BART and S.F. Muni's allocation of SB 63 tax revenues for accountability purposes.

We also encourage the District Board to continue reviewing any additional proposed amendments to the bill and assess how they might impact accountability and oversight. Finally, we encourage the District Board to advocate for the strongest possible protections for the San Mateo County taxpayers.

Public transit remains a vital lifeline for our communities, helping hundreds of thousands of people across San Mateo County and the Bay Area get to work, reach essential services, and stay connected. Its value extends beyond mobility and directly contributes to cleaner air and reduced congestion.

SB 63 represents a timely and necessary step to help address the pressing operational needs of Caltrain, BART, and Muni. Without additional revenue, these systems may be forced to make significant service reductions that would negatively impact riders who depend on them most.

I believe it is important to avoid jeopardizing our participation in the regional measure as a successful SB 63 tax including San Mateo County also would facilitate improvement of SamTrans services and protect implementation of the projects included in the TA's existing Measure A.

We appreciate the District Board's consideration of this important issue and encourage a decision to opt into SB 63 at the ½ cent level.

Sincerely,

A handwritten signature in blue ink, appearing to be 'Carlos Romero', is written over a circular blue stamp.

Carlos Romero, Chair
San Mateo County Transportation Authority

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

1250 San Carlos Avenue
San Carlos, CA 94070 (650) 508-6200

August 5, 2025

**RE: Agenda item 12.b.ii - Receive Update on and Consider Opting In to Senate Bill 63
Regional Transportation Funding Measure**

Dear Chair Gee, Vice Chair Chuang and Board Members,

SPUR, the San Francisco Planning and Urban Research Association, is a strong supporter of transit in the Bay Area and across the state. We rely on transit to keep our roads moving, to support housing and office growth, to keep our environment clean and as a safety net for some of our region's most vulnerable residents. We are tremendously concerned that Caltrain, BART, MUNI and AC Transit - systems that account for more than 80% of all transit ridership in the region - stand at the precipice of financial catastrophe. We have been further troubled to learn that critical local transit agencies like SamTrans and VTA are also facing financial challenges in the near future. For all of these reasons, SPUR has been a steadfast supporter of SB 63 and has spent the last year working to ensure that the bill can meet the needs of the entire Bay Area - including San Mateo County.

We are writing today to urge the SamTrans Board to opt into SB 63 at the ½ cent level. We believe that SB 63 has been significantly shaped and improved through dialog with San Mateo County stakeholders and are confident that the bill provides San Mateo County with an exceptional opportunity to invest in both the regional and local transit systems that thousands of your residents rely on every day.

We also understand that accountability remains an outstanding challenge of great importance to leaders in San Mateo County. SPUR acknowledges the valid concerns expressed by County leaders and we support the strengthening of accountability requirements to ensure that all counties participating in a regional measure are treated fairly and equally by operators. At the same time, we have concerns about adding any accountability requirements to this regional bill that are highly specific to one county or that would provoke a perception of unfairness among other jurisdictions who are also participating in the measure. **We urge a regional approach to strengthening accountability- one that both fully satisfies the needs of San Mateo County while also providing the same benefits to other jurisdictions participating in the measure.**

Thank you for your consideration and for the time and care you are dedicating to this critical regional issue.

Sincerely,
Sebastian Petty, Senior Policy Advisor, SPUR



August 5, 2025

Jeff Gee, Chair
San Mateo County Transit District (SamTrans)
1250 San Carlos Avenue
San Carlos, CA 94070

Dear Honorable Chair Gee, Vice Chair Chuang, and Members of the Board of Directors,

Our organizations represent members ranging from one-person consulting firms to the largest employers and tax-generating companies in San Mateo County. We have been tracking the concept of a *Regional Transportation Sales Tax Measure* to address upcoming operational deficits at our most important transit agencies for over two years.

While neither of our organizations have taken a formal position on *SB 63* due to the ongoing “draft” nature of the legislation, the concept of a sales-tax based solution for a time-limited duration to create critical funding to stave off drastic cuts to service on Caltrain, VTA, BART, Muni, and at other key transit agencies is essential.

Our members rely on these transit agencies to move employees and their families every day and we all understand that transit-dependent residents of our county have no other option.

While we cannot take a position on *SB 63*, a potential signature gathering effort, or future ballot measure question without undertaking a formal endorsement process, both SAMCEDA and Chamber San Mateo County encourage the SamTrans Board of Directors to adopt the SMCTA and C/CAG recommendations of opting in to the *Regional Transportation Measure* at the ½ cent sales tax rate in order to move the deliberations on to our Sacramento delegation members where final details and agreements related to accountability will be finalized as part of the legislative process.

Nothing about this process should prevent San Mateo County from participating in the *Regional Transportation Measure*.

Thank you,

Rosanne Foust
President & CEO
SAMCEDA

Amy Buckmaster
President & CEO
Chamber San Mateo County

CC:

SMCTA Board
Caltrain Board
C/CAG Board
State Senator Becker
State Senator Weiner
Assembly Member Papan
Assembly Member Berman

Assembly Member Stefani
San Mateo County Board of Supervisors
Mike Callagy, County of San Mateo
Commissioner Gina Papan, MTC
Andy Fremier, MTC

From: [Jeremiah Maller](#)
To: [Board \(@samtrans.com\)](#)
Subject: Please Vote Yes on SB 63 – Protect Transit Access in San Mateo County
Date: Tuesday, August 5, 2025 10:09:42 AM

You don't often get email from rjmaller@gmail.com. [Learn why this is important](#)

ATTENTION: This email came from an external source. Do not open attachments or click on links from unknown senders.

Dear SamTrans Board Members,

Please enter this message into the public record for the upcoming meeting where the SamTrans Board will vote on whether to opt in to SB 63.

I urge you to vote yes to opt in to SB 63, the regional transit funding measure, ahead of the August 11 deadline.

SB 63 enables a half-cent sales tax on the November 2026 ballot—bringing in essential, long-term funding to stabilize and improve public transit throughout the Bay Area.

Without this funding, agencies like Caltrain, BART, and SamTrans face serious structural deficits. In San Mateo County, trade-offs may include reduced SamTrans bus service, fewer Caltrain improvements, or delays to long-planned upgrades—despite increasing ridership and regional demand. Riders and essential workers would pay the price.

By contrast, SB 63 ensures San Mateo County receives its fair share of new funding while supporting cleaner air, reduced congestion, and improved regional connections. It also includes independent oversight, fiscal accountability, and aligns with MTC's Transit Transformation Action Plan to improve fare integration, transfers, and customer experience.

SB 63 is a smart, balanced investment in mobility, equity, and climate—and an opportunity for San Mateo County to help lead a coordinated regional recovery.

Thank you for your leadership.

Sincerely,

Jeremiah Maller
Chair, BART Bicycle Advisory Task Force
SamTrans rider since 2007

rjmaller@gmail.com | 415-871-4323
<https://www.bart.gov/about/bod/advisory/bicycle>

From: April Vargas
To: [Public Comment](#)
Subject: PLEASE APPROVE PARTICIPATION IN THE REGIONAL TRANSP0 FUNDING MEASURE
Date: Tuesday, August 5, 2025 3:46:12 PM

You don't often get email from aprilsmcdemocrats@gmail.com. Learn why this is important
<<https://aka.ms/LearnAboutSenderIdentification>>

ATTENTION: This email came from an external source. Do not open attachments or click on links from unknown senders.

Dear Directors: As a periodic BART and Samtrans user, it's important to me that our region continues to provide public transit alternatives to automobile transportation. I urge you to opt in to participation in the SB 63 transportation funding measure that is being considered for a future ballot. SMC0's failure to opt in will not exempt us from paying for the measure if it is passed by the rest of the counties who do participate so it's better for us to join them now and not lose future influence over funding decisions.

The fact that our county does not have adequate representation on the BART board continues to be an inequity that needs to be addressed. But not opting in for the funding measure will not solve this problem. My understanding is that state legislation will be required for us to get a seat on the board and I urge the legislature to address this as quickly as possible. At least starting the process to right this wrong before the ballot measure is voted on would hopefully begin to create an atmosphere of increased trust and transit support on the part of the public and the voters.

What you can do right now is vote Yes to opt in to the regional measure. Thanks very much!

April Vargas

April Vargas

650-207-2729

"POLITICS IS THE BELIEF IN A SYSTEM
THAT WILL PRODUCE A SET OF DESIRED
OUTCOMES."

What those outcomes are
depends on all of us.

<<https://ci3.googleusercontent.com/mail-sig/AlorK4zC6pE74fyAubIWQHLNrHiZChU7U6Os6ptATswy0JANcewoiRD6jJbONwENHXt13SvTfza0tLCG41cp>>