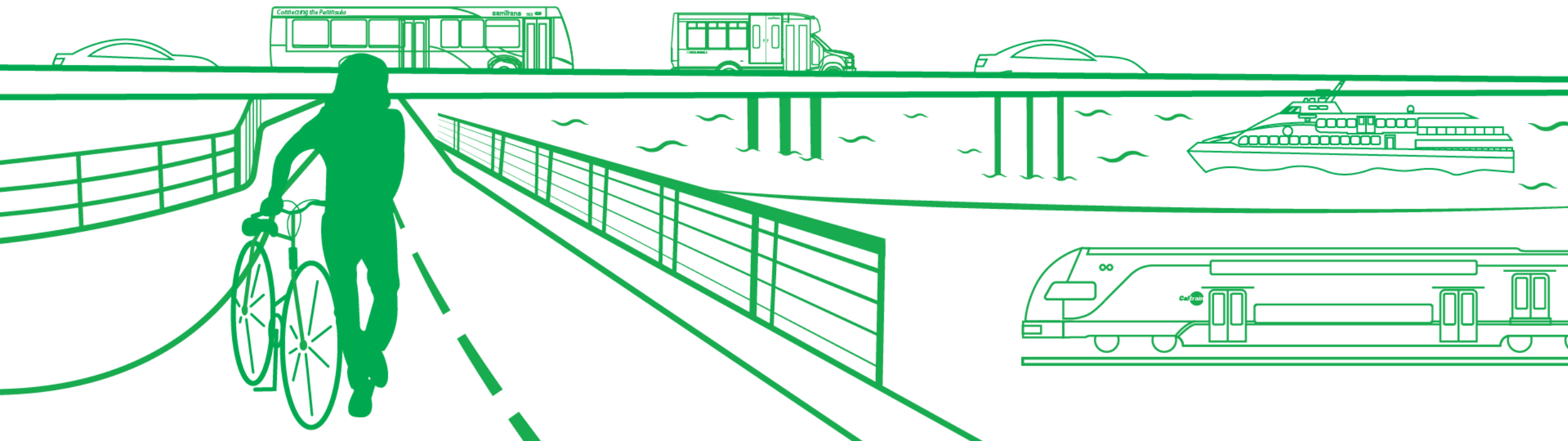




SAN MATEO COUNTY
**Transportation
Authority**

Regional Transit Measure

TA Board Meeting | Jessica Epstein, Director
Government and Community Affairs | April 3, 2025



Regional Measure (SB 63) Timeline

Recent Milestones:

- SB 63 language in print March 25
- MTC Full Commission Meeting March 26
- Third party audit of agencies with fiscal cliffs; report due to be released by end of April



SB 63 Timing and Purpose

- Duration: at least 10 and at most 15 years
 - Transportation Revenue Measure (TRM) would expire between 2036 and 2041
 - Measure A expires 2033
 - Measure W expires 2048
 - Decision making process on choosing duration TBD
- Focus is operational revenue for public transportation agencies with major deficits
 - Capital projects not included unless granted exception for specified reasons
- Limited window: November 2026 only
 - Does not allow for 2028 measure, the planned year for Measure A renewal



SB 63 Geographic Area

- Required for Alameda, Contra Costa, and San Francisco counties; San Mateo and Santa Clara counties may opt-in
 - San Mateo county will not be forced into the measure
 - Preference of legislature is for SMC to opt-in
- Forms Regional Transportation Revenue Measure District (TRMD) with voter initiative authority
 - 9-county MTC commission is proposed governing board
 - Includes the three mandatory counties and any opt-in counties
 - Signature threshold likely that for entire district not county by county
 - Allows up to 1% administrative costs



SB 63 Funding Decision Making – T-FRIP

- Funding allocation in “Transit Operations Financial Responsibility Plan” (T-FRIP)
 - Will outline target contributions by county; include ironclad funding agreements
 - Funding to BART, MUNI, Caltrain, AC Transit and up to 10% to MTC for Transit Transformation
 - Focus is operations funding unless specified exemption is granted
- T-FRIP envisions an agreed to dollar amount, and not a % of a measure
- Caltrain funding allocations to be determined by JPA negotiations
- **All elements of T-FRIP must be complete by July 31, 2025 – including JPA negotiations**



T-FRIP Process

- Phase 1:
 - Counties and operators/initiatives discuss target contributions and implementation strategies
 - Specific stakeholders involved in discussion vary by operator/initiative
 - Caltrain – San Mateo County, San Francisco County, Santa Clara County
 - BART – San Mateo County, BART
 - Transit Transformation – All counties and MTC
 - MTC's currently underway independent 3rd party review informs discussion
- Phase 2:
 - Counties and operators/initiatives finalize contributions and implementation strategies
 - Caltrain JPA members determine Caltrain Contributions
- Phase 3:
 - Final approval of collaboratively approved T-FRIP (exact process TBD)
 - Target contributions amended into SB 63 for counties participating in the revenue measure
 - Counties not participating pursue agreed to implementation strategies



SB 63 Accountability

"Financial efficiency" and regional network management accountability requirements to receiving SB63 funding:

- MTC consultant:
 - Provides independent third-party financial review
 - Identifies cost-saving efficiencies for administrative, operating and capital costs
 - Establishes review select committee
- Operators / funding recipients:
 - Submit a financial efficiency action plan to MTC and state (CalSTA)
 - Comply with Regional Network Management (RNM) policies and programs
- MTC:
 - Provides annual report to legislature about the impact of Transit Transformation investments on ridership



SB 63 Tax Treatments

- ½ cent sales tax default rate with SF approved up to 1 cent
 - Flexible to determine exact rate by July 31, 2025
 - Potential to allow for ¼ cent sales tax rate in SMC
- Exempted from sales tax cap
 - New sales tax will not count against 10 cent rate limit
- Allows San Mateo County Transportation Authority (SMCTA) and San Francisco Transportation Authority (SFCTA) to propose self-help measures
 - Increments of 1/8 cent sales tax
 - Potential to use for Measure A renewal
- Return to source unclear
 - Language vague on return to source; major topic of conversation at MTC meeting

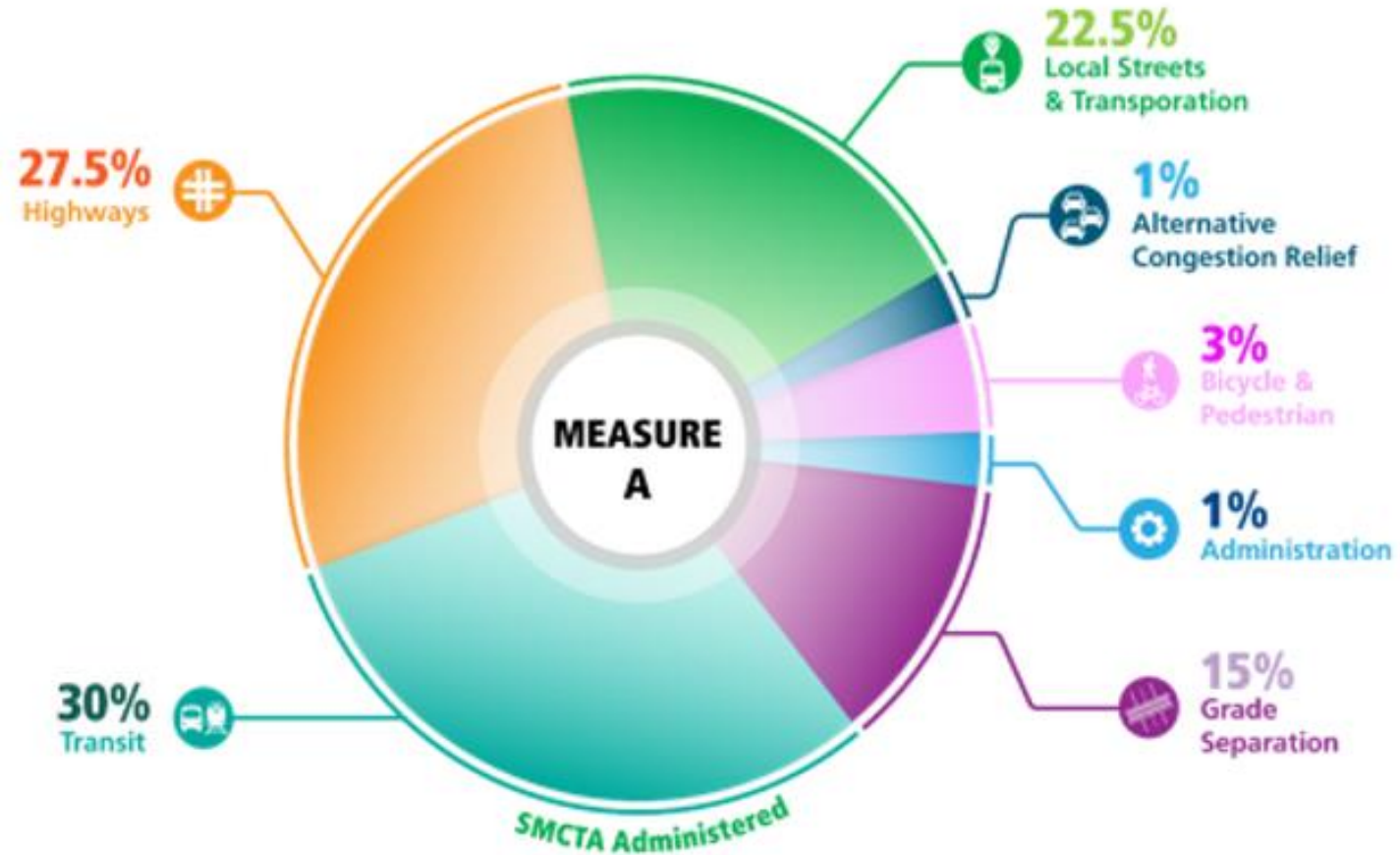


SB 63 New SMC Tax Measure

- Caltrain and BART potential need
 - Caltrain currently stated SMC need = \$25M-\$44M (midway \$34.5M)
 - BART need based on 9% AM boardings = \$33.8M - \$36M (midway \$35.9M)
- IF: New ¼ cent sales tax in SMC would currently provide \$60M per year
 - Could split revenue equally between BART and Caltrain
 - No funds for Transit Transformation
 - Eight SMC cities tax rate would be 10.13%
- IF: New ½ cent sales tax in SMC would currently provide \$120M per year
 - Can meet full Caltrain and BART midway needs as calculated above
 - Can fund SMC share of MTC led Transit Transformation; unclear if required to spend in SMC
 - Any remaining funds likely to SMC
 - Eight SMC cities tax rate would be 10.38%; two cities tax rate would be at 10.13%



Measure A Funding Allocations



Renewal of Measure A +1/8 Cent Increase

Current Measure A generates ~\$120M per year

- **18% (\$21.6M) currently dedicated to transit operations:**
 - 10% (\$12M) to Caltrain and BART operations
 - ✓ 16% total for Caltrain = \$19.2M but limit 50% for operations
 - ✓ 2% for BART = \$2.4M
 - 8% for transit operations: shuttles (4%), paratransit (4%)
- **82% (\$98.4M) dedicated to other Measure A transportation categories**

Measure A + 1/8 cent sales tax* may generate ~\$150 per year (\$120M for ½ cent + \$30M for ⅛ cent)

- **57% (est. \$86M) potentially dedicated to transit operations to meet present needs:**
 - 47% (est. \$71M) to Caltrain and BART operations deficits
 - ✓ 24% for BART (\$36M)
 - ✓ 23% for Caltrain (\$35M)
 - 10% (est. \$15M) to maintain shuttles (4%), paratransit (4%) if no change
 - TBD Transit Transformation

43% (\$65M) available for other Measure A transportation categories

**Additional +1/8 cent raises eight cities in San Mateo County to 10% overall sales tax rate*



Next steps

- Staff to share your feedback with author
- Bill to Senate Transportation (4/22) and Revenue and Taxation (likely 4/23) or Local Government (likely 4/30) Committees
- Must pass Senate – June 6
- Opt-in decision and funding plan agreements – July 31
- Must pass Assembly – September 12
- **Deadline for SMC to opt in – July 31**
- Bill can be amended at any point in the legislative process, but must be in print for 72 hours prior to final floor vote
- Must be signed by Governor – October 12





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Thank You

Please email epsteinj@samtrans.com with any questions

