



TA Board of Directors

Special Meeting of July 30, 2025

Correspondence as of July 30, 2025

# Subject

1. Senator Scott Wiener and Senator Jesse Arreguin Joint Letter - Re: Senate Bill 63 (Wiener, Arreguin) – Proposed Five-County Expenditure Plan
2. San Francisco Municipal Transportation Agency (SFMTA) and San Francisco Bay Area Rapid Transit District (BART) Joint Letter – Re: Senate Bill 63 Expenditure Plan and Commitments
3. Santa Clara Valley Transportation Authority Chair Letter – RE: VTA Board of Directors Process and Direction on SB 63
4. Caltrain Letter to Senators Wiener and Arreguin – Subject: Support for SB 63 (Wiener) Caltrain Allocation and Expenditure Plan
5. Public Comment: Re: Public Comment Request for the TA Board of Directors Special Meeting – *Commenter's Response to Staff's Reply*

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

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SCOTT WIENER

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ELEVENTH SENATE DISTRICT



LEGISLATIVE JEWISH CAUCUS  
CO-CHAIR

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## California State Senate

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JESSE ARREGUÍN

SEVENTH SENATE DISTRICT



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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

July 23, 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) and MTC Commissioner

### **Jeff Gee**

Chair, San Mateo County Transportation District (SMCTD)

### **Carlos Romero**

Chair, San Mateo County Transportation Authority (SMCTA)

### **Sergio Lopez**

Chair, Santa Clara Valley Transportation Authority (SCVTA)

### **Re: Senate Bill 63 (Wiener, Arreguin) - Proposed Five-County Expenditure Plan**

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

We write with an update regarding our work to provide critically needed revenue to preserve and improve public transportation service in the Bay Area. Our region's major public transportation

systems — including BART, AC Transit, Caltrain, and Muni — are at a crossroads. These public transit operators face the prospect of devastating service cuts that would force them into a death spiral after emergency federal and state assistance runs out in the next few years. Other operators — such as SamTrans and VTA — may also face growing financial needs in the coming years as they seek to sustain and enhance services or invest in transit capital projects.

A future with severely diminished public transportation is unacceptable for the Bay Area's residents, visitors, and economy. Close to 60% of Bay Area public transportation riders use transit five or more days per week and 91% expect to ride transit the same or more next year.<sup>1</sup> According to recent polling, two thirds of likely Bay Area voters agree that Bay Area public transit needs more operations funding, and a majority of likely voters in Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara counties would support a sales tax to provide this critically needed funding.<sup>2</sup>

We introduced SB 63 to authorize a Bay Area sales tax measure that would — in combination with other local strategies — prevent these devastating service cuts while improving the rider experience. Over the past several years, both before and since introducing SB 63, we have engaged with numerous local stakeholders to ensure we understand key considerations related to a potential regional transportation revenue measure. This led us to propose a three-county sales tax measure, with the opportunity for San Mateo and Santa Clara counties to opt in to the measure. We resolved to seek technical assistance from staff at the five county transportation authorities that may be part of the measure, transit operators, and other stakeholders in order to inform a potential expenditure plan.

In order to provide counties with the information they need to determine whether to opt in to the sales tax measure proposed by SB 63, these counties — as well as all of the other counties that are in the measure — need to understand what the expenditure plan would be. **To that end, we propose the following five-county expenditure plan for an SB 63 sales tax measure.** This expenditure plan does *not* contemplate a three- or four-county measure should San Mateo or Santa Clara counties not opt in to a measure. Separate conversations are necessary to determine an expenditure plan for a three- or four-county measure.

### **Proposed Expenditure Plan Informed by Local Input and Technical Assistance**

We would like to thank county transportation authority and transit operator staff for their technical assistance while SB 63 has proceeded through the legislative process. Staff responded in a timely manner to our requests for information related to operator deficits, ridership data, and different ridership-based methodologies for attributing responsibility for operator deficits amongst counties for the purposes of SB 63. We also appreciate MTC for engaging, at the request of various counties, in an independent third-party review of BART's, Caltrain's, Muni's, and AC Transit's deficits. We also thank MTC for providing technical assistance on various measure administrative costs and working to develop more consensus at the commission level on potential transit transformation expenditures and levels. Finally, we appreciate staff at Caltrain

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<sup>1</sup> [MTC Travel Survey Summary](#)

<sup>2</sup> [MTC Polling Report](#)

and its member agencies for socializing and discussing a variety of options to address Caltrain's reported deficit. To date, this specific expenditure plan was not provided or explicitly endorsed by specific staff or local boards, but it is informed by the described technical assistance.

Existing transit funding relationships among Bay Area counties and transit operators are complex and varied, making it especially challenging to develop an expenditure plan for a regional measure that both addresses key transit needs and is as fair and consistent as possible. This technical assistance we received from local agency staff and policy makers was instrumental in helping us develop an expenditure plan that results in counties paying for systems their residents use in a fair manner.

We acknowledge the complexity and long history behind existing Bay Area public transportation agency funding relationships. This expenditure plan is not intended to set a new precedent for locally governed funding relationships. Rather, it provides medium-term stability for public transit systems in a manner that is as fair and consistent as possible, allowing transit systems to maintain service while longer term conversations over local funding relationships can continue as needed.

## **Revenue Measure Overview**

Revenue Mechanism: Sales Tax

Geography: Counties of Alameda, Contra Costa, San Mateo, and Santa Clara and the City and County of San Francisco

Rates: ½ cent in Alameda, Contra Costa, San Mateo, and Santa Clara Counties and one cent in San Francisco

Duration: 14 years

## **Expenditure Plan Overview**

The expenditure plan included in SB 63 will dedicate a specified *percentage of the total measure* for each recipient referenced in the expenditure plan. These target funding amounts are informed by technical assistance received during the expenditure plan development process. The designated recipients are:

- The Transportation Revenue Measure District (TRMD) created by the bill, for administration
  - The administrative allocation is 0.22% (calculated as the sum of 0.25% of each county's ½-cent revenue generation)
  - In addition to an annual administrative allocation, one-time administrative costs to be taken off the top of the measure, including the financial efficiency review and ballot-related expenses
- MTC, to implement rider-focused transit improvements, consistent with the Bay Area's 2021 Transit Transformation Action Plan (T-TAP):
  - Fare programs (Clipper START and free/discounted transfers)
  - Accessibility
  - Transit Priority (including Transit Signal Priority) and Mapping and Wayfinding

- The Transit Transformation allocation is 4.4% (calculated as the sum of 5% of each county's ½-cent revenue generation)
- MTC to allocate to the following operators for public transit operations expenses. Note that additional conversations related to accountability of such funds continue and will be further socialized prior to planned opt-in votes by counties. For example, the language regarding the financial efficiency review is being finalized. Also, San Mateo County partners have expressed a desire for additional accountability measures. The operators to receive their specified allocations from MTC are:
  - BART
  - Caltrain
    - Caltrain figure is based on a distribution discussed at the most recent Caltrain ad hoc meeting. Additional conversations by Caltrain member agencies to confirm this figure continue. The Caltrain funding amount shall be resolved prior to planned San Mateo and Santa Clara board meetings where relevant boards will discuss opting in to the measure.
  - AC Transit
  - Muni
  - SF Bay Ferry
  - Golden Gate Transit
  - Alameda County small bus operators dedicated pot (LAVTA and Union City Transit)
    - The magnitude of the allocations to each individual operator identified in this pot determined by ACTC on an annual basis
  - Contra Costa County small bus operators dedicated pot (County Connection, Tri Delta Transit, and WestCAT)
    - The magnitude of the allocations to each individual operator identified in this pot determined by CCTA on an annual basis
- The following county transportation entities receive all remaining funds – if any – generated in their counties not used for the transit operators/initiatives in the expenditure plan, for public transportation expenses, with no ability for the TRMD/MTC to withhold these funds
  - ACTC
  - CCTA
  - SFCTA
  - SMCTD
  - SCVTA

**Expenditure Plan – Annual TRMD/MTC Funding**

Entity/Purpose	% of Measure	FY 31 \$s (\$millions)
TRMD, Administration	0.22%	\$2.32
MTC, rider-focused T-TAP	<b>4.4%</b>	\$46.40

In the bill, MTC Transit Transformation amounts will be split up into the below programs:

**MTC Transit Transformation Detailed Breakdown**

Program/Investments	% of Measure	FY 31 \$s (\$millions)
Clipper START/Free Transfers	2.5%	\$25.78
Accessibility	1.0%	\$10.31
Transit Priority (i.e. TSP) and Mapping and Wayfinding	1.0%	\$10.31
Totals	<b>4.4%</b>	\$46.40

**Operator Recipients** (percents and dollars rounded to the nearest whole number, except when percentage is under 3%, where it is rounded to the nearest tenth, or dollar amount is under \$30, where it is rounded to the nearest hundredth)

Operator	% of Measure	FY 31 \$s (\$millions)
BART*	31%	\$330
AC Transit	5%	\$51
Muni*	16%	\$170
Caltrain**	7%	\$75
Alameda County Small Bus Operators (LAVTA and Union City Transit)	0.5%	\$5.25
Contra Costa County Small Bus Operators (County Connection, Tri Delta Transit, and WestCAT)	1.5%	\$15.75
SF Bay Ferry	0.7%	\$7
Golden Gate Transit	0.1%	\$1

\*Conversations with specific counties regarding accountability related to BART and Muni continue. The legislative approach to accountability shall be resolved prior to planned San Mateo and Santa Clara board meetings where relevant boards will discuss opting in to the measure.

\*\*The Caltrain funding figure is provisional pending further confirmation from member agencies. The Caltrain funding figure shall be resolved prior to planned San Mateo and Santa Clara board meetings where relevant boards will discuss opting in to the measure.

**County Transportation Entities** (percents and dollars rounded to the nearest whole number, except when percentage is under 3%, where it is rounded to the nearest tenth, or dollar amount is under \$30, where it is rounded to the nearest hundredth)

Entity	% of Measure	FY 31 (\$\$\$) (\$millions)
ACTC	1.0%	\$10.26
CCTA	2.5%	\$26.51
SFCTA	0%	\$0
SMCTD	4.7%	\$50.00
VTA	25.1%	\$264.07

**Resolution Related to Accountability and Financial Efficiency is Necessary**

Separate from the discussion of the expenditure plan, we continue to work with local stakeholders to finalize the financial efficiency review language in the bill. Additionally, San Mateo County partners have expressed a desire for additional accountability measures. We will be in touch with relevant staff and stakeholders on this language. The legislative approach to accountability shall be resolved prior to planned San Mateo and Santa Clara meetings where relevant boards will discuss opting in to the measure.

Thank you for your consideration of the proposed five-county SB 63 expenditure plan. Should you have any questions, please reach out to us directly or to Raayan Mohtashemi or Luis Amezcua on our staff at [raayan.mohtashemi@sen.ca.gov](mailto:raayan.mohtashemi@sen.ca.gov) or [luis.amezcua@sen.ca.gov](mailto:luis.amezcua@sen.ca.gov).

Sincerely,



**Scott Wiener**  
Senator, 11th District



**Jesse Arreguin**  
Senator, 7th District

Cc:

President Pro Tempore Mike McGuire - Member, Bay Area Caucus

Speaker Robert Rivas - Member, Bay Area Caucus

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

Candace Andersen, President, Contra Costa County Board of Supervisors and MTC Commissioner  
Rafael Mandelman, President, City and County of San Francisco Board of Supervisors  
David Canepa, President, San Mateo County Board of Supervisors and MTC Commissioner  
Otto Lee, President, Santa Clara County Board of Supervisors  
Barbara Lee, Mayor, City of Oakland and MTC Commissioner  
Daniel Lurie, Mayor, City and County of San Francisco  
Matt Mahan, Mayor, City of San Jose and MTC Commissioner  
Gary Singh - Mayor, City of Union City  
Margaret Abe-Koga, MTC Commissioner  
Marilyn Ezzy Ashcraft, MTC Commissioner  
Pat Burt, MTC Commissioner  
Alicia John-Baptiste, MTC Commissioner  
Nate Miley, MTC Commissioner  
Gina Papan, MTC Commissioner  
Adam Rak - Chair, City/County Association of Governments of San Mateo County (C/CAG)  
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)  
Kevin Wilk - Chair, Central Contra Costa Transit Authority (County Connection)  
Diane Burgis - Chair, Eastern Contra Costa Transit Authority (Tri Delta Transit)  
Tiffany Grimsley - Chair, Western Contra Costa Transit Authority (WestCAT)  
Julie Testa - Chair, Livermore Amador Valley Transit Authority (LAVTA)  
Jim Wunderman - Chair, San Francisco Bay Ferry  
Gerald D. Cochran - President, Golden Gate Bridge Highway and Transportation District  
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  
Bill Churchill - General Manager, County Connection  
Rashidi Barnes - CEO, Tri Delta Transit  
Rob Thompson - General Manager, WestCAT  
Christy Wegener - Executive Director, LAVTA  
Stephen Adams - Transit Manager, Union City Transit  
Seamus Murphy - Executive Director, San Francisco Bay Ferry  
Denis Mulligan - General Manager, Golden Gate Bridge Highway and Transportation District

Senator Christopher Cabaldon - Member, Bay Area Caucus

Senator Tim Grayson - 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

Assemblymember Chris Rogers - Member, Bay Area Caucus

Assemblymember Catherine Stefani - Member, Bay Area Caucus

County	Tax Rate	Revenue Generated*	Admin**	T-TAP**	BART	AC Transit	Muni	Caltrain	East Bay Small Bus	SF Bay Ferry	GGBHTD	Remaining Revenue	% County Share Left	% Measure Left	
AC	0.5%	\$ 216	\$ 0.54	\$ 10.80	\$ 139.76	\$ 45.90			\$ 5.25	\$ 3.50		\$ 10.26	4.75%	0.97%	Remaining revenue goes to ACTC
CC	0.5%	\$ 138	\$ 0.35	\$ 6.90	\$ 80.85	\$ 5.10	\$ 1.50		\$ 15.75	\$ 1.05		\$ 26.51	19.21%	2.51%	Remaining revenue goes to CCTA
CCSF	1%	\$ 252	\$ 0.32	\$ 6.30	\$ 73.43		\$ 158.51	\$ 10.00		\$ 2.45	\$ 1.00	\$ 0.00	0.00%	0.00%	
SMC	0.5%	\$ 135	\$ 0.34	\$ 6.75	\$ 35.97		\$ 9.99	\$ 32.50				\$ 49.45	36.63%	4.69%	Remaining Revenue goes to SMCTD
SCC	0.5%	\$ 313	\$ 0.78	\$ 15.65				\$ 32.50				\$ 264.07	84.37%	25.0538%	Remaining Revenue goes to VTA
Totals		\$ 1,054	\$ 2.32	\$ 46.40	\$ 330.00	\$ 51.00	\$ 170.00	\$ 75.00	\$ 21.00	\$ 7.00	\$ 1.00	\$ 350.28		33.23%	
Percentages			0.22%	4.40%	31.31%	4.84%	16.13%	7.12%	1.99%	0.66%	0.09%	33.23%			
													Total \$	\$ 1,054.00	
Admin**	0.25%	\$ 2.32											Total %	100.00%	
T-TAP***	5.0%	\$ 46.40													

\*FY 31 HDL Tax Projections

\*\*Calculated as percentage of 0.5-Cent revenue generation, regardless of the county's tax rate

East Bay Small Operators Breakdown

County	\$	% Measure
AC Pot	\$ 5.25	0.5%
CC Pot	\$ 15.75	1.5%

Transit Transformation Breakdown

T-TAP	\$	Share	Total \$	Total %
Fares	\$ 25	56%	\$ 25.78	2.45%
Access	\$ 10	22%	\$ 10.31	0.98%
TP & WF	\$ 10	22%	\$ 10.31	0.98%
Totals	\$ 45	100%	\$ 46.40	4.40%

### Overall Operator Funding Targets

BART	AC Transit	Muni	Caltrain	Small Bus	WETA	GGBHTD
330	51	306	75	21	7	1
		170.0				

### Attribution Percentages

	BART	AC Transit	Muni	Caltrain	Small Bus	WETA	GGBHTD
AC	42.35%	90%			25%	50%	
CC	24.50%	10%	0.49%		75%	15%	
CCSF	22.25%		96.2%	13.33%		35%	100%
SMC	10.90%		3.3%	43.33%			
SCC				43.33%			
Totals	100.0%	100%	100%	100%	100%	100%	100%

### Attribution \$\$'s (\$millions)

	BART	AC Transit	Muni	Caltrain	Small Bus	WETA	GGBHTD	Totals
AC	\$ 139.76	\$ 45.90			\$ 5.25	\$ 3.50		\$ 194.41
CC	\$ 80.85	\$ 5.10	\$ 1.50		\$ 15.75	\$ 1.05		\$ 104.25
CCSF	\$ 73.43		\$ 158.51	\$ 10.00		\$ 2.45	\$ 1.00	\$ 245.38
SMC	\$ 35.97		\$ 9.99	\$ 32.50				\$ 78.46
SCC				\$ 32.50				\$ 32.50
Totals	\$ 330.0	\$ 51.0	\$ 170.0	\$ 75.0	\$ 21.0	\$ 7.0	\$ 1.0	\$ 655.00

County	Sperry 0.5-Cent Revenue				HDL 0.5-Cent Revenue			
	Generation		Generation		Generation		Generation	
	FY 28	FY 31	FY 28	FY 31	FY 28	FY 31	FY 28	FY 31
AC	\$	222	\$	243	\$	203	\$	216
CC	\$	126	\$	137	\$	127	\$	138
CCSF	\$	107	\$	117	\$	114	\$	126
SMC	\$	124	\$	135	\$	121	\$	135
SCC	\$	322	\$	352	\$	282	\$	313
Totals	\$	901	\$	984	\$	847	\$	928

## Supporting Material - SB 63 Expenditure Plan

### County Revenue Distribution Detail

Illustrates the county-by-county attributions of operator deficits that were used to inform the amount of revenue returned to each county's relevant county transportation entity.

### County Revenue Distribution Detail - Attribution Dollars (\$ millions, FY 31 HDL)

Operator /County	BART	AC Transit	Muni	Caltrain **	LAVTA & Union City Transit	County Connection, Tri Delta Transit, & WestCAT	SF Bay Ferry	Golden Gate Transit
AC	\$139.76	\$45.90			\$5.25		\$3.50	
CC	\$80.85	\$5.10	\$1.50			\$15.75	\$1.05	
CCSF	\$73.43		\$158.51	\$10			\$2.45	\$1.00
SMC	\$32 in current year dollars as described at SamTrans and SMCTA, \$35.97* in FY 31		\$9.99*	\$32.5				
SCC				\$32.5				
Totals	\$330	\$51	\$170	\$75	\$5.25	\$15.75	\$7.00	\$1.00

\*Conversations with San Mateo regarding accountability related to BART and Muni continue.

The legislative approach to accountability shall be resolved prior to planned San Mateo and Santa Clara board meetings where relevant boards will discuss opting in to the measure.

\*\*The Caltrain funding figure is provisional pending further confirmation from member agencies. The Caltrain funding figure shall be resolved prior to planned San Mateo and Santa Clara board meetings where relevant boards will discuss opting in to the measure.

*Attribution Percentages*

Operator /County	BART	AC Transit	Muni	Caltrain **	LAVTA & Union City Transit	County Connection, Tri Delta Transit, & WestCAT	SF Bay Ferry	Golden Gate Transit
AC	42.35%	90%			100%		50%	
CC	24.50%	10%	0.49%			100%	15%	
CCSF	22.25%		96.2%	13.33%			35%	100%
SMC	10.90%*		3.3%*	43.33%				
SCC				43.33%				

\*Conversations with San Mateo regarding accountability related to BART and Muni continue.

The legislative approach to accountability shall be resolved prior to planned San Mateo and Santa Clara board meetings where relevant boards will discuss opting in to the measure.

\*\*The Caltrain funding figure is provisional pending further confirmation from member agencies.

The Caltrain funding figure shall be resolved prior to planned San Mateo and Santa Clara board meetings where relevant boards will discuss opting in to the measure.

### **Sales Tax Revenue Projections**

Attachment B to this letter illustrates the FY 31 HDL sales tax projections - provided by CCTA. FY 31 was used as a rough early midpoint for the measure to provide a more balanced projection of expected revenue for each recipient during the life of the measure. We selected a year that's earlier than the midpoint to account for the fact that operator deficit estimates are more reliable closer to year 1 of the measure. The FY 31 HDL projections are relatively conservative and thus similar to the FY 28 Sperry projections used by MTC.

#### *FY 31 HDL and FY 28 Sperry Projections\* (\$ millions)*

County	FY 31 HDL Revenue Projection (Courtesy CCTA)	FY 28 Sperry Projection (Courtesy MTC)
Alameda County	\$216	\$222
Contra Costa County	\$138	\$126
City & County of San Francisco	\$252	\$214
San Mateo County	\$135	\$124
Santa Clara County	\$313	\$322
Totals	\$1,054	\$1,008

\*Assumes ½-Cent Sales Tax Rate in Alameda, Contra Costa, San Mateo, and Santa Clara counties, and 1 Cent Sales Tax Rate in the City and County of San Francisco



July 29, 2025

**April Chan**

General Manager and Chief Executive Officer, San Mateo County Transit District (SMCTD) and Executive Director, San Mateo County Transportation Authority (SMCTA)

**Sean Charpentier**

Executive Director

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

*Via Email*

**Re: Senate Bill 63 Expenditure Plan and Commitments**

Dear General Manager/CEO Chan and Executive Director Charpentier,

On behalf of the San Francisco Municipal Transportation Agency (SFMTA) and the San Francisco Bay Area Rapid Transit District (BART), we are writing to express our sincere gratitude for your continued partnership and support to keeping regional transit service operating and well-funded. Your commitment to a robust and integrated transportation network is vital for the economic vitality and quality of life across our shared communities.

The SFMTA ("Muni") carries approximately ten percent of transit boardings among all operators in San Mateo County. Muni provides service on eleven bus routes that cover portions of North San Mateo County, many of which operate every 8 to 12 minutes during the morning peak. On average, a Muni bus enters or leaves San Mateo County every 40 seconds. The routes that serve San Mateo County provide a one-seat ride from North County to many key destinations for San Mateo County residents. The SFMTA also acknowledges the transit service SamTrans provides into San Francisco to complement transit connections between our two counties further.

BART is a critical piece of the transit network in San Mateo County, and San Mateo County riders are a key part of the BART system. BART carries approximately 25 percent of transit boardings among all operators in San Mateo County and ten percent of all day boardings for

BART originate in San Mateo County. On a typical weekday, BART runs 520 trains into and out of San Mateo County, providing 30 trains per hour before 7PM and averaging 25 trains per hour throughout the service day. Four out of five BART routes serve San Mateo County, providing quick and efficient access to key destinations such as downtown San Francisco, downtown Oakland, and UC Berkeley, among countless others.

In anticipation of the successful passage of a Transportation Revenue Measure in November 2026, which will dedicate revenues to support Bay Area transit agencies, including Muni, BART, Caltrain, and others, we want to reaffirm our commitment to this vital regional partnership. We also want to acknowledge the ongoing discussions around the revenue measure expenditure plan and accountability measures and express our good faith commitment to achieving mutually supportive solutions. With that, the SFMTA and BART are committed to the following today in support of our service to San Mateo County:

- **SFMTA Service Delivery in North San Mateo County:** The SFMTA agrees to exercise its power and authority over the schedules, service levels, and service standards to continue providing service to North San Mateo County in a manner consistent with the SFMTA's system-wide operating policies, subject to requisite analysis and approvals.
- **BART Service Delivery:** BART agrees to exercise its power and authority over schedules, service levels, and service standards to continue providing service to San Mateo County stations in a manner consistent with its system-wide scheduling and planning process.
- **Financial Transparency:** Both agencies commit to providing quarterly or biannual financial updates to the SamTrans General Manager to ensure ongoing transparency regarding our operations.
- **Service Change Consultation and Outreach:** Both agencies agree to present to the SMCTD Board of Directors any proposed substantive service changes that would impact service in San Mateo County. Furthermore, we commit to conducting proactive outreach to San Mateo County customers, in the impacted service areas, regarding such changes.
- **Adherence to SB 63 Requirements:** Both agencies agree to adhere to SB 63 requirements for Financial Transparency and Review and Regional Network Management Accountability. This includes:
  - Participating in a comprehensive independent third-party financial efficiency review.

- Finalizing an implementation plan that describes all efficiency measures our agencies plan to take.
- Complying with the maintenance of effort requirement.
- Complying with transit transformation policies and programs adopted through the Regional Network Management framework.

We also understand that the authors of SB 63 are continuing to develop additional language to ensure transit operator accountability and consistent treatment of all participating county entities in the regional measure. We are engaged in these discussions and look forward to their constructive resolution. In the interim, the above commitments underscore our dedication to continuing to provide a coordinated, effective, and accountable regional transit system.

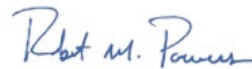
We look forward to your feedback and any questions you may have about these proposed commitments. Thank you again for your invaluable partnership as we work towards a more connected and sustainable future for our region.

Sincerely,



**Julie Kirschbaum**

Director of Transportation  
San Francisco Municipal  
Transportation Agency



**Robert M. Powers**

General Manager  
San Francisco Bay Area  
Rapid Transit District

cc:

Board of Directors, San Mateo County Transit District (SMCTD)  
Board of Directors, San Mateo County Transportation Authority (SMCTA)  
Board of Directors, City/County Association of Governments of San Mateo County (C/CAG)  
Board of Directors, San Francisco Municipal Transportation Agency  
Board of Directors, San Francisco Bay Area Rapid Transit District  
The Honorable Scott Wiener, California State Senate  
The Honorable Jesse Arreguin, California State Senate  
Andrew Fremier, Executive Director, Metropolitan Transportation Commission (MTC)



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](mailto: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 blue ink, appearing to read 'Sergio Lopez', with a stylized flourish at the end.

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

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### **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:

<b>Rates</b>	<b>Projected Annual revenue at 100%</b>	<b>Projected Annual Revenue at 94%*</b>	<b>Projected Annual Revenue at 89%**</b>
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

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

\* 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\$)
<b><i>Restore</i></b>		
Wknd Freq Network	75,000	\$13 Million
Wknd Local Bus Freq	57,000	\$8.1 Million
Wkday Freq Network	506,000	\$85.4 Million
<b><i>Enhance</i></b>		
Wkday Freq Net Span	69,000	\$9.9 Million
Wkday Local Bus Freq/Span	279,000	\$39.7 Million
<b><i>Expand</i></b>		
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.

	<b>Option 1</b>	<b>Option 2</b>
<b>Year</b>	2028	2028
<b>Revenue Source</b>	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)
<b>Duration</b>	30 years	30 years
<b>Annual Revenue Amount</b>	\$369 million beginning in FY37	\$608M/yr - FY30-36; \$369M/yr - FY37 for next 24 years
<b>Notes</b>	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
<b>Financial Implications</b>				
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



BOARD OF DIRECTORS 2025

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MICHELLE BOUCHARD  
EXECUTIVE DIRECTOR

July 24, 2025

The Honorable Scott Wiener  
California State Senate  
1021 O Street, Suite 6630  
Sacramento, CA 95814

The Honorable Jesse Arreguín  
California State Senate  
1021 O Street, Suite 6710  
Sacramento, CA 95814

**Subject: Support for SB 63 (Wiener) Caltrain Allocation and Expenditure Plan**

Dear Senators Wiener and Arreguín,

On behalf of Caltrain, we want to thank you for your continued efforts to authorize a regional revenue measure (SB 63) that would support public transit in our region. At a special Board meeting on July 23, 2025, and with the benefit of the information contained in your letter of the same date, the Peninsula Corridor Joint Powers Board (JPB) voted 7-0 to endorse the following terms for the allocation of regional transit measure funds intended for Caltrain. These terms are consistent with the expenditure plan outlined in your July 23<sup>rd</sup> letter.

1. The funding target for Caltrain in the regional transit measure should be approximately \$75 million, which Caltrain will use to fund its operating expenses, and which will serve as a cap on operating contributions from the regional transit measure and member agencies for the duration of the measure.
2. The annual allocation of these regional funds among the Caltrain member agencies should be approximately: \$32.5 million for Santa Clara County, \$32.5 million for San Mateo County, and \$10 million for the City and County of San Francisco. The precise amounts will be specified in the bill text. This allocation between member agencies is for the sole use of SB 63 and will not set a precedent for future allocations.
3. This allocation formula should be limited to the term of the regional transit measure and should not set a precedent regarding potential amendments to the Joint Powers Agreement (JPA).
4. The member agencies will resume discussions concerning potential JPA amendments with the goal of resolving inconsistencies and ambiguities and eliminating duplicative agreements.

**PENINSULA CORRIDOR JOINT POWERS BOARD**

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

5. The JPB recognizes SamTrans investment in the acquisition of the right-of-way, its leadership during times of crisis, and the challenges the member agencies have faced as a partnership. The JPB is committed to finding a new path forward where we can work better together on behalf of our riders.

The allocation described in the second term is the result of a compromise 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. Faced with divergent positions from the Santa Clara Valley Transportation Authority and the San Mateo County Transit District and understanding San Francisco's financial limitations, 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 (see term 2). In addition, the Ad Hoc Committee agreed that this decision would not establish a precedent for future discussions concerning the JPA.

During the Caltrain Board meeting on July 23, members of the JPB unanimously supported the proposed terms listed above and acknowledged the significance of the regional transit measure for Caltrain. They also recognized SamTrans's leadership in the acquisition of the right-of-way and the administration of Caltrain. The three-county Board reaffirmed their collective commitment to working together in close partnership to forge a path forward – one that strengthens Caltrain and better serves its riders and the region.

We deeply appreciate your leadership in authoring SB 63 and ensuring a promising future not just for Caltrain's riders but also for the broader region. We look forward to working with you on the successful enactment of SB 63.

Sincerely,



Steve Heminger

Chair, Caltrain Board of Directors

cc: Caltrain State Delegation  
Peninsula Corridor Joint Powers Board of Directors  
San Francisco County Transportation Authority Board of Directors  
San Francisco Municipal Transportation Agency Board of Directors  
San Mateo County Transit District Board of Directors  
San Mateo County Transportation Authority Board of Directors  
Santa Clara County Valley Transportation Authority Board of Directors

**From:** [Lisa Efremova](#)  
**To:** [Board \(@smcta.com\)](#)  
**Cc:** [Public Comment](#)  
**Subject:** Re: Public Comment Request for the TA Board of Directors Special Meeting  
**Date:** Tuesday, July 29, 2025 4:40:50 PM

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

Thank you for the information.

On Tue, Jul 29, 2025 at 7:53 AM Board (@[smcta.com](#)) <[BoardSmcta@samtrans.com](mailto:BoardSmcta@samtrans.com)> wrote:

Hello Alex.

Members of the public may attend in-person or participate remotely via Zoom at: <https://us02web.zoom.us/j/81494433440?pwd=soR5Xv96wgMgGgfqxiS7AJRW3goa3j.1> or by entering Webinar ID: 814 9443 3440, Passcode: 012550 in the Zoom app for audio/visual capability or by calling 1-669-219-2599 (enter webinar ID and press # when prompted for participant ID) for audio only.

Oral public comments will also be accepted during the meeting in person and through Zoom\* or the teleconference number listed above. Public comments on individual agenda items are limited to one per person per agenda item. Participants using Zoom over the Internet should use the Raise Hand feature to request to speak. For participants calling in, dial \*67 if you do not want your telephone number to appear on the live broadcast. Callers may dial \*9 to use the Raise Hand feature for public comment. Each commenter will be recognized to speak and callers should dial \*6 to unmute themselves when recognized to speak. Each public comment is limited to two minutes or less. The Board and Committee Chairs have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

Thanks,

Margaret

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**From:** Lisa Efremova <[le53079@pausd.us](mailto:le53079@pausd.us)>

**Sent:** Monday, July 28, 2025 10:17 PM

**To:** Public Comment <[publiccomment@smcta.com](mailto:publiccomment@smcta.com)>

**Subject:** Public Comment Request for the TA Board of Directors Special Meeting

You don't often get email from [le53079@pausd.us](mailto:le53079@pausd.us). [Learn why this is important](#)

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To Whom It May Concern,

I hope this message finds you well.

My name is Alex Efremova, and my partner Iris Blanchet and I are reaching out with an interest in sharing our work on increasing youth involvement in public transit at the upcoming San Mateo Transportation Authority meeting on July 30th. We believe that presenting our experiences could be a meaningful step toward expanding youth ridership throughout the Bay Area.

We were wondering what the process is for being added to the agenda for the meeting. Apologies if this information is available on the TA website—we weren't able to locate it.

Thank you very much for your time, and we look forward to hearing from you.

-Alex Efremova