Metropolitan Transportation Commission and Association of Bay Area Governments
Joint MTC ABAG Legislation Committee

June 13, 2025 **Agenda Item 3c**

Senate Bill 63 (Wiener/Arreguín) Transportation Revenue Measure Enabling Legislation

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Subject:

Advocacy Framework to Guide Legislation's Investment in Rider-Focused Improvements.

Background:

Senate Bill (SB) 63 continues to advance through the Legislature, with active negotiations underway among regional and local stakeholders. County transportation agencies are leading development of the expenditure plan and are working towards an August 11, 2025, deadline for the expenditure plan to be amended into the legislation. Given this, June is a key window for Commission guidance to shape a meaningful, rider-focused investment strategy.

At the Commission's May 2025 meeting, staff presented a draft expenditure proposal for rider-focused improvements based on a $55 million annual budget (that amount is equivalent to 10% of the "Scenario 1A" four county ½ cent sales tax rate MTC polled late last year). Commissioners provided feedback and directed staff to return in June with clear priorities for endorsement. This memo outlines key elements of the proposal and offers framing considerations to support Commission discussion. The Legislation Committee's feedback will guide staff's recommendations to the Commission regarding rider-focused improvements for inclusion in the expenditure plan and shape the agency's advocacy as negotiations continue.

The June Commission meeting will also include an update on the Regional Network Management (RNM) team's progress implementing various components of the Bay Area Transit Transformation Action Plan. Those RNM efforts are directly shaping the proposed investment strategy for SB 63 rider-focused improvements.

Funding Rider-Focused Improvements

The Commission has a long track record of supporting Bay Area transit coordination to improve the transit rider experience – work that accelerated during the COVID-19 pandemic with the Blue Ribbon Transit Recovery Task Force and the 2021 adoption of the Bay Area Transit Transformation Action Plan. That work has already yielded results: pilots like Clipper START, Clipper BayPass, regional mapping and wayfinding standards and prototype deployment, and

early transit priority projects have begun to demonstrate the benefits to transit ridership and customer satisfaction that are possible. While most revenue from SB 63 is intended to appropriately go toward preventing service cuts, the Commission has consistently emphasized that delivering visible improvements to the rider experience should be a priority as it is essential to increasing transit ridership and building public trust and support. The TRM Select Committee in 2024 endorsed investing 10 percent of measure proceeds to the Bay Area Transit Transformation Action Plan implementation and the Commission's 2025 SB 63 advocacy principles specify that the measure must fund and deliver rider-focused improvements.

The following suite of initiatives has been developed, tested, and is ready to launch, but needs new funding to provide and/or sustain regionwide impact:

- **Free and Reduced Transfers:** This policy to waive transfers from bus to bus and lower the cost of transferring from a bus to BART, Caltrain, or ferry by $2.85 will be deployed through NextGen Clipper.
- **Clipper START**: A popular fare discount program that provides a 50 percent discount to eligible low-income adults for travel on most of the Bay Area's transit agencies. Clipper START's current funding level of $16 million ($8 million regional contribution, which is matched by operators) can support an estimated 100,000 Clipper START users. Another $8 million in regional funds (if matched by operators) would double Clipper START program capacity.
- **Accessibility:** In 2024, MTC, in partnership with transit agencies, riders, advocates and other stakeholders, updated the Coordinated Public Transit-Human Services Transportation Plan to, among other priorities, include actions 21 – 25 of the Bay Area Transformation Action Plan. Staff is now working to prioritize and implement key recommendations. High-impact cost-effective improvements to streamline the ADA paratransit application experience Bay Area users, to support one-seat rides across ADA paratransit service boundaries, expanded accessibility at fixed-route bus stops and other improvements. While these improvements require new investment, many can be delivered at a relatively reasonable scale. For example, the 2021 Contra Costa Accessible

Transportation Strategic Plan estimates that start-up costs for one-seat rides and eligibility streamlining range from $100,000 to $1 million.

- **Transit Priority:** As part of the Action Plan implementation, MTC is working with cities and transit agencies to identify bus delay hot spots and develop toolkits to implement bus speed and reliability improvements, such as transit signal priority, dedicated bus lanes and queue jumps. Since 2012, MTC has invested $150 million in transit priority enhancements throughout the Bay Area. The cost of transit priority improvements varies widely, from under $5,000 to relocate a bus stop to over $15 million per mile for a dedicated bus rapid transit lane, making it hard to estimate a precise funding need. However, it is clear that significantly more investment is needed to deliver improvements at scale.
- **Mapping and Wayfinding:** In 2024, MTC and transit partners debuted prototypes of the new regional mapping and wayfinding system for use by all Bay Area transit agencies to make connecting between multiple systems friction free. Prototypes are now in the field in several locations, with pilot sites throughout the region to begin construction next year. Once public feedback is integrated into the final design guidelines, additional funding will be needed to upgrade maps, bus stop signs and other signage across the Bay Area.

Considerations to Inform Committee Discussion

Staff recommends the Commission consider the following criteria in its advocacy for rider-focused improvements within the SB 63 expenditure plan:

- **Deliver Tangible Public Benefit:** Prioritize improvements that directly enhance the near-term rider experience and support ridership growth.
- **Maximize Impact within 10% Envelope:** Focus on high-return investments that provide meaningful improvements within the scale of the measure.
- **Respond to Rider Priorities:** Look to survey and polling data to ensure investment priorities align with what the Bay Area public says they consider important.
- **Taxpayer Benefit:** Ensure investments provide direct benefits to taxpayers contributing to the measure, consistent with MTC's adopted SB 63 principle of fairness.

Draft Staff Recommendation for Committee Feedback

Staff recommends the Commission endorse dedicating 10 percent of a half-cent sales tax per participating county to rider-focused improvements. This assumes that if San Francisco had a higher rate, the 10% would only apply to the ½-cent portion of the revenue generated in San Francisco. Given that some partners are advocating for a smaller amount, the Commission could also identify its priorities with respect to specific outcomes, like fully funding transfer discounts and/or doubling Clipper START capacity, to provide more flexibility in negotiations. This keeps the focus on impact and retains the Commission's ability to react to myriad proposals.

In advancing that strategy, staff recommends the Commission prioritize fare programs and accessibility improvements, while continuing to advocate for the broader package. This is because fare-focused programs can significantly improve affordability and ridership with a modest regional investment and funding for accessibility can help improve mobility for the fastest growing segment of the Bay Area's population (seniors) as well as a population that is highly dependent upon transit (persons with disabilities).

At the same time, it is important to support funding for the full suite of rider improvements. Without new TRM revenues for upgrades like better navigation tools or faster bus service, those costs will likely fall to individual transit operators or counties or fail to be delivered altogether.

Recommendation:

Information

Attachments:

- Attachment A: Presentation

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