



**METROPOLITAN
TRANSPORTATION
COMMISSION**

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March 28, 2025

The Honorable Jesse Arreguin
California State Senate
Sacramento, CA 95814

The Honorable Scott Wiener
California State Senate
Sacramento CA 95814

Senators Wiener and Arreguin:

On behalf of the Metropolitan Transportation Commission, I am writing to share that on March 26, 2025 the Commission voted to support SB 63 if it is amended to clarify that the legislation's expenditure plan will only include funding commitments informed by the Transit Operations Financial Responsibility and Implementation Plan (T-FRIP) for the three specified counties and any additional county that chooses to opt-in to the transportation revenue measure.

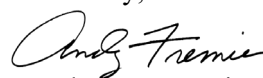
Last month, the Commission unanimously adopted a set of principles outlining what must be included in enabling legislation for MTC to support a transportation revenue measure (attached). These principles are based on lessons from last year's legislative session, stakeholder engagement, input from the six-month Transportation Revenue Measure (TRM) Select Committee and Executive Group, and findings from MTC's January 2025 public poll. We appreciate that SB 63 largely aligns with these principles, but the Commission's "support if amended" position reflects the need for further clarification on a few critical points and continued alignment with the principles.

In their discussion, Commissioners underscored the importance of a mechanism like the T-FRIP to synthesize collective, locally led discussions over the coming months – including the outcome of Caltrain JPA negotiations – regarding each county's agreed-upon contribution towards multi-county regional operators with service in their county and transit transformation, whether from a regional transportation measure or other locally-generated funds. The concept builds upon the months of discussions led by former Commissioner Jim Sperring during the TRM Select Committee last year.

Commissioners appreciate the Legislature delegating those negotiations to the appropriate level of government—counties, transit operators, and local and regional partners, and noted that the Third Party Independent Financial Review will be an important set of inputs to those discussions. The conversation also emphasized the importance that legislation related to the regional measure be explicitly focused on the measure itself and only reference counties that ultimately participate in the measure.

Thank you for authoring this important legislation. We look forward to collaborating on the Commission's requested amendments as well as ongoing engagement to ensure continued alignment with the Commission's principles. If you have any questions, please contact Rebecca Long, Director of Legislation and Public Affairs, at 510-504-7914 or rlong@bayareametro.gov, or MTC's Sacramento advocate Scott Wetch at 916-806-6476 or swetch@actumluc.com.

Sincerely,


Andrew B. Fremier
Executive Director

Attachment

**Joint MTC ABAG Legislation Committee
April 11, 2025**

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**Attachment A
Agenda Item 3a**

MTC Advocacy Principles on SB 63 (Wiener/Arreguín)
(Adopted on February 26, 2025, Agenda Item 12b)

1. Measure Must be Passable

Maximum Required Sales Tax Increase: ½ cent: Based on feedback to date, a

½-cent sales tax seems to be the most viable revenue source as well as the highest sales tax rate that local elected leaders and other key partners across the four counties are willing to support. It seems reasonable that legislation be structured to authorize a sales tax of up to ½-cent unless there is demonstrated political support for a higher rate among key local elected officials within the county and polling indicates it is viable.

Keep it Simple: Both the enabling legislation and the final ballot measure should aim to stay focused and simple. This will help build trust and make it easier to communicate to voters.

Citizen's Initiative: Polling to date indicates that support does not exceed 2/3, so a majority vote threshold is likely required. Accordingly, the enabling legislation must establish a clear path for a regional measure to be placed on the ballot via signature gathering, which would enable passage by a simple majority under current law.

Political Support: Even with a simple majority threshold, a successful measure will require a strong campaign. MTC's advocacy should be oriented towards ensuring that the legislation has backing from those elected leaders and constituencies deemed essential to passage at the ballot.

2. Measure Must Prevent Major Transit Service Cuts for Regional Operators

A regional measure must raise sufficient funding to prevent unacceptable service cuts by regional (multi-county) transit operators that would severely damage the Bay Area's economy, decrease mobility for the most vulnerable residents, and harm the region's ability to make progress on long-term climate, equity, and quality-of-life goals. At the same time, all local transit operators that serve a county included in the measure and face an operating deficit should receive funding from the measure if needed to help avert major service cuts.

3. Measure Must Take Local Transportation Funding Needs into Consideration

Decisions about the duration of a regional measure should be developed in coordination with those participating Bay Area counties that also have expiring local sales tax measures for transportation within the next 10 years, balancing the need to secure new regional funding with the importance of maintaining funding for local priorities.

4. Measure Must Advance Transit Transformation: Fund & Deliver Rider-Focused Improvements

Bay Area residents and voters want and deserve a user-friendly and connected public transportation network. For MTC to support a measure and for it to succeed at the ballot, a regional transportation revenue measure must fund concrete rider-focused improvements and require operators to report on and comply with policies and programs related to Transit Transformation that are adopted through the Regional Network Management framework to be eligible for funding from the new measure.

5. Measure Must Ensure Fairness

A regional measure must be considered fair by all participating counties. All counties whose residents are served by regional transit service funded by the regional measure should contribute their fair share towards an agreed-upon funding level for those operators. Such funding must be contributed from the regional measure or, if a county opts out, from an alternative fund source agreed to by the county (including an agreed-upon commitment from existing revenue). Additionally, taxpayers need assurance that they will benefit equitably from the measure.

6. Measure Must Include Meaningful Accountability Provisions

The enabling legislation should include accountability provisions to ensure transparency regarding how the funds are used and provide greater oversight of transit agency financial information so that the public can more easily access transit budget information and operators are incentivized to manage their funds in the most efficient manner.