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Q&A: Plan to bail out Bay Area public transportation would tax voters

More votes are ahead on a 2026 ballot measure to tackle massive budget deficits



A lone passenger walks on the platform as a train from the San Francisco BART stations arrives at the West Oakland BART station in Oakland, Calif., on Thursday, Oct. 3, 2024. (Ray Chavez/Bay Area News Group)



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A roadmap to bail out cash-strapped Bay Area transit agencies and keep BART from falling off a <u>fiscal cliff</u> amid lackluster passenger counts and disappearing federal aid likely leads straight to taxpayer wallets.

But just how much is a sticky issue that months of discussion has yet to resolve.

Transportation agencies in the region are expected to see budget shortfalls totaling at least \$600 million each year — enough to trigger massive service cuts that would significantly disrupt the economy, convenience and climate goals — according to estimates from the Metropolitan Transportation Commission.

Ridership levels have bounced back somewhat post pandemic, but are still not at pre-pandemic levels. BART, for example, relies on transit fares to cover 60% of its operating expenses, but the transit agency, which is facing a \$35 million deficit in fiscal year 2026, is still far from meeting pre-pandemic levels.

Over the last four months, the commission's 20-member <u>Transportation Revenue Measure Select Committee</u> — a group of elected officials, transportation, business and union leaders — has worked to build consensus for a possible measure on the 2026 ballot. On Monday, following a daylong meeting, the committee released a resolution to guide further discussions.

Former Solano County Supervisor and transportation commission member Jim Spering, who chaired the committee's meetings, spoke to the Bay Area News Group about what's coming next.



What is the most important thing to know about the framework the committee selected?

"To have a major metropolitan area in this nation with a failing transit system will have devastating effects on the region. It will impact the economy, the environment and send rippling effects through the whole region in a very negative way. I think the committee realized how important this is. If we don't find a solution, it only gets worse. An example is the construction trade, if we don't find a solution, a lot of the money that is allocated for projects will get diverted."

How much money is needed to keep Bay Area transportation afloat?

"About \$750 to \$800 million and that is the annual need. With the various (bailout) scenarios we are running we are down in the \$500 to \$600 million range. We are trying to balance it with what the public will support. If we don't find a solution, it's going to have a ripple effect through this whole region."

What we have to do is make the system a lot more user friendly. We have to make it so the fare structure is equitable. Everything needs to be coordinated and we need to have a lot more cooperation among the operators. It's really developing a world class system that is operated as a seamless system. The other issue is it needs to be clean, convenient and there needs to be connectivity for the riders."

How will a potential ballot measure be funded?

The commission voted to continue to consider a half-cent sales tax of either 10 or 30 years in at least Alameda, Contra Costa, San Francisco and San Mateo counties (with an opt-in for the other five counties). There is another option for the nine counties with a combination of a half-cent sales tax with a parcel tax or a payroll tax that collectively raises \$1.5 billion annually.

We know Bay Area voters have tax fatigue. Why did the commission not poll voters on what type of tax they would consider?

"You have to know what you are asking for. Between now and the MTC Legislation Committee meeting (officials) are going to try to put together a framework that will address the three goals: raise enough money to address the operator shortfall, have resources to implement the transit transformation and come forth with a measure that the public can support."

We understand the funding measure can't move forward unless state lawmakers pass legislation allowing it to be placed on the ballot. What are the next steps?

The MTC Legislation Committee meets in early November and the full MTC board meets in early December to consider the recommendations of the Transportation Revenue Measure Select Committee. A final resolution will then head to lawmakers in Sacramento.

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