

September 9, 2024

Re: Policy Considerations for a Regional Revenue Measure

Chair Spering,

At the August 26th meeting of the Transportation Revenue Measure Select Committee you requested that Committee members provide input regarding policy considerations that could accompany a regional transportation revenue measure. The following suggestions are focused on policy approaches that will help ensure the Bay Area's transit system is both responsive to customer needs and accountable to the region's taxpayers.

General Principles

The 2025 legislative session is the region's final opportunity to secure the needed enabling legislation to place a regional transit funding measure on the ballot. As we work under the pressure of an impending fiscal cliff we urge the Committee, MTC Commissioners and Legislators to be measured and deliberate regarding which policy provisions are attached to authorizing legislation for funding and which ones should be considered independently. Specifically we would advise learning from past experience and hewing to the following general principles:

- ***Strive for simplicity.*** Enabling legislation for a regional measure is likely to be complicated but it must also be readily understood and supported by a wide range of local, regional and state policy makers. Any policy provisions included in legislation must be as succinct and clear as possible, supporting an overall bill that can be readily understood by elected officials and explained to the public.
- ***Avoid blanket mandates.*** The magnitude and immediacy of financial need varies significantly among the region's transit operators. We therefore advise against pairing enabling legislation with the inclusion of universally applied policy provisions that are likely to be perceived as divisive or onerous. Doing so creates a dangerous misalignment of incentives where policymakers representing operators and jurisdictions that do not immediately need funding may be motivated to oppose legislation that others urgently need passed.

- ***Embrace incremental change.*** While voters and policymakers are clear that they want to see transformation, the reality is that transit is a complex system that is funded and regulated at many different levels of government. Important improvements to the region's transit system are already underway and more are needed - but the process to make this change real will take time, resources and many individual steps. Enabling legislation for a regional measure should be viewed as one opportunity among many to both cement the progress we are making and continue efforts to improve the system.

Regional Policy Considerations

SPUR supports MTC's Network Management structure and we expect to see it evolve and strengthen over time. To that end we would like to see any major infusion of regional funding be accompanied by policy provisions that strengthen network management and ensure that riders and the public benefit from a coordinated regional transit system. We believe that a regional measure can best achieve this outcome both by providing funding for coordination initiatives and by clearly tying any transit agency's receipt of new monies to ongoing compliance with the programs and policies defined by MTC's regional network management structure.

We would also like a regional measure to contain policy provisions that strengthen financial transparency and build the public's trust that their tax dollars are being used effectively. Progress toward this goal can be achieved by requiring that MTC take basic steps to strengthen its monitoring and disclosure of key financial and productivity metrics describing the operations of the region's transit agencies - work that is underway as part of MTC's ongoing development of Regional Network Management Performance Measures. These and other measures should be tracked over time, regularly benchmarked against state and national peers, and reported alongside a select number of non-transit measures related to cost and productivity including changes to regional CPI and auto-traffic volumes. Additionally, we also believe that MTC should routinize its practice of collecting and standardizing operator financial forecasts, originally mandated under SB 125. Specifically, we think this could be done efficiently via incorporation of revised forecasting requirements into the existing, cyclical Short Range Transit Plan (SRTP) process.

Sustained monitoring and reporting of basic transit cost and productivity metrics is an essential and overdue first step to build trust in our regional system and to lay the groundwork for further transformation. Without this basic information policy makers cannot truly understand the systems they are being asked to direct nor are they well positioned to decide where interventions or change may be needed.

BART Accountability

BART is facing the largest operating deficit of any Bay Area transit agency and providing funding to sustain BART service must be a central and enduring expenditure priority within any future regional revenue measure. The scale of BART's financial need along with the potential for revenues to flow from one or more counties not currently represented in the BART District presents a significant and unique accountability challenge that must be addressed.

Without presupposing a specific approach we urge focus on this issue and encourage a dialog among the counties that are currently represented within the BART District and those whose relationship with BART is governed by separate contractual agreement. SPUR believes that sustained new operating funding for BART is essential - and we also appreciate that such funding must come with a commensurate degree of oversight and representation.

Addressing Consolidation

The outright consolidation of transit agencies is a fraught and complex topic whose study is unlikely to result in tangible benefits to Bay Area riders or taxpayers in any near-term timeframe. While consolidation is much discussed in our region, it is important to state that the number of individual transit agencies in the Bay Area is neither unique nor disproportionate when compared to other parts of the state. The SCAG region in Southern California has more than 100 operators, for example, and California as a whole has over 200. While consolidation is an important topic, discussions around SB 1031 made it clear that this issue has the potential to upend already challenging efforts to advance regional transit funding. We strongly urge that any future study of consolidation be kept entirely separate from a regional funding measure.¹

Sincerely,

Alicia John-Baptiste
CEO, SPUR

¹ A more detailed discussion of SPUR's views on a potential consolidation study can be found in our [January 2024 letter](#) to Senator Wahab's office regarding SB 926 (a bill that was subsequently merged into SB 1031).