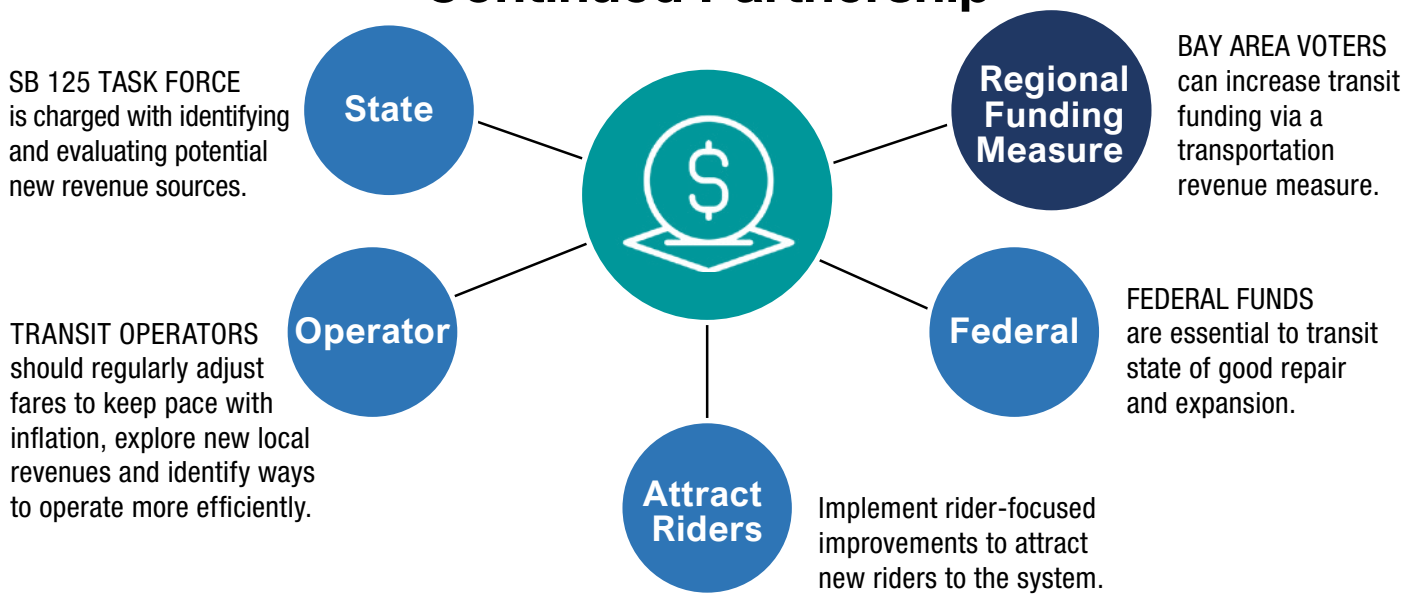
(Photos, left to right: Noah Berger, Mark Jones; Noah Berger. All rights reserved.)

# State Action Needed to Secure Bay Area Transit's Future

The Bay Area's $1 trillion economy depends on a well-functioning transit system. Despite its lower post-pandemic ridership, BART still carries 160,000 trips systemwide on the average weekday. By comparison, the Bay Bridge carries 118,000 one-way trips from Oakland to San Francisco each weekday. Major cuts to transit will make life in the Bay Area even less affordable, hurting the Bay Area's most economically vulnerable residents and increasing traffic for everyone.

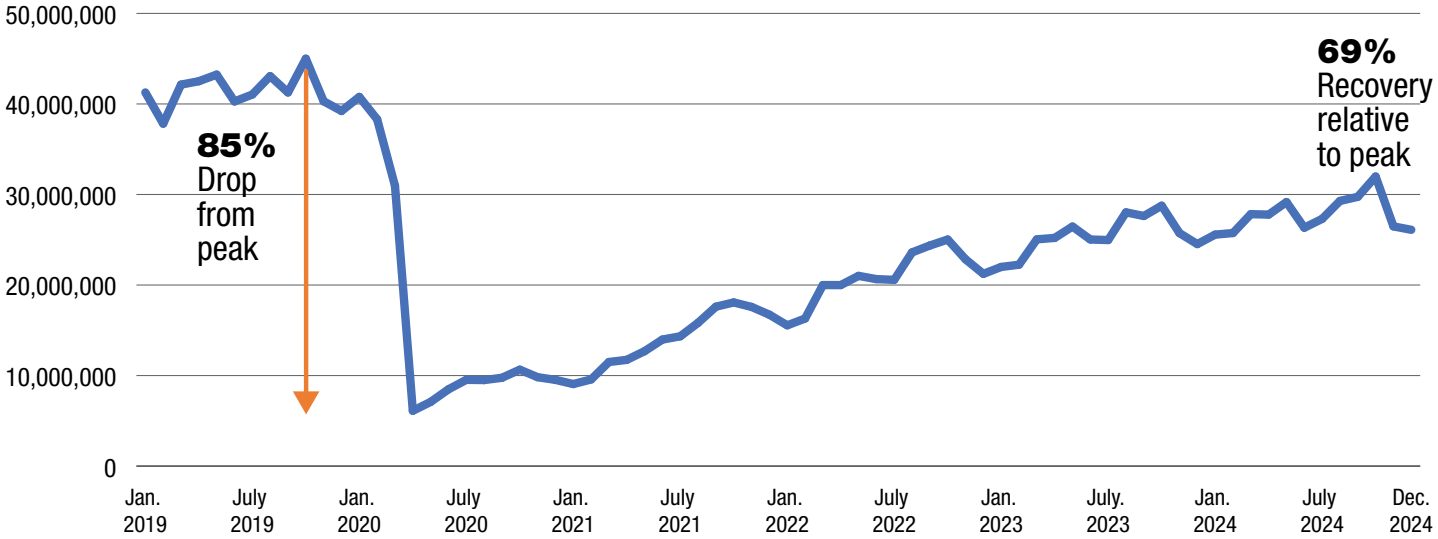
Bay Area transit ridership has recovered about two-thirds of its pre-COVID ridership but the seismic shift to remote work means transit ridership should not be expected to fully rebound anytime soon. Thanks to the $446 million in state funding from SB 125 (2023 State Budget trailer bill), $4.5 billion in federal COVID relief funds, $300 million in regional funds and transit agencies' own proactive cost-saving measures, Bay Area operators have been able to sustain most transit service (while also adjusting routes and schedules to better meet demand), but these funds will be exhausted by fiscal year (FY) 2026-27.

## Transit's New Business Model Requires Continued Partnership



# Bay Area Ridership Recovery

## Total Bay Area Transit Ridership 2019 through 2024




*Note: Ridership recovery varies by operator.*
*Data for Vacaville CityCoach and Union City Transit is not available.*

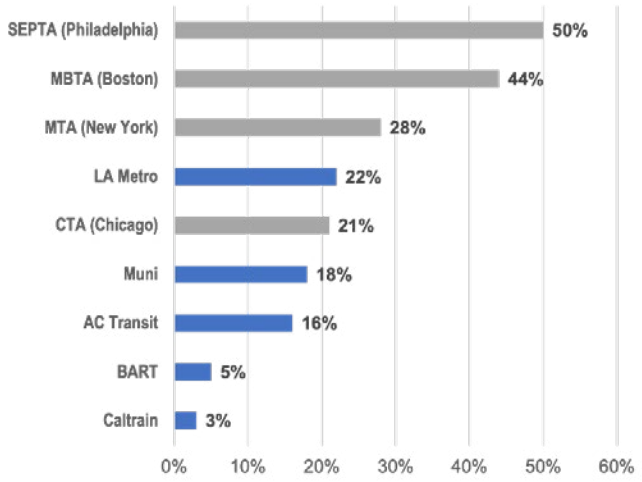
Source: National Transit Database, Through December 2024.

As Californians grapple with increasing household costs and economic uncertainty, it is critical that public transit offer safe, affordable and convenient service. Transportation is the second biggest household cost for Californians, second only to housing. There is no affordable substitute for public transit.

## State Partnership is More Important than Ever

Action is needed by the Legislature this year to prevent major service cuts and layoffs at AC Transit, BART, Caltrain and SF Muni in FY 2026-27. These Bay Area operators provide about 80 percent of the region's total daily transit trips and estimate a combined operating deficit of approximately $800 million in FY 2026-27.

### State Share of Operating Expenses (2019)



*Public transit is important to the Bay Area's quality of life.* (Photo: Courtesy of Caltrain.)

Without new funding, AC Transit, BART, Caltrain and Muni will have to make draconian service cuts, eroding mobility for those who depend on transit as their primary form of transportation, causing traffic to spike, undermining core elements of the region's strategy for tackling housing affordability, and making it infeasible to meet state-mandated climate targets.

By comparison to peer states with large transit systems, California underinvests in transit operations, as shown at left. While transit fares and local taxes – including a new regional measure – should continue to be the primary source of operating funding, if the state wants transit to truly thrive, it must increase its investment in transit operations.

**The Legislature can protect the future of Bay Area transit this year by:**

- Enacting Senate Bill 63 (Wiener/Arreguín) to authorize enabling legislation for a regional transportation measure that voters could consider in November 2026 to provide ongoing funding to help operators transition to a new post-pandemic business model.
- Including new one-time transit operating funding in the FY 2025-26 State Budget. MTC supports Senator Arreguín's request for $2 billion over two years for public transit statewide. If modeled on the Zero Emission Transit Capital Program created in SB 125, funds could be used for capital or transit operations (based on each region's highest priorities) and would provide funding to backstop a regional measure and sustain essential transit service in the Bay Area in FY 2026-27.
- Increasing formula funding for transit operations as part of the reauthorization of the state's Cap and Trade Program. New state operating funding could support more frequent service, key to attracting more riders to public transit and reducing greenhouse gas emissions.

(Photos, left to right: Jeremy Menzies, SFMTA; Rebecca Long, MTC; Karl Nielsen. All rights reserved.

## January 2025 Poll Reaffirms that Bay Area Voters Value Transit

Following recommendations of the Transportation Revenue Measure Select Committee, MTC polled likely voters in the counties of Alameda, Contra Costa, San Francisco and San Mateo – where most of the region's transit riders reside – on their support for a sales tax dedicated to transit.

**77%** While just 30% of likely voters who commute regularly and live in the four counties of Alameda, Contra Costa, San Francisco and San Mateo take transit weekly, **77% say making Bay Area transit faster, more reliable, safer, and easier to use is important or very important** to them.

**63%** **of likely voters in the four counties think preventing major cuts to public transit service is important or very important.**

**54%** **of voters say they would vote yes on a ½-cent sales tax measure to avoid major service cuts** to AC Transit, BART, Caltrain and SF Muni, maintain public transportation service for those who need it **and require audits and accountability provisions**. A slightly higher margin (55%) supported a similar measure with a ½-cent in three counties and a 7/8-cent tax rate in San Francisco.

# MTC's Advocacy Principles for SB 63
## (Wiener/Arreguín)

### 1. Be Passable

- Sales Tax is Most Viable: Stakeholder feedback and polling indicates a sales tax is the most viable revenue source. Input also suggests tax rate should be no higher than 0.5 percent (1/2-cent) unless a county requests a higher amount and polling indicates it is viable.
- Keep it Simple: SB 63 and the final ballot measure should aim to stay focused and simple.
- Citizen Initiative: SB 63 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. SB 63 needs backing from those elected leaders and constituencies deemed essential to passage at the ballot.

### 2. Prevent major transit service cuts from 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.
- 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. Advance Transit Transformation

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, it must fund concrete rider-focused improvements and require operators to report on and comply with policies and programs related to improving the customer experience (generally referred to as transit transformation) that are adopted through the Bay Area's Regional Network Management framework to be eligible for funding from the new measure.

### 4. Include meaningful accountability provisions

SB 63 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.

### 5. 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. 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.

ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

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