

Senate Bill 63

- **Reaffirm support for SB 63, as amended**
- **Adopt principles to guide continued engagement in the development of a 2026 regional measure**
- **Recommend San Francisco's participation in the regional measure at a 1.0 percent sales tax rate**

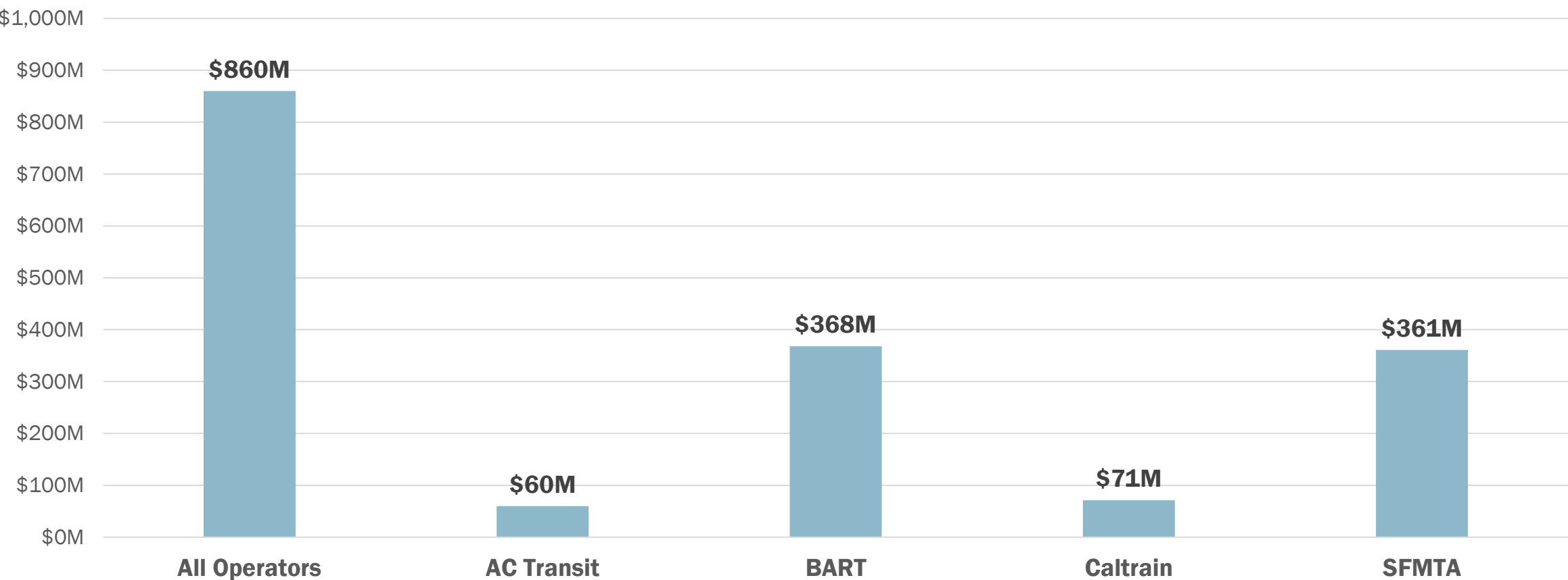


**San Francisco
County Transportation
Authority**

Community Advisory Committee - Agenda Item 5
July 23, 2025

Transit Operator Projected Shortfalls

Fiscal Year (FY) 27-30 Average Annual Projected Shortfalls



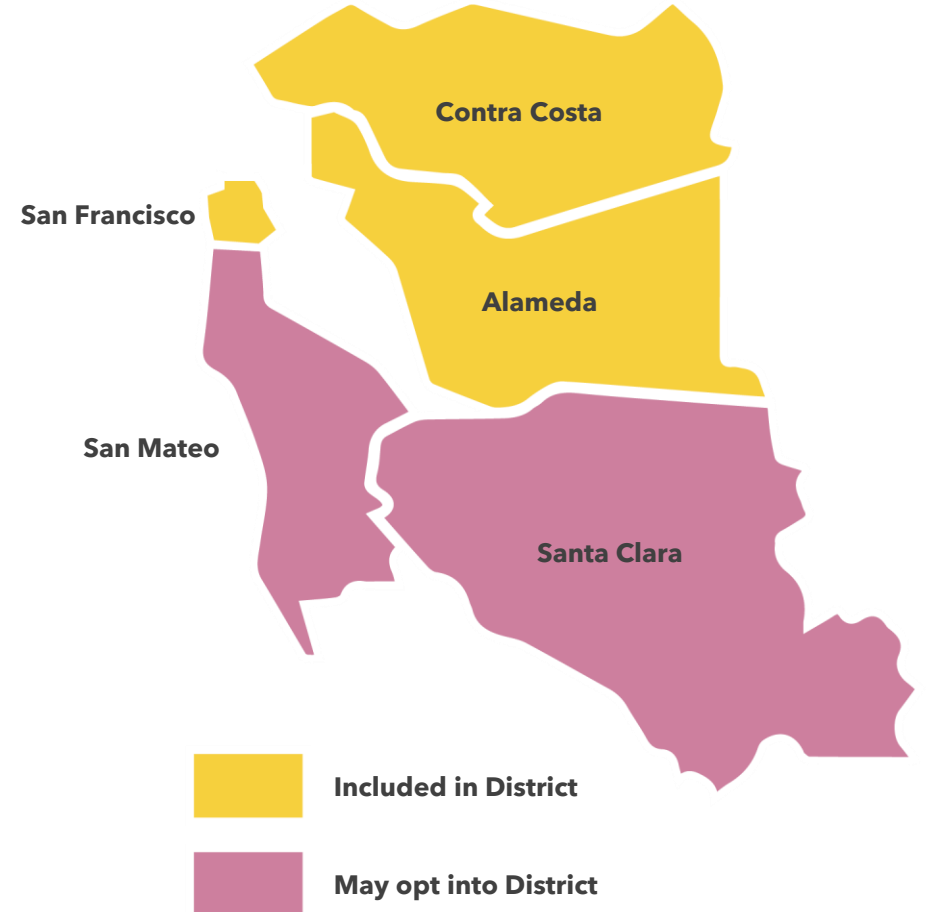
Senate Bill 63 (Wiener, Arreguín)

- Senators Scott Wiener and Jesse Arreguín introduced Senate Bill (SB) 63 earlier this year to authorize a regional transportation revenue measure
- SFCTA Board adopted a Support position in April 2025
- Amended several times, with most recent amendments in print on July 9



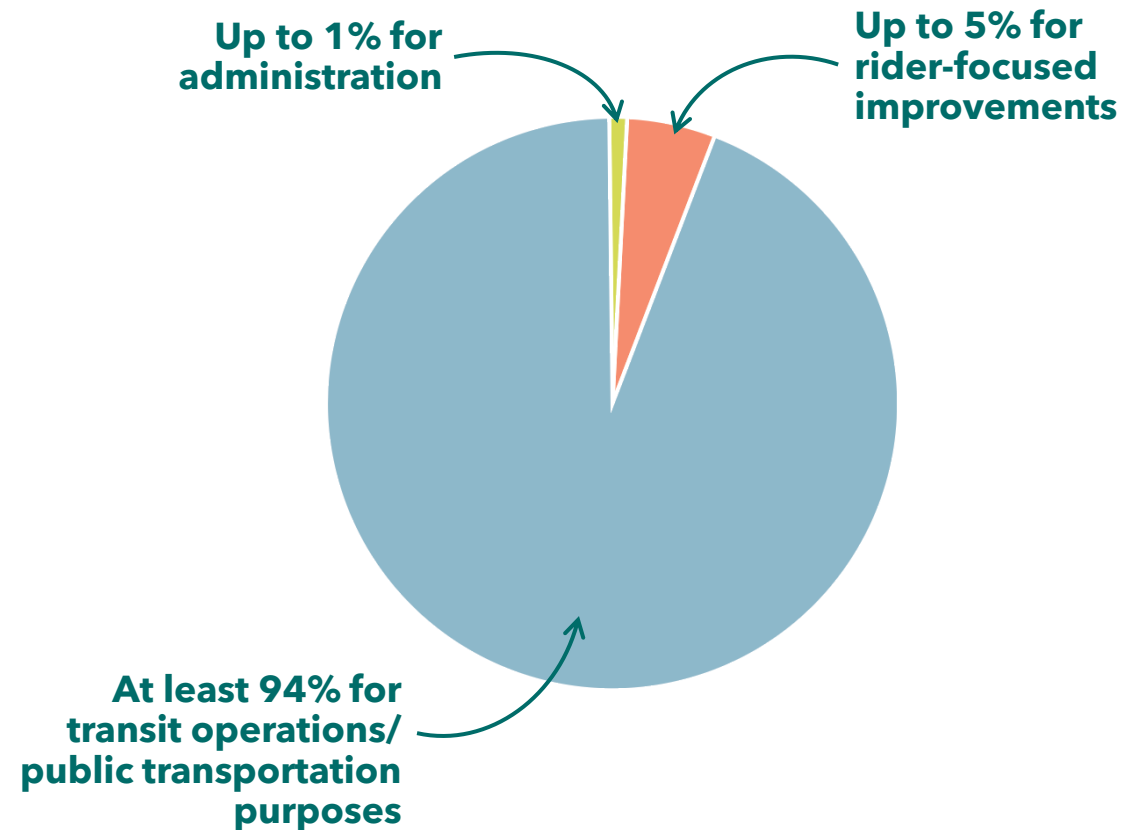
Senate Bill 63 Overview

- Establishes a three-county Transportation Revenue Measure District with ability for San Mateo and Santa Clara to opt in
- Authorizes a ½ cent sales tax across the District with flexibility for San Francisco to participate at 1 cent
- November 2026 ballot, 10-15 year duration
- Metropolitan Transportation Commission (MTC) would act as governing body of the District



Senate Bill 63 Overview

- Most revenues will be used to support transit operations for AC Transit, BART, Caltrain, SFMTA
- Up to 5% of revenues are dedicated to rider-focused improvements in line with the MTC's Transit Transformation Action Plan
- Requires completion of a third-party financial efficiency review for operators receiving measure funds



MTC Proposed Rider-Focused Improvements

- **\$25 million annually for fare programs** including Clipper START and free/reduced-cost transfers
- **\$10 million for accessibility programs** including streamlined paratransit eligibility and cross-jurisdictional paratransit
- **\$10 million for transit priority and mapping/wayfinding**

\$25 million
Delivering More Integrated
and Equitable Fares



Transit Fares

\$10 million
Facilitating Seamless Transit
Navigation for All



Mapping & Wayfinding

\$15 million
Making Transit
More Reliable



Transit Priority

\$5 million
Ensuring Access
for All



Accessibility

Senate Bill 63 July 9 Amendments

- Reduced the maximum set-aside for rider-focused improvements from 10% to 5%
- Added San Francisco Bay Area Water Emergency Transportation Authority (WETA) as recipient of revenue measure funding
- Modified funding allocation language so that East Bay operators may receive revenue measure funding directly from the District instead of being suballocated funds by County Transportation Authorities (CTAs)

Estimated Revenues for 5-County Measure

- Based on MTC Sperry Capital estimates, a 5-county variable rate sales tax measure where San Francisco has a 1-cent rate and other counties have a ½-cent rate may generate approximately \$978 million per year in FY27
- San Francisco's participation in the measure at a 1-cent rate would reflect the large need for operators serving San Francisco

ESTIMATED FY27 MEASURE REVENUES*

ALAMEDA	\$216M
CONTRA COSTA	\$122M
SAN FRANCISCO	\$208M
SAN MATEO	\$120M
SANTA CLARA	\$312M
TOTAL	\$978M

* Based on Sperry Capital estimates from MTC Transportation Revenue Measure Select Committee Final Report December 2024

Principles for Continued Engagement (1 of 2)

- **Passable Measure** – the measure should be structured to maximize the likelihood of success, including consideration of regional transit affordability and accessibility investments that may build support
- **Regional Transit Rider Benefits** – the measure's expenditure framework should provide clear benefits to transit riders in the District, through both direct operating support and regional investments for service enhancements and affordability

(Continued on next slide)



Principles for Continued Engagement (2 of 2)

- **Sufficient funding for San Francisco's major transit operators** – the regional measure should substantially address the budget shortfalls for major transit operators serving San Francisco, particularly SFMTA and BART, which serve the most riders and face the deepest funding challenges.
- **Efficient and transparent administration** – administrative provisions should enable the efficient allocation of regional measure funds, supported by appropriate and transparent oversight mechanisms.



Muni Funding Working Group

- Controller's office convened CCSF staff and business, labor, and advocacy representatives to collaboratively develop funding solutions for Muni's anticipated deficits
- Working Group discussed six funding option packages, all of which include both a local and regional revenue measure
- Decisions on funding options to be made as part of FY 2026/27 budget process starting this fall

Muni Funding Working Group

Solving for Muni's Funding Needs



SB 63 Schedule

Mid/late Jul	Authors release draft expenditure framework
Jul 18	State Legislative recess begins
Aug 6/7	SamTrans and VTA Board meetings to consider opting in
Aug 11	Deadline to opt in
Aug 18	Legislature reconvenes
Sep 12	Last day for Legislature to pass bills
Oct 12	Last day for Governor to sign/veto bills
Jan 1, 2026	SB 63 is effective

Recommended Actions

- Reaffirm support for Senate Bill (SB) 63, as amended
- Adopt principles to guide continued engagement in the development of a 2026 regional transportation funding measure
- Recommend San Francisco's participation in the regional measure at a 1.0 percent sales tax rate

Thank you.

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