



# Senate Bill (SB) 63 and State Legislative Matters BART Board of Directors – September 11, 2025



# Today's Agenda

- Recent Advocacy on Senate Bill (SB) 63 and State Transit Loan
- Amendments to SB 63
- Update on State Transit Loan
- Legislative Look Ahead

# Recent Advocacy on SB 63 and State Transit Loan

## Director and General Manager Advocacy

- Aug 25: Meeting with Assemblymember Rebecca Bauer-Kahan (Vice President Hernandez, Director Rinn)
- Aug 26: Meeting with Assembly Transportation Committee Chair Lori Wilson (President Foley, GM, Deputy GM)
- Aug 27: Meeting with Senator Jerry McNerney (Vice President Hernandez, Deputy GM)
- Aug 27: Meeting with Senator Aisha Wahab (Directors Raburn and Ames, Deputy GM)

## Staff and Advocate Advocacy

- Outreach to Governor Newsom's Deputy Legislative Affairs Secretary and Deputy Cabinet Secretary and on Transportation, Housing & Homelessness
- Calls with Policy Advisor for Speaker Robert Rivas
- Joint operator meetings with Senate and Assembly Budget Committee staff on state transit loan
- Meetings with staff for:
  - Senators Wiener, Arreguín, and Becker
  - Assemblymembers Bonta, Papan, Wicks, Haney, Lee, Ahrens, and Ávila Farías
  - Assembly Transportation Committee
- Public comment at the Assembly Transportation Committee hearing on September 8

# Amendments to SB 63

## **Public Transit Revenue Measure District Taxing Authority**

- Transportation Revenue Measure District renamed to Public Transit Revenue Measure District (PTRMD)
- PTRMD jurisdiction revised to include San Mateo and Santa Clara Counties
- Specifies 14-year duration for proposed sales tax

## **Revenue Measure Expenditures**

- The PTRMD shall pay for one-time administrative costs, election costs, costs incurred for the financial efficiency review, any required legal defense, etc.
- Revenue allocations to eligible entities and programs now specified and expressed as percentages of each county's revenue generation.
- BART shall receive the following percentages of revenue generated in each county:
  - 64.70% of revenues generated in Alameda County
  - 58.59% of revenues generated in Contra Costa County
  - 29.14% of revenues generated in the City and County of San Francisco
  - 26.64% of revenues generated in San Mateo County

# Amendments to SB 63 (cont.)

## Financial Transparency and Review

- The Metropolitan Transportation Commission (MTC) shall hire a third-party consultant to conduct a two-part efficiency review of BART, AC Transit, Caltrain, and Muni.
- An oversight committee is established with a representative from MTC, four operator representatives, four public transit experts, a representative each from the California State Transportation Agency (CalSTA) and the Department of Finance (DOF) as ex officio, nonvoting members.
- Phase 1 review (prior to election): Focus on early action strategies to improve service and enhance the customer experience; analysis of operators' real property assets, existing holdings, and potential redevelopment opportunities.
- Phase 2 review (if measure passes): Focus on cost-saving measures to reduce operators' one-time and ongoing fixed and variable costs; regional assessment of development and financing strategies to maximize operators' real property assets.
- Operators shall submit draft implementation plans for efficiency and cost-savings to the oversight committee for review, approval, or recommended revisions.
- MTC shall review implementation work and is authorized to withhold funding for noncompliance.

# Amendments to SB 63 (cont.)

## Enhanced Accountability

- MTC shall establish ad hoc adjudication committees for BART, AC Transit, Caltrain, and Muni, consisting of two commissioners each from the counties contributing revenue to that operator.
- A participating county transportation entity or Board of Supervisors may submit a petition once a year to a committee if they believe there are operator deficiencies or inconsistencies within their county.
- Before submitting a petition, the petitioner must first work with the subject operator to address the issue.
- If it is determined there is a breach of standards, a committee may recommend that up to 3.5% of allocated funds be withheld from the subject operator.
- If after 90 days there is still no corrective action, a committee may recommend that up to an additional 3.5% of funding be withheld.
- Funding is withheld until a committee votes to release it, following a specified process.
- If MTC is still in possession of withheld funds at the end of the measure, they shall reallocate funds to support public transit expenses within the counties that the operator serves.

## Urgency Clause

- Previous urgency clause removed. Majority vote now required for passage in both houses.

# Update on State Transit Loan

- On September 6, Senators Wiener and Arreguín announced that the California Department of Finance (DOF) would not finalize terms of state loan to transit before the legislative session ends this Friday.
- On September 8, the Governor's office released a statement that outlined a goal of agreeing to terms by this fall.
- On September 8, SB 105, a Budget Bill Junior, was amended. Bill directs the DOF to work with CalSTA to examine loan or other financing options, with a goal to complete this work by January 10, 2026, for inclusion in the Governor's proposed Fiscal Year 2027 budget, which may be acted upon by the Legislature in early 2026.
- SB 105 specifies a loan must be fully repaid according to a defined schedule via a guaranteed repayment mechanism backed by a reliable and predictable revenue source.

# Legislative Look Ahead

- SB 63 eligible for Assembly floor vote on Thursday, September 11.
- The Senate Transportation Committee may wish to hear SB 63 off the floor before a Senate floor vote.
- Budget trailer bills eligible for floor votes pending Budget Committee action in both houses.
- All bills must pass the Legislature by September 12.
- Budget trailer bills take effect immediately upon signature by the Governor.
- Governor Newsom must act on bills by October 12.
- SB 63 will take effect on January 1, 2026, if signed by the Governor.