Metropolitan Transportation Commission
Programming and Allocations Committee

June 10, 2026 **Agenda Item 2h-26-0732**

SB 125 Long-Term Financial Plan

Subject:

Approval of the Senate Bill 125 Long-Term Financial Plan for the San Francisco Bay Area.

Senate Bill (SB) 125 Background

Amendments to the California State Budget Act of 2023 provided immediate transit operating assistance to help avert the near-term transit operating fiscal cliff that has resulted from the COVID-19 pandemic and associated changes in travel patterns. Based on adopted formulas, the Bay Area is expected to receive an estimated $400 million from the Zero-Emission Transit Capital Program (ZETCP) and an additional $770 million from the Transit and Intercity Rail Capital Program (TIRCP) between FY 2023-24 and FY 2027-28.

State action allows these funds to be used flexibly for capital or operating purposes, pursuant to Regional Transportation Planning Agency (RTPA) discretion. Consistent with prior MTC advocacy and supported by the leveraging of over $5 billion in federal funds, a combined $665 million in SB 125 funds will support capital expenses related to BART to Silicon Valley Phase II and BART Transbay Core Capacity, with the remaining SB 125 funds to be used for operating support and MTC planning and administration.

To date, MTC has received $728 million in SB 125 funds of which $535 million has been allocated for FY 2024-25 and FY 2025-26 operating assistance and MTC Regional Network Management functions. This completes the operating assistance commitments identified in MTC Resolution 4619, Revised.

SB 125 Long-Term Financial Plan

As a requirement for receiving SB 125 funds and in order to maintain eligibility for future SB 125 funding in FY 2026-27 and beyond, the California State Transportation Agency (CalSTA) requires each RTPA to submit a one-time, long-term financial plan by June 30, 2026. In accordance with the SB 125 guidelines, MTC's plan will demonstrate the implementation of

ridership retention and recovery strategies, including coordination between transit operators and provide a five-year forecast of operating funding requirements, including any new local and regional funding sources being pursued.

This plan outlines the individual and regional efforts of Bay Area transit agencies and MTC's Regional Network Management section to improve customer experience, boost ridership, increase efficiency, and enhance connectivity throughout the region. The plan's five-year financial forecast also presents the impact of potential new revenue sources such as the regional measure authorized through SB 63, and San Francisco parcel tax measures. These potential revenue sources are subject to voter approval at the upcoming November 3rd, 2026 General Election.

Next Steps

Following Commission approval, MTC Staff will submit the SB 125 Long-Term Financial Plan to CalSTA by the June 30, 2026 deadline.

Issues:

None.

Recommendations:

Refer the SB 125 Long-Term Financial Plan to the Commission for approval.

Attachments:

- Attachment A - SB 125 Long-Term Financial Plan, to be posted on June 8, 2026.

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