



Image Credit: AC Transit

# FY24 RM3 Operating Program Funding for Express Bus



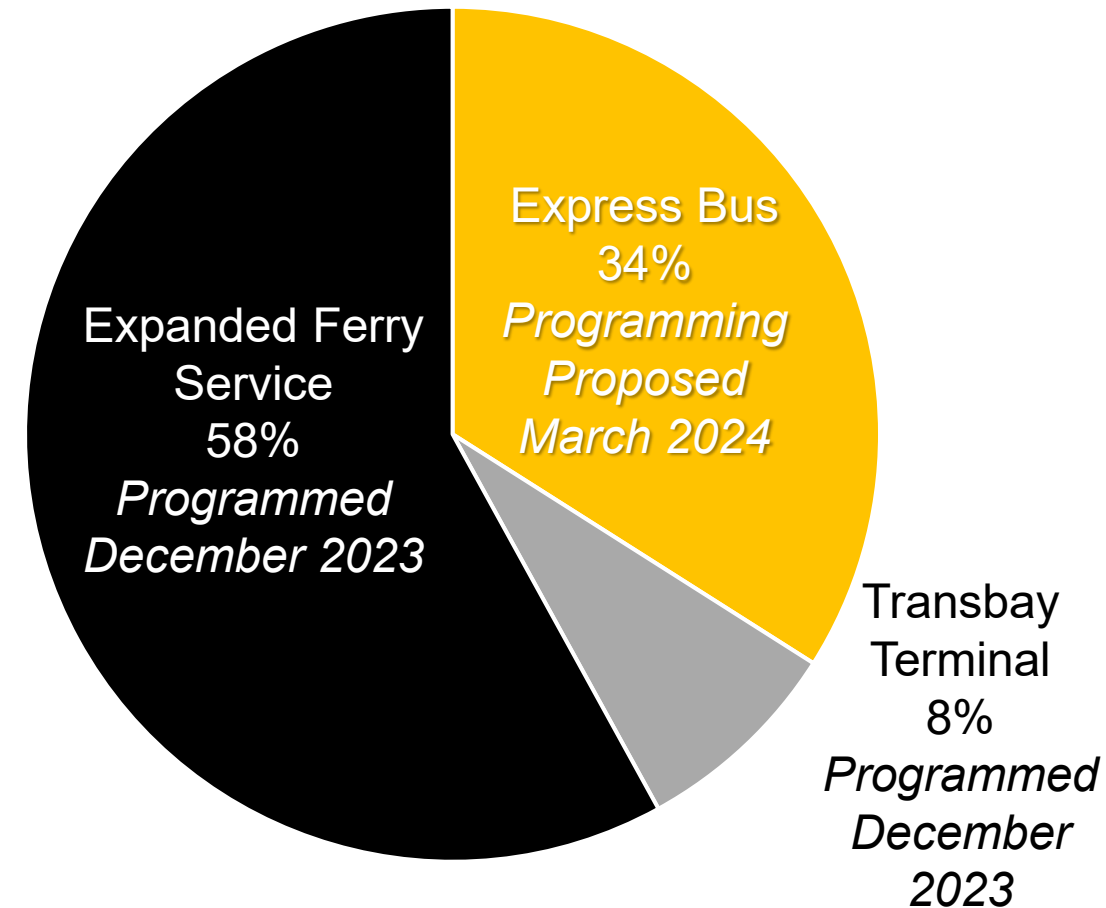
METROPOLITAN  
TRANSPORTATION  
COMMISSION

MTC Programming & Allocations Committee  
March 13, 2024  
Raleigh McCoy

# Operating Program Overview

- Maximum of 16% of RM3 revenues annually for operating assistance
- Statute identifies sponsors for Transbay Terminal (TJPA) and Expanded Ferry Service (WETA), but not for Regional Express Bus
- Supports existing, more frequent, or new operations

RM3 Operating Program  
(16% Annual RM3 Revenue)



# Proposed FY2023-24 RM3 Express Bus Programming Methodology

- An estimated \$11.5 million will be available for the RM3 Express Bus Operating Program in FY2023-24
- First, each operator would receive RM3 funding equal to their FY2024-25 standardized shortfall
- Remaining funding would be distributed across eligible operators based on the operator's share of regional Express Bus ridership
- Where applicable, RM3 funding would be limited per the Policies and Procedures (MTC Resolution No. 4404), such that RM2 and RM3 funding combined do not exceed the total cost of operating RM3-eligible service less fare revenue

# Proposed FY2023-24 RM3 Express Bus Programming Levels

| Operating Program Sponsor | FY2024-25 Standardized Shortfall | Express Bus Ridership (FY2021-22 Actuals) | FY2023-24 RM3 Funding (\$) | FY2023-24 RM3 Funding (%) |
|---------------------------|----------------------------------|---|----------------------------|---------------------------|
| AC Transit                | \$4,000,000                      | 1,285,960                                 | \$6,168,059                | 54%                       |
| County Connection         | \$0                              | 13,423                                    | \$22,630                   | <1%                       |
| Golden Gate Transit*      | \$2,838,216                      | 105,593                                   | \$2,181,768                | 19%                       |
| LAVTA                     | \$896,636                        | 11,384                                    | \$915,829                  | 8%                        |
| Napa Vine*                | \$1,484,513                      | 33,744                                    | \$678,760                  | 6%                        |
| SolTrans                  | \$0                              | 389,070                                   | \$655,951                  | 6%                        |
| Tri Delta Transit         | \$502,927                        | 13,977                                    | \$526,491                  | 5%                        |
| WestCAT                   | \$0                              | 207,902                                   | \$350,512                  | 3%                        |
| <b>Total</b>              | <b>\$9,722,292</b>               | <b>2,061,053</b>                          | <b>\$11,500,000</b>        | <b>100%</b>               |

\* = RM3 funding capped so that the amount of RM2 and RM3 funding allocated does not exceed cost of operating RM2/RM3-eligible service, less fares. The remainder of FY2024-25 shortfalls will be covered in FY2024-25.

# Other Considerations

## Future RM3 Operating Program Funding Levels

- FY2023-24 programming supports MTC's commitment to the state to ensure near-term financial sustainability of transit by directly addressing projected shortfalls
- Transit operators should expect year to year variation in RM3 funding levels in response to shifting needs

## Escrowed RM3 Funds (\$24M Generated Between FY19 and FY22)

- These funds could be included as part of the \$300M regional contribution to address operator shortfalls
- Staff will return to PAC to request approval of allocation of these funds following further coordination and analysis

# Staff Recommendation

- Staff recommend referral of MTC Resolution Nos. 4625, Revised and 4626, Revised to the Commission for approval



Image Credit: Golden Gate Bridge, Highway and Transportation District