

April 14, 2026

Re: SB 63 Financial Efficiency Review Independent Oversight Committee - Item 4, Presentation of Phase One Draft Report

Dear Chair Noak and Members of the Independent Oversight Committee,

On behalf of SPUR, I want to express our appreciation for your attention and work reviewing the Phase One Draft Report of the Financial Efficiency Review mandated by SB63 as well as our appreciation for the work of the consultants, MTC and transit operator staff. SPUR is a member of the Connect Bay Area Transit Committee, led by a coalition of business, labor, and transit supporters, senior and disability organizations, and others. This committee is focused on delivering a successful 2026 ballot measure to strengthen public transit, thereby improving the region's affordability, economy, and quality of life. The financial efficiency review that you are discussing today will help ensure that any new public investment in our region's transit system is used prudently and effectively to advance the interests of riders and taxpayers.

We are pleased to see the findings included in the draft report affirming that BART, Caltrain, Muni and AC Transit have all taken substantial steps since 2020 to reduce costs while adjusting their services to align with the current needs of riders. Indeed the draft report confirms that collectively these operators have saved and avoided more than \$1 billion in operating costs by reducing overtime, freezing hiring, deferring projects and cutting contracted services. Nonetheless, these substantial savings pale in comparison to cumulative annual deficits these four agencies face - underscoring the need for new revenues to sustain critical services. We also appreciate that the report identifies a number of "early action" strategies that operators should begin pursuing immediately to further control costs while improving the rider experience. We look forward to seeing these strategies refined and detailed as the report is finalized.

Finally, while we know that the timeframe and scope for the first phase of the financial efficiency review are limited, we understand that the second phase of the report will provide greater opportunity to look forward and dig into the question of how Bay Area transit can control costs and sustain its operations. While this second phase of work is still to come, we encourage committee members to begin thinking about the goals for this effort now so that the region can benefit from a clear, well-developed scope and a shared understanding of goals and objectives for this critical next phase of work.

Sincerely,

Sebastian Petty
Senior Transportation Policy Advisor