

April 17, 2026

FY 2025 TransNet Extension Ordinance Funding Eligibility Request

Overview

The TransNet Extension Ordinance (Ordinance) includes annual eligibility requirements for the transit operators and local jurisdictions to continue receiving their annually apportioned TransNet revenues. If a requirement is not met, the Ordinance provides guidance on additional steps.

For FY 2025, the Metropolitan Transit System (MTS) and North County Transit District (NCTD) had requirements that were not met and are requesting to cure the eligibility requirements.

Key Considerations

Responsibility for making the final decision on these eligibility requests rests with the Board of Directors.

- At the April 8, 2026, Independent Taxpayer Oversight Committee (ITOC) meeting, the committee recommended that the Board not approve MTS and NCTD's eligibility requests. While similar requests have been approved in prior years, the ITOC requests that the Board consider amending the Ordinance provisions related to calculating operator eligibility as recommended in previous TransNet Triennial Performance audits. Previous discussions have raised concerns regarding the frequency of operator non-compliance, which has increasingly resulted in eligibility requests being brought before the Board. There have only been two years in the last 16 years that have not resulted in an exception to this ordinance requirement.
- Approval of these requests enables compliance by addressing an audit finding in the draft reports, and requesting agencies would be eligible to receive all apportioned FY 2026 TransNet revenues consistent with Ordinance provisions.
- Without Board approval of MTS' request letter, the operator would remain noncompliant with the Ordinance and may not receive any additional funding under Section 4(C) in FY 2026 above the amount received in FY 2025, adjusted for Consumer Price Index.
- Without Board approval of NCTD's request letter, the operator would remain noncompliant with the Ordinance and may not receive any additional funding under Section 4(C) in FY 2026 above the amount received in FY 2025, adjusted for Consumer Price Index.

Action: Recommend

The Transportation Committee is asked to:

1. Consider the TransNet funding eligibility requests of the Metropolitan Transit System and North County Transit District.
2. Recommend the Board of Directors, acting as the San Diego County Regional Transportation Commission, approve the requests.
3. Recommend the Board of Directors begin discussions to amend the related section of the TransNet Ordinance.

Fiscal Impact:

Approval of the requests will allow the requesting agencies to receive their full FY 2026 TransNet revenue apportionments.

Schedule/Scope Impact:

Upon approval of the requests by the Board of Directors, the findings will be removed from the FY 2025 TransNet fiscal and compliance audits for final adoption by the ITOC as its July 8, 2026, meeting.

Next Steps

The eligibility requests are scheduled for consideration at the April 24, 2026, Board meeting. Any comments received from the Board will be conveyed to the Transportation Committee and the ITOC.

Dawn Vettese, Chief Financial Officer

- Attachments:
1. Discussion Memo
 2. Letter of Request from Metropolitan Transit System
 3. Letter of Request from North County Transit District