

Transit Recovery Package

Draft

Subject:

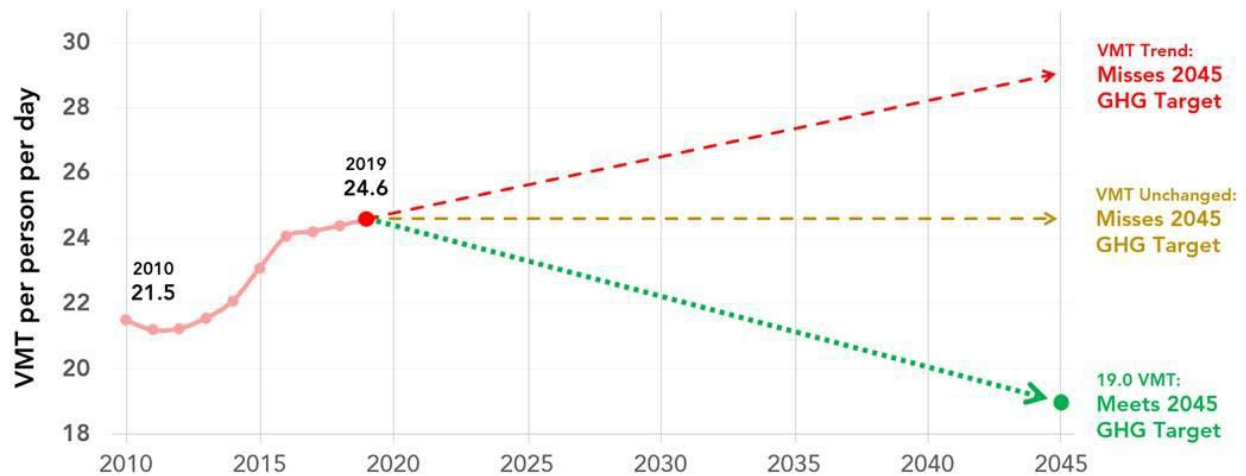
Secure California's At-Risk Transit Systems and Invest in Customer-Focused Enhancements to Accelerate Transit's Climate Protection Benefits

Background:

A strong public transit system is vital to creating an equitable and climate friendly future in the San Francisco Bay Area and California as a whole. We are fortunate in the Bay Area to have a solid foundation upon which to build. In the wake of the COVID 19 Pandemic, the Bay Area's transit systems have committed to pursuing a more unified, convenient and seamless transit system to attract new riders. However, without a multi-year commitment of state funds, the Bay Area is at risk of having many of its transit systems (including its two largest – BART and SFMTA) faced with no choice but to make severe cuts that would cut off reliable access to work, school, health care, shopping and other daily needs to hundreds of thousands of residents each day. These cuts would cause severe hardship to individual households and result in gridlock on our roadways with devastating long-term economic and environmental impacts, including severe job cuts, negative impacts on access to jobs, and worsening air quality.

Transit is Key to State's Climate Strategy

Transportation contributes 42 percent of the state's greenhouse gas emissions according to the Air Resources Board (ARB)'s 2022 Draft Scoping Plan (Scoping Plan). ARB notes that zero emission vehicles are not enough to solve the climate crisis; a significant reduction in driving is required. To achieve this, Californians need a reliable and attractive transit system that offers clear benefits over driving. The ARB recommends investing in "making public transit a viable alternative to driving by increasing affordability, reliability, coverage, service frequency, and consumer experience."



Source: 2022 Draft Scoping Plan, Air Resources Board, Appendix E, Sustainable Communities, Figure W.

Transit is an Essential Service; Protecting it Should be a Core Pillar of State's Equity Agenda

Public transit remains a core public service, a critical lifeline as fundamental as schools, water, roads and electricity. Based on 2021 U.S. Census data, almost 60 percent of California residents who commute via public transit have a household income below \$35,000. Deep cuts to public transit will disproportionately impact the state's low-income and Black, Indigenous and People of Color (BIPOC) residents who are the most reliant upon public transit. Over half-million California households own no vehicle and count on public transit for their daily needs, including access to K-12 education and college. Sustaining our transit systems is a core task of any meaningful equity agenda as it serves as a cornerstone of our social safety net and ladder of economic opportunity. At a time of record inflation and high gas prices, public transit also provides a rare option to meaningfully cut down on household expenses.

Federal Funds Were a Temporary Lifeline; New Gap Funding is Needed to Avert Fiscal Cliff

Congress stepped in within months of the COVID 19 pandemic to provide billions of dollars in assistance and thanks to these resources, transit agencies have been able to sustain their service, albeit at reduced service levels in many cases. In September 2022, California residents took over 65 million trips aboard transit, up almost 40 percent from the prior year, albeit only 58 percent of pre-COVID levels. With the rise of remote work, many bus operators have redesigned their routes to better meet demand and some agencies are experimenting with enhanced weekend schedules. Nonetheless, a growing fiscal cliff is on the horizon as ridership (and consequently passenger fare revenue) remains far below 2019, while the cost to run transit is subject to the same inflation pressures affecting the rest of the economy. Looking to FY 2023-24 and beyond, transit systems across California are facing multi-million dollar shortfalls as they approach the day when their federal COVID relief funds run out.

State Budget Proposal: Secure & Revive Public Transit

Public transit is a lynchpin of California's transportation system; it's also vital to the achievement of our climate, social equity and economic goals. To prevent major service cuts and job losses that will disproportionately hurt those who continue to rely on transit the most, the state should begin a five-year Transit Recovery Program in FY 2023-24 to shore up the financial solvency of transit systems most at risk, while also providing competitive funding to address high priority, customer-focused improvements with a strong potential to attract new riders and thereby accelerate transit's climate protection benefits.

Track 1: Secure – Transit Service Preservation

These funds would be limited to operators forecast to face a fiscal cliff within the next two fiscal years that cannot be addressed without significant and unacceptable service cuts to routes with a demonstrated demand for transit service. Funding would be made available to operators on the basis of need. Objective criteria would be identified to determine eligibility.

Track 2: Revive – Retooling for the Future

It's time to retool. Transit ridership was declining even before the pandemic and the reasons riders give today for not wanting to ride transit are familiar ones. They want systems that are convenient, reliable, safe, and clean. To assist operators in retaining existing riders and attracting new riders – a critical goal for transit to deliver on its role in the state's climate strategy – the state should establish a new program to fund proven strategies that address the unique, pressing needs of different systems. Eligible expenditures to enhance the transit rider experience, should include, but aren't limited to:

- Service reliability and frequency improvements, including workforce development incentives to assist with a severe workforce shortage that is hampering transit's ability to deliver enhanced service levels (some agencies face vacancies as high as 30%)
- Transit priority projects to help buses bypass traffic and offer a travel time advantage, a proven strategy for boosting ridership
- Reliable, real-time transit information equipment and software
- Transit fare integration/transit passes that make transit more convenient and affordable
- Mapping/wayfinding enhancements to make it easier to navigate transit
- Enhancements to passenger facilities (e.g., stations and shade at bus stops to make them safer and more comfortable in the face of a changing climate)
- Resources to help transit riders experiencing homelessness access the services they need
- Public safety and cleanliness, top concerns of current customers and factors that surveys have indicated are deterrents for those who don't currently ride transit