

**Metropolitan Transportation Commission
Programming and Allocations Committee**

October 12, 2022

Agenda Item 3b - 22-1475

**Regional Transportation Measure: Transit Operating Fiscal Challenges and Advocacy for
State Support of Transit**

Subject:

An update on transit operating fiscal challenges to inform FY 2022-23 State Budget Advocacy and future regional transportation measure discussions.

Background:

The COVID-19 pandemic and recent economic conditions have significantly impacted transit operations, ridership, and revenues. The decrease in ridership, changes in travel patterns and uncertainties in farebox revenues have created enormous planning and operational challenges for Bay Area transit operators. While federal relief funds provided a significant stop gap, it is anticipated that these funds will be exhausted within the next one to three years for major transit operators.

Plan Bay Area 2050 (PBA 2050) and the Transit Transformation Action Plan developed by the Blue Ribbon Transit Recovery Task Force recommend that MTC convene stakeholders to identify priorities and a funding framework by the end of 2023 for a future transportation ballot measure that includes new funding for transit. However, addressing the severity of the transit operating fiscal cliff is needed well before a future transportation measure would be taken to voters. It is critical to identify funding opportunities to bridge the time gap until more continuous, stable revenues are available.

Given California's strong policy emphasis on reducing vehicle miles traveled (VMT) and support for transit, a state funding strategy may be viable to stabilize transit especially if the region can demonstrate progress on policies to attract new riders and show that it is working towards long term solutions to augment transit operating funding at local and regional levels.

Over the next several months, Staff will provide a series of updates on the transit operating fiscal challenges and discuss advocacy, strategies, and timing of bridge funding to address the impending transit operating fiscal cliff.

Since 2020, transit agencies have continued their heightened level of coordination and collaboration to deliver high-impact meaningful customer focused operational improvements. Alongside this work, MTC and transit agencies continue to advance the initiatives from Transit Transformation Action Plan. At the October 26 MTC Executive Committee meeting, transit agencies will provide an update of their efforts.

Next Steps:

In the coming months, staff will return to the Programming and Allocations Committee with updates on the transit operating fiscal challenges and operator short range transit plans. These conversations can shape MTC's FY 2022-23 State Budget Advocacy platform to be advanced through the Joint MTC ABAG Legislation Committee starting in November 2022.

Issues:

None identified.

Recommendations:

Information

Attachments:

- Attachment A: Presentation



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