Photographs: Noah Berger.

Transit Operations Funding Landscape Post-Pandemic

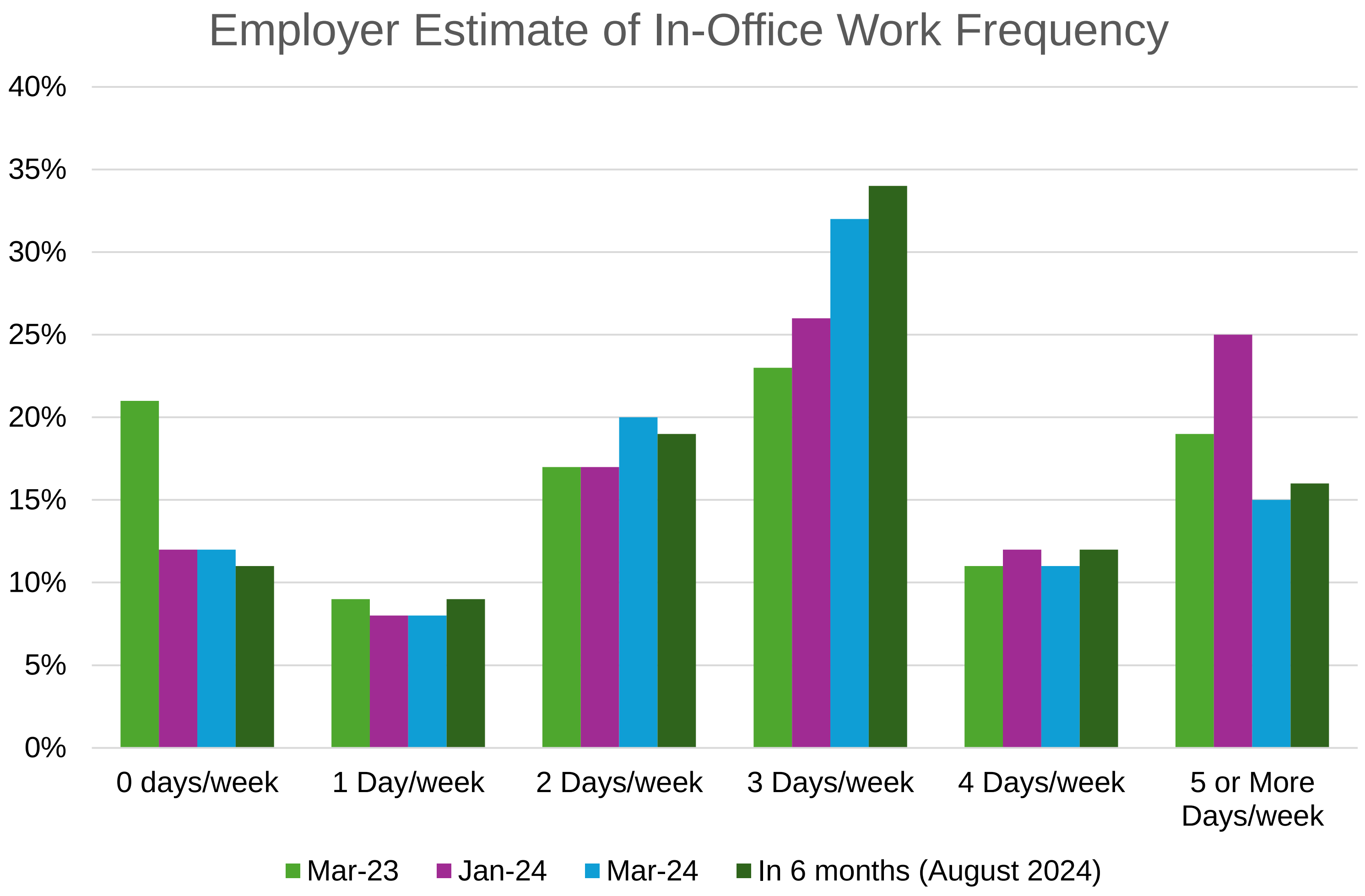
METROPOLITAN
TRANSPORTATION
COMMISSION

Transportation Revenue Measure Select Committee

June 24, 2024

- Over half of Bay Area employers report workers in-office 2-3 days per week
- Share of employers with workers in-office 3 days per week continues to grow
- Share of employers fully remote has settled around 12%

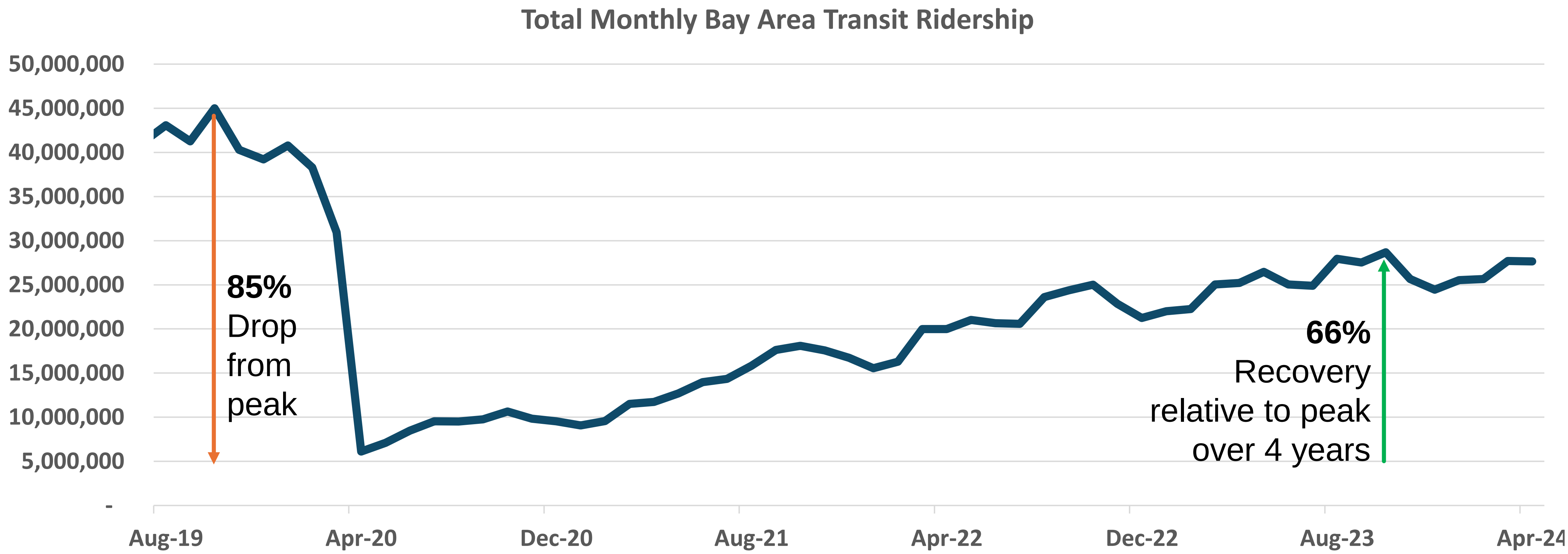
Four Years Since Start of Pandemic, Return to In-Office Work in Full-Swing



Source: MTC and Bay Area Council Employer Survey

METROPOLITAN TRANSPORTATION COMMISSION

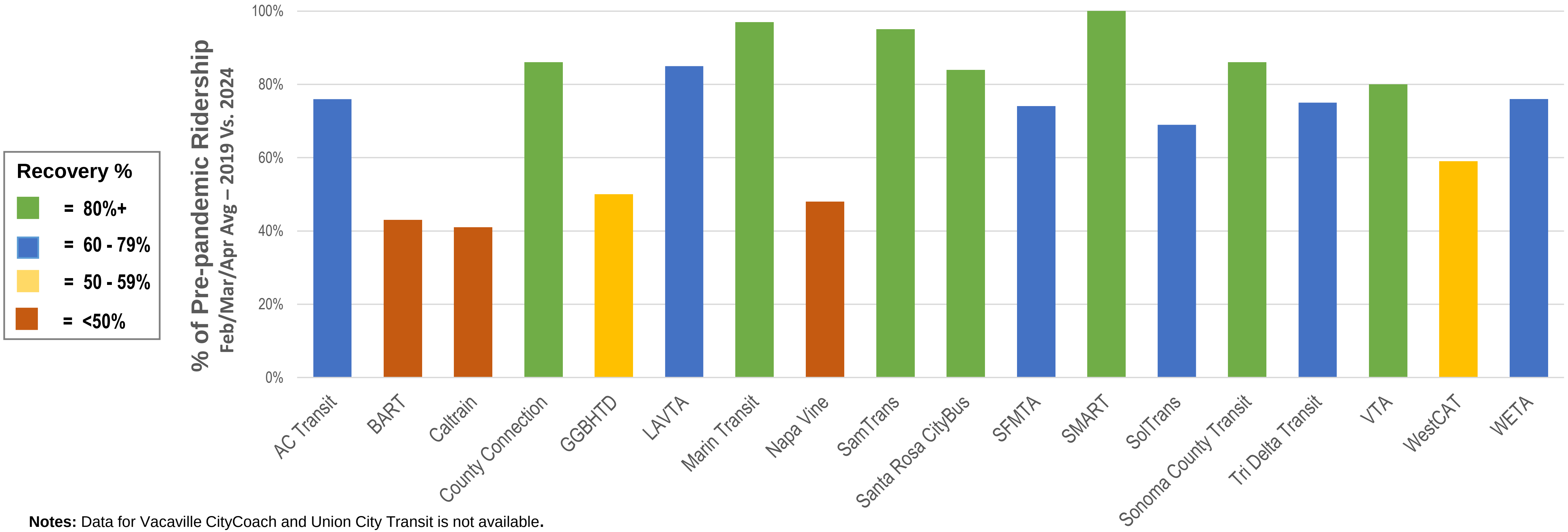
Transit Ridership Recovery Continues but Major Challenges Remain



Notes: Data for Vacaville CityCoach and Union City Transit is not available.
Source: National Transit Database.

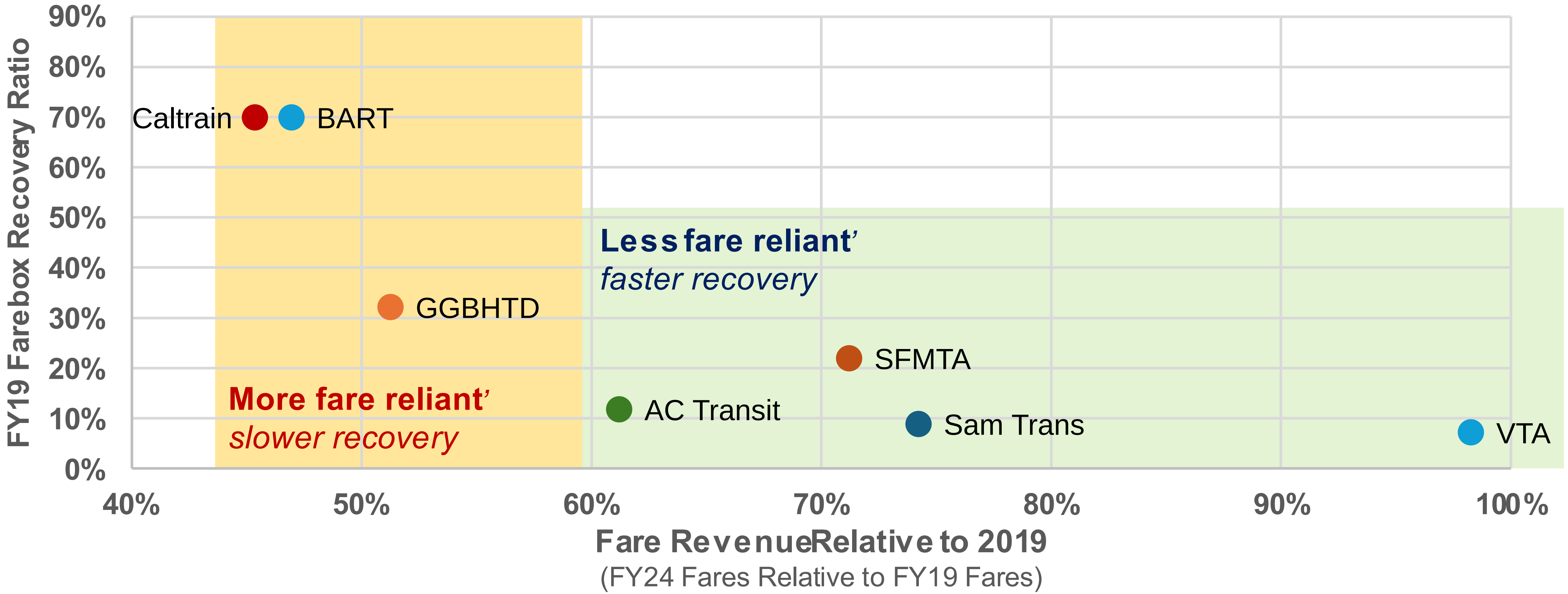
Ridership Recovery Uneven Across Operators

Recovery rates reflect types of destinations served and rider demographics. Agencies serving riders with jobs that cannot be done remotely fare better than those serving white collar commuters.



Notes: Data for Vacaville CityCoach and Union City Transit is not available.
Source: National Transit Database.

Fare Recovery Slowest for Agencies Most Reliant on Fares



Source: TDA Claims

What does it Mean to Support Transit in a Post COVID Era?

Annual Fare Revenue Losses and Budget Impact

	Fare Revenue (FY19 % of Operating Expenses)	**Fare Revenue Reduction FY24 vs. FY19** (In $ Millions)
AC Transit	11%	$ 20
BART	70%	$ 257
Caltrain	70%	$ 57
Golden Gate	32%	$17
SamTrans	9%	$ 4
SFMTA	22%	$ 57
VTA	7%	$ 1

One-time Relief

- **Federal Relief Programming – $4.4B**
- **State SB 125 Funds – $445M**

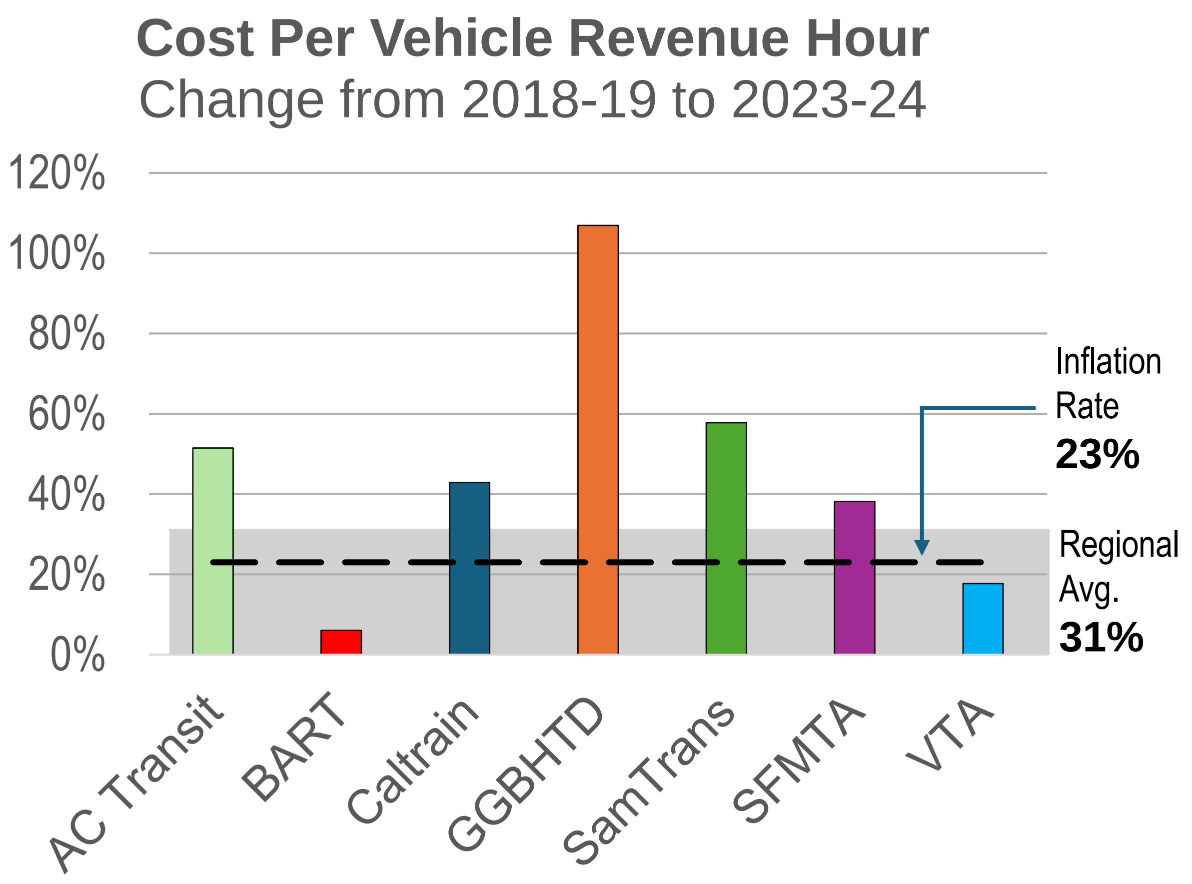
New Ongoing Revenue Sources

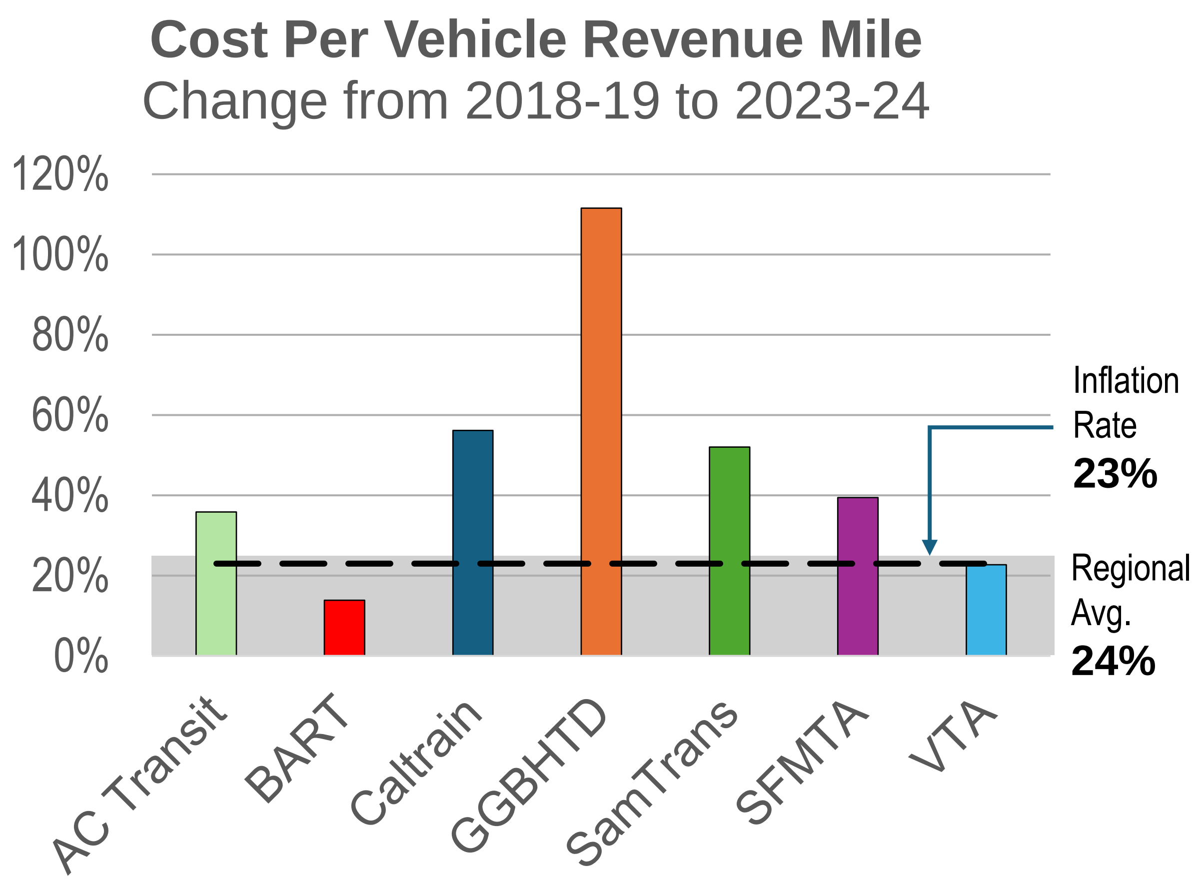
- **Caltrain Measure RR –** $120M/yr
- **Golden Gate Bridge Toll Increase –** up to $37M/yr*
- **RM3 –** up to $52M/yr**

* Reflects revenue from full $2 toll increase to be phased in through July 2028

** Reflects revenue from third $1 toll increase effective January 2025

Costs Per Service Hour and Mile Have Grown Substantially in Recent Years

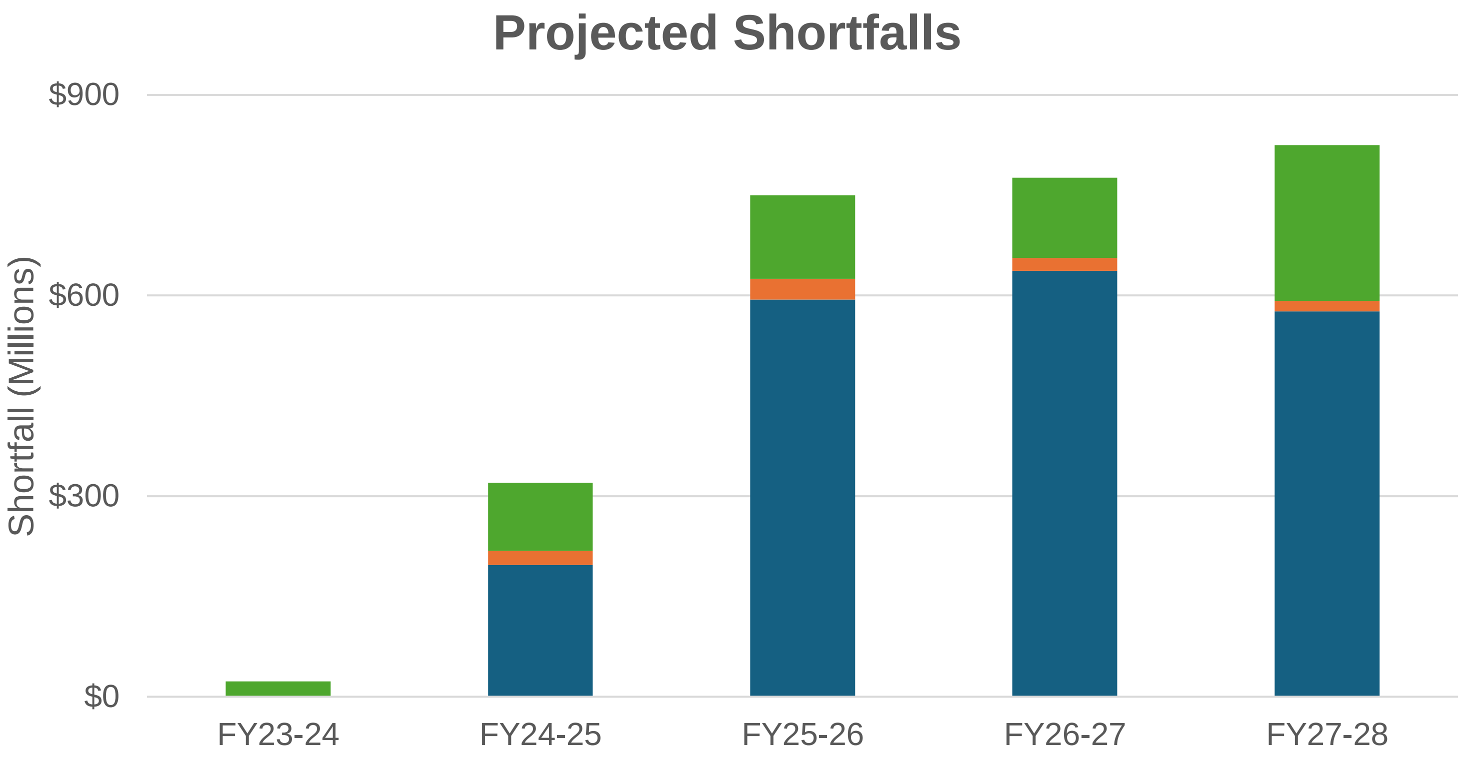




Source: TDA Claims, NTD, Operator Budgets

Trends Add Up to a Significant Regional Operating Shortfall

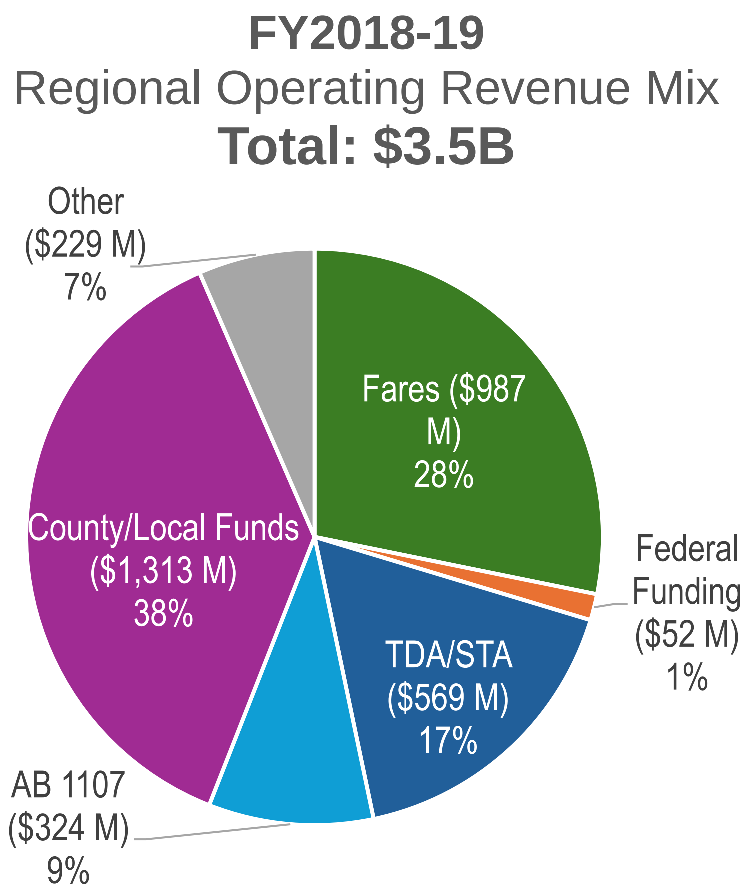
- Standardized needs based on 2022 service levels, per SB125
- Among large operators, AC Transit, Golden Gate Transit, and SFMTA restored service beyond levels used to estimate standardized shortfalls
- MTC estimates providing 2023 service could raise some agencies' shortfalls by 10% to 20%

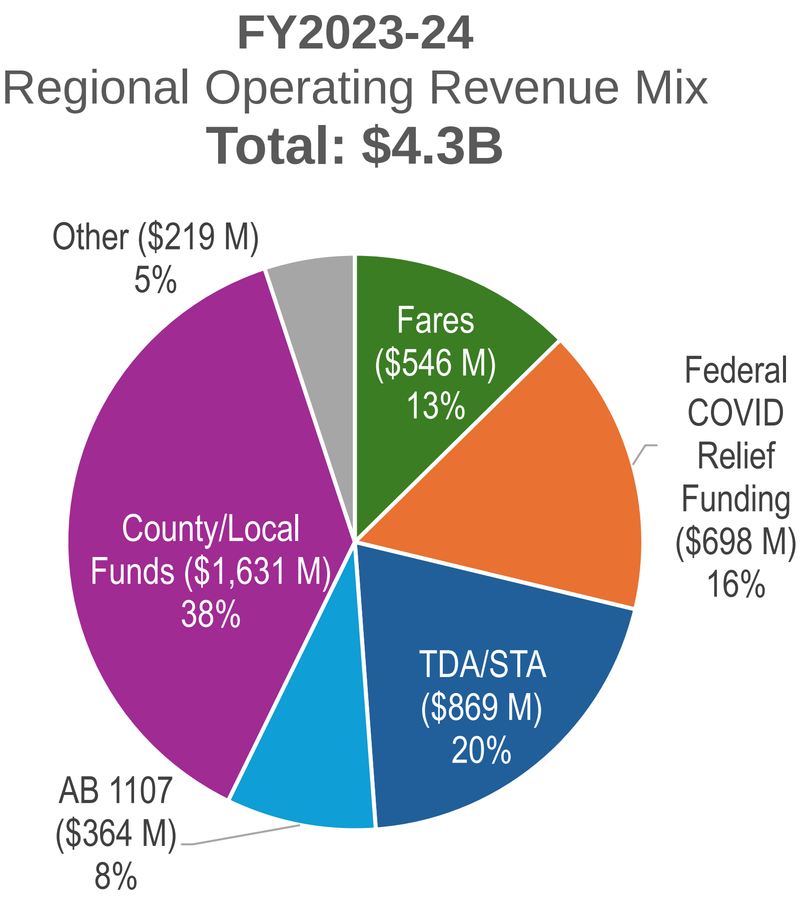


5-Year Total Projected Shortfalls

- Operator Projected Shortfalls: **$2.7 billion**
- Standardized Shortfalls (FY22): **$2.0 billion**
- Standardized Shortfalls (FY23): **$2.1 billion**

Higher Operating Costs, Different Funding Mix





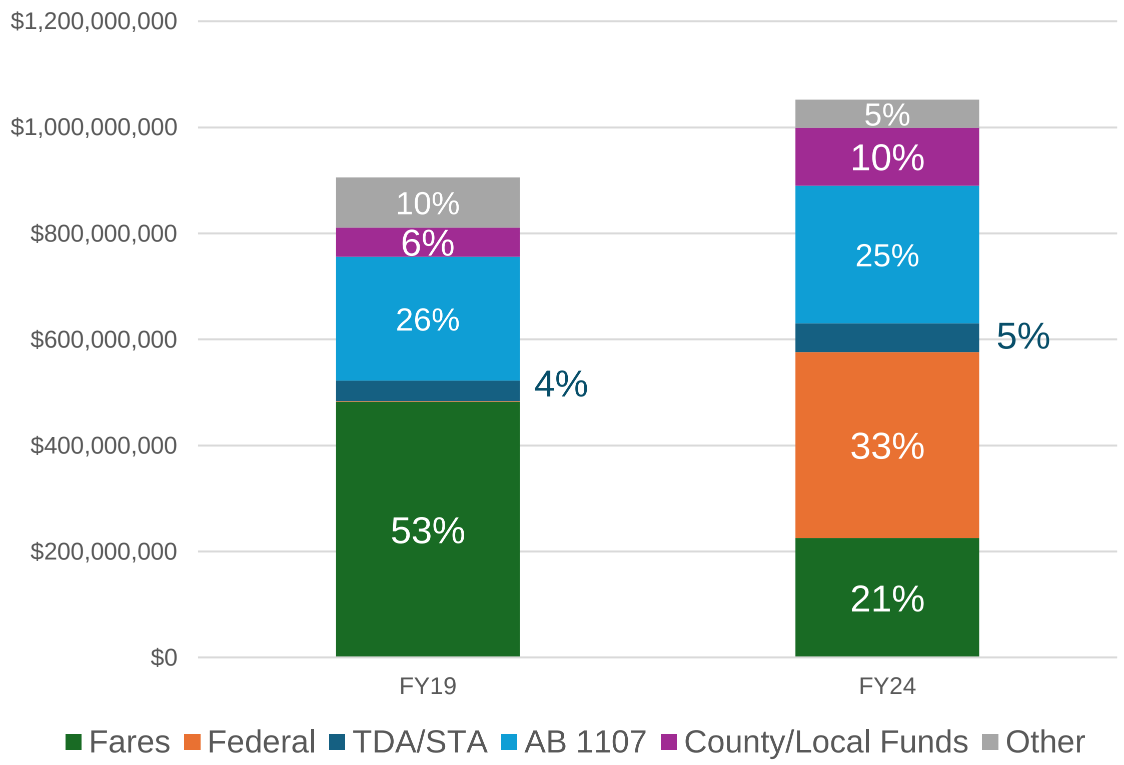
From FY19 to FY24:

- Operating costs grew by over 4% annually
- Fare revenue decreased by $450M (-45%)
- COVID relief funds increased share of federal dollars by $650M (+1,200%)
- Reliance on TDA/STA and County/Local funds increased by $600M (+30%)

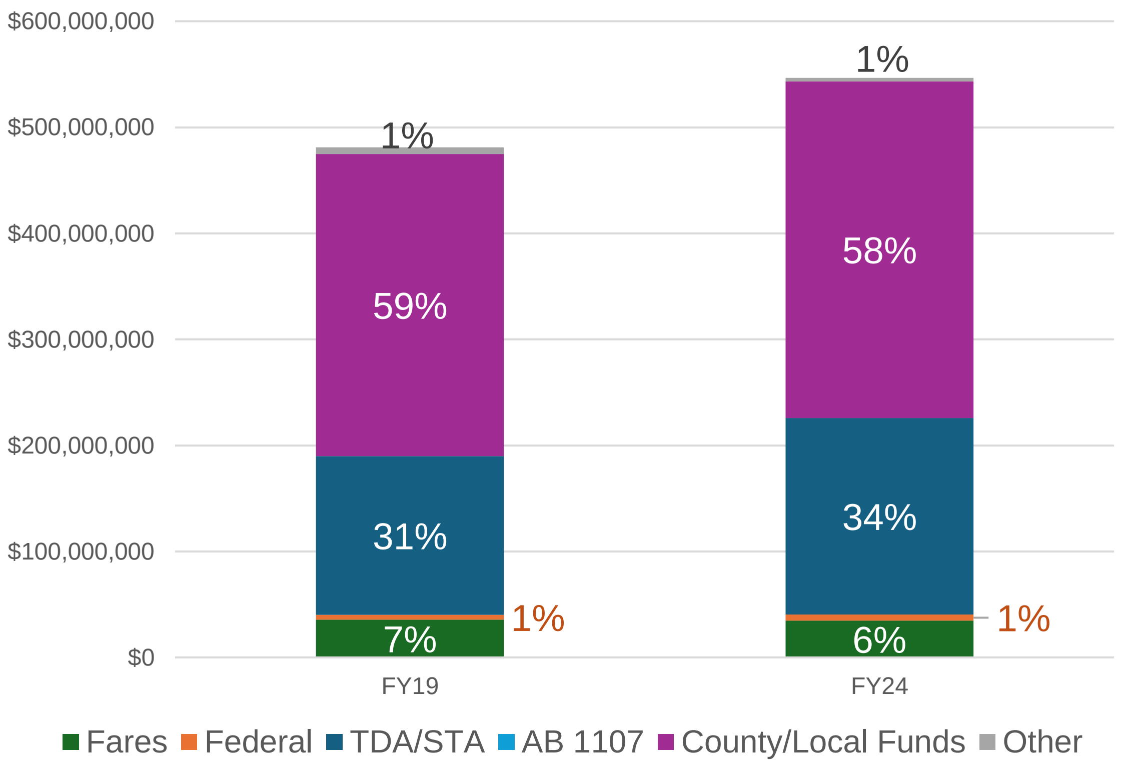
Source: TDA Claims

Each Operator Funds Operations Differently, Resulting in Unique Vulnerabilities

User Fee-Oriented Example:
BART Operating Revenues



County Sales Tax-Oriented Example:
VTA Operating Revenues



Source: TDA Claims

*VTA's remaining federal COVID relief funding is approximately $230 million

Questions?