



**CALIFORNIA
TRANSIT
ASSOCIATION**

April 7, 2009

1415 L Street, Suite 200 • Sacramento, CA 95814

Phone (916) 446-4656 • FAX (916) 446-4318

E-Mail: info@caltransit.org

www.caltransit.org

Mark Ibele, Ph.D.

Staff Director

Commission on the 21st Century Economy

c/o comment@cotce.ca.gov

Dr. Ibele:

Please accept the following comments as correspondence from the California Transit Association to the Commission on the 21st Century Economy, for consideration by you and the Commission as you prepare your final report. We respectfully request that you distribute these comments to the members of the Commission.

Comprised of nearly 190 member organizations, the California Transit Association is the non-profit statewide trade organization representing the public transit industry. Our Association attracts and retains all of California's largest urban public transportation operators, as well as dozens of agencies in suburban and rural areas. Our members also include commuter rail agencies, transit support groups such as regional and local planning agencies and air quality management districts, national and international transit suppliers, and other government agencies.

Our long-range vision for the transit industry portrays the desired future the Association seeks to achieve: *Fully funded, efficient, and effective public transit systems operating in a balanced transportation network.* In turn, our mission statement describes how the Association will accomplish its vision; thus, our Association's mission is: *Support the needs of California's public transit systems through advocacy and education.*

We understand that Governor Schwarzenegger's Executive Order establishing the Commission on the 21st Century Economy directs the Commission to deliver a report to the Governor and to the Legislature suggesting changes to state and local revenues that will result in a revenue stream that is more stable and reflective of the California economy. We also understand that the bipartisan Commission is to re-examine and suggest ways to modernize California's out-of-date revenue laws that contribute to feast-or-famine state budget cycles. Finally, we further understand that in carrying out its mission the Commission shall apply these principles, first outlined in the Governor's Executive Order creating the Commission:

- a. Establish 21st century tax structure that fits with state's 21st century economy;
- b. Stabilize state revenues and reduce volatility;
- c. Promote the long-term economic prosperity of the state and its citizens;
- d. Improve California's ability to successfully compete with other states and nations for jobs and investments;
- e. Reflect principles of sound tax policy including simplicity, competitiveness, efficiency, predictability, stability and ease of compliance and administration;
- f. Ensure that tax structure is fair and equitable.

In formulating this report to the Commission, the Executive Committee of our California Transit Association adopted a set of principles to guide its work, based on and informed by the Commission's own goals as enumerated above.

Following are the principles adopted by our Association, upon which are based our subsequent recommendations to the Commission:

“Principles on State Finances and Transit Funding”

1. A 21st Century economy for California must be supported by a state tax structure that anticipates and funds projected expenses, and these expenses must reflect the priorities of Californians as determined by the Legislature and Governor; in short, the tax structure should support a balanced state budget.
2. A 21st Century tax structure must enhance California's position as a “State of Choice”; the latest figures show that California recently lost 144,000 more people than moved in, and businesses continue to move out of state. Both are due to the high cost of living, limited mobility choices – especially for our aging population, the growing need to protect our environment, and rules and regulations unfriendly to employers. With 60% of America soon going into retirement, mobility options for both peak and off-peak travel are becoming increasingly important, with more affluent transit dependents and choice riders coming. At the same time, younger Americans have started supporting transit in large numbers.
3. A 21st Century economy for California must, therefore, support enhanced mobility and freedom of access for as many citizens as possible. This means California should plan and fund a seamless, multi-modal transportation system that provides safe, efficient and effective travel options to all Californians.
4. Consistent with the Vision for California adopted by the California Transit Association, the State should adequately fund its role in supporting fully funded, efficient, and effective public transit systems operating in a balanced transportation network.
5. Enhanced public transit systems promote the long-term economic prosperity of the state and its citizens. Investing in public transportation provides the “triple effect” of:
 - o Stimulating economic growth and development by creating “green jobs.”
 - o Helping to reduce dependence on foreign oil.
 - o Lessening our impact on the environment.[Please see the attached fact sheets for data documenting transit's contributions to the economy, the environment and other important state and national goals.]
6. Volatility in state revenues – and specifically the act of recent legislatures and governors to divert nearly \$5 billion in funding away from local transit service, to backfill various General Fund programs – diminishes the ability of local communities to plan for and operate stable transit service capable of attracting new riders, or keeping riders gained during times of high gas prices. [Please see the attached fact sheets for data documenting the transit funding diversions enacted since 2000-01, and the impact on local transit systems and their riders.]

7. A stable, predictable source of long-term state transit funding must be put into place, in order to assist local communities and regional planning entities plan and provide for fully funded, efficient, and effective public transit systems operating in a balanced transportation network. This need is underscored by the state's recent emphasis on reducing greenhouse gas emissions, through enactment of AB 32 (The Global Warming Solutions Act of 2006), and by recent state efforts to more closely link transportation and land-use planning, through enactment of SB 375 (Steinberg) [Chapter 728, Statutes of 2008]; these new laws will most likely require enhanced public transit service in our local communities to meet new state policy goals. Not only do communities need this funding for transit expansion purposes, to keep up with the growing demand for mobility options, but funding sources are also needed for basic transit capital infrastructure renewal and rehabilitation purposes, including for safety enhancement, system preservation and stability, and support of local, regional and national economies for goods and people movement.
8. The tax structure necessary to achieve this stable, predictable source of long-term state transit funding must be simple, efficient, and easy to comply with and administer.
9. The tax structure should also be fair and equitable.
10. A tax structure supporting the enhanced public transit investments called for here and reflecting the tenets described above would be based on elements of both the "user pays" philosophy as well as the notion that a broad-based revenue structure is also appropriate, because enhanced transit use by some benefits all Californians.

From these principles, the Executive Committee of the California Transit Association derived its specific recommendations to the Commission. The California Transit Association recommends the following specific recommendations to the Commission:

1. Based on the principles enumerated above, the California Transit Association urges the Commission to support continuation and strengthening of the transportation funding mechanism first put into place by the state in 1971, through the Transportation Development Act (Senate Bill 325, Mills-Alquist-Deddeh [Chapter 1400, Statutes of 1971]). {Please see the attached fact sheet for more details about the Transportation Development Act.} Recognizing that all citizens benefit from an enhanced transportation system, whether they regularly use public transit and / or automobiles, the TDA dedicated one-quarter of one percent of the state's then-existing sales tax rate to counties agreeing to spend the revenues on local public transportation (and streets & roads expenses in some counties). To make up for the loss of these General Fund revenues, the state sales tax was also extended to gasoline sales, and these funds were kept in the General Fund (and were subsequently dedicated to broader transportation purposes by Proposition 42 of 2002). We call on the Commission to preserve TDA funds as the "lifeblood" of public transit funding in California, and to explore ways to enhance TDA funding.

We specifically urge the Commission to modernize and standardize the existing TDA revenue stream of one-quarter of one percent of the sales tax base, by conforming the items that are currently taxed under the TDA to the same items taxed under the existing locally imposed sales and use taxes and transactions and use taxes,. The standardization of sales tax applicability would also benefit the collectors of the tax as it would be a simpler accounting procedure than the current approach.

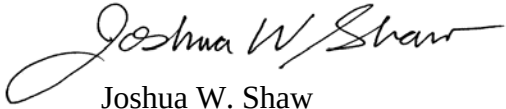
2. We also urge the Commission to find ways to restore stability and predictability to the other sources of state transit funding that have been put in place since the basic TDA mechanism was enacted, including these four main revenue streams that, until the Budget Act of 2007, were primarily dedicated to the Public Transportation Account (PTA) for state, regional and local public transit purposes. When combined, these revenue sources *should have* produced a 2008-09 State Transit Assistance Program of about \$1 billion, and provided another several hundred million dollars for State and regional programming priorities. Instead, the last two budget cycles shifted about \$3 billion from these sources, away from public transit purposes, to non-transit programs previously supported by the General Fund. These four historic transit funding sources are:
 - a. The sales tax on diesel fuel;
 - b. A portion of the sales tax on the gas tax (as first dedicated to the PTA by Proposition 111 of 1990);
 - c. A portion of Proposition 42's sales tax on gas revenues (the PTA is supposed to receive and spend 20% of Proposition 42 revenues on mass transportation purposes);
 - d. And, the so-called "spillover" revenue, which is the difference between 1) a 5% state sales tax applied to all taxable goods *except* gasoline, and 2) a 4¾% state sales tax applied to all taxable goods *including* gasoline. Essentially, the spillover is generated when gasoline prices increase at a faster rate than all other taxable items. Hence, we have recently seen unprecedented amounts of revenue generated by the spillover mechanism, revenue that was dedicated under the TDA law to public transit and streets & roads purposes.
3. We specifically urge the Commission to acknowledge the long history of California voters acting time and again to dedicate to transportation expenditures the tax revenues derived from transportation transactions. In particular, we urge you to call for a constitutional amendment that clarifies and strengthens the intent of the voters when they passed Proposition 116 in 1990. That initiative contained statutory language making the Public Transportation Account a trust fund, and dedicated the revenues then going to the PTA (as enumerated in our recommendation #3, above) *only* for "transportation planning and mass transportation purposes" [Public Utilities Code section 99310.5(b)]. However, various budget acts since then have shifted some or all of these four historic revenue sources into the General Fund, or to support non-transit programs previously supported by the General Fund. We therefore urge you to recommend a constitutional measure clarifying that "mass transportation" purposes are, as intended by the voters, *only* those which the PTA supported in June of 1990 when Proposition 116 was passed, and *until* the Budget Act of 2007, such as State, regional and local bus and rail passenger service open to the general public, for which a fare is charged, provided by either the State or local governments eligible

to receive TDA funds. We also urge the Commission to recommend in this measure language that would clearly and once and for all ensure that the four basic transit revenues enumerated above continue to be collected, and continue to be spent only on the “mass transportation” purposes described above.

4. When taken as a whole, enactment of our first three recommendations would substantially stabilize *existing* or *historic* sources of transit funding – in other words, those sources that were in place and expected to flow to public transit systems *before* the substantial changes in the transit funding laws enacted in the Budget Act of 2007. We again urge the Commission to recommend that the Legislature and Governor *restore, stabilize and protect* those **historic** sources of transit revenue. However, if the Commission determines for whatever reason *not* to recommend restoring those historic funding sources, whether because doing so would jeopardize other important programs now supported by the General Fund (i.e. to which those historic transit revenues have recently been diverted), or because the nature of the revenues do not match the Commission’s vision of a transit system for the 21st Century, or for any other reason, then we urge the Commission to consider recommending a variety of alternative or new replacement funding mechanisms, to meet the needs of a 21st Century transit system going forward. These alternatives could include:
 - a. Voter approved mechanisms with clear expenditure plans and accountability measures such as local or regional sales taxes, vehicle registration fees, environmental impact fees, gas taxes, or carbon taxes.
 - b. Inclusion of transit operations as an eligible expenditure if the Legislature decides to expand the excise tax on gasoline.
 - c. Enactment of voter approved tax increment financing for transit-oriented development projects in designated Transit Planning Villages zones.
 - d. Consider allowing transit as an eligible expenditure when approving new congestion pricing, parking, vehicle miles traveled, or other revenues.
 - e. Transit should be an eligible recipient of any market-based mechanisms considered as part of the implementation of AB 32 and SB 375 related to greenhouse gas emission reductions.
 - f. Shifting to counties a greater portion of the sales tax rate, for transportation purposes, under the Transportation Development Act.
 - g. Expanding the state sales tax to include other goods or services, thereby automatically increasing the revenue flowing to counties for transportation purposes through the existing TDA rate structure.
5. The Commission should also consider recommending ways the state can incentivize and reward communities that agree to tax themselves for transportation purposes.
6. Finally, we also urge the Commission to consider advocating changes to state law that enhance the ability of regional or local communities to provide for their own expenditure needs, should they find the state tax structure ultimately envisioned by the Commission insufficient to meet local needs. Specifically, we urge the Commission to call for a constitutional amendment to lower the 2/3 supra-majority voting threshold required for passage of local revenue measures, including transactions and use taxes or sales taxes for transportation and transit purposes.

Thank you for consideration of our comments. Please let me know if you or Commission members have any questions about our comments.

Respectfully,

A handwritten signature in black ink, reading "Joshua W. Shaw". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

Joshua W. Shaw
Executive Director

Cc: Governor Arnold Schwarzenegger
Members of the California Legislature

Public Transportation Gets Our Economy Moving

Public transportation plays a significant role in finding smart solutions to the challenges facing America today. An increased investment in public transportation creates jobs and stimulates economic growth.

Public transportation stimulates the economy and creates green jobs

- Every \$1 billion invested in federally aided public transportation capital projects supports approximately 30,000 jobs.
- The American Recovery and Reinvestment Act will provide \$8.4 billion in investment in public transportation projects. These projects will create approximately 252,000 jobs for Americans and help transit systems meet the steadily growing demand for public transit services.

Public transportation benefits families and businesses

- For every \$1 invested in public transportation, \$6 is generated in economic returns.
- Every \$10 million in capital investment in public transportation

can return up to \$30 million in business sales alone.

- Each year, an individual can achieve an average annual savings of more than \$8,000 by taking public transportation instead of driving and by living with one less car.

Public transportation gets individuals where they need to go

- In 2008, more than 10 billion trips were taken on public transportation, the highest level in more than 50 years.
- The American public supports increased funding for public transportation. Even as the economy slowed, 76 percent of all transit-related ballot initiatives passed throughout the country in November 2008.

Beyond the economic benefits, **by investing now in public transportation** we can also reduce our dependence on foreign oil, protect our environment, and enhance our quality of life.

As America looks for solutions to today's challenges, public transportation takes us there.



Public Transportation Helps Protect Our Environment

Public transportation plays a significant role in finding smart solutions to the challenges facing America today. Increased investment in public transportation is an investment in our planet.

Public transportation is the responsible environmental choice

- U.S. greenhouse gases from transportation represent 33 percent of total U.S. emissions.
- Public transportation saves 37 million metric tons of carbon dioxide annually – equivalent to the emissions resulting from the electricity generated for the use of 4.9 million households or every household in Washington, DC; New York City; Atlanta; Denver; and Los Angeles combined.
- If an individual switches a 20-mile roundtrip commute to public transportation, his or her annual CO₂ emissions will fall by 4,800 pounds per year, equal to a 10 percent reduction in a two-car household's carbon footprint.
- Public transportation offers an immediate alternative for individuals seeking to reduce their

energy use and carbon footprints. Taking public transportation far exceeds the combined benefits of using energy-efficient light bulbs, adjusting thermostats, weatherizing one's home, and replacing a refrigerator.

Public transportation agencies are reducing their carbon footprint

- Public transportation systems are investing in environmentally friendly vehicles such as diesel-electric hybrids, which are up to 40 percent more fuel efficient than conventional diesel buses.
- Transit systems have also made innovative investments to install solar technology and construct facilities that meet new energy-efficient standards including the U.S. Green Building Council's Leadership in Energy and Environment and Environmental Design (LEED) standards.



Beyond the environmental benefits, **by investing now in public transportation** we can also strengthen our economy, reduce our dependence on foreign oil, and enhance our quality of life.

As America looks for solutions to today's challenges, public transportation takes us there.

PUBLIC TRANSPORTATION
TAKES US THERE
economy ► environment ► energy ► quality of life

www.publictransportation.org

Public Transportation Reduces Our Dependence on Foreign Oil

Public transportation plays a significant role in finding smart solutions to the challenges facing America today. Increased investment in public transportation is an investment in American energy independence and economic security.

Public transportation reduces our dependence on foreign oil

- Public transportation saves the U.S. the equivalent of 4.2 billion gallons of gasoline annually – more than three times the amount of gasoline refined from the oil we import from Kuwait.
- Public transportation use saves the equivalent of 900,000 automobile fill-ups every day.

Public transportation gives individuals affordable, energy-efficient choices

- Individuals that use public transportation save an average

of more than \$8,000 every year – even more as the price of fuel rises.

- Household residents living within the proximity of public transportation drive an average of 4,400 fewer miles annually compared to those with no access to public transportation.
- The average household in which at least one member uses public transportation on a given day drives 16 fewer miles per day compared to a household that does not use public transportation.

Beyond the energy benefits, **by investing now in public transportation** we can also strengthen our economy, protect our environment, and enhance our quality of life.

As America looks for solutions to today's challenges, public transportation takes us there.



PUBLIC TRANSPORTATION
TAKES US THERE
economy ▶ environment ▶ energy ▶ quality of life

www.publictransportation.org

Public Transportation Enhances Our Quality of Life

Public transportation plays a significant role in finding smart solutions to the challenges facing America today. An increased investment in public transportation leads to improved health and a better quality of life.

Public transportation reduces traffic congestion, travel time, and stress

Those who ride public transportation lessen the congestion on our roadways.

- Americans living in areas served by public transportation save 541 million hours in travel time and 340 million gallons of fuel annually, according to the most recent Texas Transportation Institute (TTI) report on congestion.

Public transportation expands opportunities and transportation choices

The accessibility and opportunities created by public transportation provide important choices and options for people from all walks of life.

- Public transportation provides access to job opportunities for millions of Americans as well as a transportation option to get to

work, go to school, visit friends, or go to a doctor's office.

- 83 percent of older Americans say that public transit provides easy access to the things they need in everyday life.
- Public transportation is a vital link for the more than 51 million Americans with disabilities.

Public transportation users are more likely to meet recommended exercise goals

When Americans use public transportation, they walk more. Walking increases fitness levels, leading to healthier citizens and less strain on the health care system.

- People in households with access to transit drive an average of 4,400 fewer miles annually, compared to those in similar households with no access to public transportation.



Beyond the quality of life benefits, **by investing now in public transportation** we can also strengthen our economy, reduce our dependence on foreign oil, and protect our environment.

As America looks for solutions to today's challenges, public transportation takes us there.

PUBLIC TRANSPORTATION
TAKES US THERE
economy ► environment ► energy ► quality of life

www.publictransportation.org

Public transit... going where?!

Transit has already borne more than its fair share of the burden

- The state budget approved in September reflected an **85 percent cut** in available transit-dedicated funding.
- The December legislative proposal sought a **92 percent cut**, and perpetuated that level in future budgets.
- At the insistence of the Governor and Republican leaders, the plan ultimately adopted in February implemented a **100 percent cut**.

Funding Diverted from Transit This Decade

2000-01 ... \$345 million	2002-03 ... \$100 million
2003-04 ... \$181 million	2004-05 ... \$354 million
2005-06 ... \$380 million	2006-07 ... \$325 million
2007-08 ... \$1.3 billion	2008-09 ... \$2 billion*

*-per the state budget adopted Sept. '08 and revised Feb. '09

TOTAL DIVERTED = \$5 BILLION

Transit cuts hit hardest on those who can least afford it

With many transit providers resorting to fare increases and service cuts, those most adversely affected are seniors, students, people with disabilities and low-income riders – transit dependent individuals who are likely to feel the pinch of the recession much more profoundly than the larger population.

- Of the 67 million rides provided annually by AC Transit, 49 percent are by people defined as “extremely” low income.
- One in five transit riders in California is a senior citizen or person with a disability.
- Transit providers in California report that students account for as much as one-third of their total ridership.

Transit funding raided equals jobs lost

- Service cuts of up to 35 percent are anticipated due to raids on state funding, meaning thousands of California jobs are at stake.
- The cuts adopted in February pose an immediate threat to nearly 2,000 jobs in the Bay Area alone.
- If invested in capital projects, the \$1.7 billion *already* cut this year could have generated 80,750 jobs.

Service cuts alone aren't the only threat to California jobs. With billions of dollars worth of capital improvement projects put on hold or cancelled altogether due to loss of funding, the opportunity for significant, vital economic stimulus would be squandered.

Record-breaking increases in transit ridership can no longer simply be attributed to high gas prices. Californians have spoken – with their wallets and their ballots – in favor of MORE funding for public transit.

And yet budget crafters decided that transit's fair share of the budget burden meant a complete elimination of the only source of state funding for day-to-day operations!

We implore you to seek solutions for establishing a secure, reliable source of state funding for transit operations. California commuters depend on it, and California voters demand it!



1415 L Street, Suite 200
Sacramento, CA 95814
(916) 446-4656
www.caltransit.org

RIDERS BEAR THE BURDEN WHEN TRANSIT FUNDING IS CUT

Fare Increases

The following transit agencies are facing fare increases as a result of STA program reductions:

City of Elk Grove: The city of Elk Grove is currently proposing fare increases of \$35 to \$40 more for monthly passes for students and Paratransit riders.

City of Fresno: Considering fare increases in 2009.

City of Modesto: Raised fares by 15% in fiscal year 2008-09.

City of Morro Bay: Transferred \$40,000 from the City's General Fund to prevent service cuts and fare increases this year – resulting in less general fund money available for city services such as parks, libraries, police, and fire services. Elimination of the STA program will force fares to be raised.

Gardena Municipal Bus Lines: Raised fares in January 2008.

Long Beach Transit: Fare increases beginning in January 2009.

Monterey-Salinas Transit: Raised base fares starting January 1, 2009.

North County Transit District: Fares raised an average of 20% in fiscal year 2008-09.

Omnitrans (San Bernardino): Fare increases for regular, fixed-route service and Access curb-to-curb service for qualified persons with disabilities.

Orange County Transportation Authority: Raising fares on January 4, 2009.

Placer County Transit: Managers are seeking approval for higher fares starting July 1, 2009 or sooner.

Sacramento Regional Transit: Raised fares by up to 20% in January 2009.

San Francisco Bay Area Rapid Transit District (BART): Considering raising fares 5.5 percent or 10 percent.

San Diego Metropolitan Transit System: Raised fares twice in last two years

SamTrans/Caltrain: Fare increases in fiscal year 2009

San Joaquin Regional Rail Commission /ACE: Raised fares in 2008.

San Joaquin Regional Transit District (RTD): Raised fares in October 2008

San Francisco Municipal Transportation Agency: Will raise fares in fiscal year 2010.

Western Contra Costa Transit Authority: Fare increase of 16% in October 2008.

TRANSIT SYSTEMS AND THE PEOPLE THEY SERVE DEPEND ON STATE FUNDING

SERVICE CUTS

The following transit agencies will have to cut services drastically as a result of continued State Transit Assistance (STA) Program reductions or elimination of the STA program:

Alameda-Contra Costa Transit District (AC Transit): A 20% reduction in service. Alameda-Contra Costa Transit District provides 67 million unlinked passenger trips annually.

City of Morro Bay: Elimination of Saturday service and some weekday service - meaning 3,542 passengers unable to access transit.

City of Modesto: Cancellation of plans to implement a new route serving a new high school.

Orange County Transportation Authority: A reduction in service by 115,000 – 143,000 revenue hours, equaling up to 7.5% of service and over 4 million passenger trips.

San Francisco Bay Area Rapid Transit District (BART): Considering cutting back weeknight and Sunday service from 15-minute to 20-minute intervals between trains.

Monterey-Salinas Transit: A complete loss of the funding source for services incorporating Americans with Disabilities Act (ADA) operations. A reduction in service by 32,000 service hours, equaling **768,000 passenger trips**. Cancellation of plans to implement 3,700 revenue hours of needed services.

San Diego Metropolitan Transit System: A loss of 10% of operating budget and 230,000 revenue hours of service cut.

San Joaquin Regional Transit District (RTD): Discontinuing holiday services and implementing emergency service cuts effective January 2009.

Western Contra Costa Transit Authority: A 20% reduction in service. Western Contra Costa Transit Authority provides 1.5 million unlinked passenger trips annually.

SamTrans (San Mateo County): A reduction in service by 23,015 hours, equaling **518,758 passengers** unable to access transit.

Santa Clara Valley Transportation Authority: A loss of funding source for Lifeline Transportation service for low-income seniors and CalWorks recipients.

Santa Rosa City Bus: A 10% reduction in service. Santa Rosa City Bus provides 2.832 million unlinked passenger trips annually. Significant loss of funding source for Paratransit services (45% of funding) and a new Lifeline route successfully serving a “community of concern” (20% of funding).

Vallejo Transit: A loss of more than 15% of its overall funding (between \$600,000-\$800,000) in 2009.

TRANSIT FUNDING CUTS KILL JOBS

Jobs at Stake

Below is a sampling provided by California transit providers regarding the number of jobs at stake at these agencies if faced with a 75% reduction in the State Transit Assistance (STA) Program:

Alameda-Contra Costa Transit District	200-300 jobs
City of Fresno	9 jobs
City of Modesto	15 jobs
Gardena Municipal Bus Lines	15 jobs
Golden Empire Transit District (Bakersfield)	46 jobs
Long Beach Transit	30-50 jobs
Monterey-Salinas Transit	7 jobs
North County Transit District	8-10 jobs
Orange County Transportation Authority	170-200 jobs
San Joaquin Regional Transit District	20 jobs
San Francisco Bay Area Rapid Transit District (BART)	100-120 jobs
San Francisco Municipal Transportation Agency	425 jobs
San Diego Metropolitan Transit System	210 jobs

**Further STA reductions are an immediate threat
to nearly 2,000 jobs in the Bay Area alone**

With billions of dollars worth of capital improvement projects put on hold or cancelled altogether due to loss of funding, the opportunity for significant, vital economic stimulus would be squandered. If invested in capital projects, the \$1.7 billion already cut this year could have generated 80,750 jobs.

With transit ridership at higher levels in the United States than ever before, transit systems must expand their systems to keep safe, quality services for a higher demand, including new buses and expanded stations and infrastructure. Reducing or eliminating the State Transit Assistance (STA) program greatly hinders this ability for many California public transit systems.

Capital Deferments

The following transit agencies will have to defer needed capital projects as a result of continued State Transit Assistance (STA) Program reductions or elimination of the STA program:

Alameda-Contra Costa Transit District: Most capital improvement projects will be frozen, and many of the planned expansion projects have been put on hold.

City of Fresno: Capital projects totaling \$7.5 million on hold, with another \$5.2 million being jeopardized – projects that could substantially improve operating efficiency, system image, customer relations, and employee work environment. Impact on development of BRT project.

City of Visalia: Postponement of \$6 million in capital and operations projects - halting the needed expansions of a downtown transit center and the Operations and Maintenance facility.

Long Beach Transit: May have to keep buses on the road for longer than their normal life span due to lack of capital funding from the STA to purchase new buses.

Mendocino Transit Authority: Has had to defer or eliminate \$1,229,302, or 59% of 2008-09 capital budget. May have to drastically scale back on plans to rebuild its facility and add alternative fuel infrastructure.

Monterey-Salinas Transit: Impact on ability to pay off \$2 million in debt on financed equipment. Loss in STA funds means additional debt expense and loss of ability to add new service.

North County Transit District (San Diego): Deferred \$1.1 million in capital projects.

Omnitrans (San Bernardino): Impact on funding for capital purchases such as vehicles, facility upgrade and the TransCenter.

SamTrans (San Mateo County): Significant impact on funds for safety and state of good repair projects.

San Joaquin Regional Transit District: Deferred \$1.5 million in capital projects.

San Francisco Bay Area Rapid Transit District (BART): Eliminated \$2.5 million of internal funding for capital projects during fiscal year 2008-09 to preserve funds for service operations. Significant impact on ability to implement planned capital projects intended to protect and extend the usable lifetime of major physical assets such as stations, maintenance facilities, and replacement of BART's fleet of revenue vehicles which are approaching the end of their useful lifetimes.

San Francisco Municipal Transportation Agency: Deferred \$57 million in capital projects, including Central Control, Radio Replacement, and full use of the new Muni Metro East facility.

San Joaquin Regional Transit District (RTD): Compromised vital capital projects such as procurement of rolling stock, IT and communications projects, facilities improvements, and maintenance projects.

Orange County Transportation Authority: Deferred approximately \$60 million of capital projects. Rolling stock reductions of approximately 47 fixed route vehicles.

Santa Maria Area Transit: Eliminate or reduce plans to buy expansion buses to meet increased service demand.

Santa Cruz Metropolitan Transit District: These cuts will cripple the Highway 17 service improvements, the expansion of UCSC service, the reliability of ParaCruz service and the ability of METRO to complete the MetroBase and Pacific Station Projects.

Reductions in transit funding hit hardest on those who can least afford it – student, seniors, persons with disabilities, the most vulnerable members of society.

Transit is a Public Service

A survey of transit providers throughout California reveals that one in five transit riders in the state is a senior citizen or person with a disability, and that students account for as much as one-third of total ridership:

Alameda-Contra Costa Transit District: Roughly one-third of all riders purchase monthly discounted passes (for students, seniors and the disabled). Many more who fit that description cannot afford monthly passes, and are thus not accounted for in these figures. Of the 67 million rides provided annually, 49 percent are by people who are defined as “extremely” low income.

City of Visalia: Seniors, students and those with disabilities comprise 37.6 percent of all riders. Riders’ average annual income is \$20,000.

Gardena Municipal Bus Lines: Seniors and those with disabilities account for 10.5 percent of the service’s 4.4 million riders. Another 23 percent are K-12 students.

Golden Empire Transit District (Bakersfield): Of the more than 7 million trips provided annually, 30 percent are taken by students, and 11 percent by elderly/disabled passengers.

Long Beach Transit: Elderly and disabled riders account for 24 percent of the service’s 29 million annual trips. Students comprise another 13 percent. For 58 percent of LBT riders, their household income is less than \$20,000.

Mendocino Transit Authority: One-fourth of the service’s riders are seniors or persons with disabilities. Students account for nearly 40 percent of total ridership.

Monterey-Salinas Transit: With an average annual income of \$20,000, MST’s 5 million riders are 19 percent elderly or disabled, and 15 percent students.

North County Transit District (San Diego): Of the 14.7 millions trips provided annually, 15.4 percent are taken by elderly/disabled passengers and 25.2 percent by students.

Omnitrans (San Bernardino): Approximately 20 percent of the service’s riders are elderly/disabled. Another 10.4 percent are students. Omnitrans provides more than 15 million passenger trips each year.

Orange County Transportation Authority: Elderly, disabled and student riders account for 22 percent of the more than 65 million passenger trips provided each year.

SamTrans (San Mateo County): Of the nearly 15 million trips provided each year, 13 percent are by seniors or persons with disabilities, and 22 percent by students.

San Joaquin Regional Transit District: More than 60 percent of all riders are elderly/disabled (35 percent) or students (29 percent).

San Francisco Bay Area Rapid Transit District (BART): One-fourth of the 115 million annual trips provided by BART are taken by a senior citizen, a student or a person with a disability. More than one-fifth (22 percent) of BART riders have an annual income of less than \$25,000.

San Francisco Municipal Transportation Agency: Thirty percent of all fares come from seniors and students. SFMTA provides more than 206 million passenger trips annually.

Santa Clara Valley Transportation Authority: One in four of the 43.5 million rides each year are by seniors, students or those with a disability.

Santa Maria Area Transit: Students account for more than 40 percent of the system’s 1.2 million annual rides.

Santa Rosa City Bus: Half of all riders are students, seniors or disabled. In service areas with the highest ridership, 30 percent have a household income under \$25,000.

Western Contra Costa Transit Authority: Thirty percent of the system’s 1.5 million rides are by students.