



California Transit  
Association

# Transit 101 A Legislative Briefing

March 24, 2015  
Sacramento, CA



# Welcome and Opening Remarks

**Donna DeMartino**

*General Manager/Chief Executive Officer*

San Joaquin Regional Transit

*Executive Committee Chair*

California Transit Association



# Introduction to Transit in California

**Joshua W. Shaw**

*Executive Director*

California Transit Association

**Matt Robinson**

*Legislative Advocate*

California Transit Association



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## REPORTING

OCTOBER 01, 2014 BY JOHN FRITH

### California faces a transportation fiscal cliff



(Photo credit: Steve Hyman/Metro)



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Tuesday, March 10, 2015

## US public transport ridership highest in 58 years

Written by [Kevin Smith](#)

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THE American Public Transportation Association (Apta) says that 10.8 billion journeys were recorded on public transport services, including rail and bus, in the United States in 2014, the highest level in 58 years.

Ridership on light rail, including trolleys and heritage trolleys, increased 3.6% in 2014, with 16 out of 28 public transit systems reporting increases. Minnesota's Twin Cities led the gains with

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## Gas prices fall, but transit ridership goes up

Wed, 2015-03-11 06:00 -- SCC Staff



Is transit ridership fated to follow the ups and downs of gas prices?

Michael Melaniphy believes the **latest annual report** from the American Public Transportation Association (APTA) shows otherwise.

“Despite the steep decline in gas prices at the end of last year, public transit ridership increased,” says Melaniphy, the CEO of APTA. “This shows that once people start riding public transit, they discover that there are additional benefits besides saving money.”

The new report from APTA says that Americans took 10.8 billion trips on public transportation in 2014 -- the highest annual ridership number in 58 years. Rail leads the way in ridership increases, with both heavy rail -- subways and elevated trains -- and

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## NEWS RELEASE

### NEW REPORT SHOWS MOUNTING EVIDENCE OF MILLENNIALS' SHIFT AWAY FROM DRIVING

Contact  
Phineas Baxandall,

Congestion forecasts and government ignore census data, demographics and surveys that suggest lasting change

For Immediate Release

TUESDAY, OCTOBER 14, 2014

A new [report](#) from the U.S. Public Interest Research Group (U.S. PIRG) Education Fund and the Frontier Group shows mounting evidence that the Millennial generation's dramatic shift away from driving is more than temporary. While the 2000s saw a marked decrease in the average number of miles traveled by young Americans, the study explains that those trends appear likely to continue even as the economy improves – in light of the consistency of Millennials' surveyed preferences, a continued reduction of Millennials driving to work, and the continued decreases in per-capita driving among all Americans.

"Millennials are different from their parents, and those differences aren't going away," said Phineas Baxandall, Senior Analyst at U.S. PIRG and co-author of the report. "After five years of economic growth with stagnant driving, it's time for federal and state governments to wake up to growing evidence that Millennials don't want to drive as much as their parents did. This change has big implications and policy makers shouldn't be asleep at the wheel."

"Millennials are trying to send a message to policy makers: We want convenient, walkable

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POLITICS

## Stuck In Traffic? It's Likely To Be Worse In 30 Years, Report Says

by NPR Staff | February 5, 2015 — 1:20 AM

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AFP/Getty Images

Traffic clogs the 101 Freeway in Los Angeles.

Transportation Secretary Anthony Foxx told NPR's *Morning Edition*. "So the congestion we have today is expected to get worse, unless we do something radical now." He says that, along with President

Moving from crisis to crisis — for too long that's been America's strategy for dealing with the challenges of an aging transit infrastructure, from roads to bridges to ports. The result is a system that's crumbling and in desperate need of attention, according to a new report from the U.S. Department of Transportation. The massive study both looks at the current state of the country's transportation systems and forecasts the challenges that lie ahead.

"Over the next 30 years, we're going to have 70 million more people in this country, and all those people are going to be trying to get someplace on top of the number of people we have,"



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Tuesday, March 10, 2015

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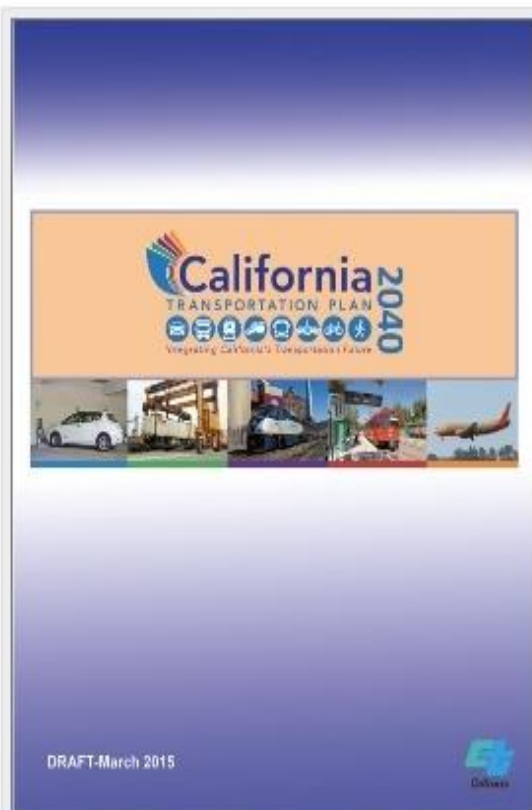
## California Long-Range Transportation Plan: GHG Goals Are Elusive

by Melanie Curry

Caltrans has been in the process of developing its long range transportation plan for the last two years. Now it has released the draft *California Transportation Plan 2040* [PDF]. Public input will be solicited at workshops throughout the state in March and April, starting today in Sacramento.

The long range plan, or CTP, is based on the [California Interregional Blueprint](#), which was developed in response to a 2009 law, [S.B. 391](#) (from Carol Liu). That law required Caltrans to identify transportation strategies and policies that would achieve the greenhouse gas reduction goals set by [A.B. 32](#), the Global Warming Solutions Act.

The CTP is ambitious and wide-ranging, incorporating input from many state agencies and covering a lot of ground. It sets out a vision for a multimodal, sustainable, and economically viable transportation system, including support and promotion of active transportation to help meet state goals. It defines transportation goals for California and identifies policies and strategies for meeting those goals, and includes analyses of its recommended strategies and their capacity to achieve



Caltrans is seeking public input on its draft, long-range, statewide transportation plan, *California Transportation Plan 2040*

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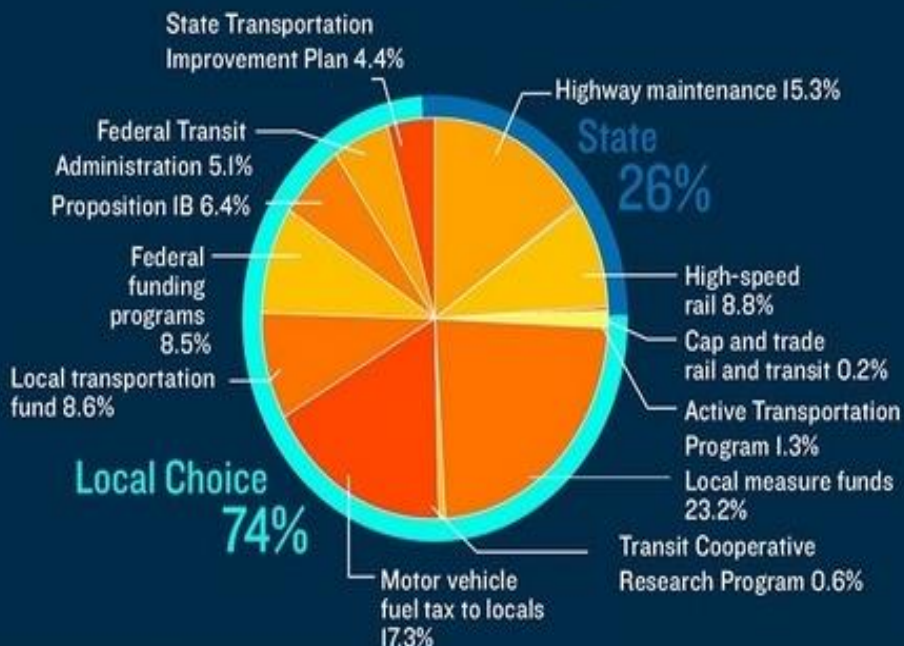
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RESEARCH & IDEAS

WEDNESDAY, FEBRUARY 25, 2015

## Researchers encourage California policymakers to expand environmentally sustainable transportation

### 2014-15 Funds for California transportation



SOURCE: CALIFORNIA STATE TRANSPORTATION AGENCY

CHERRI JEONG/DAILY CAL STAFF

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Last Updated: March 19, 2015 02:20am ET

## Public Transit Key to Creating a Livable City

By Kelsi Maree Borland | Los Angeles

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The conference was held at the Johnson Club in Downtown Los Angeles.

LOS ANGELES—Public transit is the key to creating a livable city, according to the city leaders on the Infrastructure and Urban Design: Plans, Projects, Ideas and Ways to Make L.A. a More Livable City panel at the USC Gould Real Estate Law and Business Forum last week. The panelists, which included **William H. Fain Jr.**, partner and director of urban design and planning at **Johnson Fain**; **Michael Govan**, CEO and Wallis Annenberg director at the **Los Angeles County Museum of Art**; **Matthew J. Parlow**, associate dean for academic affairs and a professor of law at **Marquette University Law School**;

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# Overview

- **California transit systems maintain and operate nearly 20k transit vehicles**
  - 3 of country's 15 largest transit fleets in California
- **6 of nation's 30 highest ridership transit services in California**
- **In 2012, ~1.4B trips were taken on transit in California (risen since then)**
  - Over 8B miles traveled
  - Second only to New York



# Overview

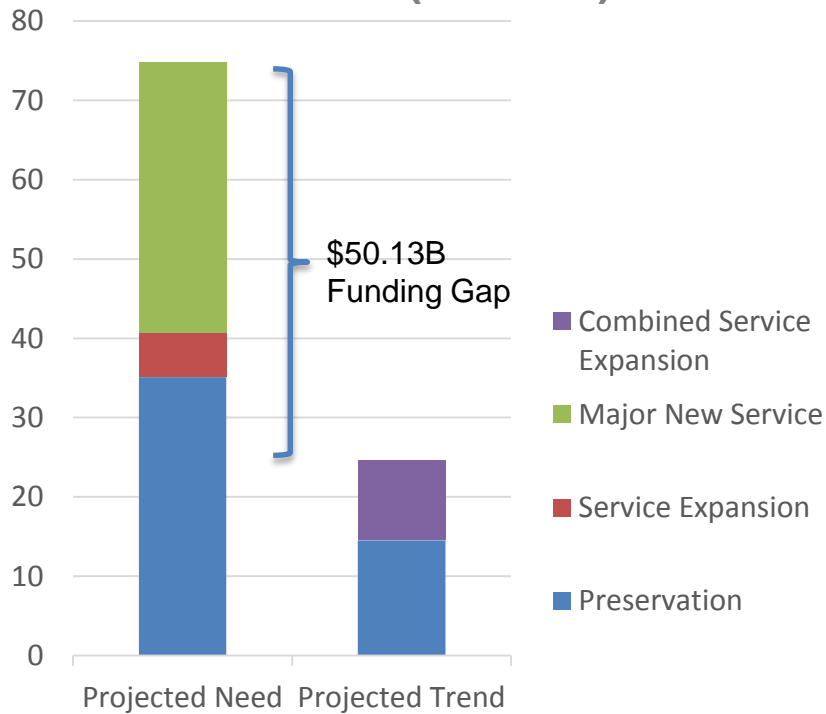
- **California expected to add ~10M people by 2040**
  - Equal to adding population of L.A. County
  - L.A. #1 most congested city in America
- **Transit is key to meeting AB 32 greenhouse gas emissions reduction goals**
  - Transportation sector contributes 38% of GHG emissions in the state



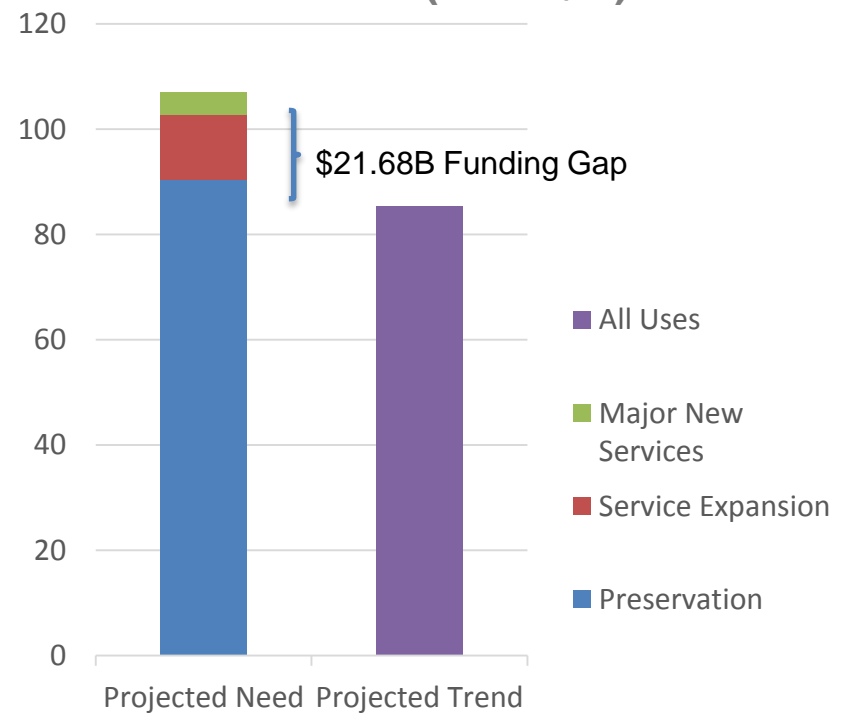
# Transit Funding Needs



### Capital Funding – 10 Yr Need/Trend (YOE \$B)



### Operating Funding – 10 Yr Need/Trend (YOE \$B)



# Federal Funding Sources



- **Portion of Federal excise tax on gasoline & diesel**  
15% of Highway Trust Fund dedicated to regional agencies and local transit providers
  - California received \$1.75B in 2014
- **Grants**
  - Discretionary *and* formula grant programs authorized under SAFETEA-LU and the MAP 21 Act
  - Including: Bus and Bus Facilities; Clean Fuel Grant Program; New Starts, Small Starts; TIGER; Urbanized Area Formula Program

# State Funding Sources



- **Sales tax on diesel fuel (6.5% of 9.25% levied)**
  - A portion distributed through State Transit Assistance program formula (half to RTPAs/MPOs and half to operators)
  - STA ~\$408M in 2013-14; projected at ~\$386M in 2014-15
  - A portion goes to intercity rail (~\$228M in 2014-15)
- **Bonds**
  - Proposition 1B (\$3.6B to transit; \$400M to intercity rail)
  - Proposition 1A (\$950M to rail transit)
- **STIP**
  - Can only fund “mass transit fixed guideways” (rail)
  - Small share required for intercity rail
- **Cap and Trade**
  - \$180M in FY 14-15 for transit operations and capital
  - \$25M in FY 14-15 for ZEB
  - All funding tied to GHG reductions



# Cap and Trade

- **Four programs available to transit agencies**
  - Low-Carbon Transit Operations (\$25M/5%)
  - Transit and Intercity Rail Capital Program (\$25M/10%)
  - Affordable Housing and Sustainable Communities Program (\$130M/20%)
  - Low-Carbon Transportation (\$25M)
- **All programs currently underway; project applications due in spring**



# Cap and Trade

- **60% of ongoing Cap and Trade appropriations support transportation**
- **Remaining 40% subject to annual appropriation**
  - Directed toward investments in programs that include low carbon transportation, energy efficiency and renewable energy, and natural resources and waste diversion
- **FY 14-15 auction proceeds are \$315M over enacted budget (\$550M), possibly \$1B+ available this year**



# Current Local Funding Sources




- **Transportation Development Act**
  - 0.25% of statewide sales tax on all goods goes to Local Transportation Funds
  - Transit in urban counties, streets & roads in rural counties
  - ~\$1.3B in 2014-15
- **Local Sales Tax Measures**
  - 21 counties have approved sales tax measures for transportation
  - 4 transit authorities have approved permanent local tax measures
  - ~\$3.8B in 2014-15
- **Transit Fares**
  - Provides ~\$1.2B for local transit systems
- **Special Benefits Assessments/ Developer Impact Fees**

# Policies should guide transportation investments

- **AB 32 (the California Global Warming Solutions Act of 2006)**
  - Requires reduction of GHG emissions to 1990 levels by 2020
- **Executive Order S-03-05**
  - Requires reduction of GHG emissions to 80% below 1990 levels by 2050
- **Executive Order B-16-12**
  - Requires transportation sector to meet its “equal share” of the 2050 GHG emissions target



# Policies should guide transportation investments



- **SB 375 (the Sustainable Communities & Climate Protection Act of 2008)**
  - Sets regional targets for GHG emissions reduction from passenger vehicles
  - Requires transportation and land use planning with the goal of more sustainable communities
  - Promotes active transportation and transit
- **SB 535**
  - Requires at least 25% of available proceeds to be invested in projects that benefit disadvantaged communities
  - Requires at least 10% of available proceeds to be invested in projects located within disadvantaged communities
- **SB 32?**
  - Would codify 2050 GHG target established by Executive Order S-03-05

# Why is more transit needed?



- **Current emissions reduction strategies (SCSs and State modal plans) do not get us to our 2050 target**
  - Actually lead to slight **increase** in VMT and GHG emissions due to population growth
  - 80% of Californians believe climate change is serious threat
- **It supports the economy**
  - Provides access to jobs, education, goods and services and recreational facilities
  - Every \$1B of investment in public transportation (capital, operations) creates approximately **21,800 jobs** and adds roughly **\$1.7B** to GDP

# Why is more transit needed?



- **Changing demographics require it**

- California's population to increase to 48M by 2040, with inland areas of the State expected to grow the fastest
  - Examples of Pop. Increases: Kern – 92%; Madera – 84%; Riverside – 58%
- 67% increase in ratio of seniors to working age people from 2010 to 2030

- **The public supports it**

- In 2014, 42 out of 61 pro-transit measures nationwide passed
- 3 measures passed in California, requiring 2/3 majority (Alameda, Monterey, San Francisco)

# Why is more transit needed?

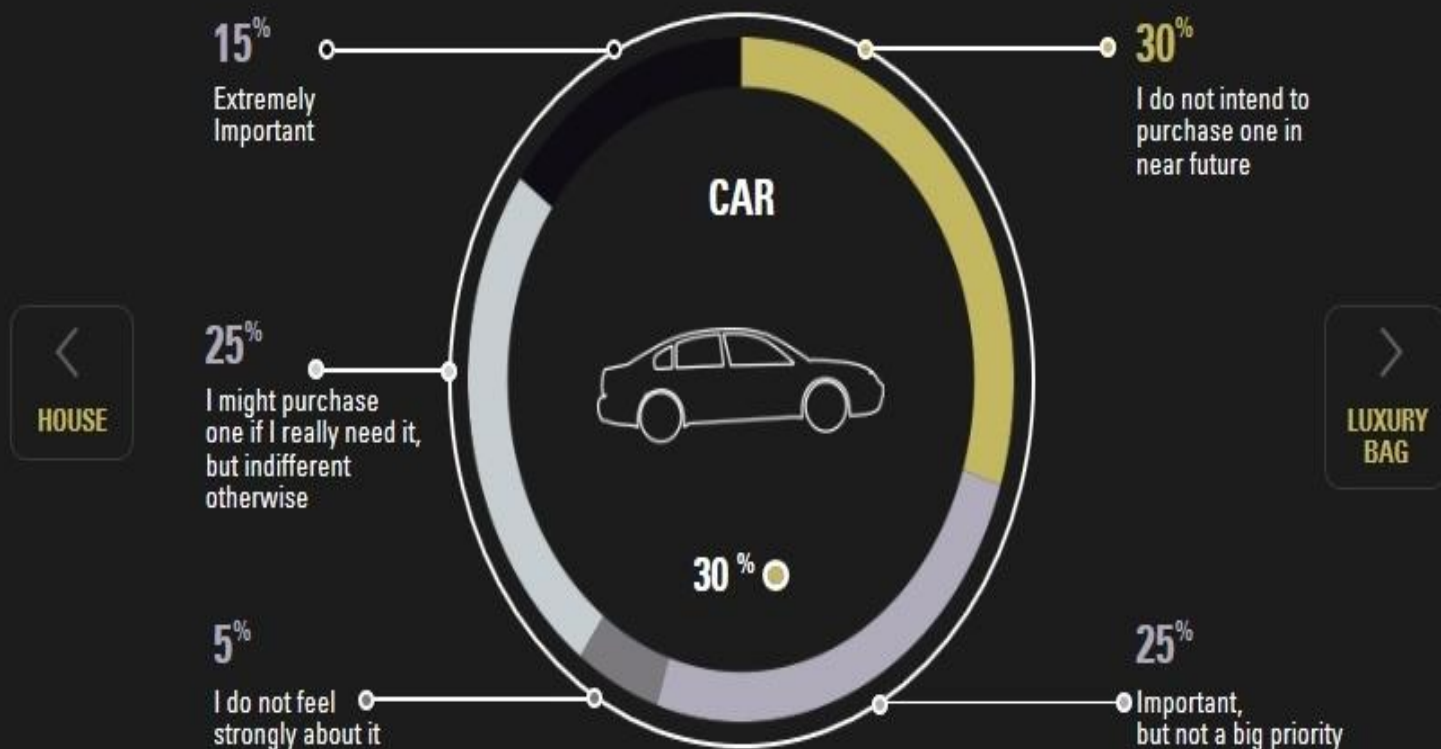
- **Next generation demands it**
  - Millennials are the largest generation in number
  - Those born in the 1990s travel 18% fewer miles and take 4% fewer automobile trips than previous generations
  - Percentage of HS seniors with driver's licenses declined from 85% in 1996 to 73% in 2010
  - 70% of millennials prefer to live in communities that feature multimodal transportation options





## THE HIERARCHY OF NEEDS

The must-haves for previous generations aren't as important for Millennials. They're putting off major purchases—or avoiding them entirely.



THE HIERARCHY OF NEEDS

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# How do we fund more transit?



## Federal Level

- **Fund a 2015-2020 federal transit program of not less than \$100.3 billion over six years**
- **Increase flexible funding and regulatory environment**
- **Support additional funding for strategies that reduce GHG emissions**

# How do we fund more transit?



## State Level

- **Increase the sales tax rate on diesel fuel**
  - State Transit Assistance program currently receives 4.125% (est. \$386M in 2014-15 and \$388M in 2015-16)
  - Would need to lower diesel excise tax rate to remain “revenue neutral”
- **Direct a portion of revenues from new funding sources to transit**
  - Road-User Charge (VMT Fee), Vehicle License/Reg. Fees, HOT Lanes, Bonds
- **Increase % of Cap and Trade auction proceeds going to transit**
  - For example, take LCTOP to 10%
- **Increase gasoline excise tax**
  - STIP funds can be used for mass transit fixed guideways (rail)


# How do we fund more transit?



## Local Level

- **Lower-vote threshold/increase cap**
  - Measure J (Los Angeles County, 2012) and Measure B1 (Alameda County, 2012) recently failed passage with 66.1% and 66.53% approval, respectively
  - ACA 4 (Frazier) would lower the voter-threshold for special taxes designed to fund local transportation projects from 2/3 to 55 percent
  - SB 464 (Mullin) would increase the maximum combined rate of all taxes under the Transactions and Use Tax Law from 2% to 3%
- **Support new local financing options for infrastructure near transit**
  - Enhanced Infrastructure Financing Districts
  - Special Benefits Assessments

# California Transit Association- Sponsored Bills




- **AB 1250 (Bloom)**
  - Provisions that provided transit agencies with temporary reprieve from California's decades-old bus axle weight limits will sunset at the end of 2015
  - The expiration of these provisions impact various stakeholders, including cities, counties, public transit agencies, and private sector bus suppliers
  - This bill will serve as the vehicle for renewed discussion and negotiation with these stakeholders regarding a possible long-term solution to the issue

# California Transit Association- Sponsored Bills

- **SB 413 (Wieckowski)**
  - Would allow transit agencies to use an administrative process to cite and process minors in violation of specified prohibited acts
  - Would make it a violation for failing to yield seating reserved for elderly and disabled individuals, and clarify what constitutes a noise violation on a transit property



# California Transit Association- Sponsored Bills



- **SB 508 (Beall)**
  - The TDA requires transit operators to meet certain farebox recovery and operating cost criteria, irrespective of external cost pressures, in order to receive funds, for specified purposes, from the Local Transportation Fund and the State Transit Assistance program
  - This bill would address the challenges posed by this rigid funding mechanism by creating more flexible farebox recovery and operating cost criteria, and by rationalizing the penalties for non-compliance

# Public Transit and Transit Industry Suppliers: Perspectives

**Joshua W. Shaw**

*Executive Director*

California Transit Association





# Panelists

- *David Armijo, General Manager, AC Transit*
- *Donna DeMartino, General Manager/Chief Executive Officer, San Joaquin Regional Transit District*
- *Kevin Kane, Executive Director, Victor Valley Transit Authority*
- *David Kutrosky, Managing Director, Capitol Corridor Joint Powers Authority*
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# Q&A

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# Transit 101 A Legislative Briefing

March 24, 2015  
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