Invest in Social Mobility

Many of our state’s core transit riders have no other choice but to rely on our aging public transit infrastructure to access jobs, education, and healthcare. For these Californians, access to efficient and reliable public transit service is often an outsized factor in determining whether they pursue advantageous opportunities and receive the vital services they need.

A recent study by Harvard Economist Raj Chetty, which explores the impacts of neighborhood characteristics on social mobility found that, for our nation’s poor, the relationship between commute time and social mobility is stronger than the relationship between crime, elementary-school test scores, or the percentage of two-parent families and social mobility. In fact, commute time is the single strongest factor influencing the odds of escaping poverty.

Despite this relationship, policies designed to promote social mobility seldom contemplate the transit-dependent, who must rely on deficient public transit infrastructure to thrive.

Today, as the Legislature considers various proposals intended to support social mobility, we ask you to also consider that physical mobility is vital to accessing these new resources, whether they be in education, workforce development, health care or child care. Moreover, only by investing in public transit can we simultaneously create good-paying jobs, improve air quality, reduce greenhouse gas emissions, and create new ladders of opportunity.

A Sensible Approach

Based on current transportation funding policies, the following are a few recommendations for further supporting equitable public transit.

### Double Local Transportation Fund (LTF) Revenues
(Currently 0.25% of State Sales Tax Rate)

- Transportation Development Act of 1971 dedicated 0.25% of state sales tax rate to LTFs to support transit
- Add another 0.25% to state sales tax rate and dedicate revenues to LTFs
- Funds would be distributed to each county via the existing TDA formula
- Funds could be used for local streets and roads in rural areas

### Increase % of Cap and Trade Revenue Dedicated to Transit
(Currently 15% of Total Cap and Trade Revenue)

- Dedicate another 5% of unallocated Cap and Trade auction revenue to the Low Carbon Transportation Operations Program (LCTOP)
- LCTOP funds would continue to be distributed to all transit agencies via the existing STA formula
- Dedicate another 10% of unallocated Cap and Trade auction revenue to the Transit and Intercity Rail Capital Program (TIRCP)
- TIRCP funds would continue to be subject to a competitive grant process
- Projects and services must reduce greenhouse gas emissions

### Increase the Sales Tax Rate on Diesel Fuel
(Currently 6.5% of Diesel Sales Tax Rate)

- Gas Tax Swap increased the sales tax rate on diesel fuel, but now it is back down
- Triple the incremental rate and dedicate those funds to the State Transit Assistance (STA) program
- Funds would be distributed to all transit agencies via the existing STA formula (currently based on population and operating revenue)
- Funds could be used for operations or capital projects

### Table 1: Change in Income Percentile Associated with One Standard Deviation Increase in Selected Characteristics of a Neighborhood

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Change in Income Percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commute &lt; 15 minutes</td>
<td>2.317</td>
</tr>
<tr>
<td>Test Score Percentile (Controlling for Parent Income)</td>
<td>1.346</td>
</tr>
<tr>
<td>Labor Force Participation Rate</td>
<td>0.373</td>
</tr>
<tr>
<td>Mean College Tuition</td>
<td>-0.389</td>
</tr>
<tr>
<td>Fraction of Children with Single Mothers</td>
<td>-1.500</td>
</tr>
<tr>
<td>Violent Crime Rate</td>
<td>-1.798</td>
</tr>
</tbody>
</table>
What they’re saying:

“Fixing pothole-ridden roads and crumbling bridges is essential for a car-centric nation. But to broaden opportunity and address disparities, public transportation is equally, if not more, essential. If we improve infrastructure deficiencies, we will improve inequality in the United States.”

- Boston Globe, Public Transportation Can Be a Ride Out of Poverty, 5/26/15

“...for someone from a disadvantaged community, access to affordable, reliable buses and trains can be the difference between getting to a job or not, or being able to take advantage of education opportunities that might aid social mobility...there is a hidden economic value of improving access to transport for poorer communities.”

- The Guardian, When Poor People Can't Get On Due to Lack of Public Transport, 5/26/15

“Access to just about everything associated with upward mobility and economic progress—jobs, quality food, and goods (at reasonable prices), healthcare, and schooling—relies on the ability to get around in an efficient way, and for an affordable price...That means America’s inadequate public transit leaves many Americans hoping to better themselves stuck—both metaphorically and quite literally.”

- The Atlantic, Stranded: How America’s Failing Public Transportation Increases Inequality, 5/16/15

“...commuting time has emerged as the single strongest factor in the odds of escaping poverty. The longer an average commute in a given county, the worse the chances of low-income families there moving up the ladder.”

- New York Times, Transportation Emerges as Crucial to Escaping Poverty, 5/7/15

“...residents of low-income suburban neighborhoods can reach just over one-in-five middle- or low-skill industry jobs in their metropolitan areas (23 and 22 percent, respectively)—the types of jobs for which they may be most likely to qualify. A metro area like Riverside, where 81 percent of low-income community residents are suburban, and residents of these neighborhoods can reach less than 7 percent of low- and middle-skill metropolitan jobs via transit, exemplifies the lack of viable options for this growing segment of the population...”

- Brookings Institute, Transit and Jobs in Metropolitan America, 5/11

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