

CaliforniaTransit  
Association



# Public Transit's Unfunded Needs

Joshua W. Shaw  
Executive Director

January 25, 2017  
Sacramento, CA





A Rail Solutions Partnership  
Unlike Any Other [hollandco.com](http://hollandco.com)

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

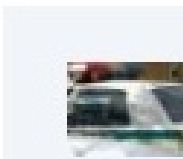


Is transit ridership fated to follow the ups and downs of gas prices?

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

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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

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

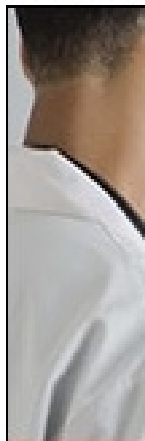
by NPR Staff | February 5, 2015 — 1:20 AM

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LISTEN TO THE AUDIO:



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



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## Op-Ed: CA Is Ready to Invest Seriously in Transportation; Let's Do it Efficiently



Construction along Crenshaw/LAX Transit Corridor. Image: HNTB



By Ananth Prasad Jan 17, 2017



The following is a reader submitted op/ed. It may or may not reflect the

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LONGFORM

# Will Trump make the trains run on time?

*Billions of dollars worth of subways, highways, and bullet trains are at stake under the Trump administration*

BY TOM ACITELLI | JAN 17, 2017, 1:00PM EST

ILLUSTRATIONS BY PAIGE VICKERS



# Light Rail Ridership Starts to Bounce Back in Los Angeles

BY DENNIS ROMERO

WEDNESDAY, JUNE 15, 2016 AT 7:01 A.M.





# Overcrowded Trains Are a New Thing for L.A., but Metro Is on It

BY DENNIS ROMERO

FRIDAY, AUGUST 5, 2016 AT 7:01 A.M.



L.A.'s hottest new club is ... this Expo Line train car.

Joe Lemon/Metro

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**They built it. You came.**

The Expo Line, which in May expanded to stretch to the beach, is the hottest ticket in town. Weekday ridership on the entire line from downtown to Santa

# MTS Faces Growing Pains as San Diego's Senior Population Keeps Climbing

## THE GIST

Ridership for MTS Access, which provides service for seniors and the disabled, has risen sharply over the last three years. The rising use and cost of the service reveal some of the larger challenges facing San Diego as it figures out how its growing senior population will get around.



# Overview: Public Transit



- **California transit systems maintain and operate nearly 20k transit vehicles**
  - 3 of country's 15 largest transit fleets
- **Our agencies employ more than 21k workers**
- **6 of nation's 30 highest ridership transit services are in California**
- **In 2015, ~1.4B trips were taken on transit in California**
  - Over 8B miles traveled
  - Second only to New York



# Overview: Public Transit



- **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

# Overview: Transit Funding

- **Federal**
- **State**
- **Local**

# 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, the MAP 21 Act and the “Fixing America’s Surface Transportation Act” (FAST)
  - 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 ~\$263M in 2016-17; projected at ~\$294M in 2017-18
    - Only 4 years ago, STA was ~\$410M
  - A portion goes to intercity rail & other state priorities (~\$173M)
- **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**

# Cap and Trade

- **60% of continuously-appropriated Cap and Trade revenues 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
- **Revenues dramatically lower in 2016-17 than previous two years**

# Cap and Trade: 2016-17

- **Two programs available only to transit agencies**
  - Low-Carbon Transit Operations
    - \$66M / 5%
  - Transit and Intercity Rail Capital Program
    - \$132M / 10%
- **Two other programs can be accessed by transit**
  - Affordable Housing and Sustainable Communities Program
    - \$265M / 20%
  - Low-Carbon Transportation
    - \$60M (transit got \$18M; competitive)



# 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
  - ~\$1.5B projected in 2017-18
- **Local Sales Tax Measures**
  - More than 20 counties have approved sales tax measures for transportation
  - 4 transit authorities have approved permanent local tax measures
  - ~\$3.8B in 2014-15
- **Transit Fares**
  - Generated ~\$1.85B in 2014-15
- **Special Benefits Assessments/ Developer Impact Fees**

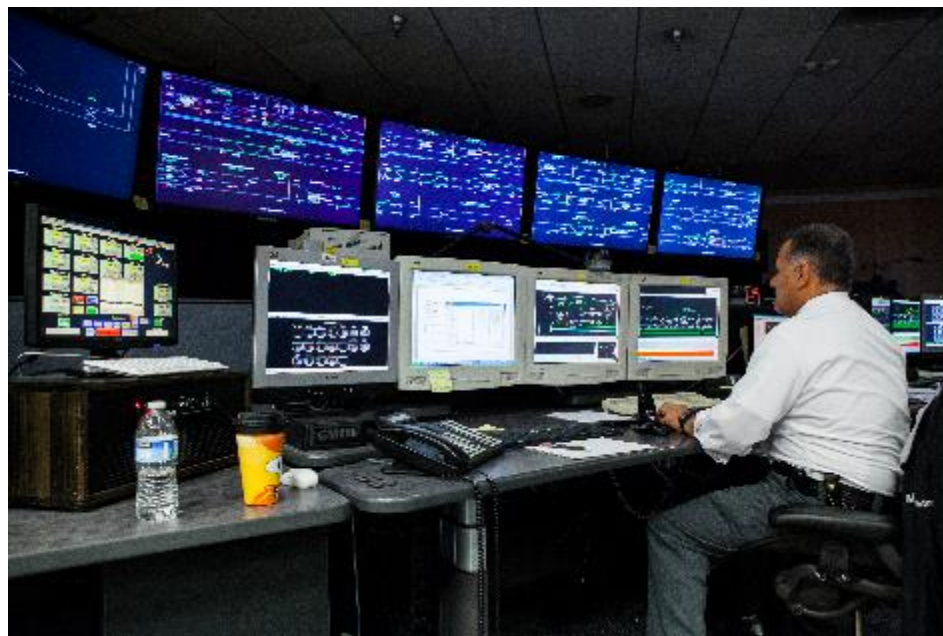
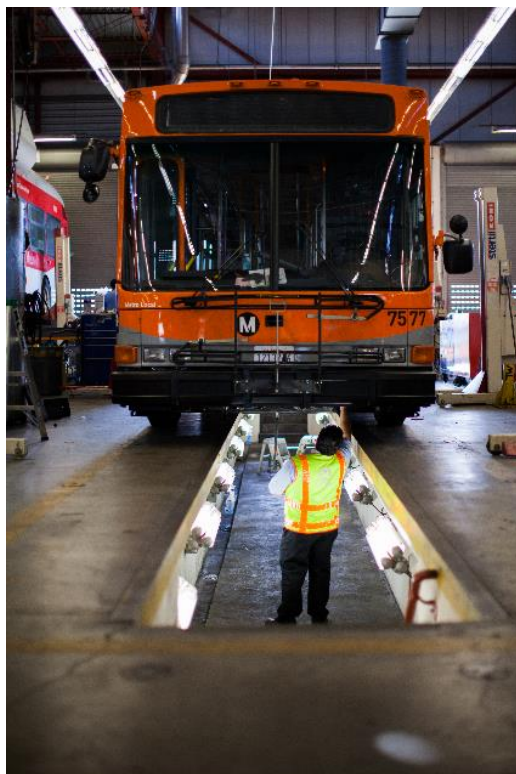
# What Kind of Funding Needs?

- Operations vs Capital



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# What Kind of Funding Needs?

- Operations vs Capital



# Funding Needs

- **Operations vs Capital**
- **Preservation, Service Expansion, Major New Service**

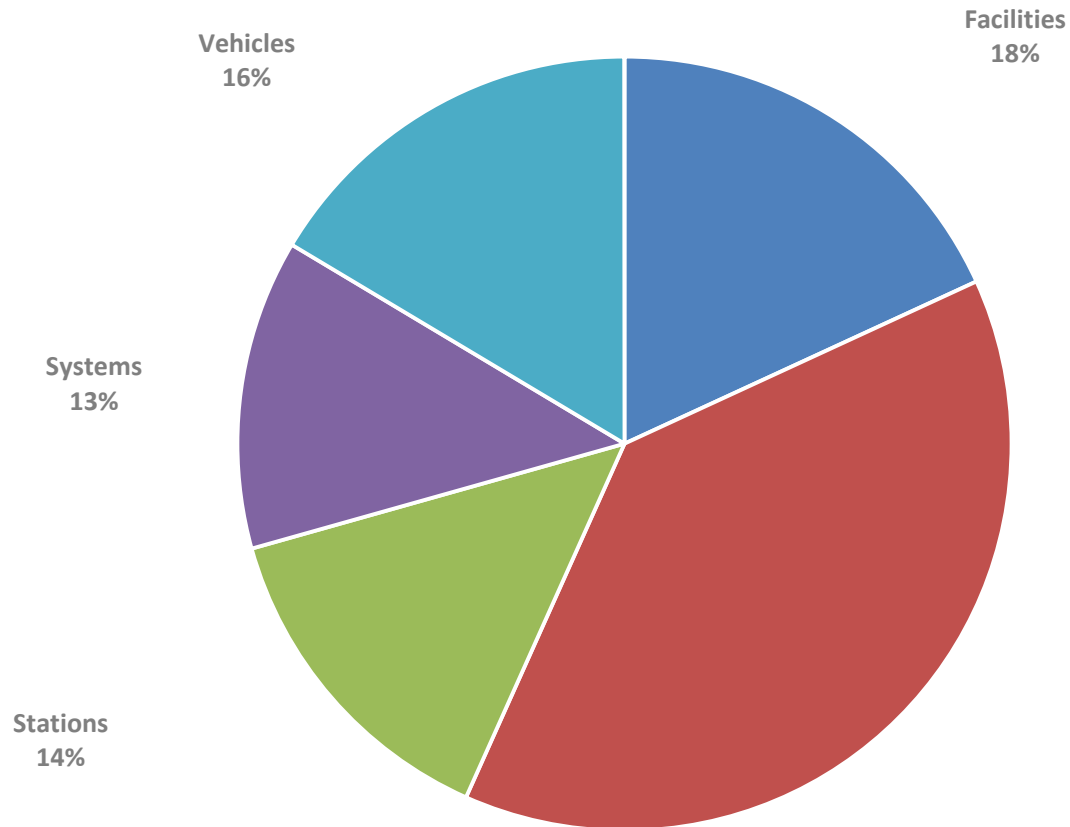
Type of Funding	Investment Type	10 Yr Funding Needs (YOE \$B)	10 Yr Funding Trend (YOE \$B)	Funding Gap	Ratio: Funding to Needs
SACOG	Preservation	\$3.38	\$2.56	\$1.70	60%
	Service Expansion	\$0.57			
	Major New Service	\$0.30			
SCAG	Preservation	\$36.71	\$32.07	\$11.23	74%
	Service Expansion	\$5.50			
	Major New Service	\$1.09			
SANDAG	Preservation	\$4.02	\$4.05	\$1.39	75%
	Service Expansion	\$0.96			
	Major New Service	\$0.47			
MTC	Preservation	\$29.50	\$29.69	\$6.31	82%
	Service Expansion	\$4.21			
	Major New Service	\$2.29			
Other	Preservation	\$16.73	\$17.01	\$1.07	94%
	Service Expansion	\$1.28			
	Major New Service	\$0.07			
Statewide Subtotals	Preservation	\$90.33	\$85.38	\$21.69	80%
	Service Expansion	\$12.52			
	Major New Service	\$4.22			
<b>Total Operating</b>		\$107.07	\$85.38	\$21.69	80%

Type of Funding	Investment Type	10 Yr Funding Needs (YOE \$B)	10 Yr Funding Trend (YOE \$B)	Funding Gap	Ratio: Funding to Needs
SACOG	Preservation	\$1.66	\$0.45	\$1.21	27%
	Service Expansion	\$0.16	\$0.83	\$0.01	98%
	Major New Service	\$0.69			
SCAG	Preservation	\$9.61	\$5.70	\$3.92	59%
	Service Expansion	\$1.81	\$5.19	\$7.45	41%
	Major New Service	\$10.82			
SANDAG	Preservation	\$3.03	\$0.86	\$2.17	28%
	Service Expansion	\$0.53	\$0.84	\$3.21	21%
	Major New Service	\$3.52			
MTC	Preservation	\$18.22	\$6.68	\$11.54	37%
	Service Expansion	\$2.70	\$3.19	\$17.76	15%
	Major New Service	\$18.25			
Other	Preservation	\$2.57	\$0.85	\$1.72	33%
	Service Expansion	\$0.44	\$0.07	\$1.13	6%
	Major New Service	\$0.76			
Statewide Subtotals	Preservation	\$35.10	\$14.53	\$20.57	41%
	Service Expansion	\$5.63	\$10.10	\$29.56	25%
	Major New Service	\$34.03			
<b>Total Capital</b>		\$74.76	\$24.64	\$50.13	33%



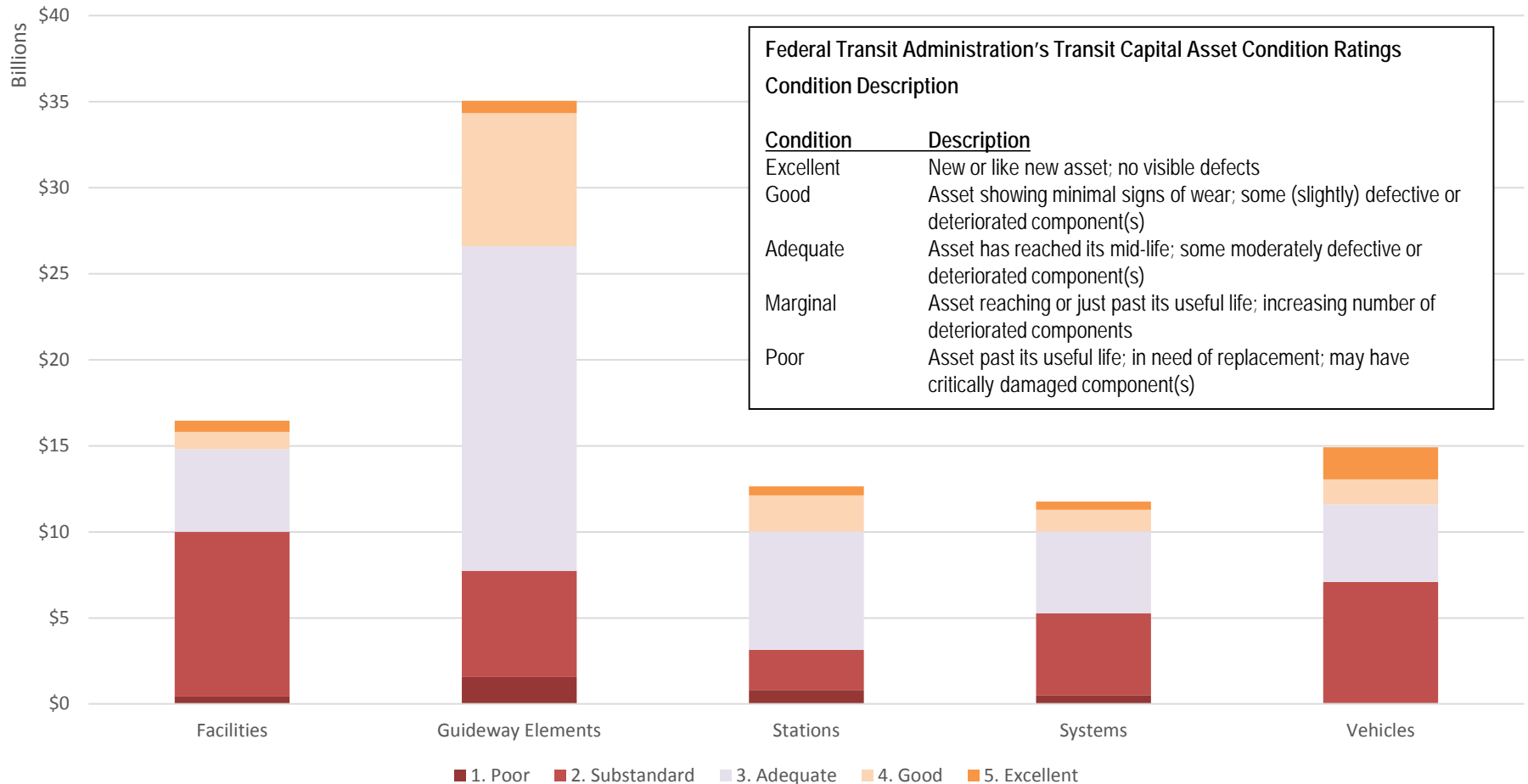
# Capital Assets Condition

Distribution of Transit Assets by Value  
(Total Value = \$91.2B in \$2015)



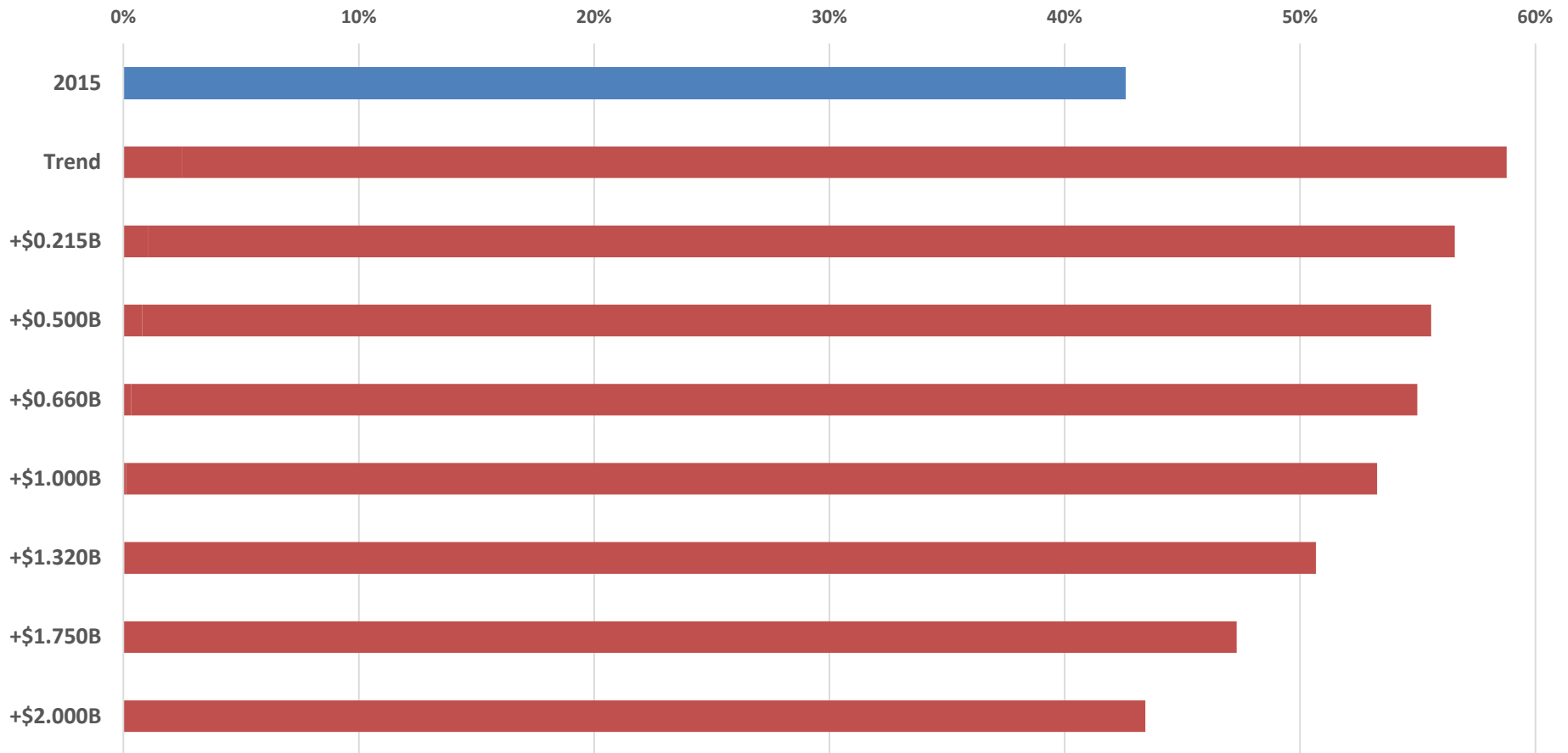
# Capital Assets Condition

Condition Distribution (\$2015)



# Capital Assets Condition

Percent of Assets in Marginal or Poor Condition:  
2015 vs 2025 (by Funding Level)



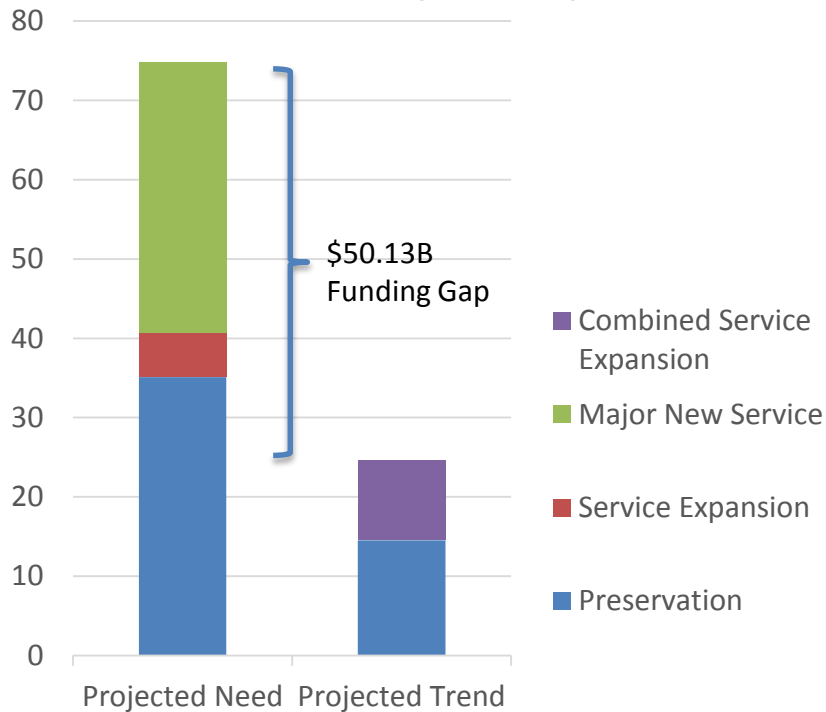
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	Service Expansion	\$5.63	\$10.10	\$29.56	25%
	Major New Service	\$34.03			
<b>Total Capital</b>		<b>\$74.76</b>	<b>\$24.64</b>	<b>\$50.13</b>	<b>33%</b>
Operating	Existing Service Levels (Preservation)	\$90.33	\$85.39	\$21.68	80%
	Service Expansion	\$12.52			
	Major New Service	\$4.22			
<b>Total Operating</b>		<b>\$107.07</b>	<b>\$85.39</b>	<b>\$21.68</b>	<b>80%</b>



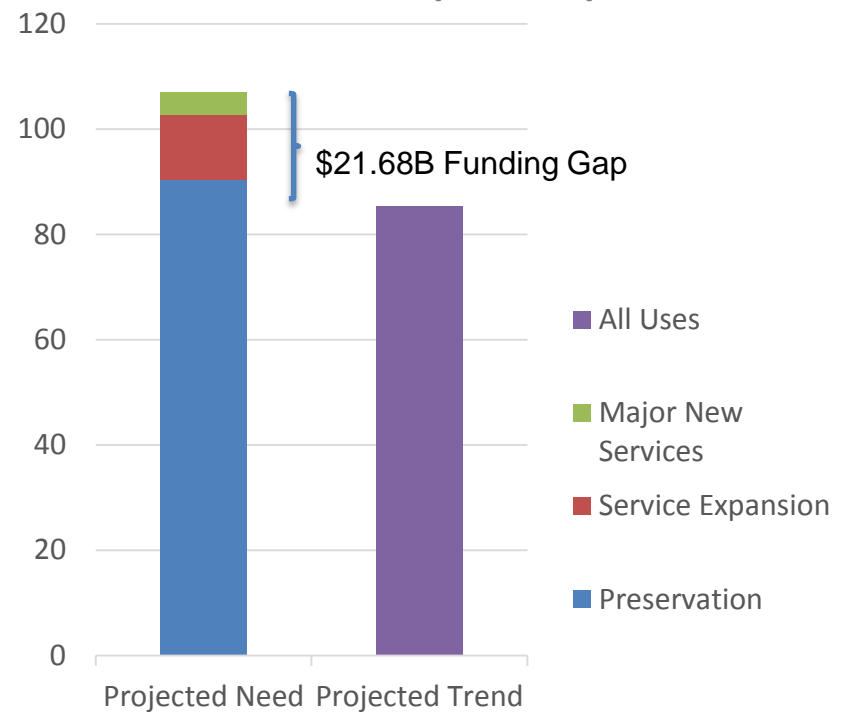
# Transit Funding Needs



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



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





# Questions?

Joshua W. Shaw  
Executive Director

January 25, 2017  
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