



Funding California's Public Transit Needs

League of California Cities
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Local Transit Overview

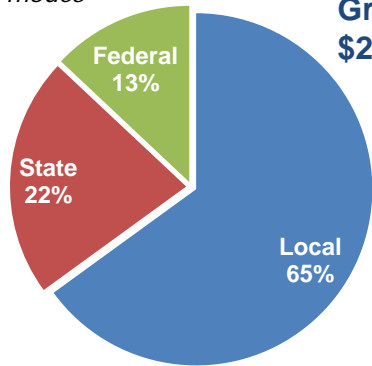
- Providers of California public transit = 220+
 - Cities, counties, special districts, JPAs
 - 6 urban light rail systems; 6 regional commuter/ heavy rail systems
- ~20,000 vehicles (buses, rail cars, etc.) operating ~550,000,000 miles of service
- Since 1994-95, PAX trips increased 34%
 - 1.433 billion PAX trips in 2013-14
- Some rail assets 30-40 years old; operational

California Hanging In Balance

dollars scarce

State Transportation Revenue 2011-2021

All modes

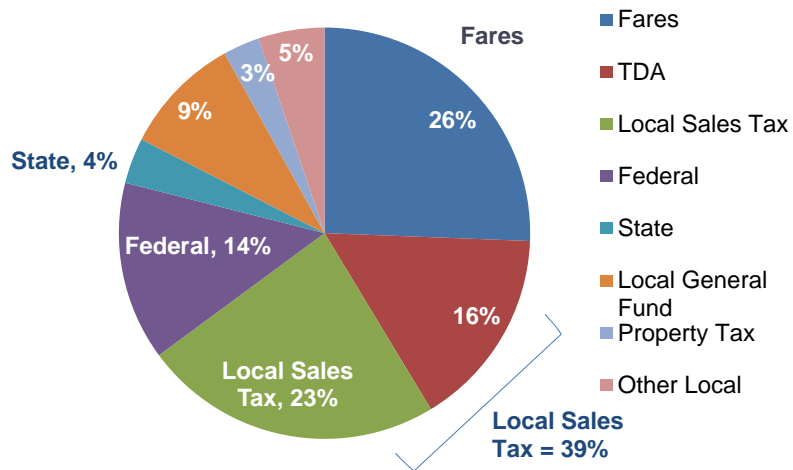


**Grand total:
\$242.4 billion**



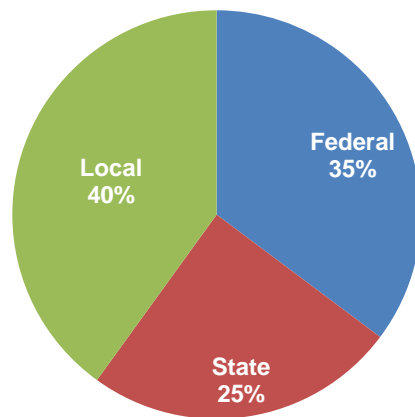
• Source: 2011 Statewide Transportation Needs Assessment, California Transportation Commission

Statewide Transit Operating Revenue, FY 2009-10



Source: State Controller's Office

Statewide Transit Capital Expansion Funding, FY 2009-10



As a general rule, capital funding is much easier to come by in Sacramento & Washington, D.C.

Source: State Controller's Office

Needs Assessment

- Spring 2003, California Transit Association commissions CH2M HILL to update 2010 Study ***Unmet Transit Funding Needs: FY2011 to FY2020***
- Rationale and advantages of the study update:
 - Updated information, same time horizon (FY2011 to FY2020)
 - Two more years of actual data
 - More recent capital inventory inputs from California transit operators
 - Insights gained through most recent Regional Transportation Plans and Sustainability Community Strategy documents

Unmet Transit Funding Needs Results

Type of Funding	Investment Type	10 Year Funding Needs (YOE \$B)	10 Year Funding Trend (YOE \$B)	Funding Gap (YOE \$B)	Ratio: Funding to Needs
Capital	Preservation	\$35.10	\$14.53	\$20.57	41%
	Service Expansion	\$5.63	\$10.10	\$29.56	25%
	Major New Service	\$34.03			
Total Capital Needs, California		\$74.76	\$24.64	\$50.13	33%
Operating	Existing Service Levels (Preservation)	\$90.33	\$85.39	\$21.68	80%
	Service Expansion	\$12.52			
	Major New Service	\$4.22			
Total Operating Needs, California		\$107.07	\$85.39	\$21.68	80%

Key Findings

- Transit Capital Funding Forecast
- Transit Operating Funding Forecast
- Capital Preservation Funding Scenarios
- Projected Investment Expenditures by Asset Category with Current Forecast Capital Funding
- Projected Investment Expenditures by Inventory with Current Forecast Capital Funding
- Projected State of Good Repair Backlog with Current Capital Funding Forecast
- Condition of “Worse Off” Transit Assets with Current Capital Funding Projections
- Distribution of Assets by Percent of Useful Life Consumed for Two Scenarios Analyzed – Current Funding and Maintain Backlog

Transit Capital Funding Forecast FY 2011-20

Region	Type of Capital Funding	Total Capital Funding (YOE \$B)	Share of Total Funding
SACOG	Preservation	\$0.446	2%
	Service Expansion + Major New Service	\$0.829	3%
SCAG	Preservation	\$5.695	23%
	Service Expansion + Major New Service	\$5.187	21%
SANDAG	Preservation	\$0.859	3%
	Service Expansion + Major New Service	\$0.835	3%
MTC	Preservation	\$6.684	27%
	Service Expansion + Major New Service	\$3.188	13%
Other	Preservation	\$0.848	3%
	Service Expansion + Major New Service	\$0.066	0%
Statewide Subtotals	Preservation	\$14.53	59%
	Service Expansion + Major New Service	\$10.10	41%
Statewide	Total	\$24.64	100%

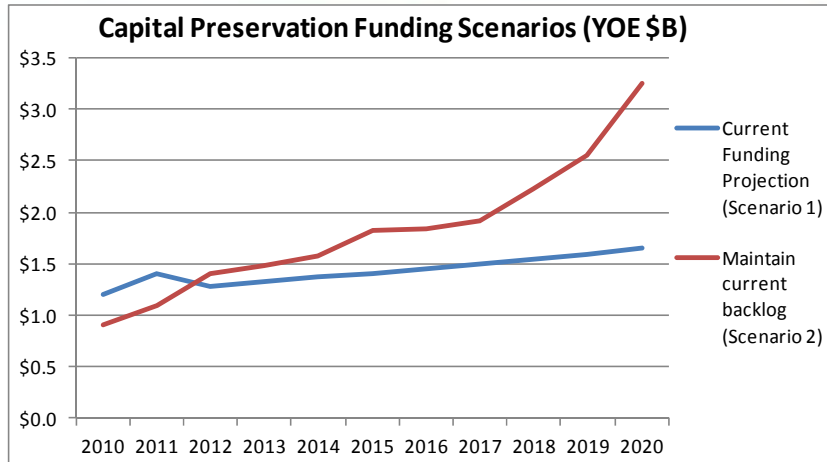
California

Transit Operating Funding Forecast FY 2011-20

Region	Type of Operating Funding	Total Operating Funding (YOE \$B)	Share of Total Funding
SACOG	Preservation + Service Expansion + Major New Service	\$2.56	3%
SCAG	Preservation + Service Expansion + Major New Service	\$32.07	38%
SANDAG	Preservation + Service Expansion + Major New Service	\$4.05	5%
MTC	Preservation + Service Expansion + Major New Service	\$29.69	35%
Other	Preservation + Service Expansion + Major New Service	\$17.01	20%
Statewide	Total	\$85.39	100%

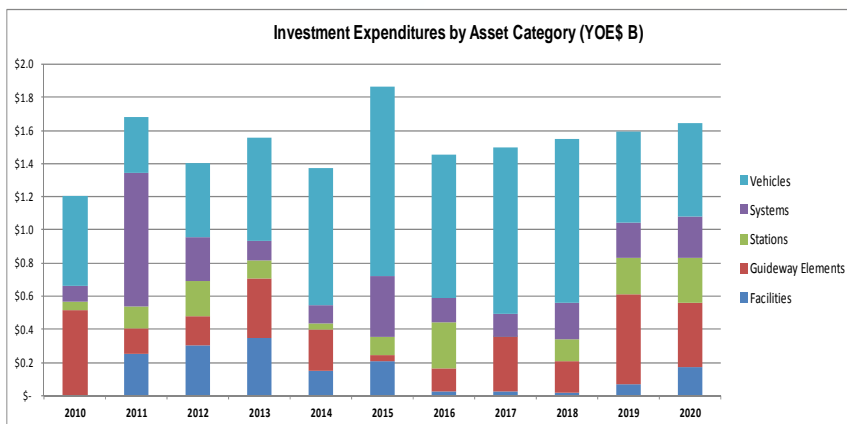
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Capital Preservation Funding Scenarios



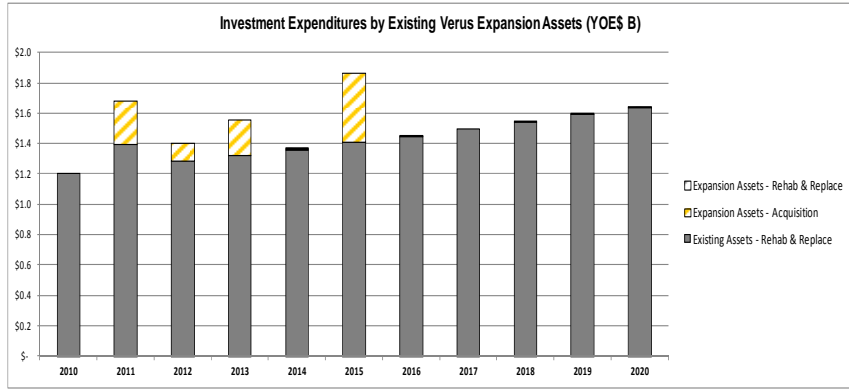
California Hanging In Balance

Projected Investment Expenditures by Asset Category with Current Forecast Capital Funding



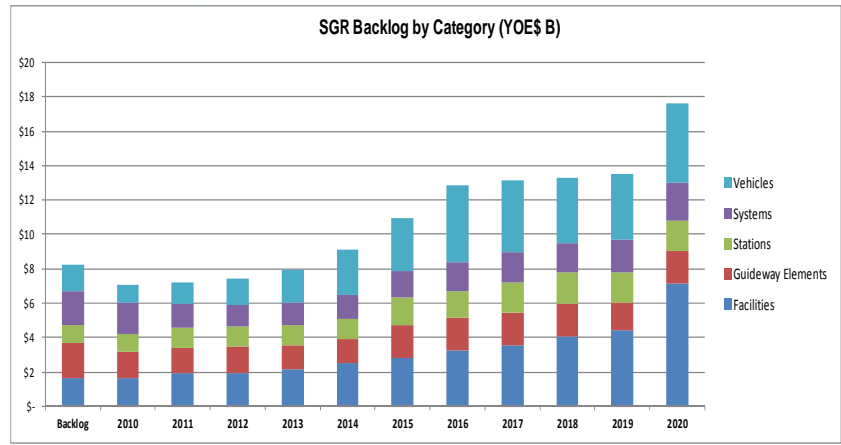
California Hanging In Balance

Projected Investment Expenditures by Inventory with Current Forecast Capital Funding



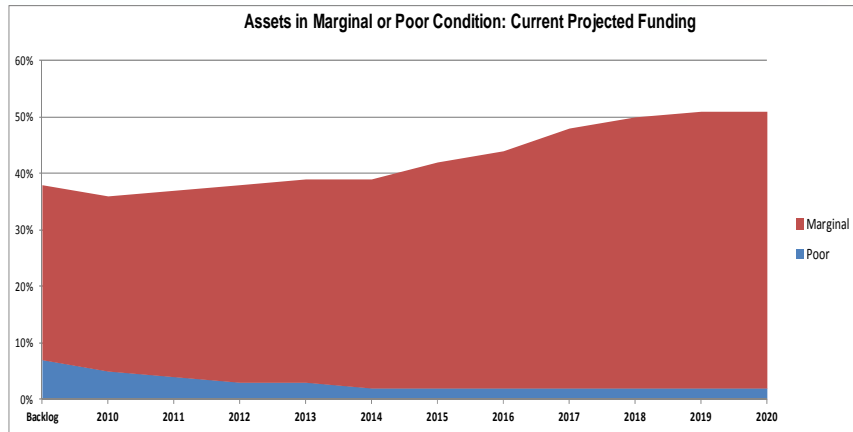
California Hanging In Balance

Projected State of Good Repair Backlog with Current Capital Funding Forecast



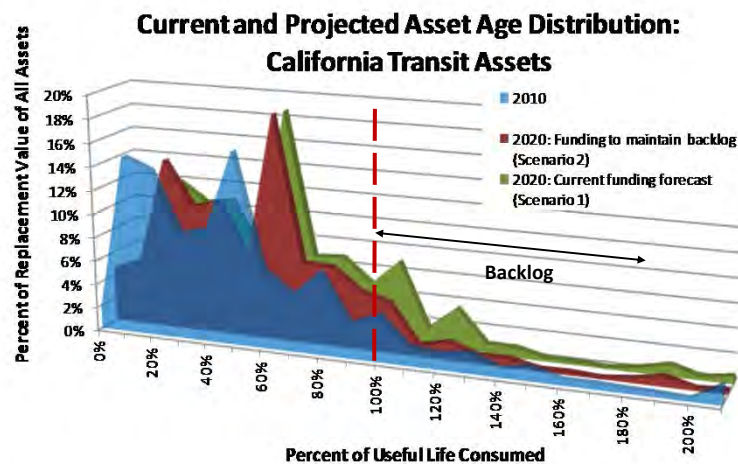
California Hanging In Balance

Condition of "Worse Off" Transit Assets with Current Capital Funding Projections



California Hanging In Balance

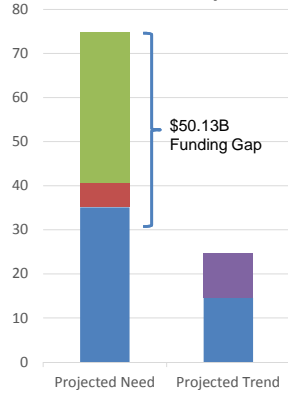
Distribution of Assets by Percent of Useful Life Consumed for Two Scenarios Analyzed



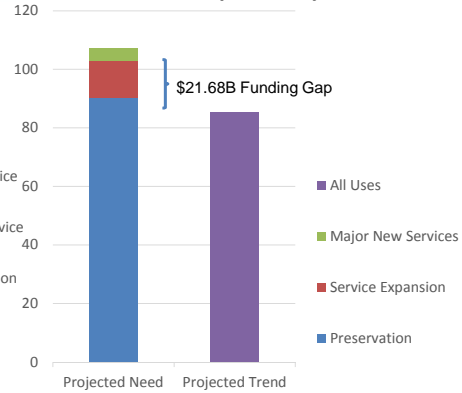
California

Transit Funding Needs

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



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



California Hanging In Balance

Solutions?

- Legislative approach
 - Two different transit funding concepts
 - Four bills (introduced by five different legislators)
- A variation proposed by Governor

California Hanging In Balance



Transit in the Conversation Now

- **SBX1 7 (Allen) and ABX1 8 (Bloom & Chiu)**
 - Increase incremental sales tax rate on diesel fuel to 5.25% (from 1.75%)
 - Would generate an additional \$300 million for the State Transit Assistance program
- **SBX1 8 (Hill) and ABX1 7 (Nazarian)**
 - Double Cap and Trade \$s to existing transit programs (LCTOP and TIRCP)
 - Would result in *at least* \$300 million

California Hanging In Balance



State Transit Assistance

- Revenue 100% from sales tax on diesel fuel
- Formula distribution, to all transit operators
 - 50% based on “local revenue”
 - 50% based on “population within jurisdiction”
- Flexible
 - Capital
 - Operations

California Hanging In Balance



Cap and Trade

- FY 2014-15 Budget Trailer Bill
- Continuously appropriated GGRF \$s to three new programs:
 - Low Carbon Transit Operations Program (LCTOP)
 - Transit and Intercity Rail Capital Program (TIRCP)
 - Affordable Housing and Sustainable Communities Program (AHSCP)
- **TIRCP – 10% of annual GGRF proceeds**
- **LCTOP – 5% of annual GGRF proceeds**
- AHSCP – 20% of annual GGRF proceeds

California Hanging In Balance



Low-Carbon Transit Operations Program

- Formula-based; access funds by meeting certain criteria
- Projects must improve mobility & prioritize disadvantaged communities
- Caltrans administers the Program, and SCO allocates funding
- Eligible applicants are public transit agencies that currently qualify for State Transit Assistance funding
- Program goal of at least 50% of available funding must benefit disadvantaged communities, where applicable
- Eligible projects include: New or expanded bus or rail services, including operations expenses to increase ridership; Expanded intermodal transit facilities, including equipment acquisition, fueling, maintenance, and other costs to operate services and facilities

California Hanging In Balance



Transit and Intercity Rail Capital Program

- Competitive process
- Successful projects will excel by meeting certain criteria, allow for “transformative investments”
- Projects will improve/expand rail service/ridership, focus on integrating w/other rail & transit (including HSR), improve rail safety, & prioritize disadvantaged communities
- CalSTA administers program in consultation with Caltrans, and the CTC awards the grants to the selected projects
- Eligible applicants are public agencies (including JPAs) that operate existing or planned intercity rail, commuter passenger rail, urban rail transit service, bus services

California Hanging In Balance



TIRCP (continued)

- Applicants may “partner” with other transit operators to integrate tickets/scheduling with bus or ferry
- Goal of at least 25% to benefit disadvantaged communities
- Eligible projects include: Rail and bus capital projects; Rail integration projects; Intercity and commuter rail projects; Bus transit projects; Other project types may be identified

California Hanging In Balance

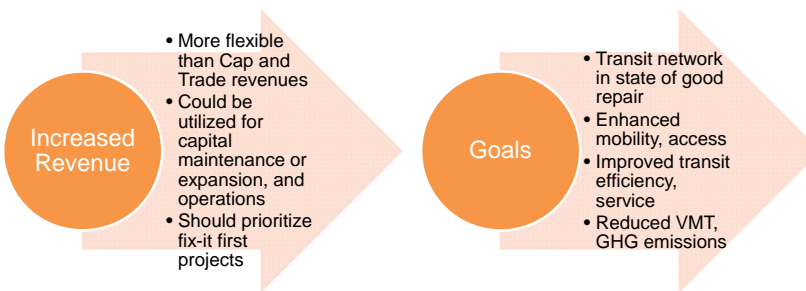
Transit in the Conversation Now

- **Governor's proposal**

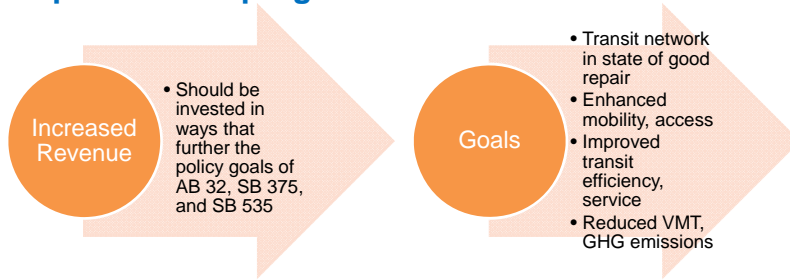
- \$400 million from unappropriated Cap and Trade \$s
- To existing TIRCP
- One-time
- Up disadvantaged community goal to 50% (programmatic)

California Hanging In Balance

State Transit Assistance program



Cap and Trade programs





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