Transit Fiscal Cliff Update: BART, Muni, Caltrain
Pre-pandemic transit in San Francisco
Pre-pandemic transit in San Francisco

San Francisco’s share of regional population (pre-pandemic)

11.30%

San Francisco’s share of regional weekday transit trips (pre-pandemic)

67.30%

Data sources: Census 2020, https://www.census.gov/data.html;
Pre-pandemic low-income transit ridership

More than half of low-income transit trips originated in San Francisco.

Low-income transit riders’ trip origins, 2015-2019

https://transit-riders.sfcta.org/
COVID-19 drives transit ridership down

U.S. public transit finds a new level, 70% below the old one

How 2020 mass-transit demand differs from normal

Note: Demand is measured based on how often the app is used, and how much it differs from what the company would normally expect on that particular day.

Sources: Transit
THE WASHINGTON POST

Travel in the US Cratered in Spring 2020, and Only Driving Is Back to Normal
Monthly use of various modes of transportation as a share of 2018 levels

Traffic congestion is mostly back

Road and bridge traffic has returned much more rapidly than transit ridership

https://covid-congestion.sfcta.org/
Transit ridership is still down

Transit ridership across the Bay Area remains at only 55% of pre-pandemic levels. But over 22 million passenger trips were still taken on transit during the month of November 2022.

Source: MTC and the National Transit Database
Ridership recovery varies by operator

% of Pre-Pandemic Ridership as of July 2022 (e.g. July 2019)

- SFMTA: 54%
- BART: 34%
- AC: 60%
- VTA: 59%
- Caltrain: 24%
- Small/Medium Operators: 60%
- Sandiegos: 69%
- 45%

Source: National Transit Database - Monthly Averages

Source: MTC, 2023
Downtown recovery is lagging in SF...
...and in other urban areas nationwide

San Francisco's downtown recovery is only 31% of pre-pandemic levels
We are on the verge of a transit financial crisis.

THE BAY VS L.A.: PANDEMIC BRINGS TITANIC MASS TRANSIT REVERSAL

The Bay Area’s claim to California’s mass transit throne has been deeply eroded. L.A. now has more people riding buses, light rails, and trains than the Bay Area.

Total bus and rail rides in millions per month

Bay Area: 19,968,521
Los Angeles: 22,799,459

Source: National Transit Database for the past 5 years, excluding 2021.

Bay Area transit faces “fiscal cliff” as ridership collapse endures

With sagging ridership numbers, transit agencies look for new cash

ALL ABOARD BAY AREA TRANSIT
### BART, Muni and Caltrain projected operating deficits

<table>
<thead>
<tr>
<th>Annual Projected Operating Deficit</th>
<th>BART</th>
<th>Muni</th>
<th>Caltrain*</th>
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Data sources: SFMTA Board Workshop, Item 5, February 7, 2023
BART 2023 Board Workshop presentation; data as of February 21, 2023
Caltrain, February 3, 2023. *Caltrain’s fiscal cliff, thanks to January 2023 TIRCP Cycle 6 award, will likely be pushed out from FY 2024 to approximately two years later based on current assumptions.
Transit is critical to meeting San Francisco’s and the region’s goals

Equity  Environmental Sustainability  Accountability and Engagement  Economic Vitality  Safety and Livability

Transportation is the largest source of greenhouse gas emissions in San Francisco (47%) and private cars and trucks produce the majority of those emissions.

www.sfmta.com/sustainability-and-climate-action
BART, Muni and Caltrain
Near-term Ridership Outlook

• FY23 year-to-date trending below budget

• Most companies are operating under “new normal”1

• Forecast assumptions
  • Small increase in commute market commensurate with return-to-office
  • Slow recovery in transit mode share for all trip markets

• Forecast results
  • Downgraded ridership forecast for FY24/FY25 budget

1 Bay Area Council Survey
Bay Area Travel Trends

• BART ridership aligns more closely with downtown San Francisco office occupancy than other modes

• Currently, nearly 60% of all BART trips begin or end at one of the four downtown SF stations
  • Pre-pandemic, more than 250K trips daily

Traffic Volumes by Mode Compared to Equivalent Month in 2019

Source: San Francisco Chamber of Commerce: Downtown Economic Indicators Data Dashboard
Ridership Recovery Trends

- Stations serving people of color and low-income riders tend to have higher recovery rates.
- Stations serving commute markets have the highest ridership numbers but the lowest recovery rates.
- Ridership profile:
  - 31% live in households with income under $50,000
  - 44% do not have a vehicle
  - 67% identify as non-white
  - 49% are ages 25 to 44
  - 7% have a disability

Sources: BART average monthly ridership from December 2022 and December 2019, BART Title VI 2022 Triennial Update
Sales Tax Trends

- BART receives 75% of ½ cent sales tax in San Francisco, Alameda, Contra Costa Counties
- At an estimated $315M in FY23, sales tax is now BART’s single largest sustained operating revenue source
- Projections assume:
  - Future slowdown during FY24 FY25 budget period
  - 3% annual growth after 2025
- Sales tax is subject to economic cycles
Operating Uses: Actual and Projected

- More service than pre-pandemic
  - Berryessa extension
- Controlled costs while continuing to deliver service
  - More efficient train operator staffing
  - Hiring freeze for non-essential staff
  - Overtime limited

*Chart shows operating expense only (excludes allocations and debt service)*
Expense Detail

Allocations
- Capital commitments, Board policies

Non-labor costs
- Primarily determined by service levels
  - Traction power, supplies, inventory, tools, fuel, etc.

Wages and fringe benefits
- Primarily determined by head count and collective bargaining agreements

Fixed costs
- Must be paid regardless of service
  - Retirement liabilities, debt service, contractual obligations, etc.

FY24 Pro Forma Budget Breakdown

- Percentages vary by fiscal year

Allocations: 12%
Other Non-Labor: 11%
Power: 5%
Overtime: 6%
Fringe: 11%
Wages: 33%
Other Fixed: 5%
Debt Service: 5%
Fixed Benefit: 12%
Operating Outlook

• Assumes current service levels until FY28
  • Additional service increases would increase deficit

• Core Capacity Program service increases in FY28
  • Additional rail cars, new train control system, traction power and car storage
  • Ultimately will allow for 30 ten-car trains per hour through Transbay Tube
  • Prop L providing $100M support

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<th>Operating Outlook Base Case ($M)</th>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
<th>FY26</th>
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<td>(143)</td>
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<td>(343)</td>
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Projected Federal Assistance Expenditures

- Federal aid has enabled BART to operated since 2021; this funding is projected to run out in Jan 2025
- $25M to $30M average monthly utilization rate over previous six months
Potential Consequences Without Operating Funds

• 30 – 60 Minute train headways
• Open stations later and close earlier
• Station closures
• Line shutdowns
• No weekend service
• Mass layoffs
• Increased traffic congestion
• Negative impact on state climate goals
• Priority populations disproportionately impacted
• No BART service
BART’s Fiscal Outlook Summary

- BART federal funding expected to be fully spent by January 2025
  - FY25 $140M operating deficit; following years’ deficits exceed $300M annually
- FY24 and FY25 budget process will focus on minimizing FY25 deficit, including:
  - Limiting expenses while maintaining service quality
  - Reviewing capital allocation commitments, timing, and amounts
  - Exploring options for additional revenues and financial assistance
- Continue work to bring back riders through investments in safe, clean, reliable service, including:
  - March 2023 new police patrol deployment – officers predominantly on trains/in stations, more visible to riders
  - Fully staffing cleaning crews, more frequent car cleaning, deep-clean teams at high volume stations
  - Implementing Strategic Homeless Action Plan
During the pandemic

Financial devastation

- Transit fare revenue decimated
- Parking revenue decimated
- Free and discounted services added:
  - No fare increases
  - Discounts for more Muni riders
  - New services (Essential Trip Card)
- Exacerbated existing structural deficit

How we survived

- Limited hiring for 18 months
- Fought for SF’s fair share of federal relief funds
- Restored Muni service prudently
- As parking funds came back, used them to subsidize Muni
### Current financial trends

<table>
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<th>Revenue</th>
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<tr>
<td>Transit fare revenue</td>
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<tr>
<td>SF General Fund transfer</td>
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<td>Federal relief funds</td>
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<td>Parking fees &amp; fines subsidize Muni</td>
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<table>
<thead>
<tr>
<th>Expenses</th>
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<tr>
<td>Labor costs</td>
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<td>Inflation</td>
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Bus and LRV Ridership Trends: Weekend and Weekday

% Pre-Pandemic Ridership Recovered

Weekend: 69%
Weekday: 55%
FY23 Transit Revenue

Transit revenue is far below pre-pandemic level and flattening

- Recovery of transit fare revenue is slower than ridership recovery
- Transit revenues are 43% of FY19 revenues at same point in the fiscal year
Five Year Revenue Projection

Federal relief not replaced by enterprise revenues, resulting in lower funding.

- Federal relief is fully expended in FY25
- Revenues remain flat
- General Fund, parking and transit revenues assume some recovery, which may not materialize
Five Year Forecast

When federal funds run out in FY25, the SFMTA will have a large and growing deficit

- **Deficit:** $130M in FY25 | $214M in FY26 | $217M in FY27 | $235M in FY28 | Cumulative $796M in FY2028

![Graph showing 5-year financial forecast with deficits and budget balances](image-url)
Impact of Deficit

• Rolls back Muni service restoration ($130M deficit = more than 20 Muni lines)
• Impacts hundreds of thousands who depend on Muni every day
• Puts economic recovery of SF downtown at risk
• Requires gutting maintenance of Muni vehicles, cutting basic street safety programs
### Muni rider demographics

**Race**
- **White**: 43%
- **Asian**: 11%
- **Hispanic, Latina, Latino or Latinx**: 17%
- **Black and/or African-American**: 22%
- **Mixed Race**: 5%
- **Native Hawaiian or Pacific Islander**: 2%
- **Native American**: 1%

**Income**

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<tr>
<th>Income Range</th>
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<td>Less than $10,000</td>
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<td>$100,000-$149,999</td>
<td>5%</td>
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<tr>
<td>$150,000 or more</td>
<td>3%</td>
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*Source: 2017 Systemwide On-Board Survey*
Multipronged effort to close funding gap

- Bring back riders
- Implement budget off ramps
- Pause plans to add Muni service
- Increase parking meter revenue
- Index Muni fares to keep pace with inflation
- Increase fare enforcement
- Advocate for state gap funding
- Lay groundwork for a ballot measure
Questions?
Caltrain Update

SFCTA Board Meeting
February 28, 2023
Caltrain Ridership & Revenue Impact

**Impact**
- Since 2019, reduction in ridership has resulted in a loss of over $60 million in annual farebox revenues

**Ridership**

Average Weekday Ridership
- 2020, declined 98%
- 2022, still 25% of 2019 levels

Average Weekend Ridership
- 2022, 65% of 2019 levels

**Farebox Related Revenue**

- 2019: ~74% of annual operating budget
- 2023: ~25% of annual operating budget (expected)
Projected Operating Deficit

- One-time federal supported operating funds supplementing operating shortfall have been spent as of 2022.

- Given the TIRCP Cycle 6 award, Caltrain’s fiscal cliff will likely be pushed out from FY2024 up to two years based on current assumptions, but further analysis is needed.

Graph, before additional resources from TIRCP Cycle 6
Caltrain Implications

• Recent Census Data: Bay Area highest work from home percent in the country

• Cutting service alone will not address Caltrain’s operating deficit

• Rail has high fixed costs (maintain tracks, facilities, etc) and is not able to save as much by cutting service, compared to bus or other transit systems

• Additional funding is needed for Caltrain to remain financially solvent

• Without additional funding, difficult decisions on workforce, service, capital projects, and state of good repair must be made
Low-Income Ridership

• Caltrain serves a range of riders along its corridor and began its Go Pass Donation Program in 2021

• In 2022, recipients of donated Go Passes completed over 20,000 rides on Caltrain

• Over 50% of Go Pass Donation Program riders reported annual household income of less than $50,000 as compared to 10% of 2019 Caltrain riders

• In general, Caltrain riders’ annual household income dropped by ~40% in the early pandemic and remains down slightly from pre-pandemic levels

• In 2023, Caltrain looks forward to expanding ridership in partnership with community organizations through the Go Pass Donation Program. Thus far, in 2023, recipients are completing 600-700 rides a week on Caltrain
Ridership Growth Actions

• Board Adopted **Equity, Growth, and Recovery Policy**
• **Revised schedule**: standard schedule, highest level service - focused on more midday, evening and weekend service (diversify ridership)
• **Regional Coordination**: timed transfer, better signage Millbrae; GM group
• **Go Pass Donation Program**: Bringing in new riders by providing passes for low-income and historically disadvantaged riders
• **Fare promotions**: 50% off ticket sales, Offering low-income riders half off their fare through Clipper START program
• **Customer Experience**: 300 new bicycle eLockers, new ticket options (mobile/in-person)
• **Taskforce Created**: Cross functional, dedicated to ridership growth
• **Electrification Planned 2024**
With Support: Our Future

• Electrified Passenger Service 2024
  • Fight climate change, retire 30-year-old diesel trains
  • Inspire new riders with more frequent service and enhanced amenities

Smother ride, digital signs, wi-fi, power sources every seat, baby changing table

• Maintain and grow jobs directly and indirectly
• Support quality of life in the region: alternative to driving 101 corridor for work, family or social events; cleaner air and decreased noise
• Increase mobility options for residents of equity priority communities
Contact Info

Michelle Bouchard, Executive Director
Email: bouchardm@caltrain.com

Casey Fromson, Chief Communications Officer
Email: fromsonc@caltrain.com cell: 650.288.7625
Big Questions

How are post-pandemic travel patterns evolving?

How can we best serve transit-dependent populations?

What can we do to attract riders back?

What does a sustainable financial model look like?

What is our vision for post-pandemic transit service?
What does a sustainable financial model look like?

- No one revenue source will solve the problem for all operators
- We will likely need local, regional, and/or state/federal funding sources
- Need to explore new models that are less ridership-dependent (e.g., fares)
- May require state authorizing legislation
- Will require education campaigns about transit and the need for financial support
We need bridge funding to buy time

5-Year Bridge Funding Proposal

- Transit operators, MTC, California Transit Association, and other stakeholders are working together to advocate in Sacramento for funding to address near-term funding shortfalls

- Two-pronged proposal:
  - Funding by need to transit operators facing fiscal cliffs
  - Funding for transit improvements to retain and attract new riders

- Will require strong coordination regionally and at the state level
Thank you.

Michelle Beaulieu
michelle.beaulieu@sfcta.org

Maria Lombardo
maria.lombardo@sfcta.org
January 18, 2023

The Honorable Nancy Skinner  
Chair, Senate Budget and Fiscal Review Committee  
California State Senate  

The Honorable Phil Ting  
Chair, Assembly Committee on Budget  
California State Assembly  

Dear Chair Skinner & Chair Ting,

As you begin budget negotiations this year, the undersigned organizations request your support to help the state’s public transit systems avoid looming cuts to critical transit service that millions of Californians rely upon and that is foundational to our state’s climate strategy. These potential cuts reflect the lingering impact of the COVID-19 pandemic, which has devastated transit operating budgets as a result of diminished ridership as well as higher costs arising from inflation. While the Governor’s proposed budget for FY 2023-24 does not specifically address this need and in fact proposes $2 billion in reductions to public transit capital that the Legislature approved last year, we look forward to engaging with your budget subcommittees to ensure that this year’s final budget bill provides additional transit operating assistance to sustain critical transit service riders depend upon and fund proven strategies to attract new riders and help lessen financial challenges in the future.

A Strong Public Transit System is Vital to Creating an Equitable, Economically Vibrant and Climate Friendly Future

Based on 2021 U.S. Census data, almost 60 percent of California residents who commute via public transit have a household income below $35,000. Over half a million California households own no vehicle and count on public transit for their daily needs, including access to K-12 education and college. Public transit is an economic lifeline for these residents, especially seniors and persons with disabilities. Yet residents of all income levels also depend on transit to access their jobs and maintaining the viability of the transit systems is essential for the future of the state’s economy and quality of life. Public transit also supports good-paying jobs, employing over 31,000 California workers statewide in FY 2021.

When it comes to climate change, California prides itself on being a global leader. The state has taken a two-pronged strategy to reduce transportation-related emissions – the largest of any
sector – by decarbonizing the vehicle fleet, while also encouraging less driving through a combination of investments in transit and other modes plus a suite of policies to encourage more infill, transit-oriented development. Policies aimed at reducing vehicle miles traveled (VMT) depend on a reliable and convenient public transit system; they have little chance of success if transit agencies across the state have to make severe cuts to service.

Today, about 65 million trips/month are taken on transit in California, reducing VMT by hundreds of millions each year. To meet the state's carbon neutrality goals by 2045, however, significantly more people will need to choose transit instead of driving. To encourage this shift, California Air Resources Board has urged the state to support efforts to double local transit coverage and service frequencies by 2030, recognizing that both vehicle decarbonization and less driving are needed to achieve our state’s bold greenhouse reduction targets. However, without a multi-year commitment of state funds to help sustain transit and put it on a path to attracting millions of new riders, the state’s climate strategy is in serious jeopardy.

**Bay Area Operators Face Significant Looming Budget Shortfalls**

We are at an unprecedented moment, with the survival of transit as we know it at risk. The rise of remote work, growing costs due to inflation, and apprehension to ride transit due to health concerns has led to a growing fiscal cliff on the horizon. Additionally, the transit sector is severely understaffed (with some agencies reporting as high as 30 percent of jobs unfilled for some positions), limiting service agencies can put on the street and placing upward pressure on salaries and benefits as agencies work to retain and attract workers.

Based on current ridership, service levels, and cost trends, Bay Area operators forecast annual budget shortfalls in the tens of millions of dollars in FY 2023-24, growing to hundreds of millions of dollars beginning in FY 2024-25 and thereafter. Funding gaps of this magnitude cannot be addressed through fare increases or service cuts; doing so would lead to service of such poor quality that it would erode transit’s climate benefits and cut off even basic access to critical destinations for those who rely on it most. For instance, to achieve budgetary savings in the range of 20-40 percent, the Bay Area Rapid Transit District (BART) would need to cut service by 65-85 percent, eliminating access to jobs, schools, grocery stores, and other essential services for many current riders. This, in turn, would further reduce passengers, leading to further cuts. We cannot let this doomsday scenario happen.

Fortunately, in the medium and long term, there is reason for optimism. While statewide ridership is around 60 percent of its 2019 levels and Bay Area ridership around 53 percent, ridership is steadily growing. In October 2022, statewide ridership was up 14 percent compared to a year before and in the Bay Area up by 34 percent. Bay Area transit operators are working more closely than ever, together with the Metropolitan Transportation Commission (MTC), to create a better, more seamless transit experience across the region. Plans are beginning for a future regional transportation measure to follow the regional housing measure planned for 2024. A unified mapping and wayfinding system is being designed to make transit easier to navigate. The first all-agency transit pass using the Clipper® card is being piloted at key colleges and affordable housing sites. Operators across the state are likewise deploying technology to shift to mobile fare payment and updating their routes and frequencies to better serve existing riders while also attracting more of them.
Honor Transit Commitments from FY 2022-23 Budget

Under your leadership, California has made historic investments in our transit capital infrastructure, supporting critical rail and bus expansion and the zero-emission transit transition. The historic transit investment made in last year’s Transportation Package includes $4 billion over the next two years for further transit and intercity rail capital investments, yet Governor Newsom proposes to cut this in half, reducing the amount to $1 billion next year and $500 million for the following two years. Doing so would put at risk the funding plans for high priority projects in the Bay Area, several of which are already under construction or poised to receive billions of dollars in highly competitive federal funds.

Request: Provide New Multi-Year Funding for Transit Operating Assistance

To address the operating challenges, we are seeking a new multi-year operations funding commitment on a limited term basis to assist California’s transit systems as they recover from the pandemic and develop long-term funding plans, as necessary. The funding picture for each transit system is unique and there is no one-size-fits-all path to financial sustainability. While some agencies need assistance to stave off service cuts next year, other agencies face deficits in the hundreds of millions of dollars starting in FY 2024-25 or FY 2025-26. Others may not face near-term service cuts but have priorities that, if funded, could attract significantly more riders (advancing the state’s climate goals) and help avoid budgetary challenges down the road. This month, we are working in coordination with partners statewide, including the California Transit Association, to refine our assessment of the funding need and aim to follow up with a more detailed proposal in February. In addition, we are seeking an extension of the statutory relief previously provided to transit agencies through FY 2024-25.

Californians demand meaningful action on climate change and want their state representatives to ensure transit is not just a viable option, but an attractive one to get to work, school, health care, shopping, dining, entertainment and more. We know that you share these goals and look forward to working with you to ensure that public transit both survives and thrives in California. Please contact Rebecca Long, MTC Director of Legislation and Public Affairs, at rlong@bayareametro.gov or 510-504-7914 with any questions.

Sincerely,

Therese W. McMillan
Executive Director, MTC

Robert Powers
General Manager, BART

Jeff Tumlin
Director of Transportation, San Francisco Municipal Transportation Agency

Mike Hursh
General Manager, AC Transit
Carolyn Gonot  
General Manager, Santa Clara VTA  

April Chan  
General Manager/CEO/Executive Director, SamTrans/San Mateo County Transportation Authority  

Michelle Bouchard  
Acting Executive Director, Caltrain  

Dennis Mulligan  
General Manager, Golden Gate Bridge, Highway and Transportation District  

Steve Adams  
Transit Manager, Union City Transit  

Jason T. Baker  
Senior Vice President, Silicon Valley Leadership Group  

Daniel Barad  
Associate Director, Sierra Club  

Rashidi Barnes  
Chief Executive Officer, Tri Delta Transit  

Tilly Chang  
Executive Director, San Francisco County Transportation Authority  

Sean Charpentier  
Executive Director, San Mateo County C/CAG  

Bill Churchill  
General Manager, County Connection  

Eddy Cumins  
General Manager, SMART  

Zack Deutsch-Gross  
Policy Director, Transform  

Tim Haile  
Executive Director, CCTA  

Jared Hall  
Transit Manager, Petaluma Transit  

Daryl Halls  
Executive Director, Solano Transportation Authority (Solano Express)
<table>
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<tr>
<th>Name</th>
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<td>Caro Jauregui</td>
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<tr>
<td>Tess Lengyel</td>
<td>Executive Director, Alameda County Transportation Commission</td>
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<td>Carolina Martinez</td>
<td>Climate Justice Director, Environmental Health Coalition</td>
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<td>Sofia Rafikova</td>
<td>Policy Advocate, California Coalition for Clean Air</td>
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<td>Kevin Sheridan</td>
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<td>Suzanne Smith</td>
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<td>Rob Thompson</td>
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<td>Nancy Whelan</td>
<td>General Manager, Marin Transit</td>
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<tr>
<td>Beth Kranda</td>
<td>Executive Director, Solano County Transit</td>
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<tr>
<td>Eli Lipman</td>
<td>Executive Director, Move LA</td>
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<tr>
<td>Kate Miller</td>
<td>Executive Director, Napa Valley Transportation Authority</td>
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<tr>
<td>Anne Richman</td>
<td>Executive Director, Transportation Authority of Marin</td>
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<td>Zoe Siegel</td>
<td>Director of Climate Resilience, Greenbelt Alliance</td>
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<td>Jennifer Thompson</td>
<td>Executive Director, Sustainable Silicon Valley</td>
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<tr>
<td>Adam Van De Water</td>
<td>Executive Director, Transbay Joint Powers Authority</td>
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<tr>
<td>Jim Wunderman</td>
<td>President &amp; CEO, Bay Area Council</td>
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<tr>
<td>Name</td>
<td>Position/Role</td>
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<tr>
<td>Zak Accuardi</td>
<td>Transportation Advocate, NRDC</td>
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<tr>
<td>Arturo E. Aguilar</td>
<td>Chairman, California Conference Board</td>
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<tr>
<td>Shiloh Ballard</td>
<td>Executive Director, Silicon Valley Bike Coalition</td>
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<tr>
<td>Eugene Bradley</td>
<td>Founder, Silicon Valley Transit Users</td>
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<tr>
<td>Rita Clement</td>
<td>Transportation Co-Leader, San Diego 350</td>
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<tr>
<td>David Diaz</td>
<td>Executive Director, Active San Gabriel Valley</td>
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<tr>
<td>Christine Fitzgerald</td>
<td>Community Advocate, Silicon Valley Independent Living Center</td>
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<tr>
<td>Sara Greenwald</td>
<td>350 Bay Area Transportation Committee</td>
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<tr>
<td>Ian Griffiths</td>
<td>Co-director, Seamless Bay Area</td>
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<tr>
<td>Josh Hawn</td>
<td>President, Common Ground California</td>
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<tr>
<td>Lavie Kakol</td>
<td>Democratic Socialists of America, San Francisco</td>
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<tr>
<td>Adina Levin</td>
<td>Executive Director, Friends of Caltrain</td>
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<tr>
<td>Bryn Lindblad</td>
<td>Deputy Director, Climate Resolve</td>
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<tr>
<td>Jerry Maldonado</td>
<td>Vice President of Programs, PolicyLink</td>
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<tr>
<td>Richard Marcantonio</td>
<td>Managing Attorney, Public Advocates</td>
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<tr>
<td>Emma Martin</td>
<td>Community Engagement Program Manager, Center for Independent Living</td>
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<tr>
<td>Kristina Pappas</td>
<td>President, SF League of Conservation Voters</td>
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<tr>
<td>Jesse O'Sullivan</td>
<td>Policy Counsel, Circulate SD</td>
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<tr>
<td>Jared Sanchez</td>
<td>Senior Policy Advocate, CalBike</td>
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<tr>
<td>Arnold Sowell, Jr.</td>
<td>Executive Director, NextGen California</td>
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<tr>
<td>Laura Tolkoff</td>
<td>Transportation Policy Director, SPUR</td>
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<tr>
<td>Cheryl Weiden</td>
<td>Steering Committee Member 350 Silicon Valley</td>
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<tr>
<td>Sam Wilkins</td>
<td>California State Conference Chairperson, Transport Workers Union of America,</td>
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<tr>
<td>Ellen Wu</td>
<td>Executive Director, Urban Habitat</td>
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<td>Cheryl Weiden</td>
<td>Steering Committee Member 350 Silicon Valley</td>
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</tbody>
</table>
cc: Bay Area Legislative Delegation
    The Honorable Toni Atkins, Senate President Pro Tempore
    The Honorable Anthony Rendon, Assembly Speaker
    The Honorable Lena Gonzalez, Senate Transportation Committee Chair
    The Honorable Laura Friedman, Assembly Transportation Committee Chair
    The Honorable Toks Omishakin, Secretary, California State Transportation Agency
November 30, 2022

The Honorable Pete Buttigieg
Secretary
U.S. Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590

Dear Secretary Buttigieg:

Thank you for your steadfast support throughout the COVID-19 pandemic. As a result of the successive rounds of unprecedented emergency relief and the tireless efforts of Federal Transit Administration leadership and staff, our agencies were able to keep essential workers connected to their jobs, transit dependent families connected to their communities, and over 100,000 transit workers employed through the most acute phases of the pandemic. While ridership on all our systems has risen, the impacts of the pandemic are lingering and transit agencies large and small are facing a variety of revenue challenges and many are facing a “fiscal cliff,” in some cases within the next two years. For this reason, we urge inclusion of a transit recovery assistance program in the President's fiscal year (FY) 2024 budget.

Safe, reliable, and frequent transit service is essential to harnessing the full economic power of America’s most productive urban areas. Thriving transit networks are also fundamental to achieving our shared equity and climate goals. We are making strides in attracting riders back to transit and adapting to serve riders’ needs in a post-COVID future. But the prospect of revenue deficits in the coming years may force our agencies to make drastic service cuts and lay off tens of thousands of workers. To avoid these draconian measures, we are discussing new revenue streams with our state and local leaders, and it has become clear that a strong State-Federal partnership is necessary.

Given the scale of the projected financial challenge and the vital role we play in equity, sustainability, and creating economic opportunity, we request the U.S. Department of Transportation’s FY 2024 budget include a transit recovery assistance program that would serve as a federal safety net to sustain transit systems across the country. Our agencies agree that transit recovery assistance program funding must be distributed based on demonstrated need and with the expectation that funds be matched with commensurate new state or local revenues and would be above and beyond existing federal funding levels for capital investment authorized by the Bipartisan Infrastructure Law.

We understand the enormity of this ask and recognize the importance of a demonstrated commitment that we and our state and local leaders are doing our part to seek solutions to this crisis. We are confident that strong partnership at all levels of government will ensure that we are funded at a level necessary to keep our communities moving.
We look forward to working with you on this critical issue.

Sincerely,

Collie Greenwood  
General Manager/CEO  
Metropolitan Atlanta Rapid Transit Authority (MARTA)  
Atlanta, GA

Holly Arnold  
Administrator  
Maryland Department of Transportation  
Maryland Transit Administration  
Baltimore, MD

Dorval R. Carter, Jr.  
President  
Chicago Transit Authority (CTA)  
Chicago, IL

Leanne Redden  
Executive Director  
Regional Transportation Authority of Northeastern Illinois (RTA)  
Chicago, IL

Melinda J. Metzger  
Executive Director  
Pace Suburban Bus  
Chicago, IL

James Derwinski  
CEO/Executive Director  
Metra  
Chicago, IL

India L. Birdsong Terry  
General Manager and CEO  
Greater Cleveland Regional Transit Authority  
Cleveland, Ohio

Debra A. Johnson  
CEO and General Manager  
Regional Transportation District (RTD)  
Denver, CO

Janno Lieber  
Chair & CEO  
NYS Metropolitan Transportation Authority (MTA)  
New York, NY

Robert M. Powers  
General Manager  
San Francisco Bay Area Rapid Transit District (BART)  
Oakland, CA

Leslie S. Richards  
General Manager and CEO  
Southeastern Pennsylvania Transportation Authority (SEPTA)  
Philadelphia, PA

Brad Miller  
CEO  
Pinellas Suncoast Transit Authority (PSTA)  
St. Petersburg, FL

Michelle Bouchard  
Executive Director  
Caltrain  
San Carlos, CA

Jeffrey Tumlin  
Director of Transportation  
San Francisco Municipal Transportation Agency (SFMTA)  
San Francisco, CA

Randy Clarke  
General Manager/CEO  
Washington Metropolitan Area Transit Authority (WMATA)  
Washington, DC
Don’t let BART go broke

The COVID-19 pandemic changed how Bay Area residents live, work, and travel. It hit BART and all other public transit systems hard, decimating transit ridership and, along with it, the transit fare revenue we rely on to keep trains running.

We are in an unprecedented moment, with the survival of BART at risk. While many workers, students, and our neighbors who depend on BART continue to ride, others have returned to transit more slowly and less frequently. The Bay Area has the highest work-from-home rates in the nation, and slowest downtown recovery, resulting in fewer commute trips.

Financial support from the state for transit operations, in the form of a multiyear funding commitment beginning with the Fiscal Year 2023-24 budget, is needed to make sure BART survives and thrives.

New funds will help:

- Bridge the gap until we can secure more sustainable sources of money through a regional transportation measure.
- Improve the current system so it is safer, cleaner, more accessible, more affordable, and more reliable.

Even with belt-tightening, we can’t cut our way out of the crisis

Rail has high fixed cost and low marginal cost.

Financial stability strategies:

- Increase revenue and decrease expenses
- Maximize efficiencies, reduce overtime; improve long term financial planning
- Improve service to keep our riders coming back and gain new riders
- Provide frequent, reliable, safe, and clean service; reduce cancelled trips
- Promote taking BART for non-work trips

We are facing large operating deficits*

FY 23-24: $0
(because of federal aid)
FY 24-25: $140M
(last bit of federal aid)
FY 25-26: $290M
FY 26-27: $255M
FY 27-28: $300M
FY 28-29: $260M

*As of January 30, 2023. Forecast will be updated during the FY 24-25 budget process.
Ridership trends
Ridership peaked to 40% of pre-pandemic in fall 2022.

Average FY22 ridership
Weekday ......................... 111,311
Saturday ......................... 68,253
Sunday .......................... 48,373
FY22 ridership was 29% of FY19 ridership.

BART is the backbone of the Bay Area
- BART runs 220,000 trains in a year
- Serves 5 counties with 6 million people

Total annual ridership
FY19 ................................. 118,102,114
FY22 ................................. 34,549,913

Ridership profile
- 31% are low income (household income under $50K)
- 43% do not have a vehicle
- 67% identify as non-white
- 20% age 55 and older
- 2% age 17 and younger
- 7% have a disability
- NO BART SERVICE

Consequences of a fiscal cliff
- 60-minute train frequency
- 9pm closure
- Stations closed
- Line shutdowns
- No weekend service
- Mass layoffs
- Increased traffic congestion
- Negative impact on state climate goals
- Priority populations disproportionately impacted

Transit is the solution for California’s climate goals
Taking BART somewhere every day for one month emits less CO2 than driving just once.

Power supply
100% greenhouse gas free (“GHG-free”) power supply with 50% eligible renewable energy.

BART’s electric supply portfolio is comprised of wholesale wind, solar, and hydroelectric sources, as well as five onsite solar projects.

14,200 people in cars* per hour move over the Bay at rush hour

27,000 people per hour move under the Bay at rush hour

*BART’s Transbay Tube riders vs. Bay Bridge drivers

San Francisco Bay Area Rapid Transit District