

# Transit Fiscal Cliff

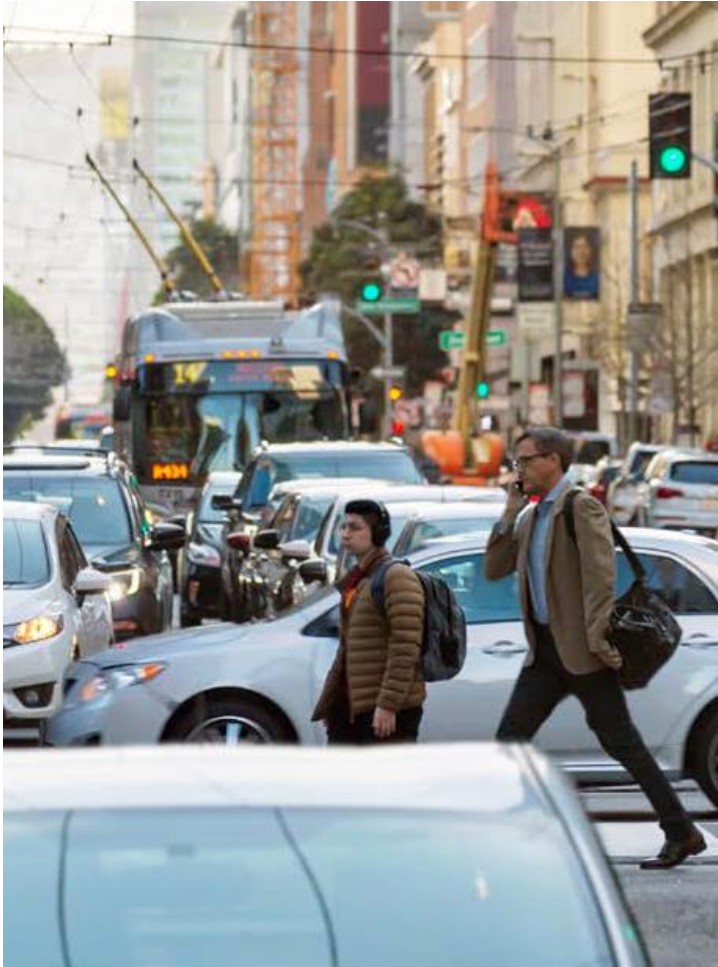
## Update: BART, Muni, Caltrain



San Francisco  
County Transportation  
Authority

Transportation Authority Board — Agenda Item 11  
February 28, 2023

# 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)

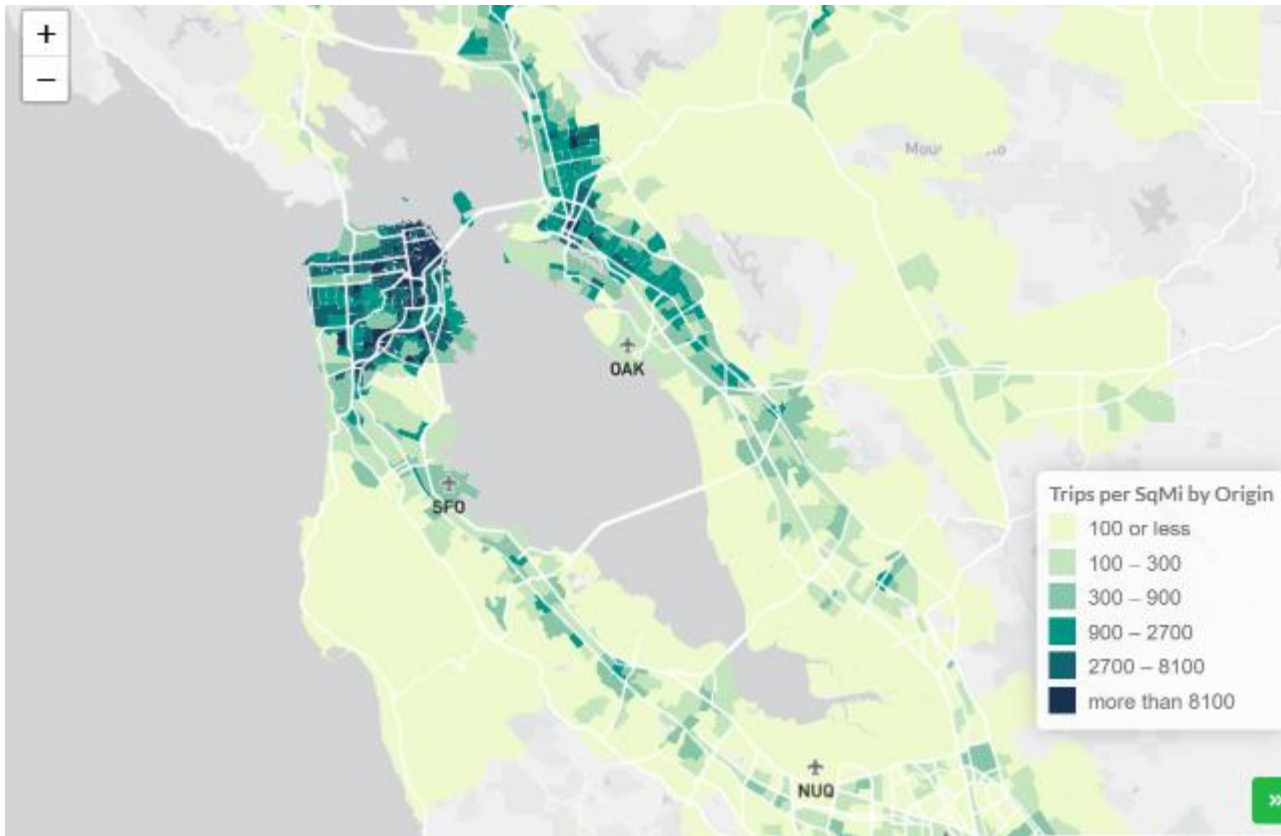
67.30%



Data sources: Census 2020, <https://www.census.gov/data.html>;

MTC and SFCTA 2018-2019 Bay Area Transportation Study, <https://mtc.ca.gov/planning/transportation/regional-transportation-studies/bay-area-transportation-study>

# 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/>



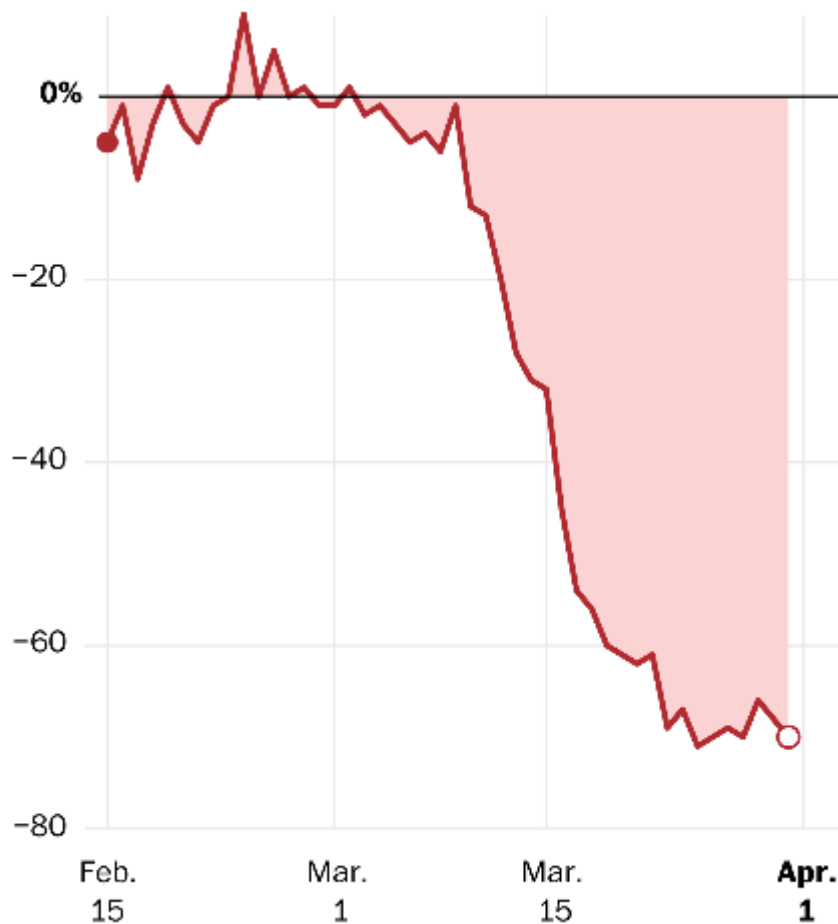
# COVID-19 drives transit ridership down

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

How 2020 mass-transit demand differs from normal

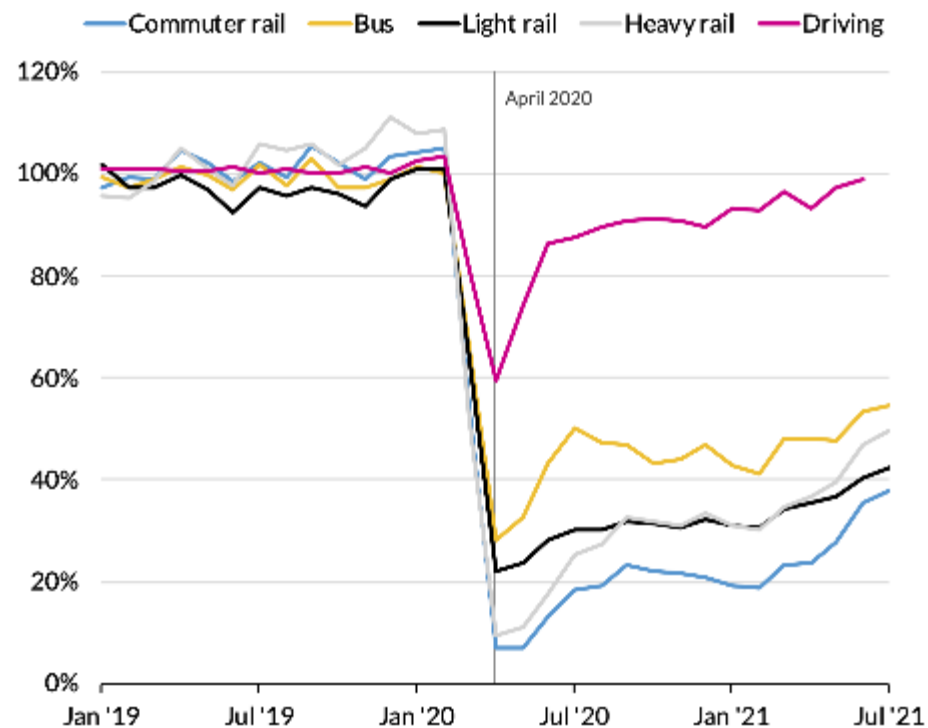
Note: Demand is measured based on how often the app is used, and how much it differs from what the company would normally expect on that particular day.

Sources: Transit  
THE WASHINGTON POST



**Travel in the US Cratered in Spring 2020, and Only Driving Is Back to Normal**

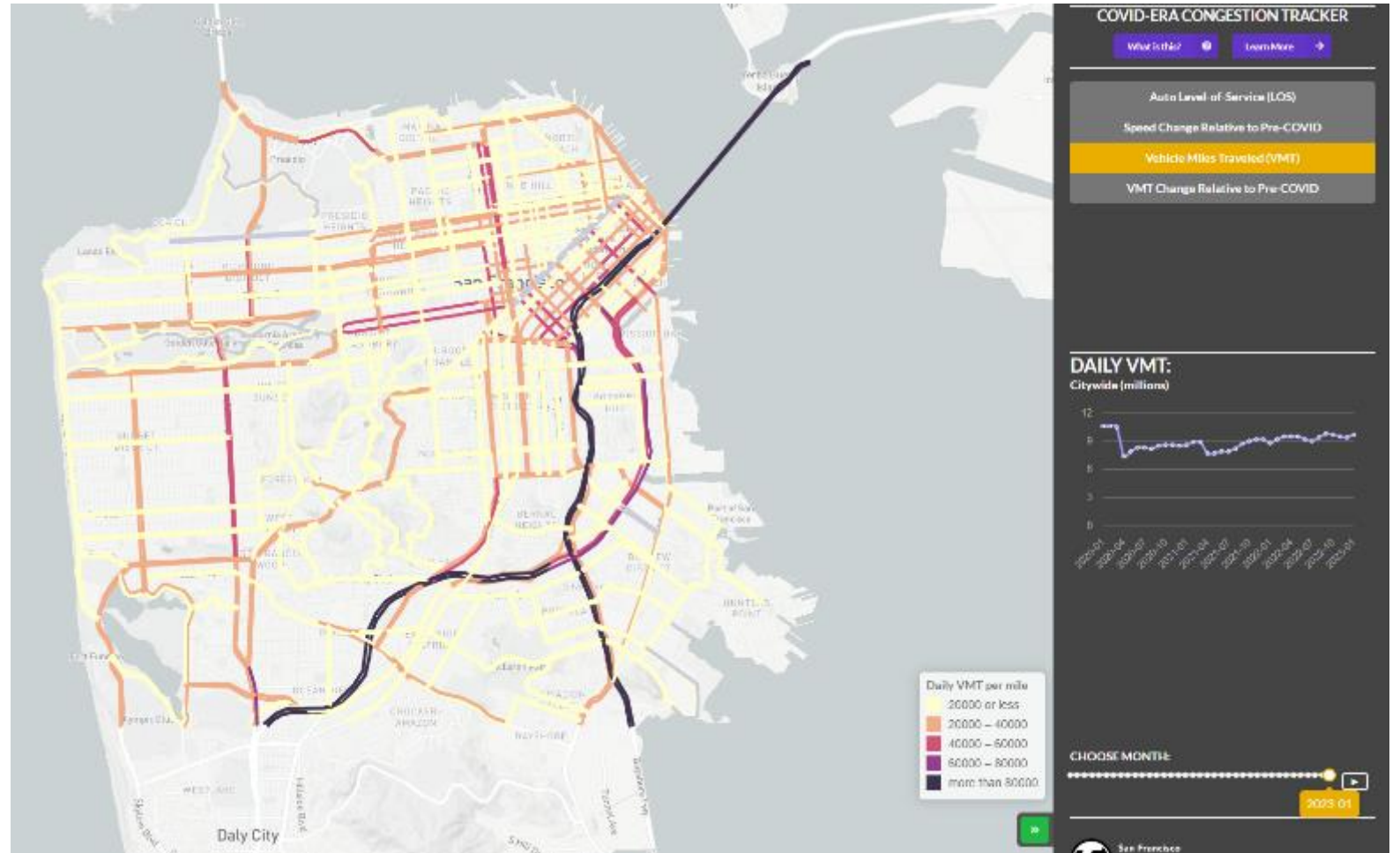
Monthly use of various modes of transportation as a share of 2018 levels



Urban Institute, November 30 2021

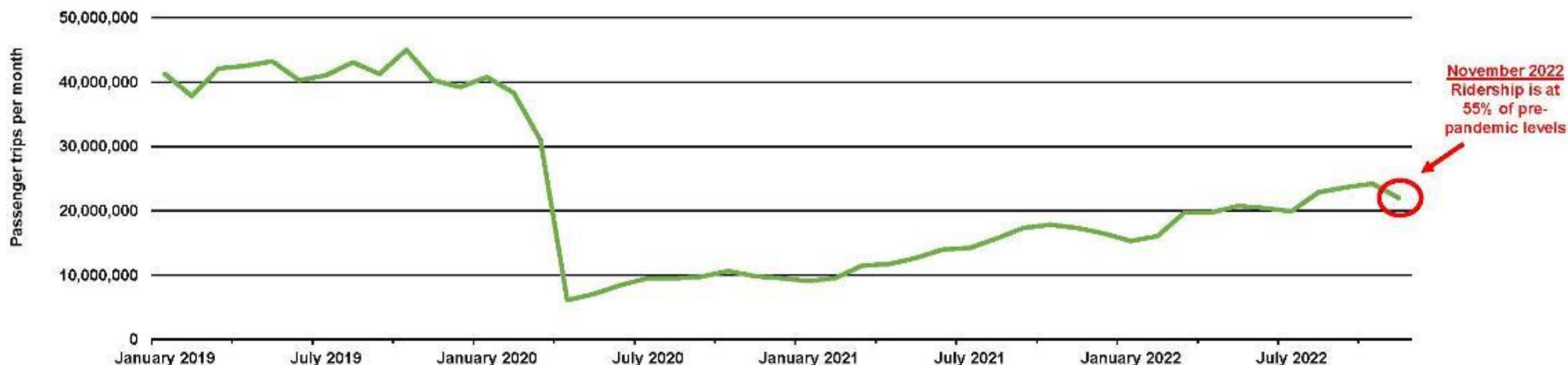
# Traffic congestion is mostly back

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



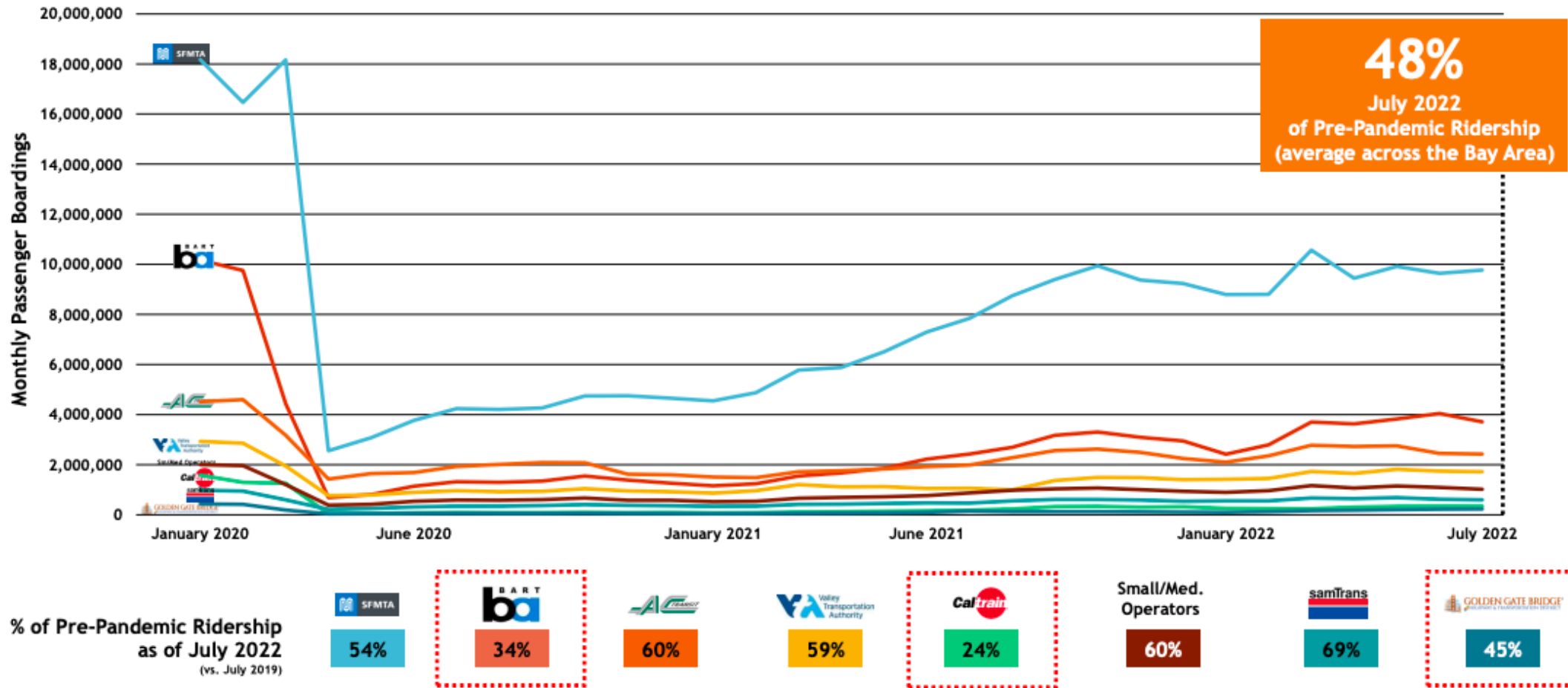
# Transit ridership is still down

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



Source: National Transit Database - Monthly Module

Source: MTC, 2023

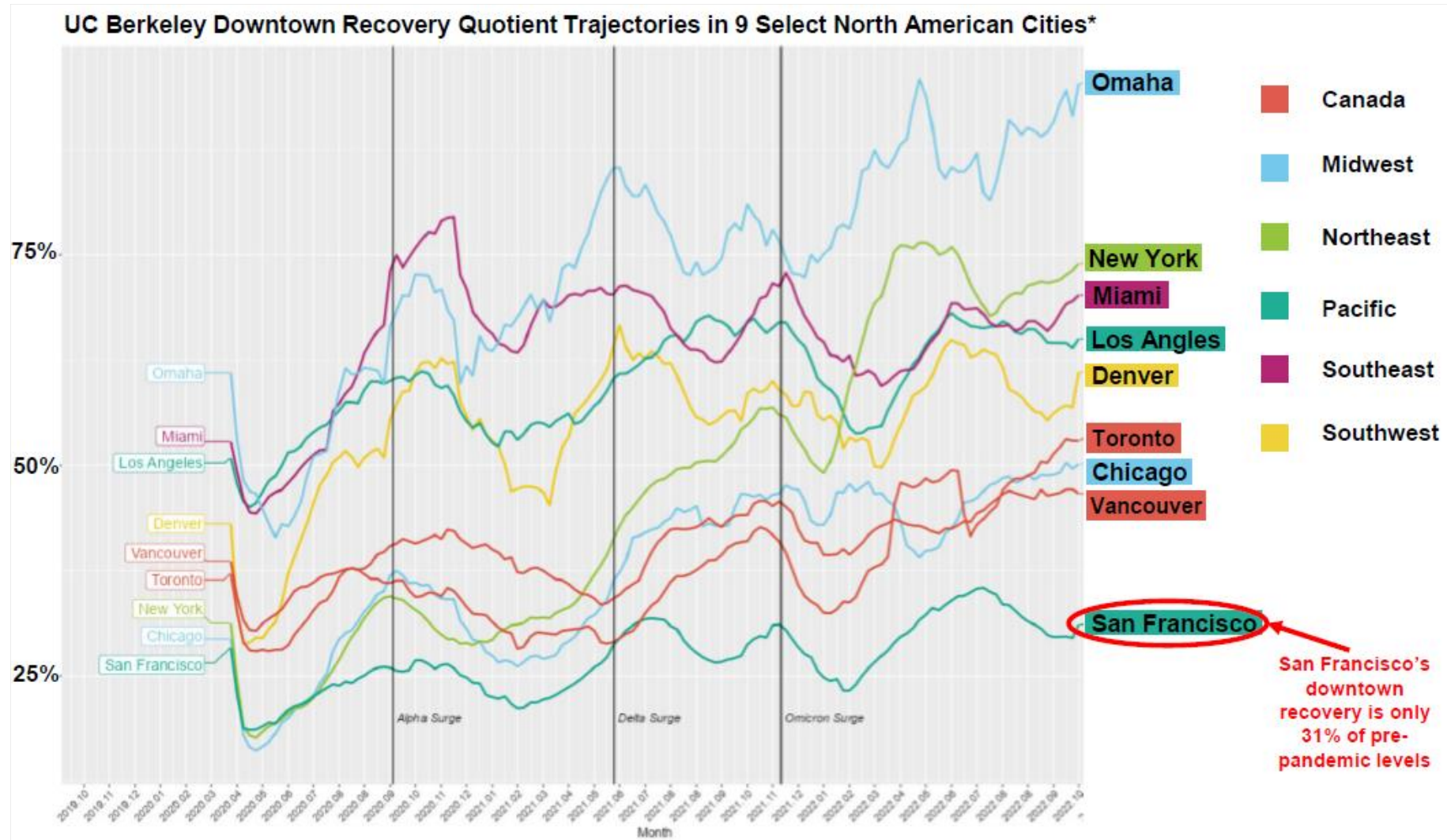


# Downtown recovery is lagging in SF...



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# ...and in other urban areas nationwide





# We are on the verge of a transit financial crisis

NEWS > TRANSPORTATION • News

## Doomsday scenario for sinking Bay Area transit: No weekend BART, bus lines cancelled or a taxpayer bailout.

Bay Area 'death spiral' outlined in newly obtained transit-planning documents



SANTA CLARA, CALIFORNIA – JULY 14: A passenger boards a northbound Caltrain train at the Santa Clara Caltrain Station in Santa Clara, Calif., on Tuesday, July 14, 2020. (Nhat V. Meyer/Bay Area News Group)

By ELIYAHU KAMISHER | ekamisher@bayareanewsgroup.com | Bay Area News Group

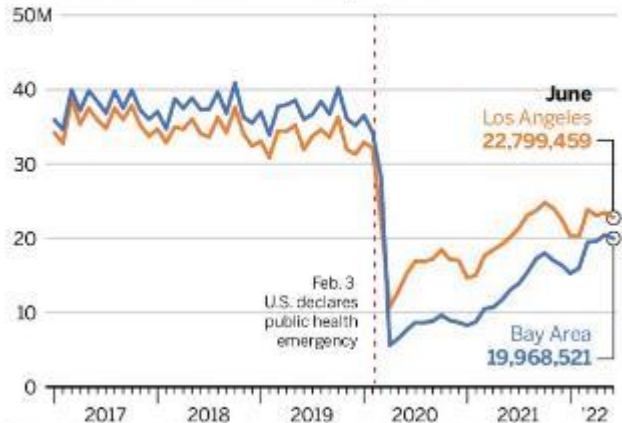


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## THE BAY VS L.A.: PANDEMIC BRINGS TITANIC MASS TRANSIT REVERSAL

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



Source: National Transit Database ridership for the two regions' largest transit agencies: SFMTA, BART, Caltrain, AC Transit, VTA, SamTrans, Golden Gate Transit, L.A. Metro, DASH and Big Blue Bus.

BAY AREA NEWS GROUP

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## Bay Area transit faces 'fiscal cliff' as ridership collapse endures

With lagging ridership numbers transit operators look for new cash



ANTIOCH, CA – MARCH 22: A train arrives at the BART station in Antioch, Calif., on Monday, March 22, 2021. This is the first time the station will have a BART agent on staff since its grand opening in May 2016. (Jane Tyska/Bay Area News Group)



# BART, Muni and Caltrain projected operating deficits

Annual Projected Operating Deficit	BART	Muni	Caltrain*	Total
FY 2023/24	-	-	\$(25)M	\$(25)M
FY 2024/25	\$(143)M	\$(130)M	\$(49)M	\$(322)M
FY 2025/26	\$(334)M	\$(214)M	\$(47)M	\$(595)M
FY 2026/27	\$(311)M	\$(217)M	\$(51)M	\$(579)M
FY 2027/28	\$(343)M	\$(234)M	\$(55)M	\$(632)M
<b>5-year total</b>	<b>\$(1,131)M</b>	<b>\$(795)M</b>	<b>\$(227)M</b>	<b>\$(2,153)M</b>

# Transit is critical to meeting San Francisco's and the region's goals

## ConnectSF



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](http://www.sfmta.com/sustainability-and-climate-action)



# BART, Muni and Caltrain





# BART Financial Outlook

San Francisco County Transportation Authority

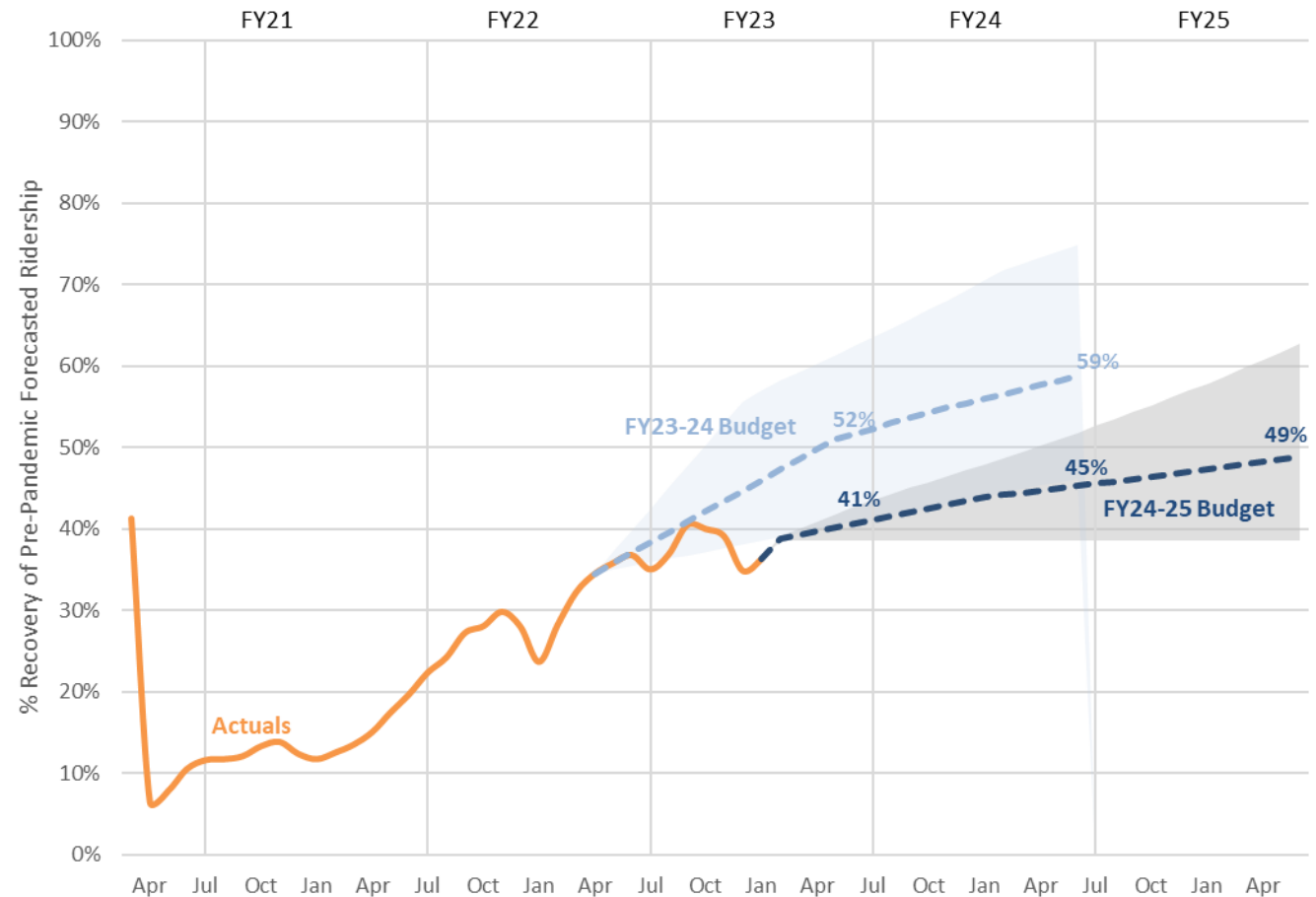
February 28, 2023



# Near-term Ridership Outlook

- FY23 year-to-date trending below budget
- Most companies are operating under “new normal”<sup>1</sup>
- 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

*BART Ridership Recovery Projections*

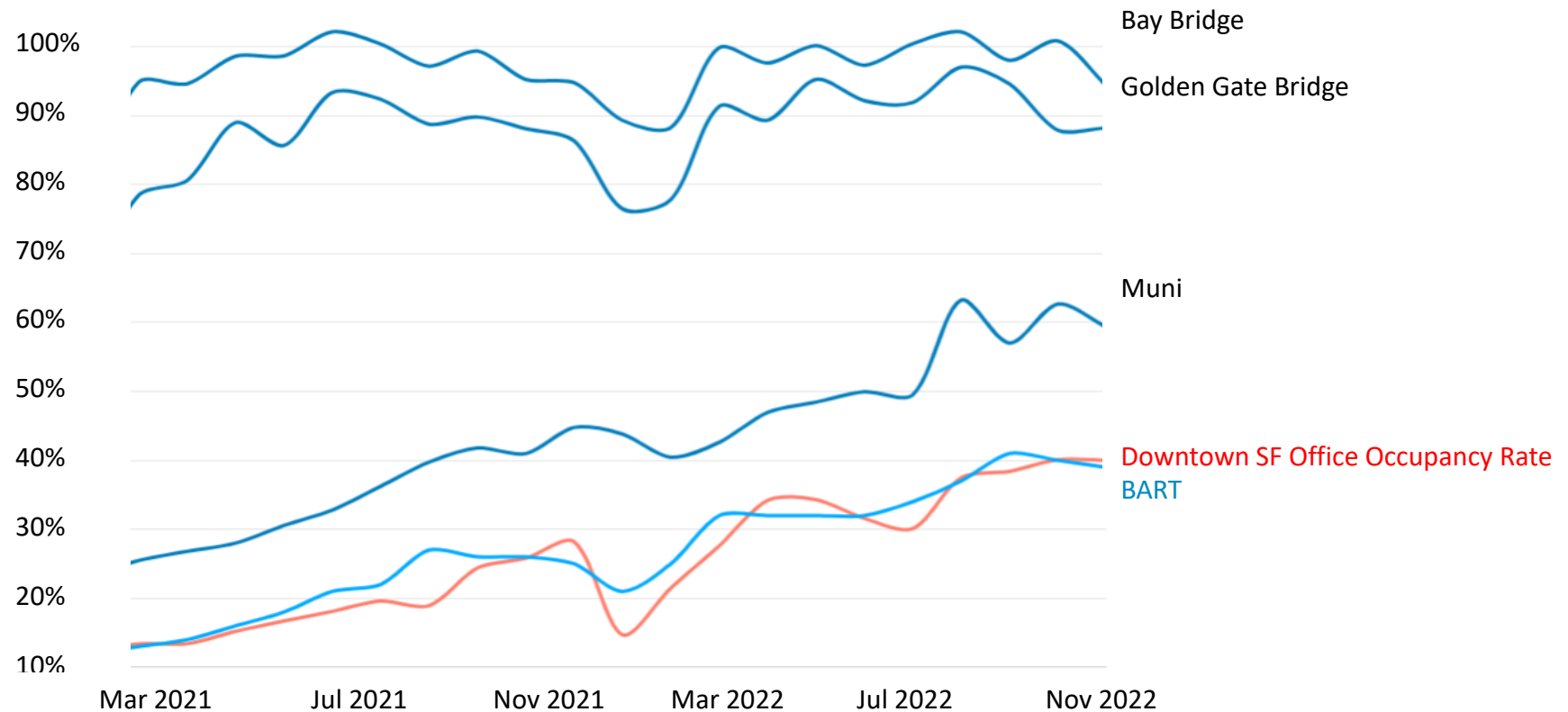




# Bay Area Travel Trends

- 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*

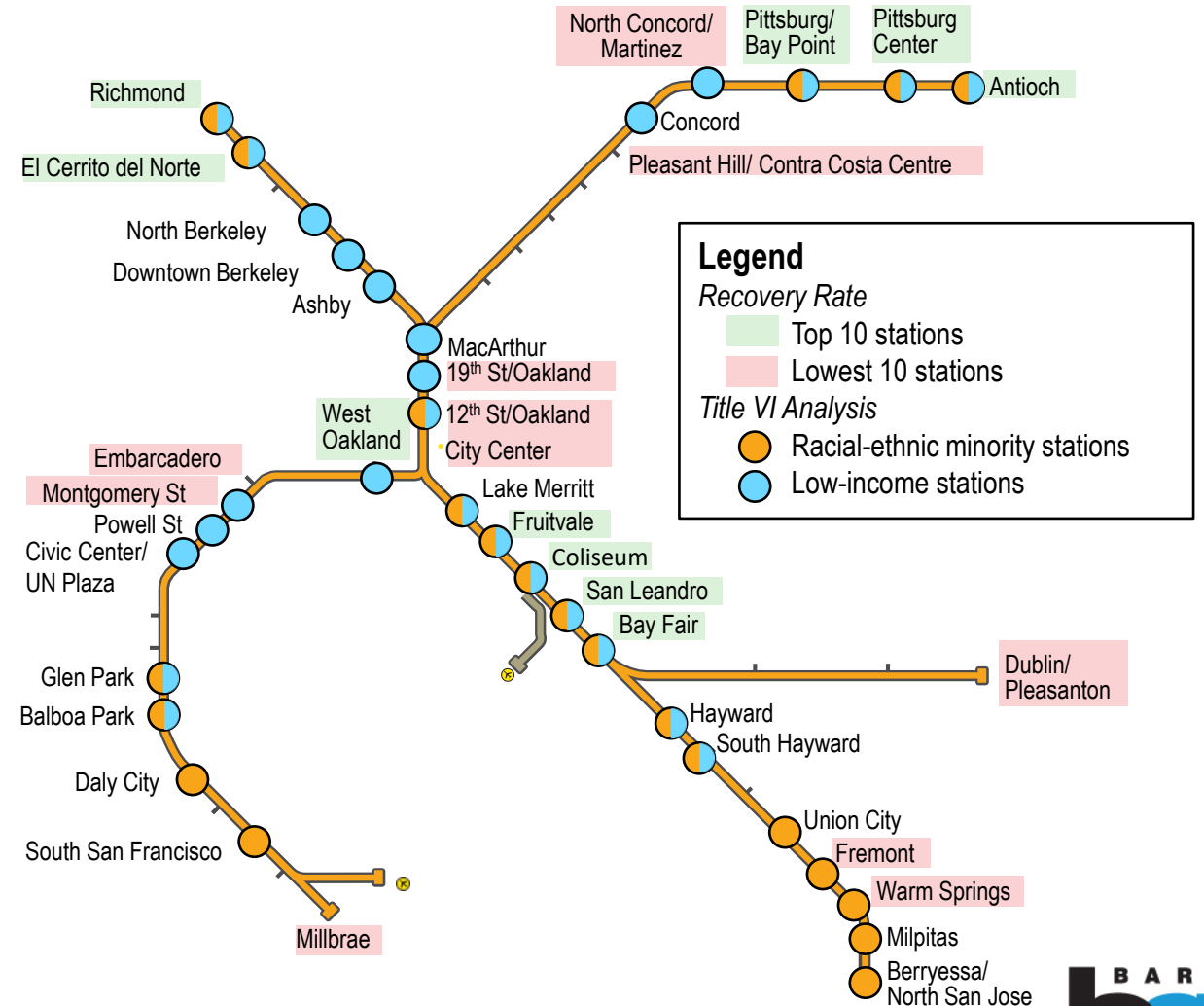


Source: San Francisco Chamber of Commerce:- Downtown Economic Indicators Data Dashboard

# 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

*Station Ridership Rate of Recovery and BART Title VI Analysis*

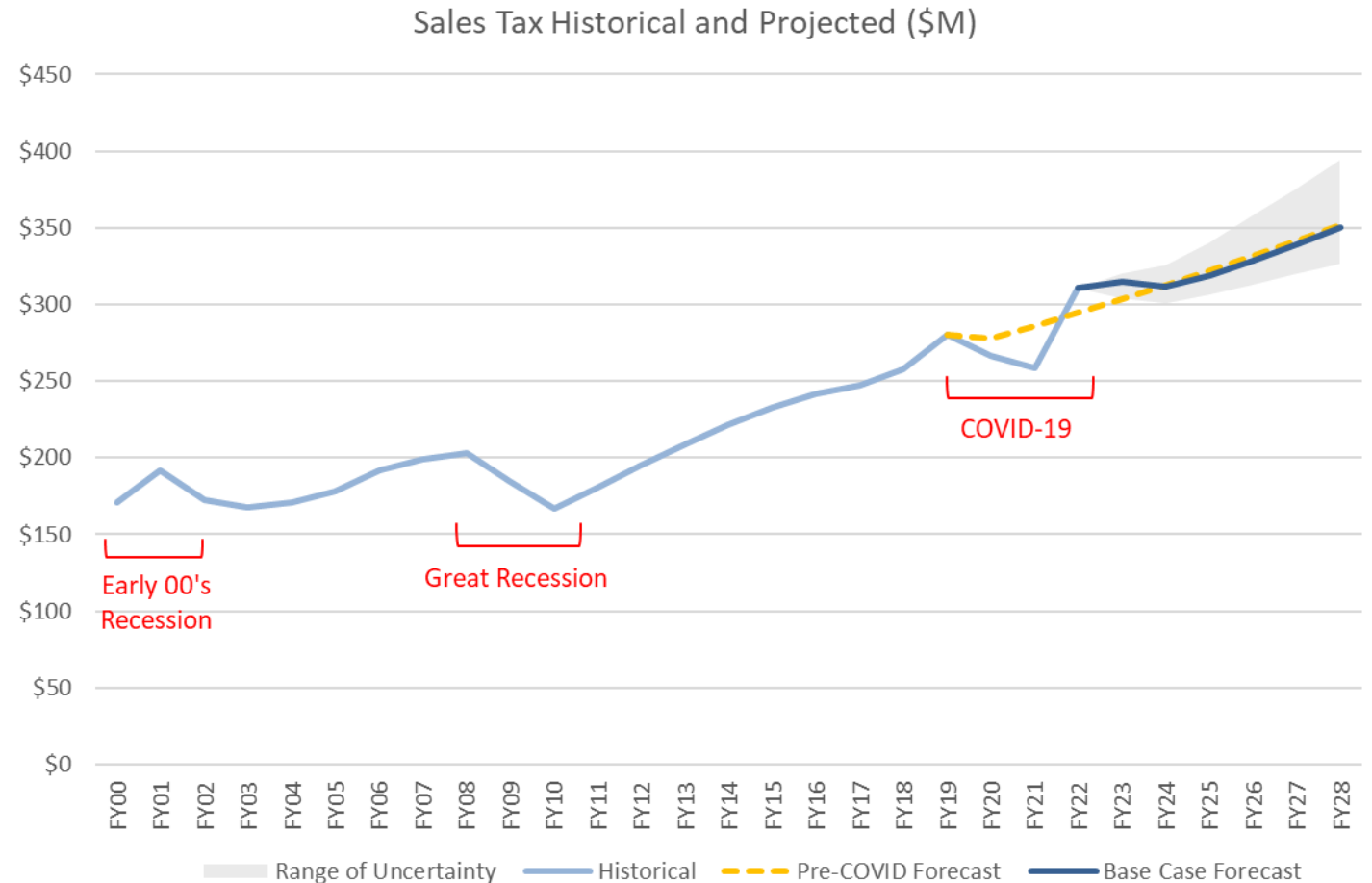


Sources: BART average monthly ridership from December 2022 and December 2019, BART Title VI 2022 Triennial Update



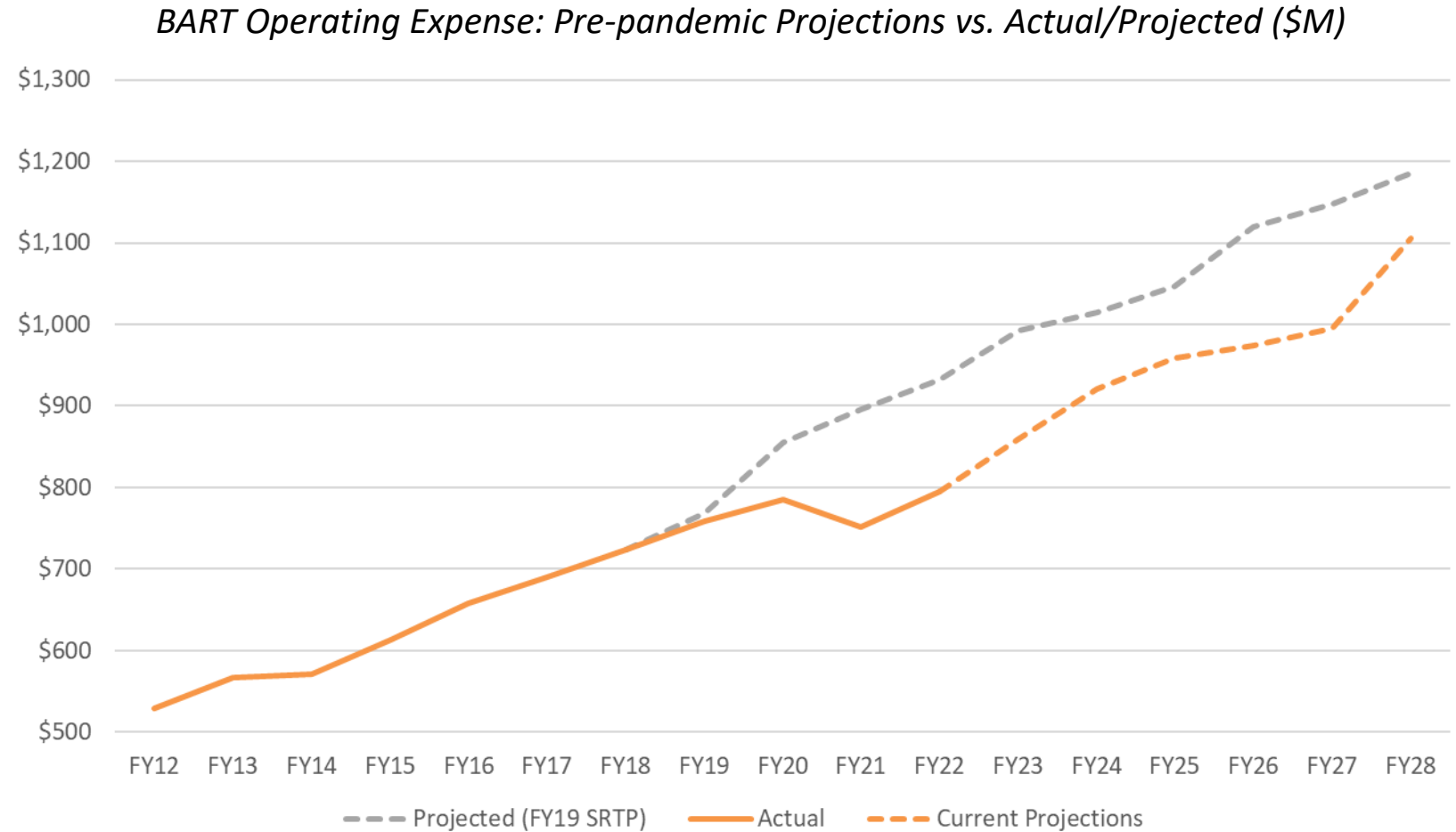
# Sales Tax Trends

- 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.

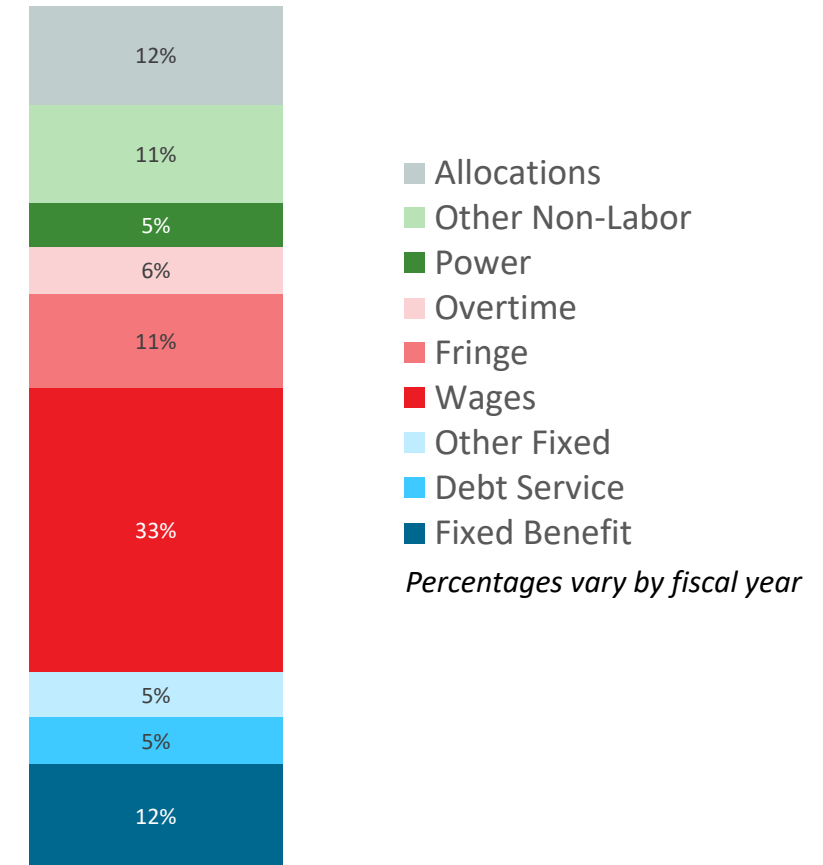
## ■ Wages and fringe benefits

- 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*



# Operating Outlook

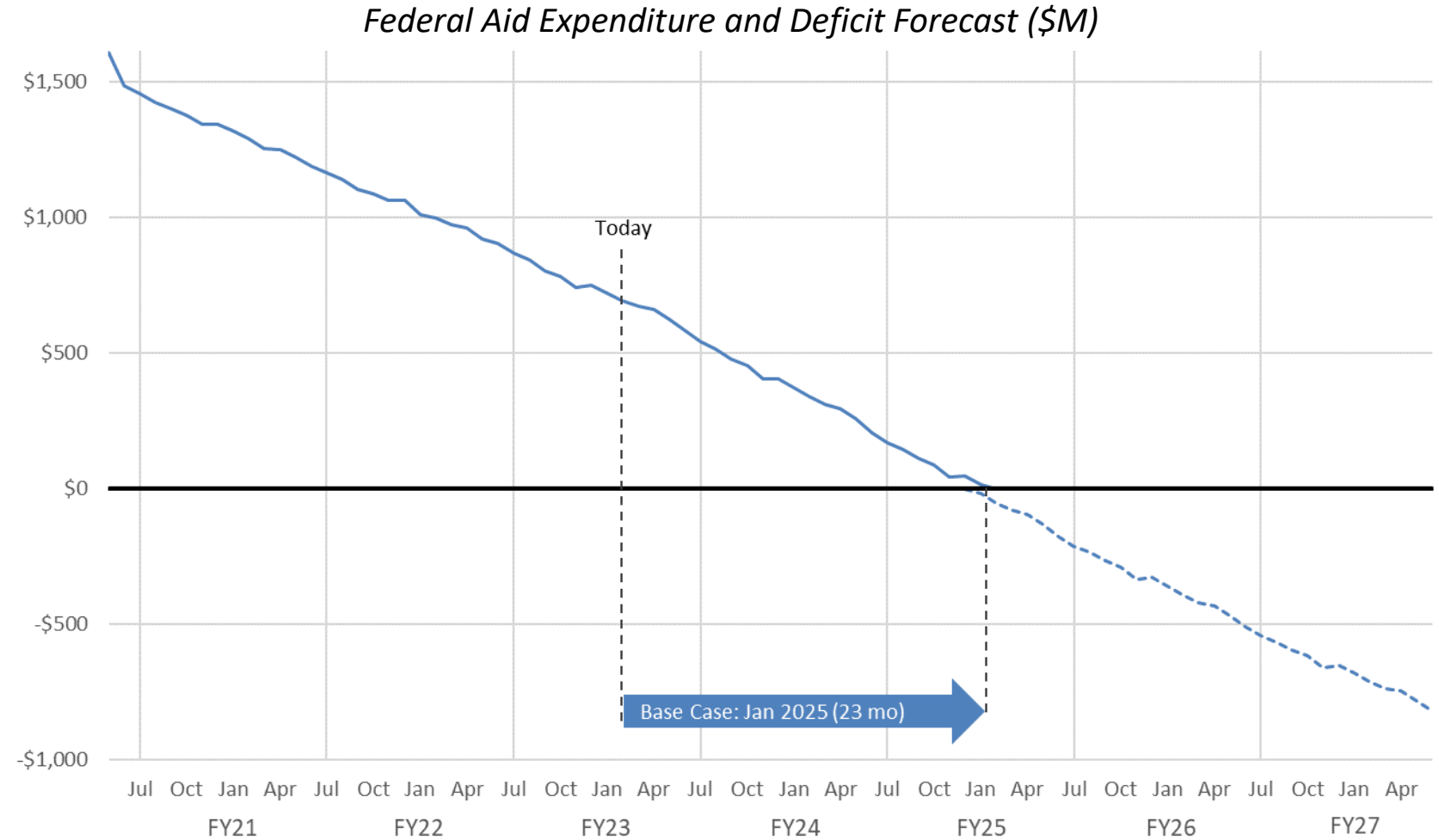
- Assumes current service levels until FY28
  - Additional service increases would increase deficit
- Core Capacity Program service increases in FY28
  - Additional rail cars, new train control system, traction power and car storage
  - Ultimately will allow for 30 ten-car trains per hour through Transbay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

*Operating Outlook Base Case (\$M)*

	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>
Operating Revenues	222	270	301	320	352	397
Financial Assistance	469	460	472	487	502	521
<b>Total Regular Revenues</b>	<b>691</b>	<b>730</b>	<b>772</b>	<b>807</b>	<b>854</b>	<b>918</b>
Operating Expense	860	921	959	975	995	1,105
Debt Service & Allocations	152	184	162	166	170	156
<b>Total Uses</b>	<b>1,012</b>	<b>1,106</b>	<b>1,121</b>	<b>1,141</b>	<b>1,165</b>	<b>1,261</b>
<b>Operating Result</b>	<b>(321)</b>	<b>(376)</b>	<b>(349)</b>	<b>(334)</b>	<b>(311)</b>	<b>(343)</b>
Total Federal Assistance	321	376	206	0	0	0
<b>Total Net Result</b>	<b>0</b>	<b>0</b>	<b>(143)</b>	<b>(334)</b>	<b>(311)</b>	<b>(343)</b>

# 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





**SFMTA**

San Francisco Municipal Transportation Agency

# Muni Fiscal Cliff

San Francisco County Transportation Authority Board  
February 28, 2023

# 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

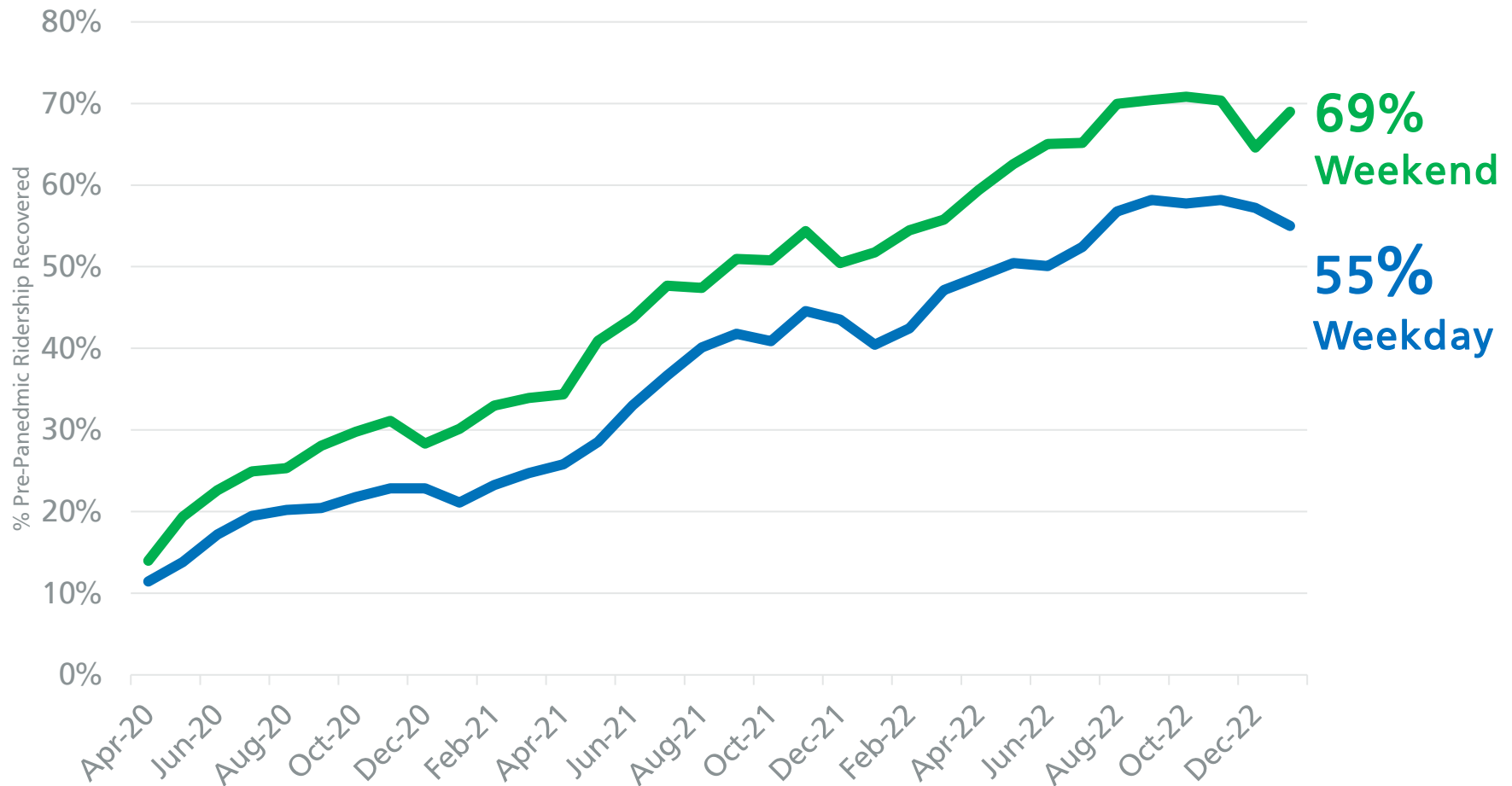
- Limited hiring for 18 months
- Fought for SF's fair share of federal relief funds
- Restored Muni service prudently
- As parking funds came back, used them to subsidize Muni

# Current financial trends

	Revenue
↓	Transit fare revenue
↓	SF General Fund transfer
×	Federal relief funds
→	Parking fees & fines subsidize Muni
	Expenses
↑	Labor costs
↑	Inflation

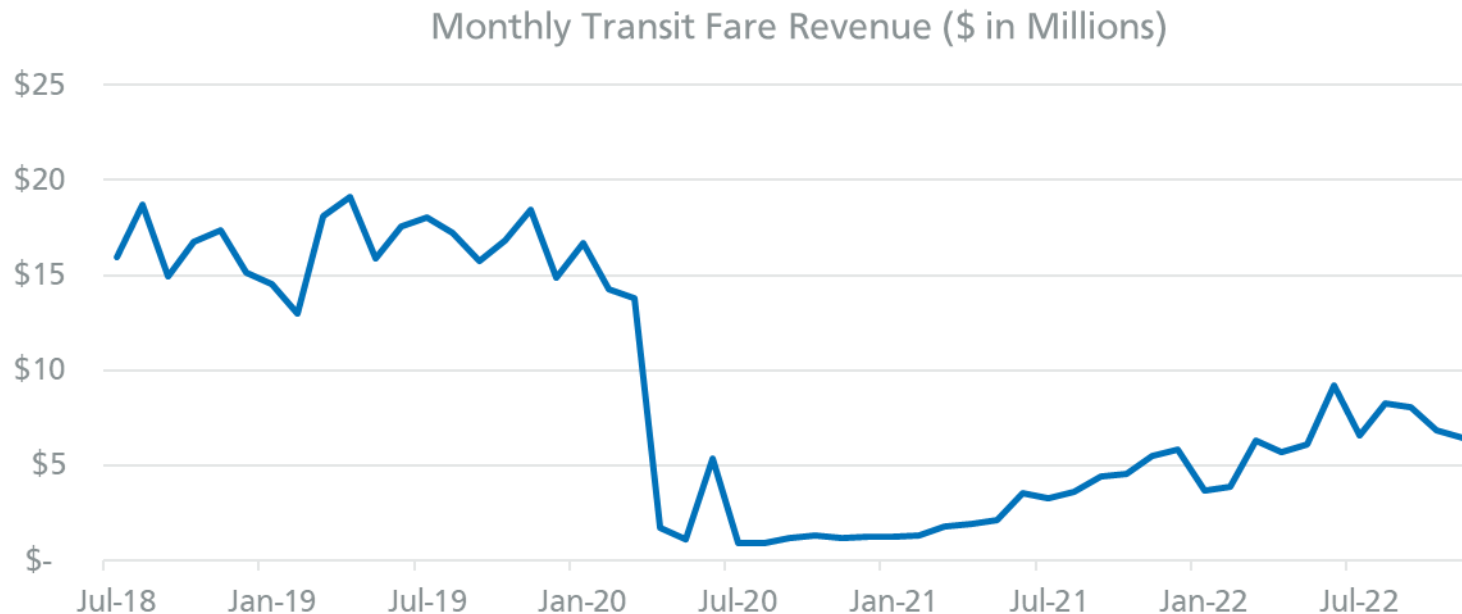


# Bus and LRV Ridership Trends: Weekend and Weekday



# FY23 Transit Revenue

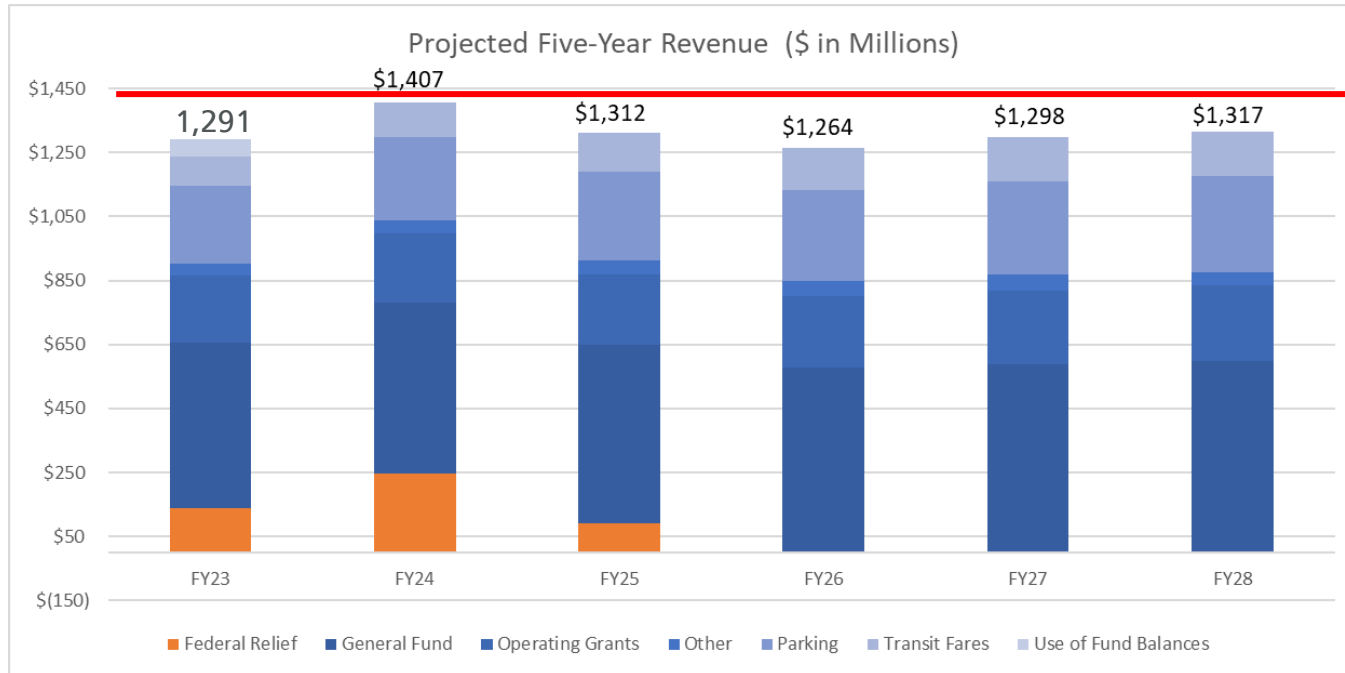
Transit revenue is far below pre-pandemic level and flattening



- 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

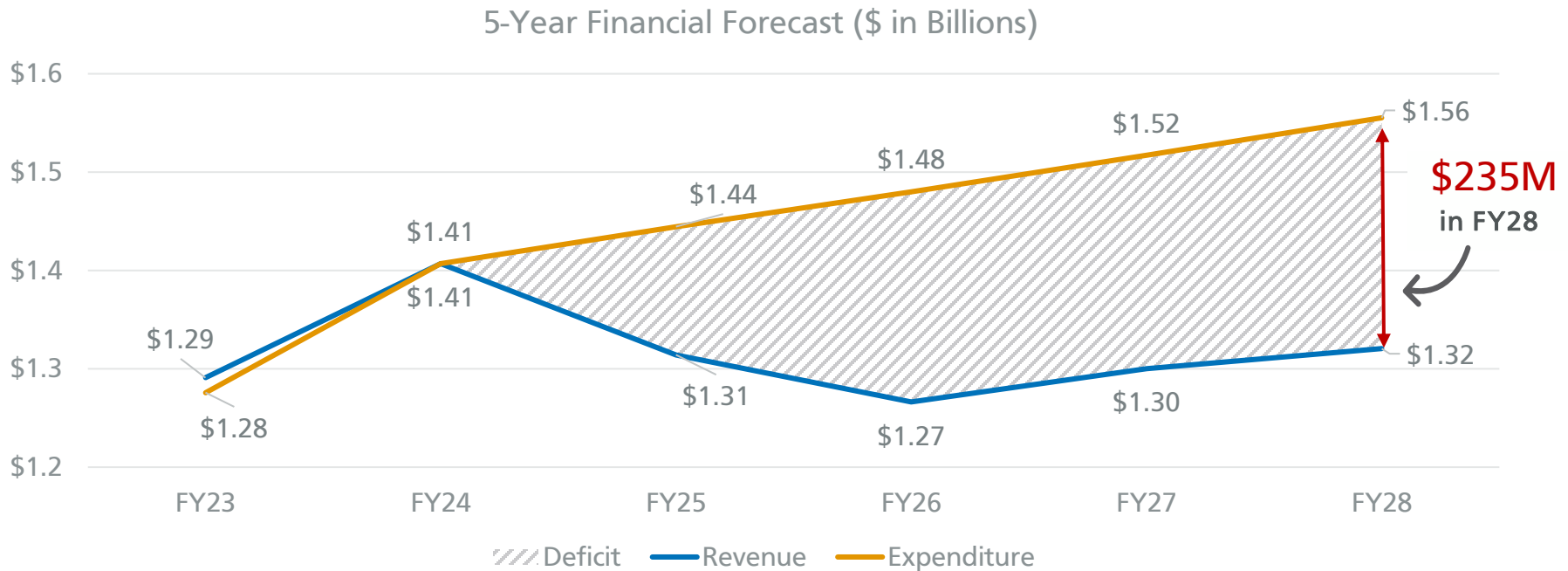
Federal relief not replaced by enterprise revenues, resulting in lower funding.



- 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**



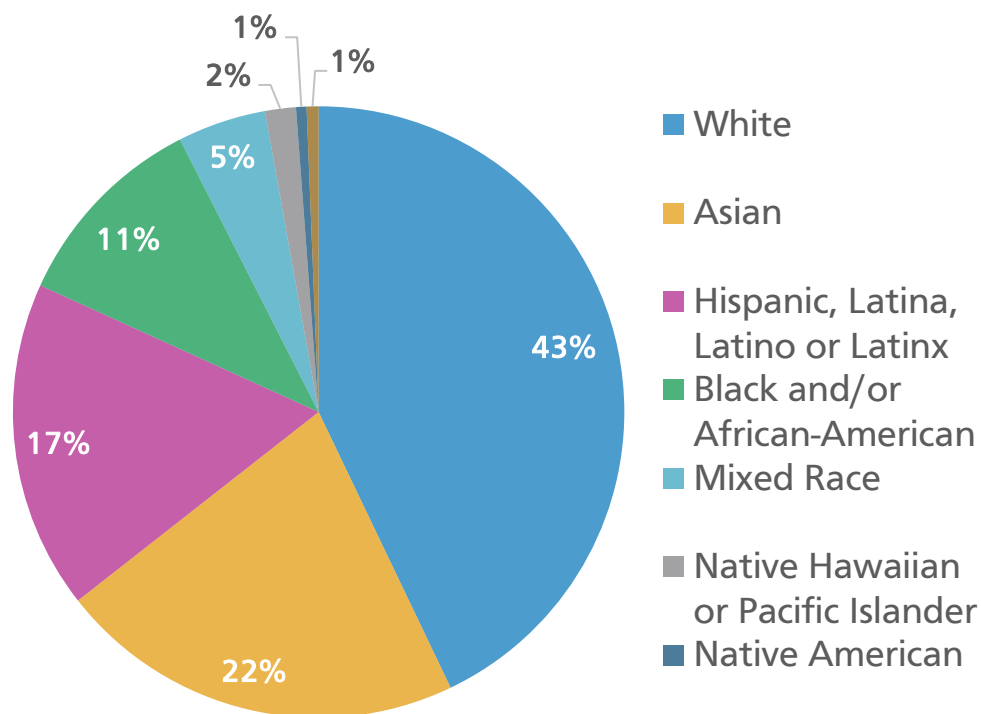
# Impact of Deficit



- 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



## Income

## %

Less than \$10,000	13%
\$10,000-\$34,999	31%
\$35,000-\$49,999	26%
\$50,000-\$74,999	18%
\$75,000-\$99,999	5%
\$100,000-\$149,999	5%
\$150,000 or more	3%

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

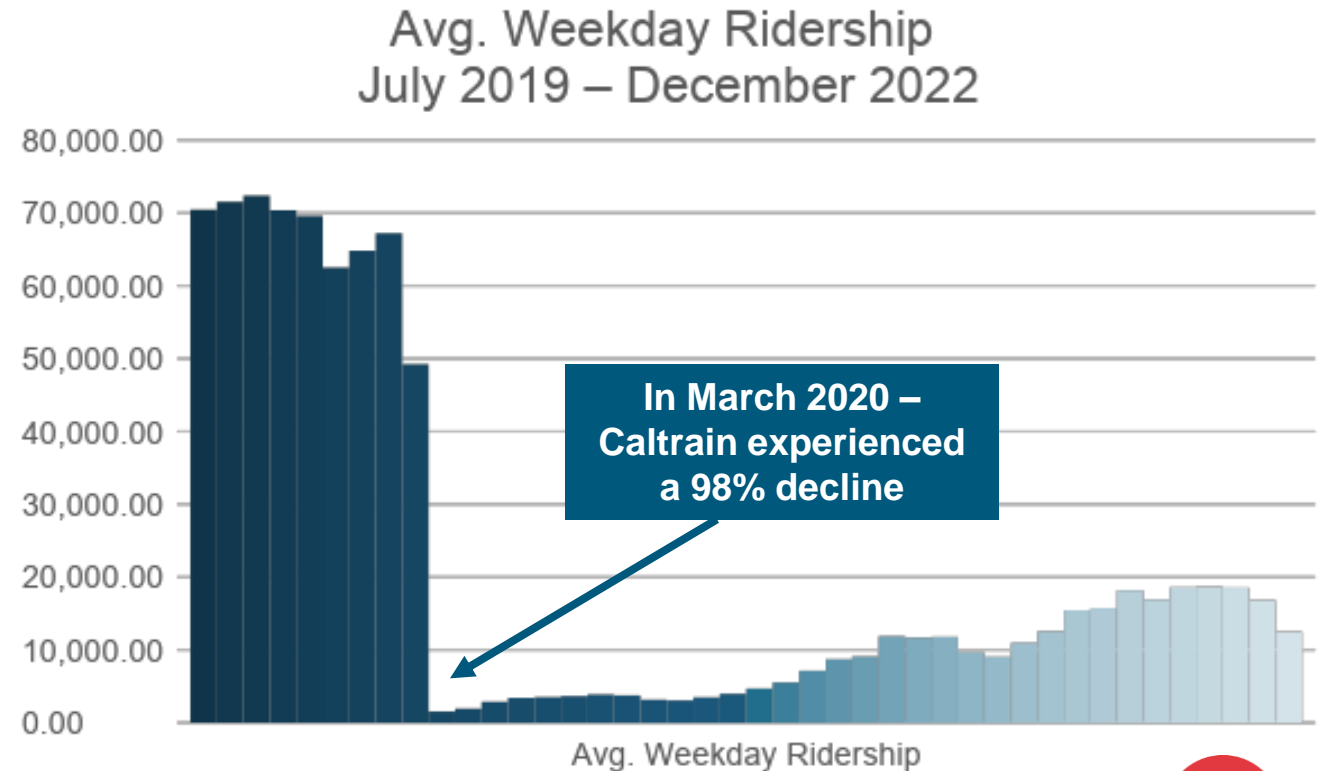
- 2020, **declined 98%**
- 2022, **still 25% of 2019 levels**

### Average Weekend Ridership

- 2022, 65% of 2019 levels

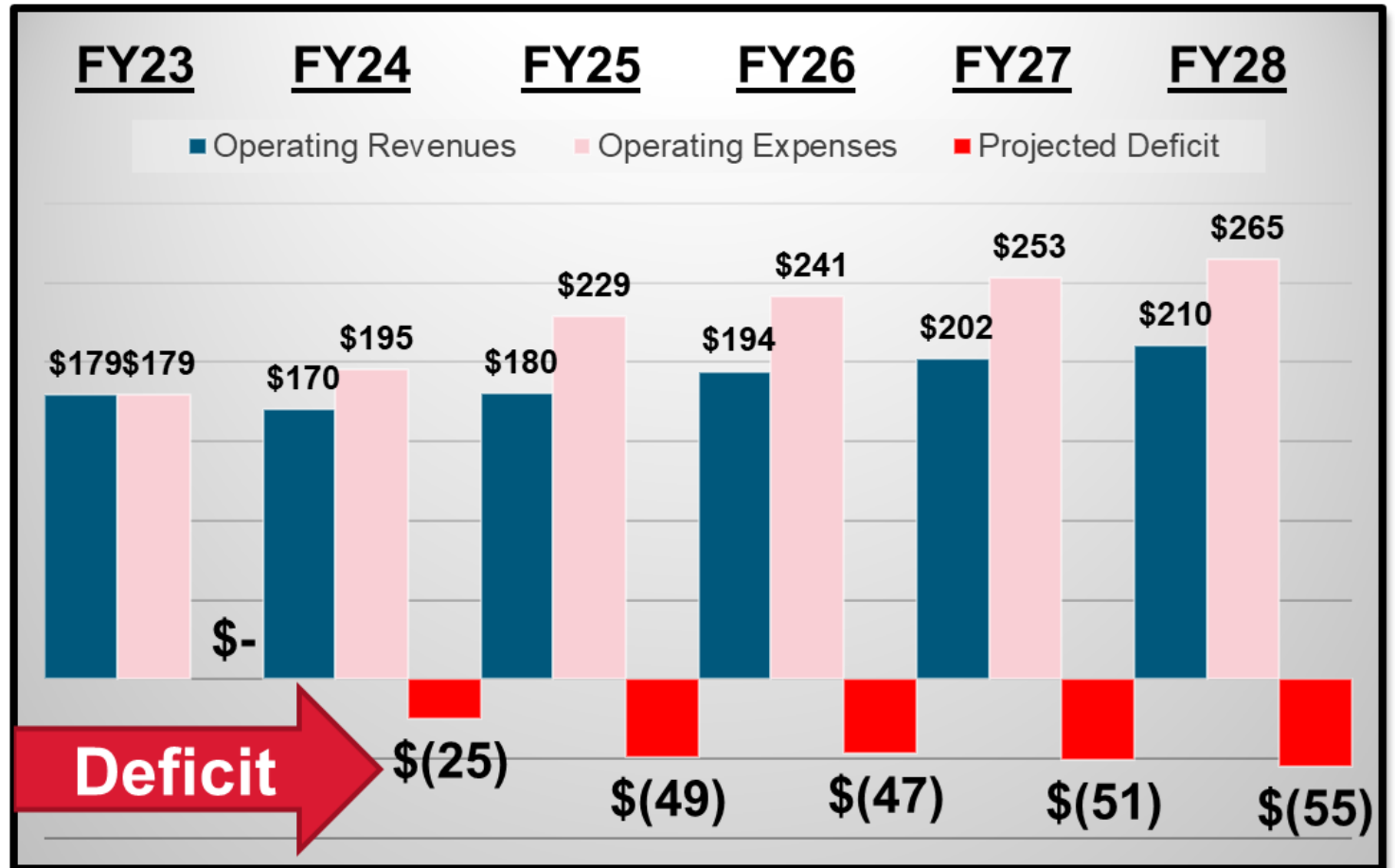
## Farebox Related Revenue

- 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

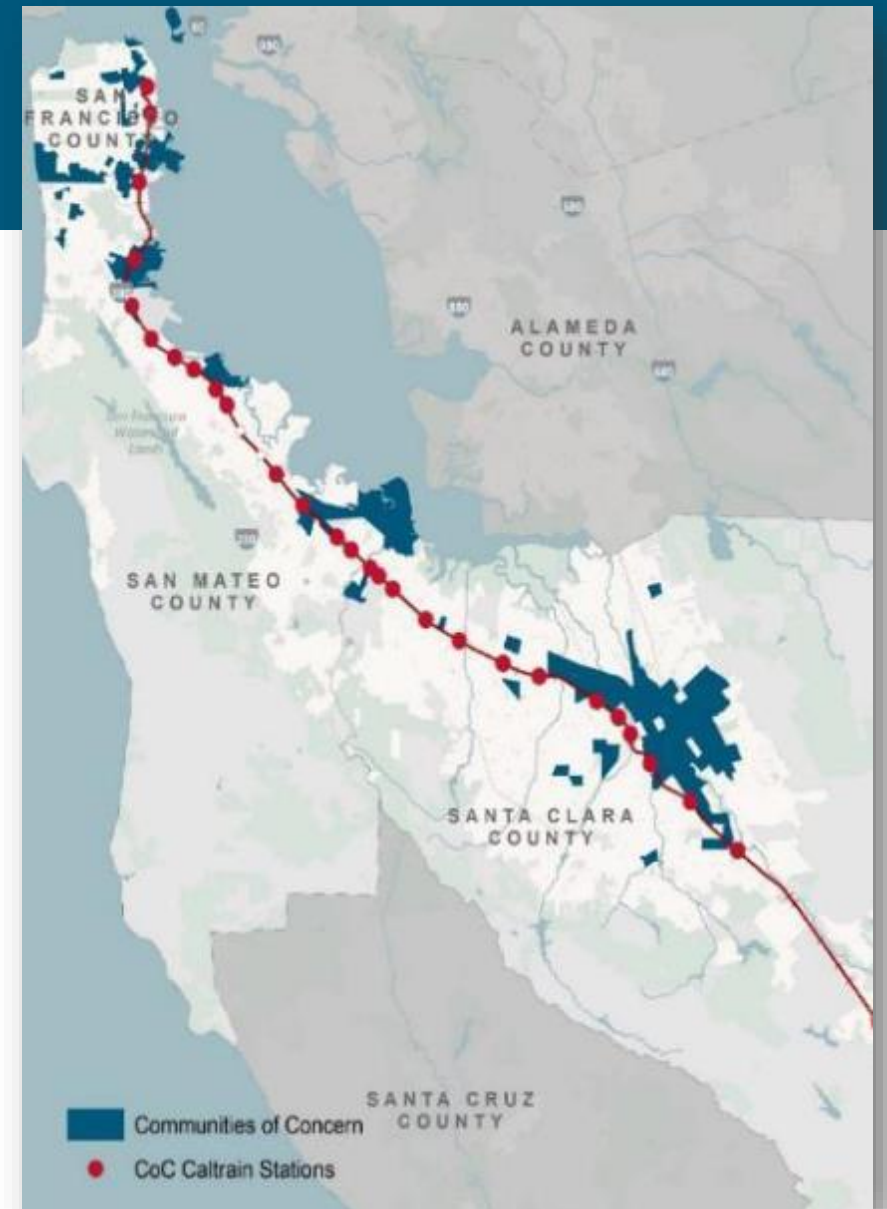
# Caltrain Implications

- 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



Smoother 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](mailto:bouchardm@caltrain.com)

Casey Fromson, Chief Communications Officer

Email: [fromsonc@caltrain.com](mailto:fromsonc@caltrain.com) cell: 650.288.7625

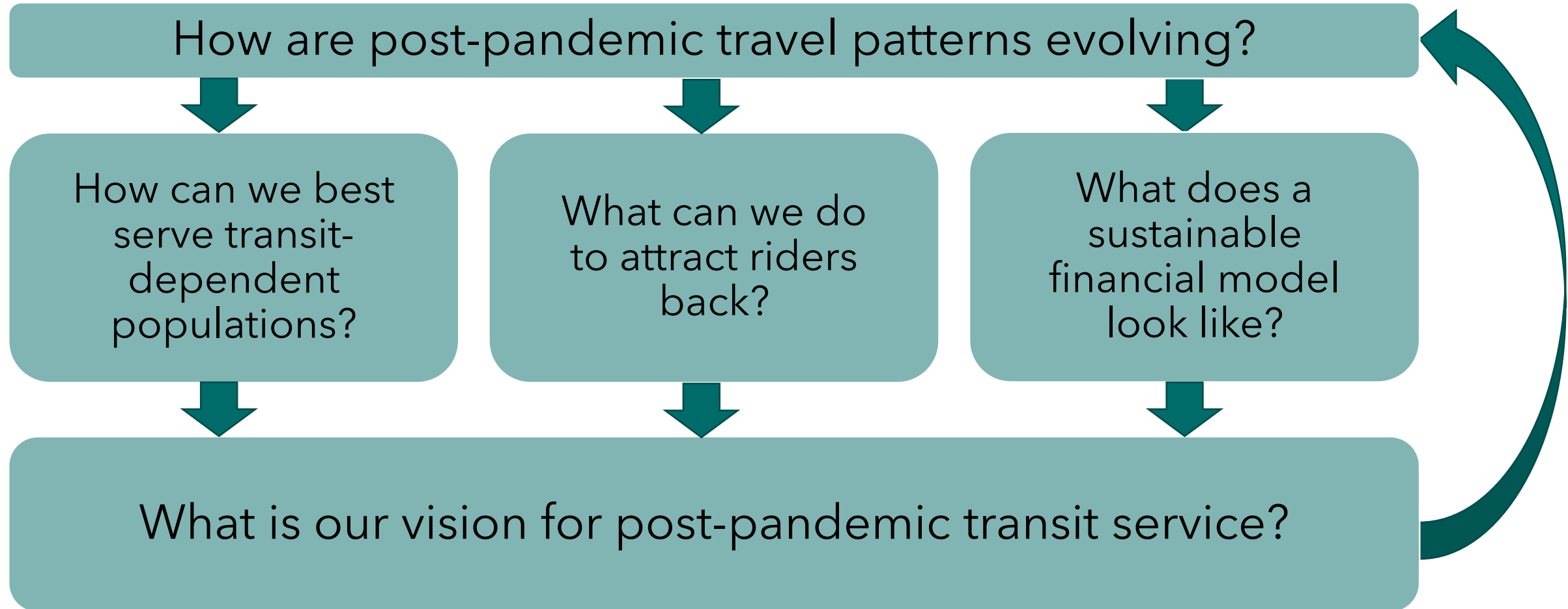


**FOR MORE INFORMATION**

**[WWW.CALTRAIN.COM](http://WWW.CALTRAIN.COM)**



# Big Questions



# What does a sustainable financial model look like?

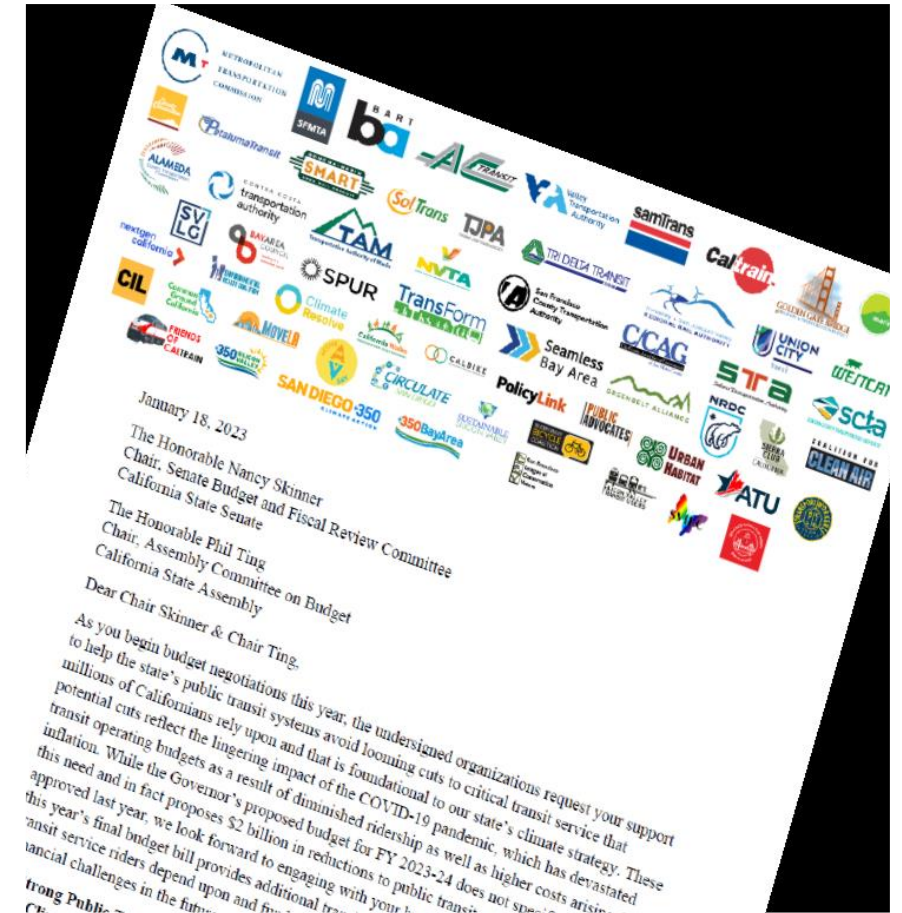
- No one revenue source will solve the problem for all operators
- We will likely need local, regional, and/or state/federal funding sources
- Need to explore new models that are less ridership-dependent (e.g., fares)
- May require state authorizing legislation
- Will require education campaigns about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



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County Transportation  
Authority



[sfcta.org/stay-connected](https://sfcta.org/stay-connected)





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

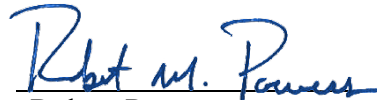
To address the operating challenges, we are seeking a new multi-year operations funding commitment on a limited term basis to assist California's transit systems as they recover from the pandemic and develop long-term funding plans, as necessary. The funding picture for each transit system is unique 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](mailto:rlong@bayareametro.gov) or 510-504-7914 with any questions.

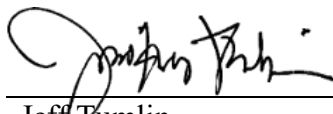
Sincerely,



Therese W. McMillan  
Executive Director, MTC



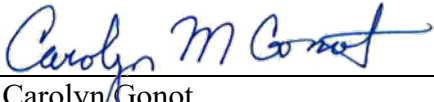
Robert Powers  
General Manager, BART



Jeff Tumlin  
Director of Transportation, San Francisco  
Municipal Transportation Agency



Mike Hursh  
General Manager, AC Transit



Carolyn Gonot

General Manager, Santa Clara VTA



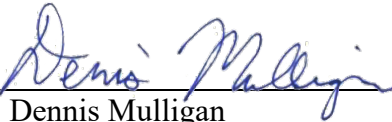
April Chan

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



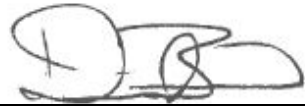
Steve Adams

Transit Manager, Union City Transit



Jason Baker

Senior Vice President,  
Silicon Valley Leadership Group



Daniel Barad

Associate Director, Sierra Club



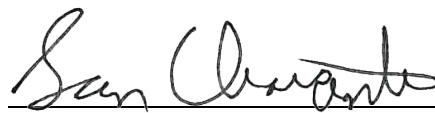
Rashidi Barnes

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



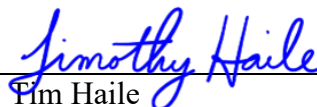
Eddy Cumins

General Manager, SMART



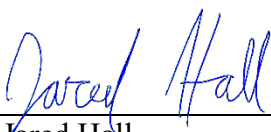
Zack Deutsch-Gross

Policy Director, Transform



Tim Haile

Executive Director, CCTA



Jared Hall

Transit Manager, Petaluma Transit



Daryl Halls

Executive Director, Solano Transportation  
Authority (Solano Express)



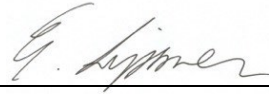
Caro Jauregui  
Co-Executive Director, Cal Walks



Beth Kranda  
Executive Director, Solano County Transit



Tess Lengyel  
Executive Director, Alameda County  
Transportation Commission



Eli Lipman  
Executive Director, Move LA



Carolina Martinez  
Climate Justice Director,  
Environmental Health Coalition



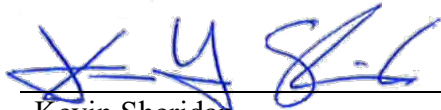
Kate Miller  
Executive Director,  
Napa Valley Transportation Authority



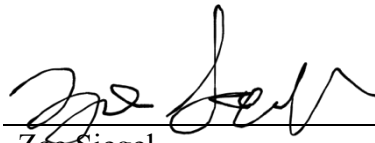
Sofia Rafikova  
Policy Advocate,  
California Coalition for Clean Air



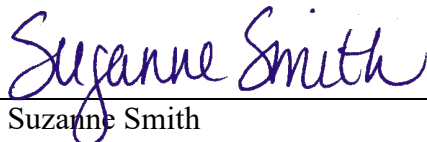
Anne Richman  
Executive Director,  
Transportation Authority of Marin



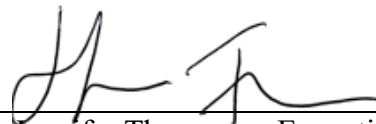
Kevin Sheridan  
Executive Director, Tri-Valley – San  
Joaquin Valley Regional Rail Authority



Zoe Siegel  
Director of Climate Resilience,  
Greenbelt Alliance



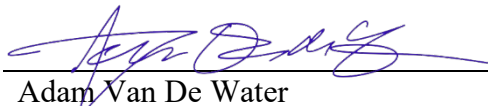
Suzanne Smith  
Executive Director, Sonoma County  
Transportation Authority



Jennifer Thompson, Executive Director  
Sustainable Silicon Valley



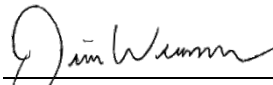
Rob Thompson  
General Manager,  
Western Contra Costa Transit Authority



Adam Van De Water  
Executive Director,  
Transbay Joint Powers Authority



Nancy Whelan  
General Manager, Marin Transit



Jim Wunderman  
President & CEO, Bay Area Council



Zak Accuardi  
Transportation Advocate, NRDC

Arturo E. Aguilar  
Chairman, California Conference Board  
Amalgamated Transit Union

Shiloh Ballard  
Executive Director,  
Silicon Valley Bike Coalition

Eugene Bradley  
Founder, Silicon Valley Transit Users

Rita Clement  
Transportation Co-Leader,  
San Diego 350

David Diaz  
Executive Director,  
Active San Gabriel Valley

Christine Fitzgerald  
Community Advocate, Silicon Valley  
Independent Living Center

Sara Greenwald  
Transportation Committee Member,  
350 Bay Area Transportation Committee

Ian Griffiths  
Co-director, Seamless Bay Area

Josh Hawn  
President, Common Ground California

Lavie Kakol  
Democratic Socialists of America,  
San Francisco

Adina Levin  
Executive Director, Friends of Caltrain

Bryn Lindblad  
Deputy Director, Climate Resolve

Jerry Maldonado  
Vice President of Programs, PolicyLink

Richard Marcantonio  
Managing Attorney, Public Advocates

Emma Martin  
Community Engagement Program Manager,  
Center for Independent Living

Kristina Pappas  
President, SF League of Conservation  
Voters

Jesse O'Sullivan  
Policy Counsel, Circulate SD

Jared Sanchez  
Senior Policy Advocate, CalBike

Arnold Sowell, Jr.  
Executive Director, NextGen California

Laura Tolkoff  
Transportation Policy Director, SPUR

Cheryl Weiden  
Steering Committee Member  
350 Silicon Valley

Sam Wilkins  
California State Conference Chairperson  
Transport Workers Union of America,  
AFL-CIO

Ellen Wu  
Executive Director, Urban Habitat

Chair Skinner and Chair Ting

1/18/2023

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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

# We can't afford to lose transit



## 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

## BART was self-reliant before the pandemic

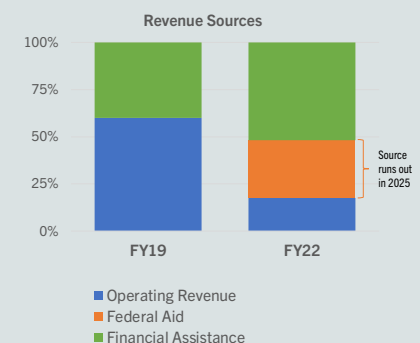
BART depended on fares to run service, more than almost any other transit agency in the world.

### BART's operating ratio\*

FY22 .....	21%
FY21 .....	12%
Pre-COVID .....	71%

*\*Percentage of costs paid by passenger fares, parking revenue, advertising, and other sources*

**BART is now running service using one-time federal emergency funds that will run out in 2025**



## 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

## 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

### • NO BART SERVICE

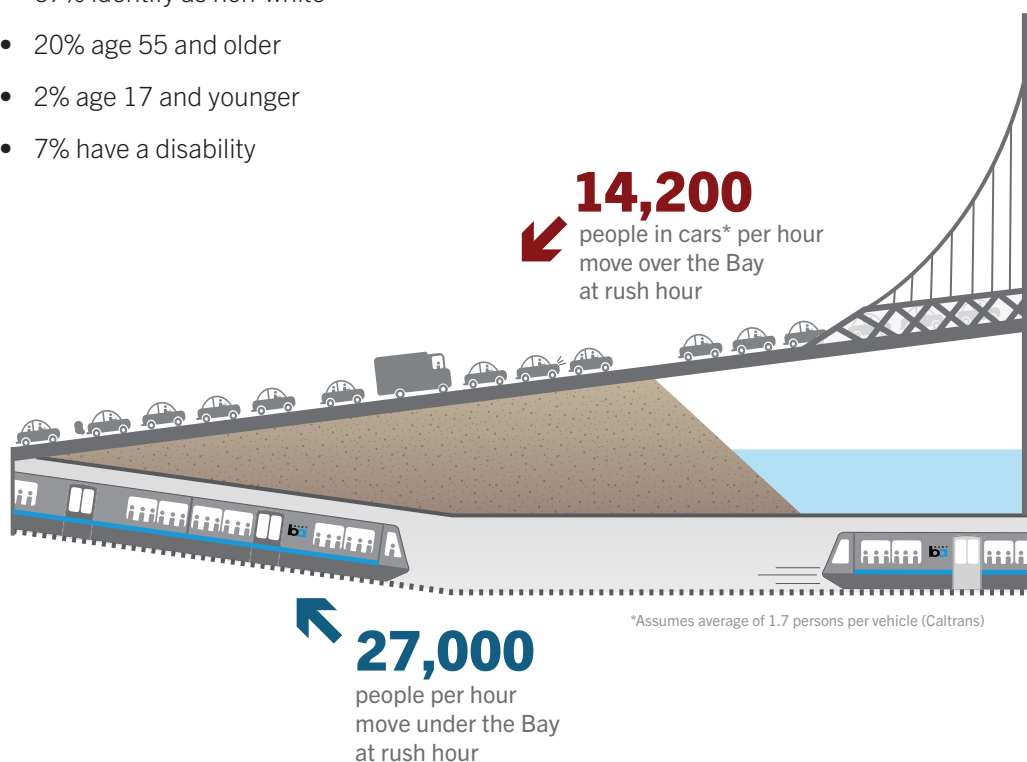
## Transit is the solution for California's climate goals

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.



## BART's Transbay Tube riders vs. Bay Bridge drivers

