

Transit Transformation Task Force (TTTF) Meeting 5

- August 29, 2024

Welcome to Los Angeles

Remarks and Updates from SCAG

CalSTA Transit Transformation Task
Force Meeting #5

Regional Transit Planning

August 29, 2024

The SCAG Region

6

COUNTIES

16

TRIBAL
GOVERNMENTS

191

CITIES

18.7M

RESIDENTS



38,618

SQUARE MILES

\$1.6T

REGIONAL GDP

15TH

LARGEST ECONOMY
WORLDWIDE

47.6%

OF STATE
POPULATION

Connect SoCal 2024

- The Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS):
 - Updated every **4 years**
 - **20+ year** plan with **\$750 billion** in transportation investments
 - Regional development pattern
 - **Revenues = Costs**
 - Supportive **programs and strategies**
 - Achieves **greenhouse gas emission targets** for passenger vehicles
 - Passes **regional emissions standards**



The Southern California Association
of Governments' 2024–2050
Regional Transportation Plan/
Sustainable Communities Strategy

Connect SoCal 2024: Vision and Goals



MOBILITY

Build and maintain an integrated multimodal transportation network



ENVIRONMENT

Create a **healthy** region for the people of today and tomorrow



COMMUNITIES

Develop, connect and sustain **livable and thriving** communities



ECONOMY

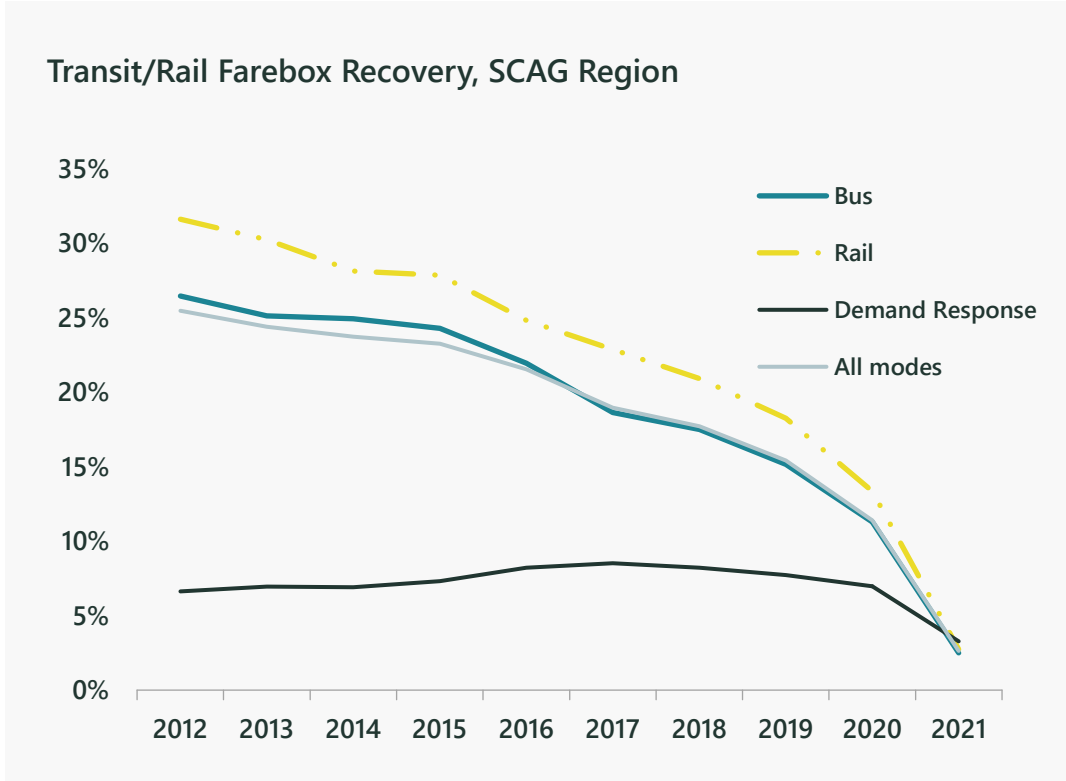
Support a sustainable, efficient and productive regional environment that provides **opportunities for all** people in the region

SCAG Region Existing Conditions

- 100+ transit operators
- 2 passenger rail operators operating on 546 miles of network, serving 66 stations
 - Amtrak Pacific Surfliner
 - Metrolink Commuter Rail
- 109 miles of local heavy & light rail serving 108 stations
- 33,485 miles of bus routes
- 65% of bus routes contained entirely inside of LA County
- 3 Bus Rapid Transit (BRT) corridors
 - Los Angeles Metro G-line (Orange)
 - Los Angeles Metro J-line (Silver)
 - Omnitrans sbX Green Line



Transit/Rail Challenges



Transit/rail farebox recovery declined to **3%** in 2020

Source: National Transit Database

Funding

Safety & Security

Remote/Telework/
Hybrid Work

Climate Change

Built Environment
& Subsidization of
Driving

Agency
Coordination

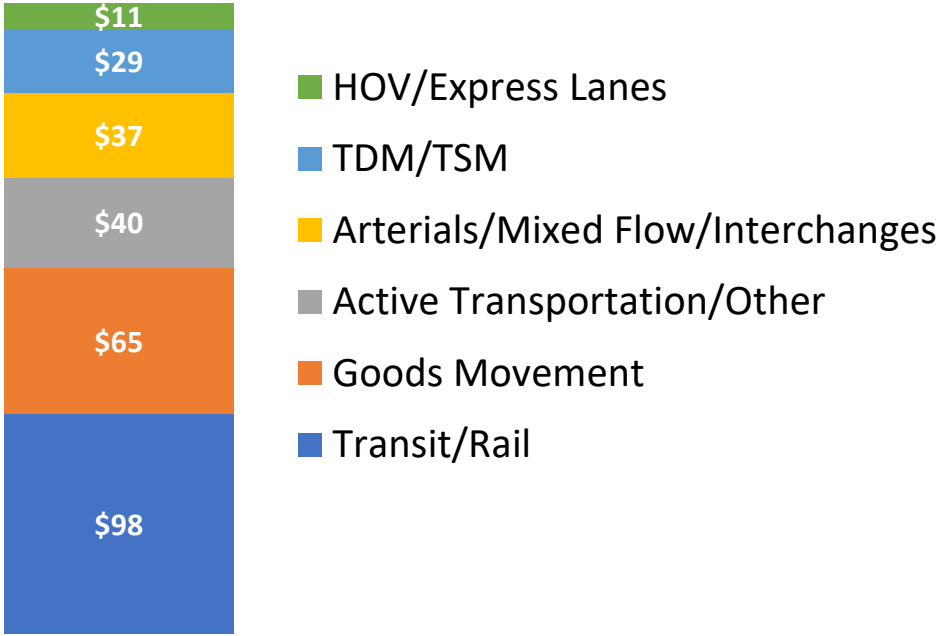
Equity

Airport
Connectivity

Rail Capacity
Constraints

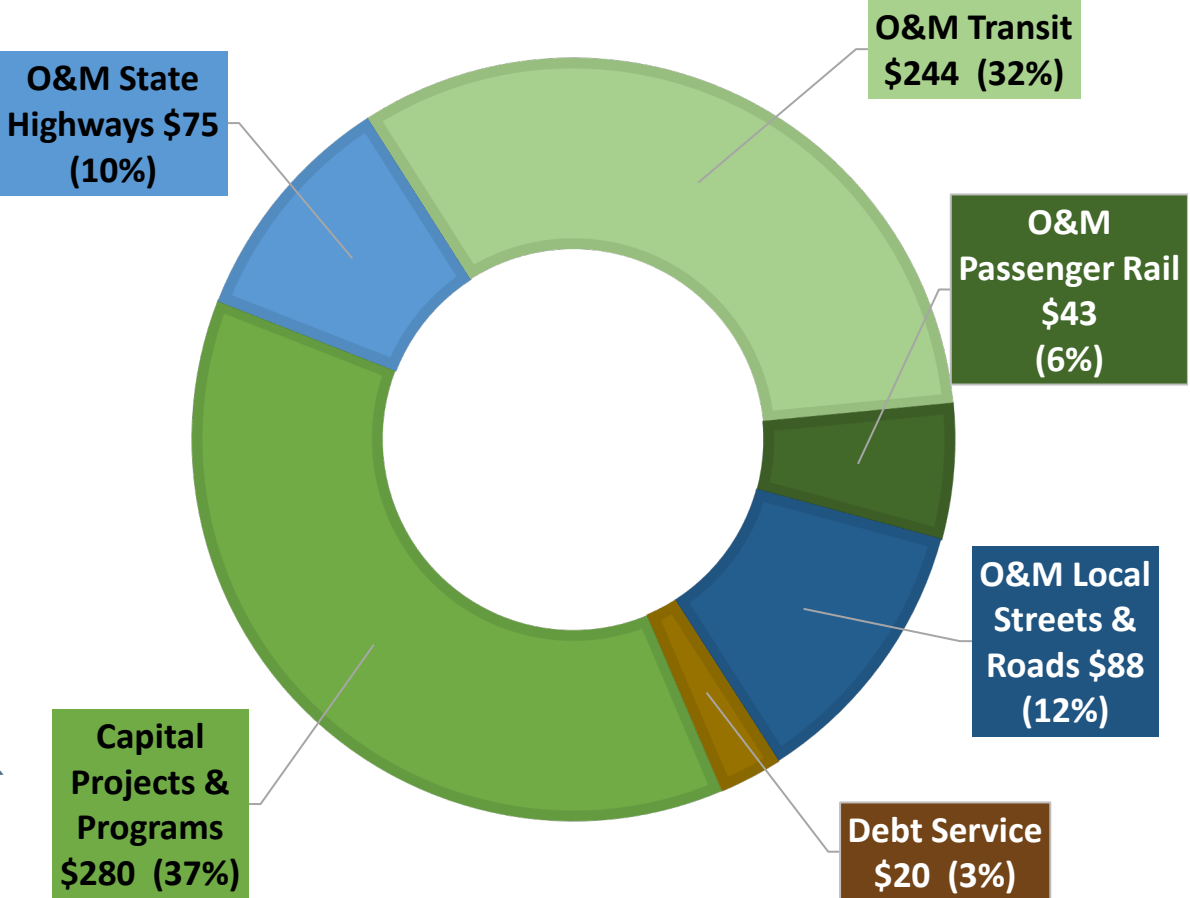
Plan Investments

Capital Project & Program Expenditures



Expenditures

FY2025 - FY2050 (in Nominal Dollars, Billions)
\$750 Billion Total



Regional Strategic Investments

Connect SoCal 2024 reflects **need for \$131B in innovative financing** beyond what is anticipated through existing funding sources to meet plan goals, this includes fund to fill gap for transit operations, capital and the complementary infrastructure and programs.

Mobility

System Preservation & Resilience

Transportation System Management

Transit & Multimodal Integration
(includes Mobility Hubs)

Complete Streets

\$105 Billion

Communities

Housing the Region

\$3 Billion

Environment

Clean Transportation
Natural & Agricultural Lands
Preservation

\$2 Billion

Economy

Goods Movement

Universal Basic Mobility

Tourism: Access to Recreational Trails
& Scenic Byways

\$21 Billion

Connect SoCal 2024: Outcomes Transit Needs to Achieve

Connect SoCal Goals & Performance Measures:

- Achieve regional GHG emissions target (19% reduction by 2035 relative to 2005)
- Increase annual transit boardings per capita by 112% (2019 to 2050)
 - Equates to 135% increase in overall transit boardings (2019 to 2050)
 - Compare to the 400% to 900% increase needed, per CalSTA
- Increase commute transit mode share by 4.5% (2019 to 2050)
- Reduce average commute travel time by 6.2% (2019 to 2050)

Considered Through the Regional or Local Lens

- **What Outcomes Does Transit Need To Achieve?**

- Ensure solutions are designed to consider a broad set of federal, state, and local goals and existing regional plans that were designed to balance these goals

- **How Would the Customer Experience Need to Change?**

- Consider the role of transit in the context of land use and multimodal transportation strategies in regional plans to optimize the customer experience and public benefit

Considered Through the Regional or Local Lens

- **How Do We Change Policies & Funding To Do These Things?**

- Focus on common priorities and barriers identified in the transit/rail strategies of regional plans:
 - Operating funds to sustain/increase transit revenue service
 - Investments in Regional Rail
 - Dedicated Lanes
 - Mobility Hubs
 - Supporting agency interoperability (e.g., fares, schedules, real time information, etc.)
- Consider complementary Task Force be formed on SB 375 to address implementation barriers to related land-use and transportation policies.



THANK YOU!

For more information, please visit:

www.scag.ca.gov

Remarks and Updates from LA Metro

Transit Transformation Taskforce

Reduced Fare Programs

August 29, 2024

Background

- > September 2020: Fareless System Initiative (FSI) Task Force created to study the feasibility of removing fares for our most vulnerable riders.
- > May 2021: Based on Task Force findings, Motion 45 directed CEO to implement FSI, subject to a final funding plan, while pursuing cost-sharing agreements, and reporting to the Board on the development, launch, and performance. This motion disallowed the use of existing funds to pay for FSI.
- > September 2021: Board approved a phased approach for a Fareless Pilot implementation — Phase 1 fareless for K-14 students using American Recovery Plan Act (ARPA) Funding and Phase 2 fareless for low-income residents, once additional funding has been identified.
- > April 2023: Deloitte completed an FSI Funding Feasibility Plan Report listing potential options for funding a fareless program, some of which are already in use.



Fareless Cost Analysis

The September 2021 Board Report detailed the cost of a countywide fareless system at \$804.9 million for Metro, plus an additional \$263.0 million for municipal and local operators, for a **total estimated annual cost of \$1.1 billion**, noting additional capital costs may be necessary to meet the demands of a fully fareless system.

Universal Fareless Financial Impact (\$ in millions)	Annual Estimate
Metro	
Fare Revenue Loss	\$ 250.0
Increase in Transit Service to Meet Projected Demand	252.9
Annual Funding Gap Projected by Access Services	302.0
<i>Metro Subtotal</i>	\$ 804.9
Countywide Municipal & Local Operators	
Fare Revenue Loss	\$ 77.7
Additional Costs	185.3
<i>Municipal and Local Operators Subtotal</i>	\$ 263.0
Annual Impacts of Universal Fareless Program	\$ 1,067.9

In response to a request by Director Bonin, an independent consultant was engaged to verify the accuracy of this cost estimate and they concurred with these findings.

Cost of Fare Collection

Per the September 2021 report, the annual cost to Metro for the administration of the TAP system was \$74.4 million, which was 30% of Metro's average annual fare revenue and 22% of the regional revenues collected via TAP. **\$48.1 million (65%) was for labor.**

Annual Fare Collection Costs by Department	Labor	Non-Labor	Total	%
<i>TAP</i> - Operations and Regional Payment Processing	\$ 9.5	\$ 20.9	\$ 30.4	41%
<i>Security</i> - Fare Enforcement and Cash Collections Support	13.1	-	13.1	18%
<i>Revenue Collections</i> - Cash Collection and Cash Counting	11.6	0.5	12.1	16%
<i>Communications</i> - Customer Information and Reduced Fare Admin	11.2	-	11.2	15%
<i>Operations</i> - Farebox Repair and Installation	2.5	0.2	2.7	4%
Other (Transit Court, ITS, Legal, Audit)	0.2	4.7	4.9	7%
Total Annual Fare Collection Costs by Department	\$ 48.1	\$ 26.3	\$ 74.4	100%

If fare collection was eliminated county-wide, total savings would be approximately \$26.3M, the total non-labor amount for annual fare collection costs. This assumes no change in staffing, with all 282 FTEs reallocated to other functions within the agency.

Cost of Fare Collection

If Metro eliminated fares and TAP cards, but other TAP operators continued to collect fares, Metro would continue to administer TAP on behalf of the region. In this scenario, approximately 55% of non-labor costs would remain for a potential savings of \$14.5 million.



Non-Labor Costs of Fare Collection	Universal Free	Metro Free
<i>TAP</i> - Operations and Regional Payment Processing	\$ 20.9	\$ 11.5
<i>Security</i> - Fare Enforcement and Cash Collections Support	-	-
<i>Revenue Collections</i> - Cash Collection and Cash Counting	0.5	0.3
<i>Communications</i> - Customer Information and Reduced Fare Admin	-	-
<i>Operations</i> - Farebox Repair and Installation	0.2	0.1
Other (Transit Court, ITS, Legal, Audit)	4.7	2.6
Potential Savings	\$ 26.3	\$ 14.5

From the beginning of the FSI Task Force study, employees have been told that no layoffs would occur as a result of a fareless system.

One-Time Cost to Eliminating Fares & TAP Cards

If fares were eliminated county-wide, Metro would incur an estimated \$249.1 million in one-time costs to discontinue the TAP system. This amount includes penalties for early termination of contracts, refunds of Stored Value currently loaded to customer TAP cards, and removal of fare collection infrastructure, as shown in the table below.



One-Time Cost to Eliminate Fare Collection (in millions)	Non-Labor	%
Early Termination – Remaining Value of Current Contracts (as of August 2024)	\$175.3	71%
Refunds of Unused Fare Products (as of June 2024)	60.3	24%
Removal Of Fare Gates and Validators, and TAP Vending Machines (TVM)	13.5	5%
Total One-Time Cost to Eliminate Fare Collection	\$249.1	100%

The annual cost estimate also did not include a one-time bond defeasance payment in the amount of **\$33 million** to defease bonds that are guaranteed by fare revenue prior to the start of a fareless program.

Recent TAP Board Actions

The projects listed below were recently approved by the Board and are already underway:

- **June 2024:** Board approved open payment and account-based systems, and renewal of Cubic maintenance agreement for four years beginning January 2025
- **July 2024:** Board approved expanding TAP-to-Exit Pilot to 10 terminus stations with gate telephone (GTEL) improvements
- **July 2024:** Board approved pilot testing up to three different gates at three different stations
- **November 2024:** TAP completes installation of taller gates at LAX/Metro Transit Center as the first pilot station
- **Beyond 2024:** Design and installation of taller gates for Purple Line Extensions 1, 2, and 3

FARE PROGRAMS: Equality v. Equity

Provides benefit equally

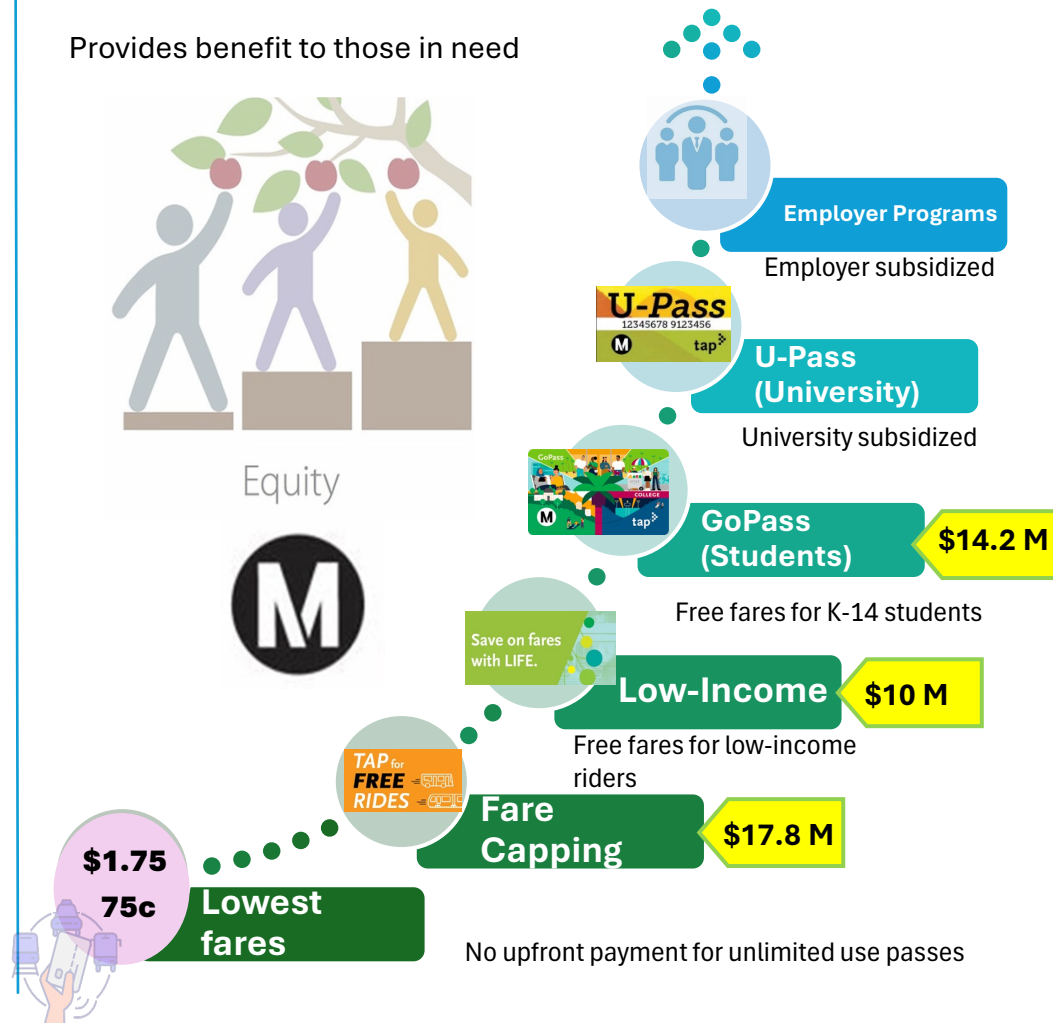


Equality

Provides benefit to those in need



Equity



Funding Opportunities ~ 24.4M (over 7 years)

Funding sources available from FY23 to FY30

Source	Program	Amount	Period/Expiration	Program
Federal	Reconnecting Communities Grant	\$4 Million	5 Years / FY29	GoPass
State	Transformative Climate Communities*	\$2.4 Million	5 Years / FY29	GoPass/LIFE – Pomona
State	Transformative Climate Communities*	\$5.5 Million	5 Years / FY28	GoPass/LIFE – South LA
Federal	Advanced Transportation Technologies and Innovative Mobility Deployment (ATTAIN)	\$4 Million	2 Years / FY26	Mobility Wallet (Phase 3 / FY26)
Federal	Congressionally Directed Spending*	\$1 Million	3 Years / FY25	GoPass – Comm. College
Private	Corporate Sponsorship – WSS (New)*	\$80,000	1 Years / FY25	GoPass - Lynwood
State	Sustainable Transportation Equity Project (STEP) & City of LA General Funds**	\$4 Million	1 Year / FY24	Mobility Wallet (Phase 1 & 2)
State	Regional Early Action Planning (REAP) 2.0**	\$2 Million	1 Year / FY24	Mobility Wallet (Phase 2)
Private	Corporate Sponsorship – Target (Expired)*	\$73,000	2 Years / FY24	GoPass – Inglewood
Private	Vehicle Miles Traveled (VMT) Exchange (Pending)	Unknown	Ongoing	GoPass/LIFE/U-Pass/E-Pass

* Funds for end user subsidies, and do not cover Metro costs

**Funds for end user subsidies, research evaluation and outreach

FY24 GoPass Program

Nearly 180,000 students participated in GoPass for a total of 19.76M boardings.

95% of GoPass participants actively used their pass for an average of 115 boardings per active pass.

The full cost of the program was approximately \$20.2M, which is \$115 per participant.

School districts contributed \$7 per enrolled student for a total of \$6.5M.

After school district cost-sharing, the net annual cost was \$14.2M or \$79 per participant.

Corporate sponsorships from Target and WSS have helped districts.



Mobility Wallet Pilot – How It Works

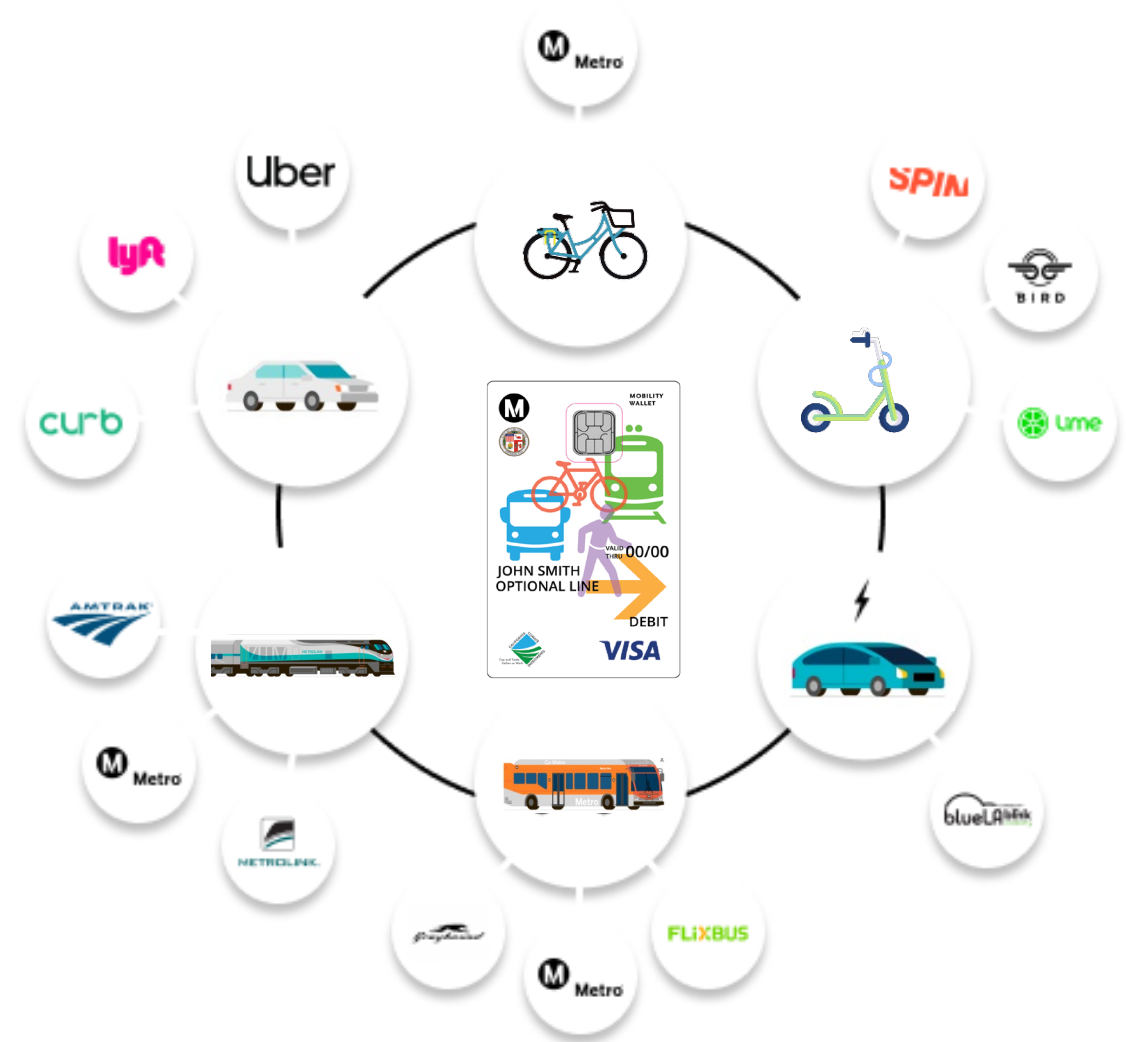
one card, many modes

Participants

- Phase 1: 1,000 low-income residents in South LA
- Phase 2: 2,000 low-income residents Countywide (launching Fall 2024)

Debit Card - \$1,800 annually

- Merchant Category Code (MCC) Limited
 - Ridehail / Taxi / Access
 - Public Bus/Rail
 - Commuter Rail
 - Carshare
 - Amtrak
 - Intercity Bus
 - Bike Shops
 - Shared Bikes/Scooters



Mobility Wallet Pilot: Initial Findings

strong adoption by target market: low-income, car-lite households

100%
LIFE qualified

60%
ride transit regularly.

80%
were car-lite
households.
<1 car per adult

~30%
are unemployed.
Have a health-related
challenge or disability

40%
are no car
households.

80%
are participating in a
financial assistance
program.

50%
of people in treatment do not
have a Driver's License.



Rebeca, 37

Uses it to take the bus or train to DTLA and the supermarket. Also provides for a late-night taxi pickup for her mom who works in a laundromat until 11:00 p.m.



Andre, 63

Lost his vehicle in a traffic collision and now uses public transportation all the time to commute on the bus or train to get to his job interviews.



Cesar, UNK

Uses it to buy a bike at a local bike shop to get around and get exercise.

Mobility Wallet Pilot: Initial Findings

multimodal choice enables access to opportunity

\$1.36M Spent

145.05K Purchased Trips

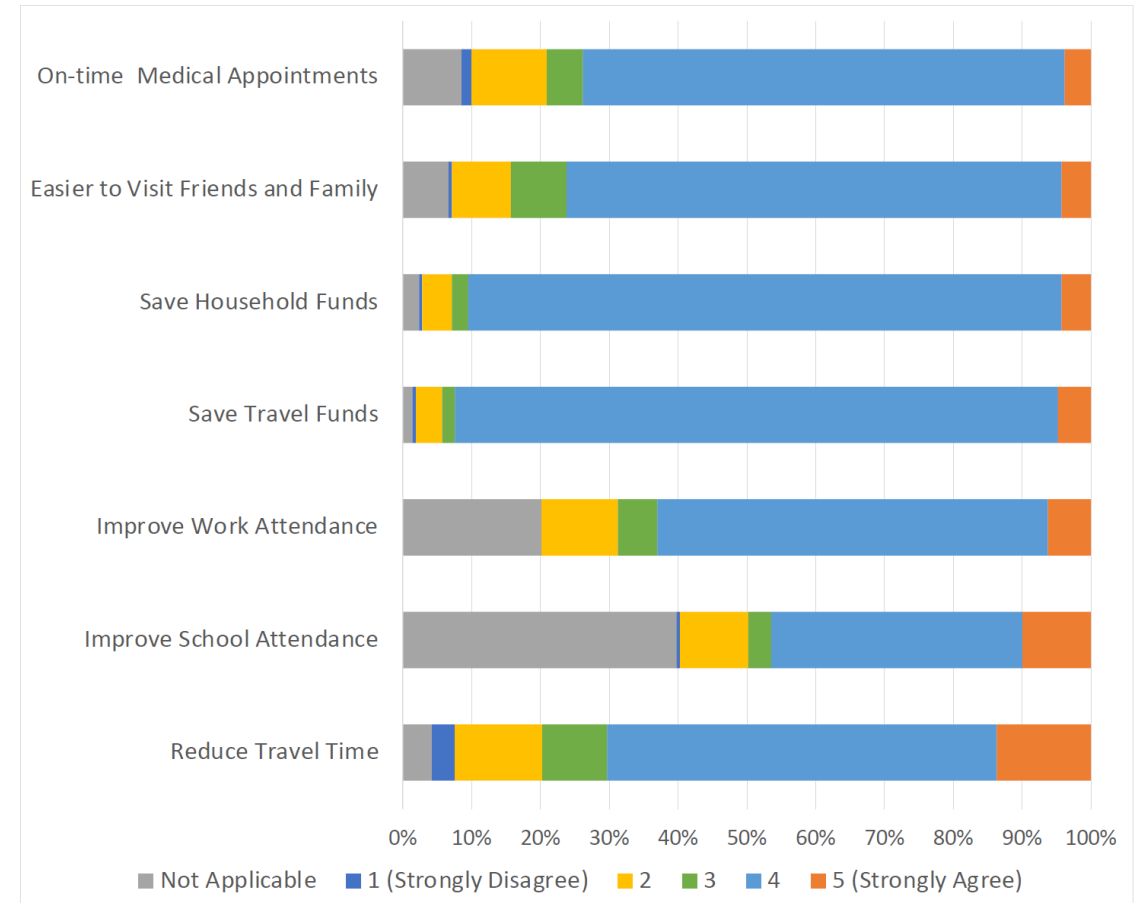
May 2023 – May 2024 (12 months)

- 70.8K (49%) Trips via Public Transit (Bus/Rail)
- 60.7K (42%) Trips via Ridehail/Taxi/Access Svcs
- 2.2K (1.5%) Trips via Shared Scooters & Bikes
- 169 Bike Shop Purchases

Improved access to medical appointments, work, school and reduced travel time.

Reduced stress

Significantly increased transportation security (based on the University of Michigan [Transportation Security Index](#))



Quantitative Midpoint Survey





LIFE PROGRAM ANALYSIS – JULY 2024

	LIFE Program		LIFE Unlimited FREE
FREE Trips	20 trips each month		Unlimited
Who Benefits	87% of enrolled riders	+ 13%	100% of enrolled riders
Benefits	<ul style="list-style-type: none"> Allows for investments in service that can better serve low-income communities Ensures that many riders receive assistance 		<ul style="list-style-type: none"> Eliminate cost barriers Improves access to opportunity
Cost	\$33.5 Million	+ \$89.8 M	\$64 - \$123.3 Million
Risks	<ul style="list-style-type: none"> Moderately less investments in service 		<ul style="list-style-type: none"> Invests in free fares over current service and future service improvements Discontinue program if funding not available Potential misuse of system Without funding, tradeoffs will need to be made to continue program
Risk Mitigation Efforts	<ul style="list-style-type: none"> Targeted and moderate subsidies help to ensure sustainability of the program & many riders have assistance 		<ul style="list-style-type: none"> Identify and secure long-term funding



CHALLENGES OF MAKING LIFE FARELESS



LIFE is a regional program
Impacts transit operators throughout LA County (CONSENSUS)



Unlimited FREE rides will negatively impact fare revenues for all transit operators



Significant cost increases (est. \$30.5M - \$89.8M annually)
No dedicated funding, LIFE program may not be sustainable



Cuts in operating budget
Negatively impact the quality & frequency of service
Unintentionally limit mobility options for those that need it the most



Budget shortfalls can impact transit access and opportunities undermining the main purpose of the LIFE Program

REPLACEMENT REVENUES



Local Return

- Eligible for transit fare subsidies
- No sunset sales tax
- Potential: \$90 million annually (10% of Local Return)



Deloitte Report

- Future congestion pricing
- Voluntary ExpressLanes toll round-up
- Fees to Metro contracts



Federal & State Funding

- Challenging
- Does not offer long-term solutions – May not be consistently available every year
- Compete with other transit needs and other vital public services (i.e. education and healthcare)

Regional Transit Funding

Transit Funding *apportioned* to the region based on fare revenues

- STA, SB1-STA, SB1-SGR, LCTOP

Transit Funding *allocated* in the region based on fare revenues

- TDA, STA, SB1-STA, SB1-SGR, Prop A, Prop C, Measure R and Measure M
- Federal funds (Section 5307 & 5339)

Fare revenue collected by each transit agency is a key component for allocating transit funding across the region

Material changes to formulas could require a modification to the California State statutes in which they are codified

Regional transit funds are allocated based on 50% of the transit service provided and **50% of the fare units**, a measure of total fares collected in relation to the base fare. While fare units are currently frozen per Board policy for local and State funding sources for most transit operators, the methodology does not specify what happens if an operator does not collect fares.

Fare units are not frozen for the formulas used to allocate federal capital funding so a greater impact could occur for those revenue sources.

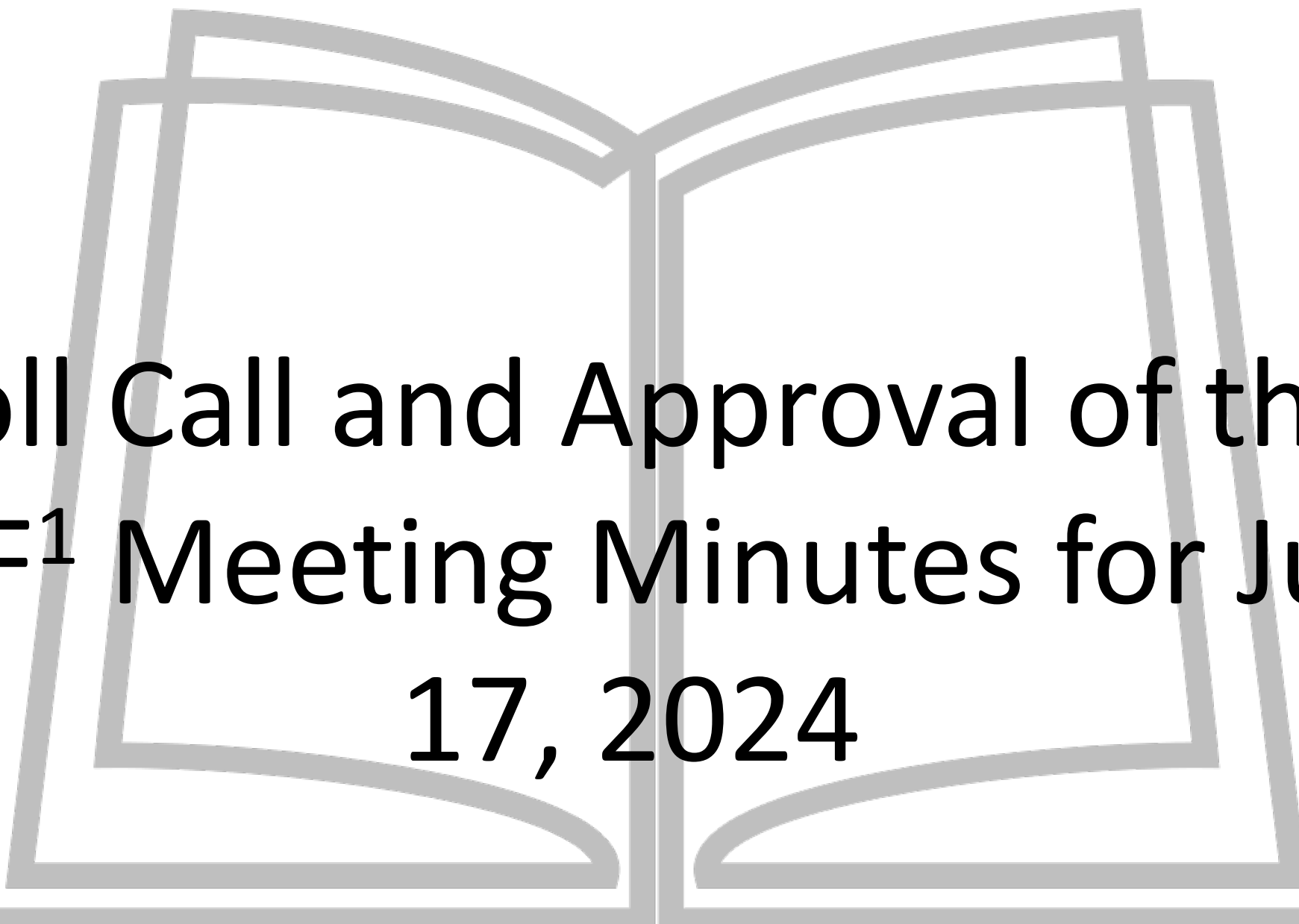
Completely fareless system = regional discussion and coordination required to change the current allocation methodology.

Next Steps

- ✓ Staff will continue to analyze LIFE TAP card usage and feedback to make improvements to the program
- ✓ Staff will outreach to Councils of Governments and local cities about the benefits of using their local return monies to subsidize transit programs.
- ✓ Staff will continue to seek additional opportunities to fund fareless transit for our most vulnerable communities – Students, low-income, senior/disabled.



Public comment and remarks



**Roll Call and Approval of the
TTTF¹ Meeting Minutes for June
17, 2024**

Agenda

Topic

- 1 Welcome and Opening Remarks
- 2 Roll Call
- 3 Approval of the TTTF¹ Meeting Minutes for June 17, 2024 (Roll Call)
- 4 Staff Report on findings and policy recommendations for the report to the Legislature
 - a Staff presentation on process for findings and policy recommendations
 - b Staff and TWG² presentation on policy recommendations made on transit prioritization
 - c Public comment (2 minutes per speaker)
 - d Discussion and possible action regarding policy recommendations
- 5 Discussion of research plan and analysis
 - a Staff report on research plan for meeting the statutory requirements for the report to the Legislature as identified in Government Code section 13979.3, subdivision (e).*
 - b Discuss Subject Matter Expert (SME) interviews
 - c Public comment (2 minutes per speaker)
 - d Discussion and provide feedback to technical working group on research plan
- 6 Discussion of workforce opportunities in public transportation industry including strategies to address workforce recruitment, retention, and development challenges
 - a Staff and TWG² Presentation
 - b Public comment (2 minutes per speaker)
 - c Discussion
- 7 Discussion of Transportation Development Act reform for transit operations, including replacing farebox recovery ratios and efficiency criteria with performance metrics that better measure transit operations
 - a Staff and TWG Presentation
 - b Public comment (2 minutes per speaker)
 - c Discussion
- 8 Public comment for items not on the agenda (2 mins per speaker)
- 9 Preview of next steps and topics for future meetings
- 10 Adjourn

1. Transit Transformation Task Force

2. Technical Working Group

Note: Task Force will break for lunch at noon for 30 minutes

Today's goal

Discuss and get feedback on:

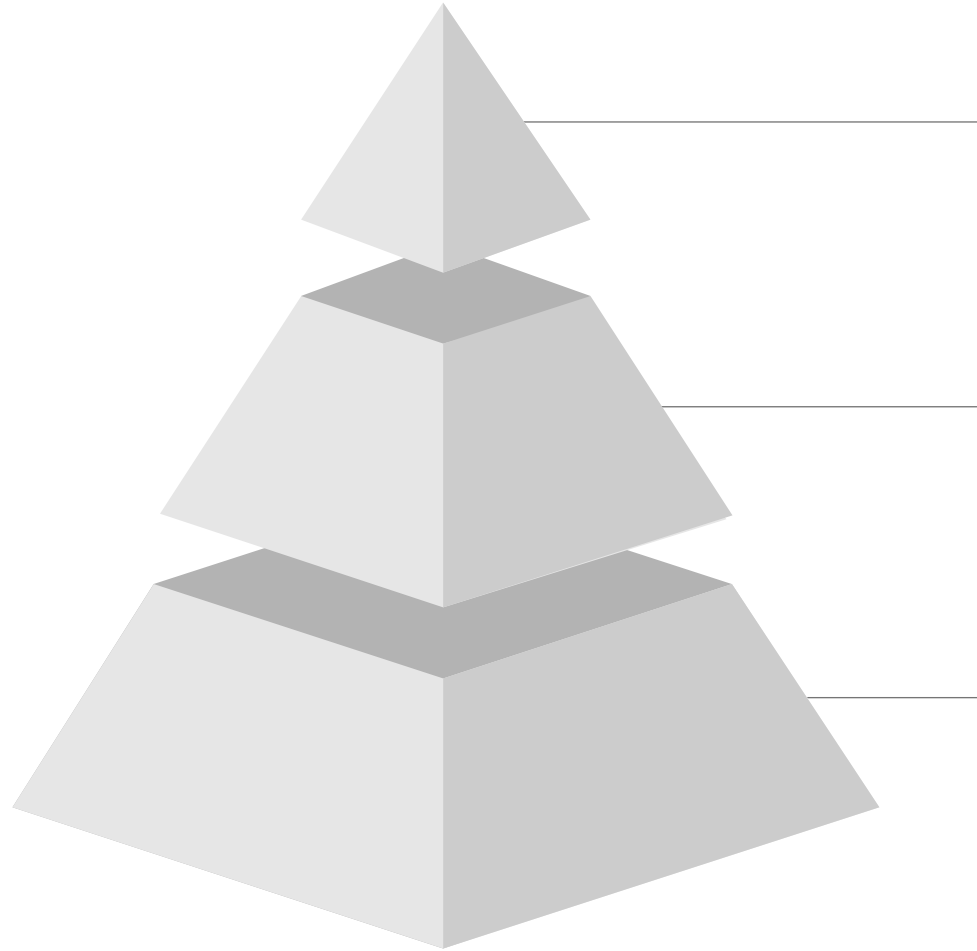
- Process for **approving recommendations**¹
- **Recommendations on transit prioritization**¹
- Current **research plan**
- Strategies to improve workforce **recruitment, retention and development**
- **Transportation Development Act (TDA) reform** for transit operations

1. Recommendations for approval come from Transit Transformation Task Force meetings, Technical Working Group meetings, and Subject Matter Expert interviews



4. Findings and policy recommendations for the TTTF Report to the Legislature

Final report will be structured around principles, strategies, and policy recommendations



Principles

Value statements of the report organized around themes such as increasing ridership, safety, equity, sustainability, etc. that guide the recommendations in the report. These help group the other strategies, recommendations, and actions.

Strategies

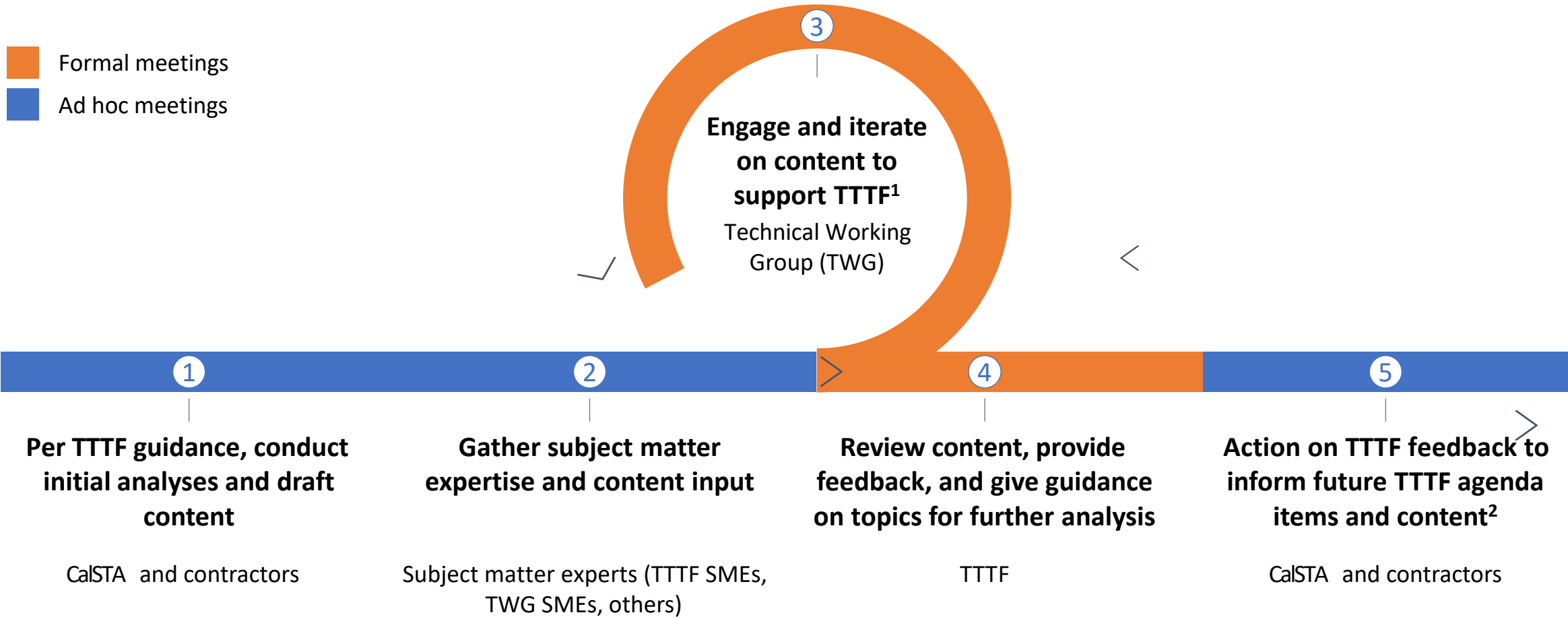
Strategies form the "issue areas", often drawn from the SB 125 enabling legislation. Recommendations may be larger, strategic moves to enhance transit.

Policy Recommendations

Policy Recommendations are the specific steps and initiatives that can be considered by stakeholders such as the Legislature, the Executive Branch, or Transit Operators.

Recap: TWG will continue to support the report with subject matter expertise and technical feedback

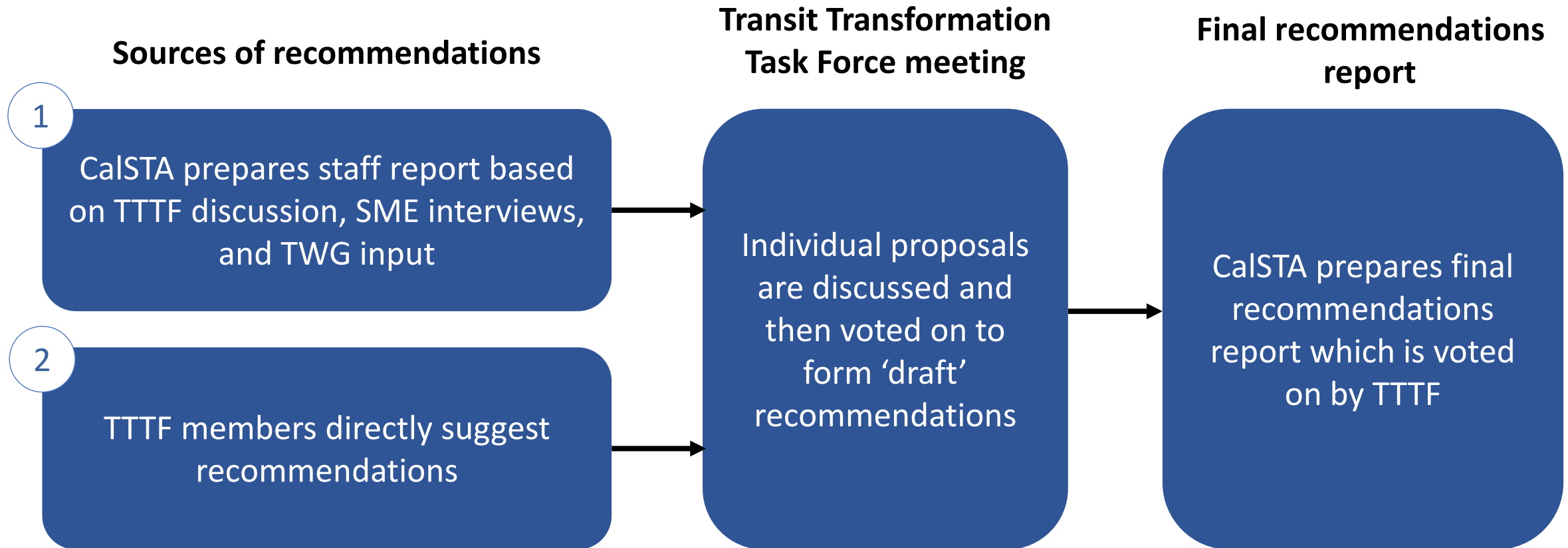
Proposed operating model for a given Transit Transformation Task Force (TTTF) meeting



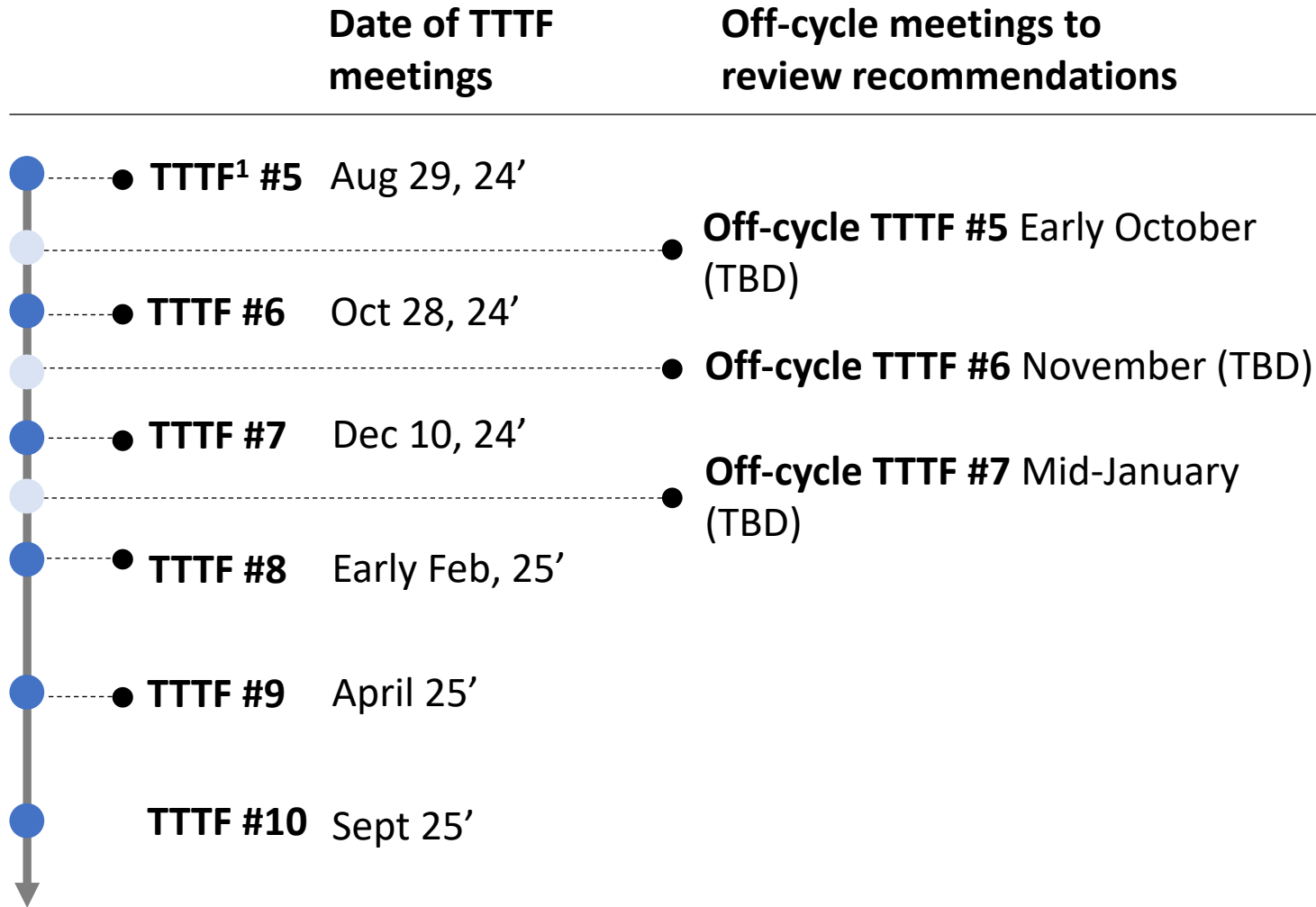
1. May occur over more than 1 meeting (e.g., formal TWG meeting, ad hoc meetings)
2. Feedback can be provided during TTF meetings or offline

CalSTA proposed process for the Task Force approving recommendations

PRELIMINARY - FOR DISCUSSION



Recommendations will (mostly) be approved in additional trailing meetings following TTTF meetings

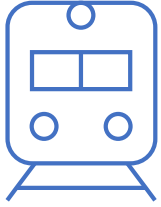


Logistics of additional meetings

- Additional meetings hosted virtually, likely ~2 hours, for approving and amending recommendations discussed in prior TTTF meeting, or other recommendations needing approval or amending
- Exact meeting dates and times will be announced after each TTTF
- Today, TTTF will go through approval process for 1f 1d: Transit prioritization

1. Transit Transformation Task Force

Last meeting, Transit Transformation Task Force (TTTF) discussed how to improve service as well as safety, security and cleanliness



Case studies of **successful service improvement** types that are referenced in SB 125, including:

- **Transit prioritization:** The Van Ness Improvement Project
- **Fare coordination:** Ontario's One Fare Program
- **Schedule coordination:** Switzerland's Schedule Coordination



What would need to change to improve **safety, security, and cleanliness** on transit systems in California

For discussion today: draft recommendations on transit prioritization (1f 1d)



Strategies

TTTF, TWG, and SME Recommendations¹

A Standardize, support, and scale transit priority infrastructure.	A.1. Establish statewide procurements for Transit Signal Priority (TSP ³) and other infrastructure that can be leveraged to lower costs and encourage standardization. A.2. Update the CA MUCTD ⁴ to include TSP for transit routes where applicable. Create TSP Guidelines & standards that can be leveraged in any jurisdiction. Work to encourage collaboration between cities and agencies to enable TSP at scale. A.3. On the state right of way, encourage implementation of transit priority and BRT ² features, such as bus-only lanes or queue jumps. Ensure that the State Highway Network can be used by Transit riders. A.4. Authorize transit buses to be equipped with “yield to bus” signs, to establish yield requirement for auto travel. A.5. Extend authorization for transit agencies to use readily available camera technology to discourage illegal parking in transit-only lanes and at transit stops where parking is already prohibited under existing law.
B Expedite delivery of transit-supportive infrastructure.	B.1. Allow for exemption or preemption of local permitting requirements on identified priority transit routes. B.2. Extend the SB 922 CEQA ⁵ exemptions for transit prioritization projects, general purpose lane to bus-only lane conversions, highway shoulders to part-time transit lanes conversions. B.3. Establish a by-right permitting mechanism for transit infrastructure – bus shelters, transit priority, TSP, etc. inside each city and on the State right of way B.4. Establish a statewide TIGER team to assist with the implementation of BRT / Bus Only lanes statewide to assist with planning, engineering and implementation in all jurisdictions.
C Coordinate and collaborate to deliver infrastructure across jurisdictions.	C.1. Develop a framework on roles and responsibilities for TSP and BRT implementation for use statewide. C.2. Convene a statewide working group for cities and transit agencies to discuss and solve common issues in implementing TSP. C.3. Assist with funding TSP & other transit amenities on a state-owned facility using SHOPP dollars.
D Establish flexibility with State funding sources.	D.1. Fund planning and engineering resources at the State level for easier implementation of transit priority infrastructure at the local level. D.2. Update state funding programs and guidelines to encourage the delivery of transit priority infrastructure.

1. TWG: Technical Working Group, TTTF: Technical Working Group, SME: Subject Matter Expert 2. Bus Rapid Transit 3. Transit Signal Priority 4. Manual on Uniform Traffic Control Devices 5. California Environmental Quality Act

Source: California State Transportation Agency (CalSTA) RFO #23-02; discussions with CalSTA and Caltrans Dec. 2023 – July. 2024; TTTF and TWG meetings, SME interviews



Public comment

Action items



Provide feedback on process to establish findings and policy recommendations


Approve, deny, or amend initial policy recommendations on transit prioritization

Lunch break

5. Discussion of research plan and analysis

Research plan for completing non-recommendations portions of the report (1/3)

PRELIMINARY - FOR DISCUSSION

 In-progress



Senate Bill 125 requirement



Objective



Analysis description



Sources

1.e.1: Services provided by transit agencies

Understand the state of transit today and how it serves (or does not serve) key populations

Overview of statewide services and demographics of ridership

Statewide GTFS Data, NTD¹, Rider Surveys, NHTS⁸, ACS⁹

1.e.2: Existing funding sources for transit

Understand current funding sources for transit capital and operations

Breakdown of funding for transit and limitations on funding

NTD, FTA², Cal-ITP⁴, survey of local budgets

1.e.3: Use of moneys from local transportation funds for other modes, such as streets and roads

Understand how much of LTF³ is being used for non-transit purposes

Breakdown of LTF funds for transit, active transportation, streets, and roads

Caltrans, TBD¹⁰

1.e.4: The cost to operate, maintain and provide for future growth of transit system for the next 10 years

Estimate the funding gap to operate transit over the next ten years


Scenario based OpEx forecast; including impact of ICT⁵ on OpEx

NTD, BLS⁶, EIA⁷, TBD

1. National Transit Database 2. Federal Transit Administration 3. Local Transportation Fund 4. California Integrated Travel Project 5. Innovative Clean Transit 6. Bureau of Labor Statistics 7. Energy Information Administration 8. National Household Travel Survey 9. American Community Survey 10. To be determined

Research plan for completing non-recommendations portions of the report (2/3)

PRELIMINARY - FOR DISCUSSION

 In-progress



Senate Bill 125 requirement



Objective



Analysis description



Sources

1.e.5: Cost and operational impacts of federal, state, and local mandates

Determine contribution of key mandates to cost or cost growth

List of cost impacting policies, estimates of those costs

SME⁵ interviews, Cal-ITP⁴, GTFS RT Repository⁶, TBD⁷

1.e.6: Workforce recruitment, retention, and development challenges

Understand current and future workforce needs

Hiring and retention rates, vacancies, employee demographics

FTA¹, Lightcast, Census QWI²

1.e.7: Existing policies on state and local metrics to measure performance

Understand the TDA³ and other metrics to measure performance

Comparison of current policies and metrics to potential best practice metrics

TDA, Cal-ITP⁴, Intercity Rail Uniform Performance Standards, TBD

1.e.8: State and local policies that impact service efficiency and transit ridership

Understand policies that might be inhibiting, or encouraging transit use


Analysis on transit prioritization land use, housing, pricing, etc.

SME interviews, TBD

1. Federal Transit Administration 2. Quarterly workforce indicators 3. Transportation Development Act 4. California Integrated Travel Project 5. Subject matter expert 6. General Transit Feed Specification Real Time Repository 7. To be determined

Research plan for completing non-recommendations portions of the report (3/3)

PRELIMINARY - FOR DISCUSSION

 In-progress



Senate Bill 125 requirement



Objective



Analysis description



Sources

1.e.9: Identification of state departments and agencies with transit system oversight, grant administration, and reporting

Inform changes to TDA and other policies to distribute transit funding

Create a list of agencies with relevant responsibilities

SME¹ interviews

1.e.10: Information on how transit agencies modified their services in response to COVID-19

Understand impact of COVID-19 on transit operations

Overview of how ridership, VRH², VRM³ and other metrics changed due to COVID-19

NTD, SME interviews, historical GTFS⁵ data, Caltrans

1.e.11: Division of transit funding between capital and operations

Understand funding split between maintaining and expanding service

Split of transit funding between capital and operations

Survey agencies, NTD⁴

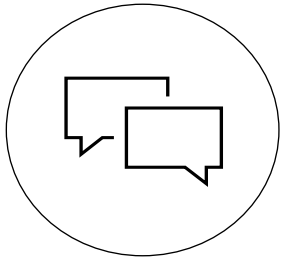
1. Subject matter expert 2. Vehicle revenue hour 3. Vehicle revenue mile 4. National Transit Database 5. General Transit Feed Specification

Source: California State Transportation Agency (CalSTA) RFO #23-02; discussions with CalSTA and Caltrans Dec. 2023 – July. 2024



Public comment

For discussion



Is this the **right approach for analysis** to cover the topics in the SB125?

What analysis and **other sources of insight** may be useful for the report to contain?

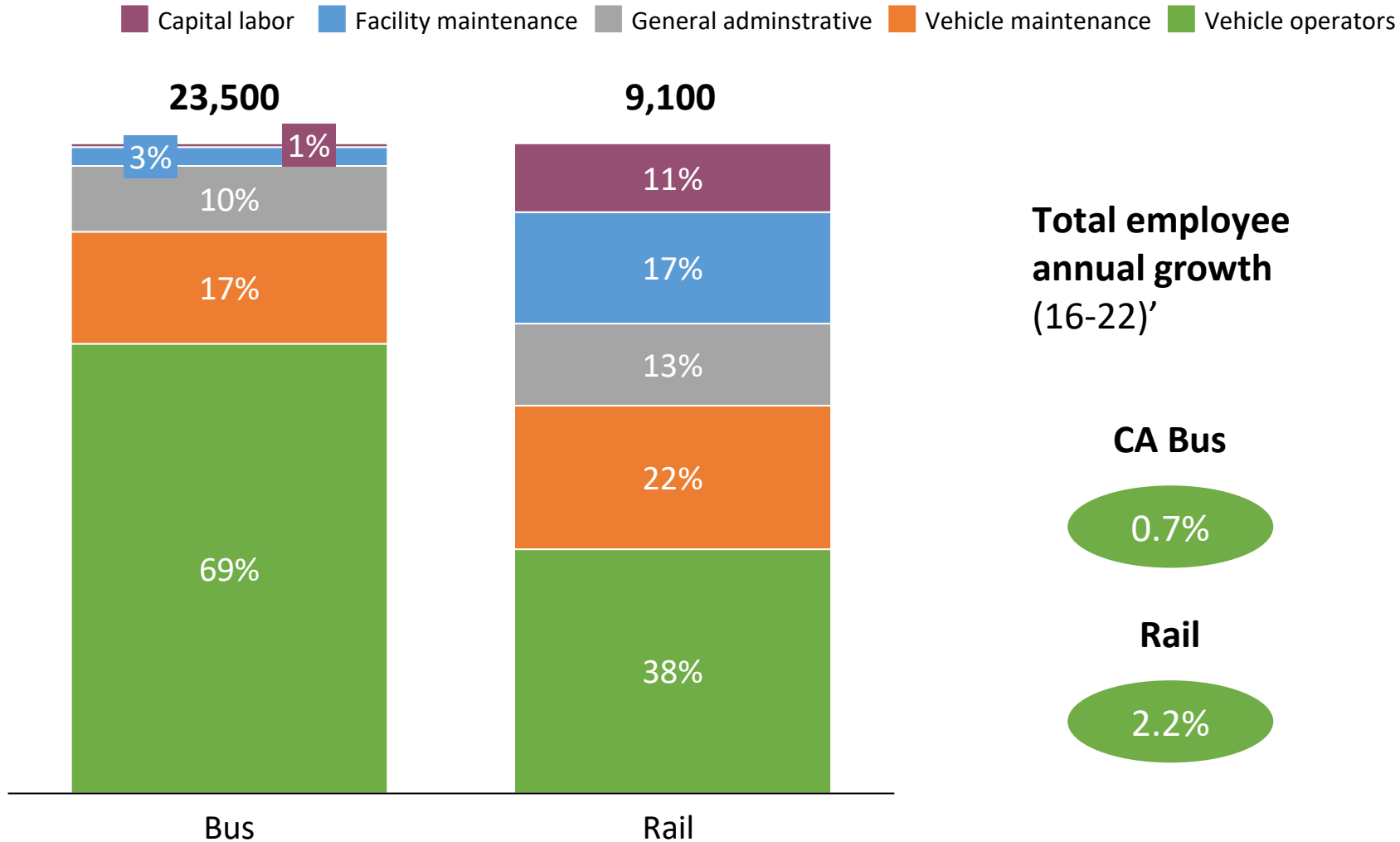
Homework: Please feel free to provide any additional **Subject Matter Experts (SMEs)** that should be interviewed

6. Workforce opportunities in the public transportation industry

Context: state of California bus and rail workforce today

PRELIMINARY – FOR DISCUSSION

Bus and rail workforce in CA by role, 2022 %



Total employee annual growth (16-22)'

CA Bus

0.7%

Rail

2.2%

CA bus and rail employs ~32,600 people today, and is increasing in size

Total employee count grew by **0.7% for bus and 2.2% for rail** each year from 16-22'

Source: National Transit Database

Workforce-related challenges faced by transit agencies

NOT COMPREHENSIVE

Recruitment

In 2022, the vacancy rate was 17% for bus operators and 10% for bus mechanics across transit agencies nationally¹

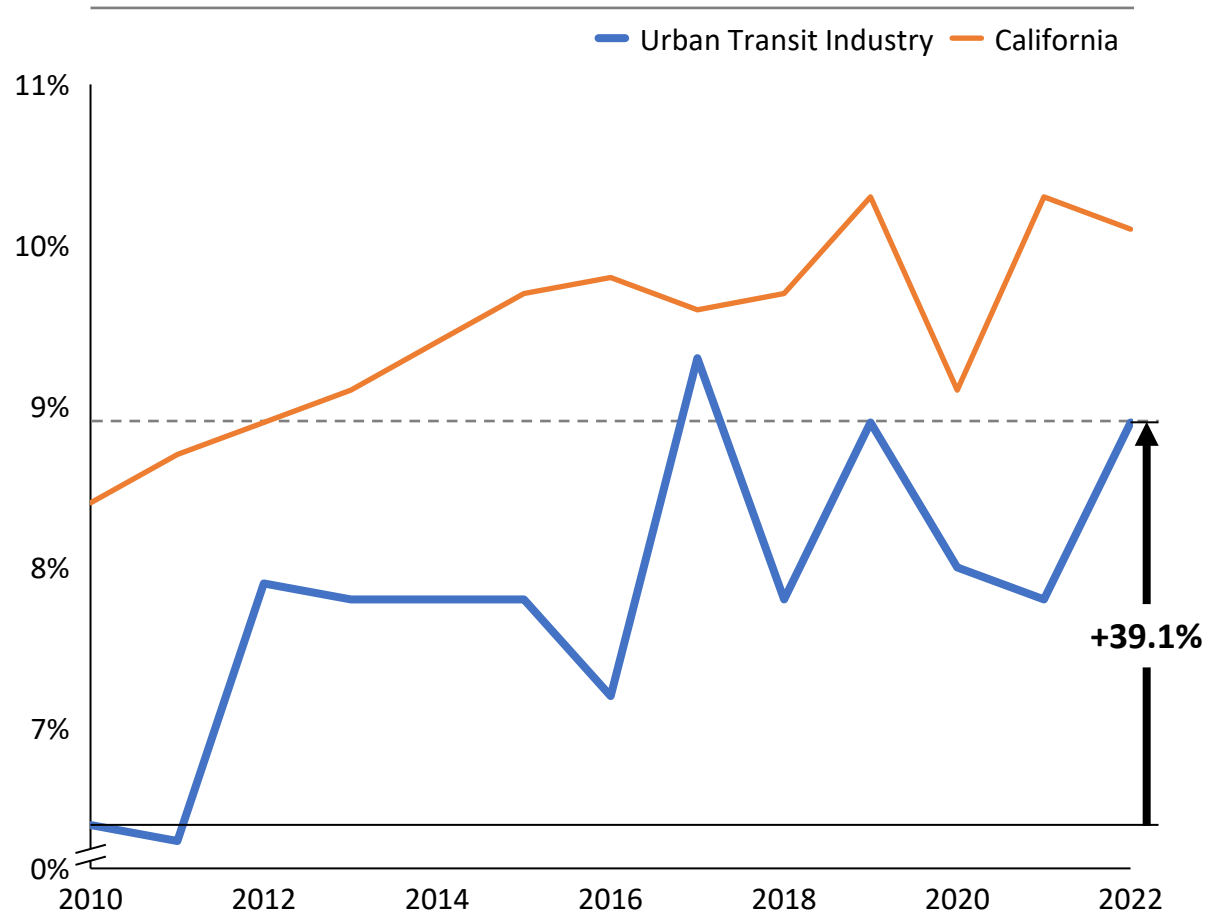
Retention

Since 2010, transit sector turnover⁴ in CA has increased by ~40% – reaching ~9% in 2022²

Development

With an aging workforce (38% of employees within CA urban transit systems are age 55+, compared to 24% of CA workers across sectors³) there is a need to develop a new generation of workers

Turnover rate of urban transit industry compared to all industries in CA, % of employment, 2010-2022²



1. American Public Transit Association – Transit Workforce Shortage Report 2022

2. Census Quarterly Workforce Indicators

3. Lightcast

4. The rate at which employees leave a workforce and are replaced

Agencies have developed a number of initiatives to improve recruitment, retention and development

NOT COMPREHENSIVE

1 Recruitment

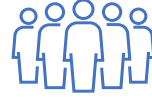


Santa Clara Valley Transportation Authority: Hosted ‘recruitment days’ where prospective employees are interviewed and hired on the spot¹

Golden Gate Transit: Provided pre-application support such as English classes to ease barriers to entry²

Bay Area Rapid Transit: Launched a social media strategy highlighting positive employee stories³

2 Retention



Sonoma Marin Area Tail Transit: Hired former police officers to train operators on safety measurers, and bring in local responders when needed⁴

Central Ohio Transit Authority (OH): Operators earn more for less popular shifts⁵

Park City Transit (UT): Invested in subsidized housing located within ten minutes of transit centers⁶

3 Development



Los Angeles County Metropolitan Transportation Authority: Developed a Career Pathways Program supported by partnerships with community colleges⁷

Long Beach Transit: Train operators and mechanics “bumper to bumper” to reduce silos and promote internal career pathways⁸

Alameda-Contra Costa Transit: Established a “Zero-Emission Bus University”, a fully-accredited college program for mechanics⁹

Examples of how could the state could support agencies across the workforce pipeline

PRELIMINARY - FOR DISCUSSION

1 Recruitment



- Organize trainers/examiners to attend agency recruitment days to expedite Commercial Driver License (CDL) approval
- Staff on-site drug testing and other employment verifications
- Create and host unified job boards across agencies within regions

2 Retention



- Provide subsidized services (e.g., housing, childcare) for transit workers through relevant State agencies
- Establish state-wide safety guardrails for frontline employees, including channels for cross-agency communication on safety risks

3 Development



- Partner with California State University and University of California systems to create subsidized or no cost upskilling/certification programs
- Collaborate with the California Workforce Development Board (CWDB) to increase access to workforce readiness education / training programs

Technical Working Group (TWG) and key transit leaders proposed actions to address workforce challenges (1/3) – Recruitment

Observations from TWG

Suggestions from TWG

Mismatch between job characteristics and preferences of current pool of job seekers (e.g., inflexible schedules, skills required)

- ✓ Expand partnerships with trade/community colleges and other programs to increase size of candidate pool, and train potential candidates
- ✓ Create a centralized job board for transit agencies that are in the same transit region to advertise vacancies, share a talent pool, and better match candidates to positions
- ✓ Create a statewide campaign to increase interest in careers in public transportation

High barriers to entry (e.g., licensing, drug testing requirements)

- ✓ Re-evaluate age requirements for bus operators
- ✓ Create an on-the-spot in-person interview and hiring process, and provide on-site examination for operators rather than requiring applicants to go to the DMV
- ✓ Align federal and state regulations around drug tests, particularly as it relates to marijuana

Compensation packages do not cover housing in high cost of living locations, resulting in long commutes – results in workers selecting higher paying jobs or jobs closer to where they live

- ✓ Benchmark pay to cost of living
- ✓ Provide housing stipends, or partner with affordable housing providers to secure housing for entry level employees

Technical Working Group (TWG) and key transit leaders proposed actions to address workforce challenges (2/3) – Retention

Observations from TWG

Poor on-the-job experience (e.g., perceived or actual safety issues, lack of critical amenities such as bathrooms in layover locations) affects retention more-so than pay

High cost of living (e.g., for childcare, affordable housing) relative to pay

Roles are not tailored to different demographics (e.g., younger drivers may desire flexibility, older drivers may solve for more hours or higher pay)

Suggestions from TWG

- Invest in amenities for operators at end-of-line (e.g., add restrooms facilities and lighting)
- Improve safety and experience of operators by increasing the presence of community support and law enforcement officers, installing protective partitions, and easing enforcement of safety measures through cross-jurisdiction legal frameworks

- Establish on-site childcare centers (or equivalent benefits)
- Increase access to affordable housing near where transit workers report to work

- Provide increased flexibility to workers (e.g., relieving shifts, choosing what shifts they want) to manage personal commitments, such as childcare or other familial responsibilities
- Offer a diverse variety of shifts, and scale pay per desirability of shifts
- Cater and tailor compensation packages to different stages of the employee lifecycle

Technical Working Group (TWG) and key transit leaders proposed actions to address workforce challenges (3/3) – Development

Observations from TWG

Training programs for new workers are well-developed, but are costly and not standardized

Lack of knowledge transfer and mentorship for workers on long-term career pathways (e.g., only one manager for hundreds of operators)

Workforce needs are changing in response to emerging technological trends (e.g., transition to zero-emission vehicles, connected vehicles)

Suggestions from TWG



Create centralized training programs that can be leveraged across agencies in the same transit area; for example, through trade colleges, and fund placements



Standardize credentials, curriculums, and onboarding materials that can be recognized across agencies



Establish formal mentorship and shadow programs; specifically, programs that provide new employees with visibility into roles a few levels above



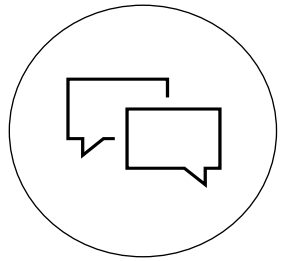
Connect transit agencies to academic institutions (e.g., community colleges) to train employees for emerging skill requirements like for EVs



Public comment

For discussion

What are your **observations regarding the current state of the workforce** that need to be addressed?



What **potential ideas** do you have from programs and initiatives you have seen?

What are the **ways the State** could best support?

How could the policies and programs be implemented **at pace and scale across California?**

7. TDA reform for transit operations

The TDA¹ was created in the 1970s as a source of stable and continuous funding for public transit and has several qualifying requirements for accessing funding



Objective of the TDA

The objective of the TDA, created in the 1970s during the transition from public to private transit systems, was to **provide a stable and continuous source of funding** for the development, maintenance, and operation of public transit



How the TDA distributes funds

The TDA is divided into two funds: **Local Transportation Fund (LTF)** and **State Transit Assistance (STA)**

	Distribution mechanism	Requirements to qualify for funding
LTF	By population	<ul style="list-style-type: none">• Farebox recovery ratio (FRR) (fare revenue to operating cost) threshold, based on degree of urbanization
STA	50% by population 50% by transit operator revenues	<ul style="list-style-type: none">• Farebox recovery ratio (FRR) (fare revenue to operating cost) threshold, based on degree of urbanization• Total operating cost per vehicle revenue hour (VRH) must be less than that of previous year

There is a restriction on using funds for operating purposes if requirements are not met, however, **agencies can obtain temporary exemptions** from requirements

1. Transportation Development Act

Source: [UCLA Institute of Transportation Studies Report](#); [California State Controller's Office](#); [Caltrans – Transportation Development Act](#)

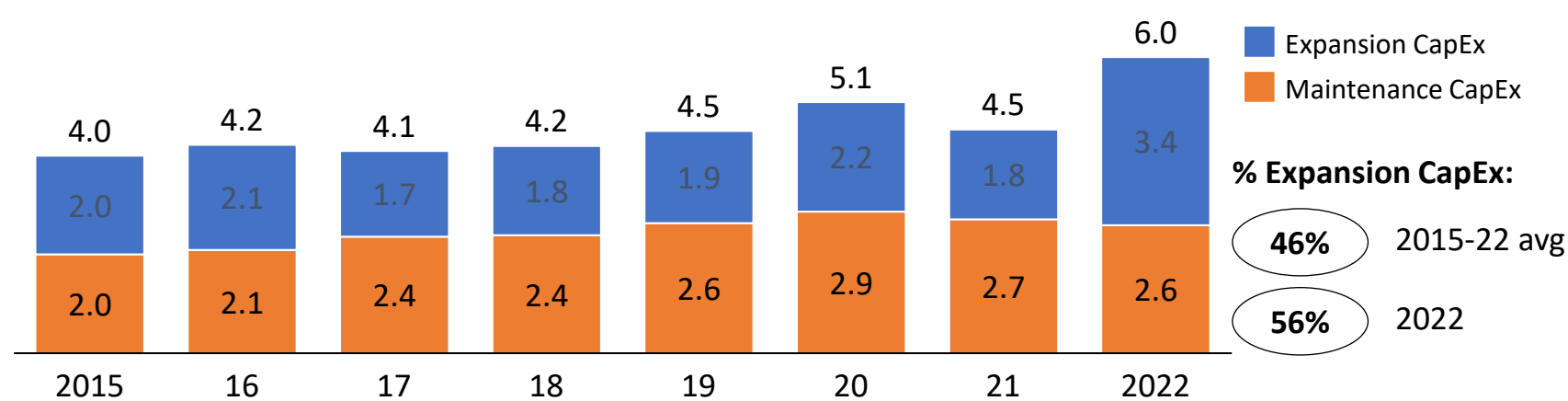
Transit funds today are used to both run existing service and expand future service

OpEx spend across all CA agencies for all modes, 2012-22, \$ Bn (in real 2022 dollars)



From 2012-2022, **51% of OpEx was used annually for vehicle operations** on average, the rest for vehicle/facility maintenance and G&A

CapEx spend across all CA agencies for all modes, 2015-22, \$ Bn (in real 2022 dollars)



From 2015-2022, **46% of CapEx was used annually for expansion** on average, and the rest for maintenance

The TWG⁴ identified a number of challenges and possible actions to reform the Transportation Development Act (TDA)

Observations from TWG

Focus on **one metric** may cause **unintended consequences** that impact customer delivery and equity (e.g., FRR emphasis may cause transit agencies to reduce service and innovation)

TDA's **administrative requirements** for funding may place a high **burden** on transit agencies

Structure of **penalties** in TDA makes long-term funding less predictable



Suggestions from TWG



If metrics are used, replace FRR³ with a ridership or other service effectiveness metric (e.g., UPT⁵/VRH⁶)



If metrics are used, customize them to better match system characteristics and performance trajectory (e.g., system scale, relative improvement vs. absolute metrics)



Reconsider the need for metric-based funding requirements



Re-use reporting materials that are already prepared for FTA¹ audits



Align data reporting requirements to those for the NTD²



Provide technical assistance to agencies to meet reporting requirements

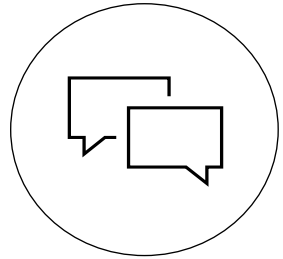


Amend penalties or develop other enforcement mechanisms aside from withholding funding



Public comment

Discussion on the Transportation Development Act (TDA)



How does the TDA **currently affect and influence operations?**

How could the TDA be **changed to better support and improve operations?**

What are the **best metrics** to report on improvement in operational performance?



**Public comment for items not
on the agenda**

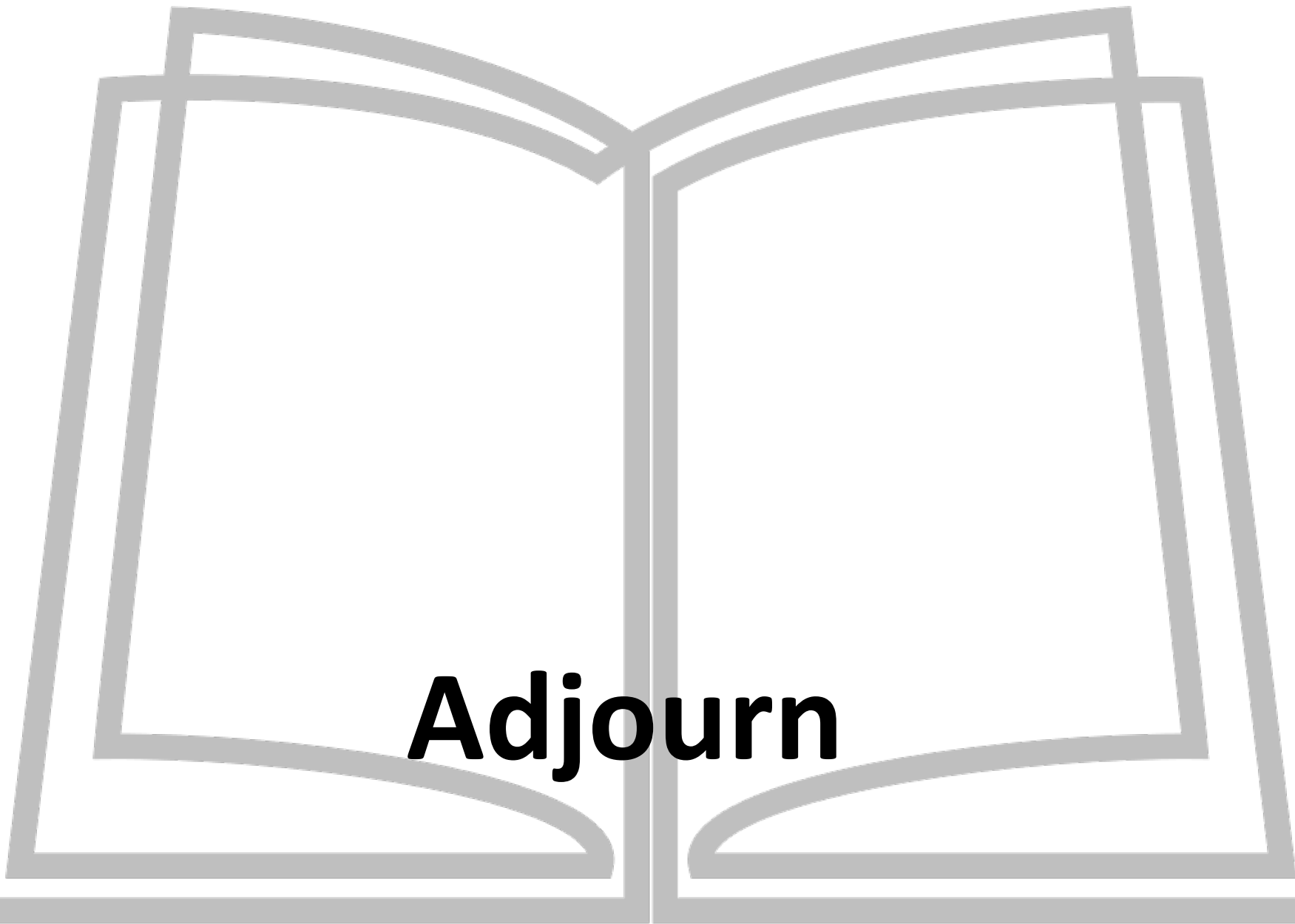
Next steps

Homework: please provide via the SB125 inbox:

- 1 Feedback on additional data sources, subject matter experts, or analyses
- 2 Feedback you have on today's discussions (Transportation Development Act reforms, workforce challenges and strategies)

CalSTA will follow up separately to gather your responses by Tuesday, September 10, which will inform the work of the Technical Working Group (TWG) and content for the next TTTF meeting 6 (scheduled for Oct 28, 2024, at the Monterey Conference Center). We will also be announcing the additional TTTF meeting time shortly.

SB_125Transit@calsta.ca.gov



Adjourn

10. Adjourn

If you would like to share any reports, data, studies, and/or surveys which might be relevant to this work, please send them to [SB 125Transit@calsta.ca.gov](mailto:SB_125Transit@calsta.ca.gov)