



Advocating For Transit



Advocating for Transit in the 21st Century

TRANSIT IN THE 21ST CENTURY

The California Transit Association maintains a staff of legislative advocates in Sacramento. Their job is to advocate for multi-year transit funding and to represent transit's interests before the California State Legislature, Governor, and state regulatory agencies. To enhance the traditional advocacy efforts of California's transit industry, the California Transit Association enters the 21st century with a new vision. Our new "Strategic Plan to Increase the Public Transit Industry's Political Effectiveness" calls on the members of the Association and the general public to politically engage more at both the state and local levels. Such engagement will elevate transit as a political priority in California. Ultimately, the political power of transit resides in turning customers of various transportation services into constituents who are eager to improve service and increase transit funding.

To cultivate and support increased member activity, the Association is increasing its role in educating and activating its members. To accomplish this, the Strategic Plan calls for the following mutually reinforcing political strategies:

Member Education and Activation

- Strategically mobilize members in key political districts
- Improve modes of communication

Policymaker Education and Support

- Teach "Transit 101" to candidates
- Create "Transit Legislator of the Year" award

Coalition Building and Grassroots Activation

- Cultivate database of supporters
- Launch local campaigns around issues of community concern
- Use statewide coalitions to focus pressure on policy arena

Image Marketing and Media Relations

- Launch statewide campaign to elevate transit's public image
- Provide data to agencies to enhance local marketing efforts

To help implement this vision of Transit for the 21st Century, the Strategic Plan calls for the creation of a new independent organization. A new transit institute called Odyssey has been created to provide the hard facts and training ground for our new advocacy and political efforts.

Moving into the millennium, members of the transit industry have the opportunity to be leaders and visionaries by teaming up with a unified voice. Transit is on the cutting edge of many timely issues, and the Strategic Plan not only links us with these, but also defines an innovative program to foster change. We urge you to get involved.

For additional information see "Strengthening Transit's Voice in the Capitol" on page 83.

How California Public Transportation is Funded, or Everything You Always Wanted to Ask About Transit Funding in California

All levels of government – federal, state and local – participate in funding California's diverse local public transportation systems, which are further supported directly by riders who contribute at the fare box. Most transit funding in California derives mainly from three kinds of revenue. First, public transportation receives user fees, such as gas taxes imposed by the state and federal governments, the sales tax on diesel fuel, weight fees, tolls and transit fares paid by riders. Second, transit receives funds from property taxes, benefit assessment districts and developer fees. Thirdly, other government subsidies or direct grant programs contribute to the cost of operating and maintaining local transit systems.

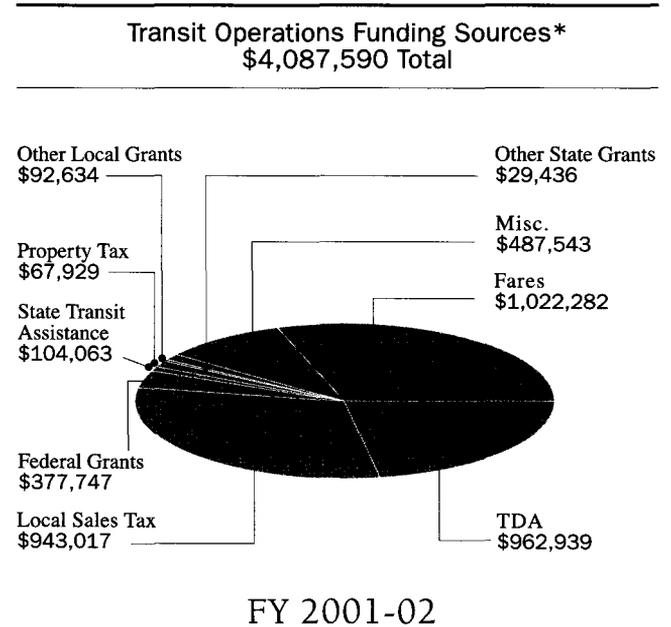
OPERATING REVENUE

Public transit received about \$4.09 billion in total operating revenue in 2001-02. These dollars were spent by transit systems primarily on providing direct transit service, including salary and wages for bus drivers and rail operators, fuel and power to run buses and rail systems, and material and supplies necessary to maintain safe and efficient transit vehicle fleets.

Figure 1 displays the mix of specific types of operating revenues received by California transit operators in 2001-02. Passenger fares provided the most support to local transit systems in that year, at about \$1 billion. One-quarter percent of the state's sales tax, as authorized by the Transportation Development Act (TDA) of 1971, went to transit operations in 2001-02. Providing nearly \$960 million, the TDA is the second largest source of transit operations funding.

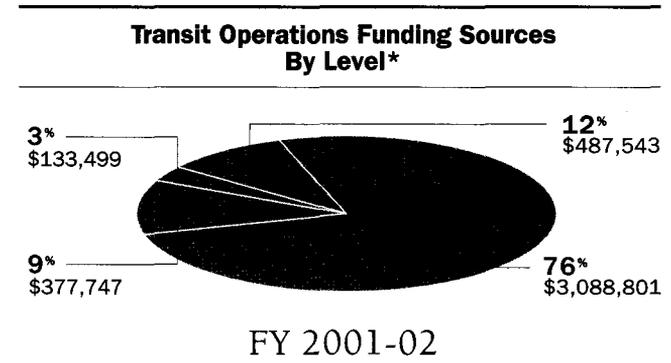
Figure 2 re-categorizes and groups together these various kinds of dollars according to the level of government – federal, state or local – authorizing or providing the revenue. For purposes of this graph, fare revenues paid by passengers are treated as "local" revenue. Sales tax funds from the TDA are also treated as local, because each county acted to authorize receipt of these dollars, and the state constitution protects TDA funds for local transit purposes. From this graph it is evident that the job of operating public transit service in California is primarily a local concern: federal and state spending combined equaled only 12% of total transit operations funding in 2001-02.

Figure 1



\$ in Thousands

Figure 2



9% – Federal

76% – Local

3% – State

12% –Miscellaneous

\$ in Thousands

SPENDING OPERATING REVENUE

Figure 3 (next page) provides a look at the most recent five-year trend of California transit systems' specific operating expenses. As noted, the largest expenditure over this period, about \$2.3 billion in 2001-02, was on providing transit service and managing transit systems (i.e. paying people to drive buses, operate rail systems, plan new service, maintain safe vehicles, etc). At \$781.5 million in 2001-02, "depreciation and amortization" is the second largest expense item on transit's operating books. The third largest category, at nearly \$592 million in 2001-02, is purchased transportation, which reflects a growing trend in California's transit industry to contract with private providers to operate selected routes or services.

Transit systems also spend funds on capital projects to maintain and improve fleets, service and operations. For instance, new buses are regularly put into service, replacing older vehicles. Agencies also construct new facilities from time to time, including maintenance bases, operating divisions, administrative offices, and new fueling systems. Figure 4 shows how much in capital funding was contributed by each of the three levels of government in 2001-02. Out of the nearly \$1.4 billion, by far the most – \$818 million – came from the federal government.

FEDERAL GOVERNMENT

Federal funding pays mostly for transit capital improvements and expansion. In 2000, 40% of California's federal transportation funds went to transit, mostly due to the unprecedented levels of funding in the Transportation Equity Act for the 21st Century (TEA-21). TEA-21 created guaranteed funding levels and budgeting "firewalls" for highway and transit to ensure that federal revenues collected for transportation purposes would, in fact, be used for transportation improvements. TEA-21 takes the 18.4 cent federal gas tax and splits it into 80% for the Highway Account and 20% for the Mass Transportation Account.

Figure 5 (next page) illustrates how TEA-21 money is distributed. The 20% which goes to transit is divided into two accounts. First, the Section 5309 "Transit Capital Investment Programs" account funds new starts, fixed guideway modernization and bus facilities. Second, the "Transit Formula Programs" account funds Section 5307 (urbanized areas), Section 5311 (rural areas), and Section 5210 (elderly and disabled individuals). Transit agencies, when authorized by regional planning agencies, can also access "flexible" funds that would otherwise be spent on highway projects.

Figure 3

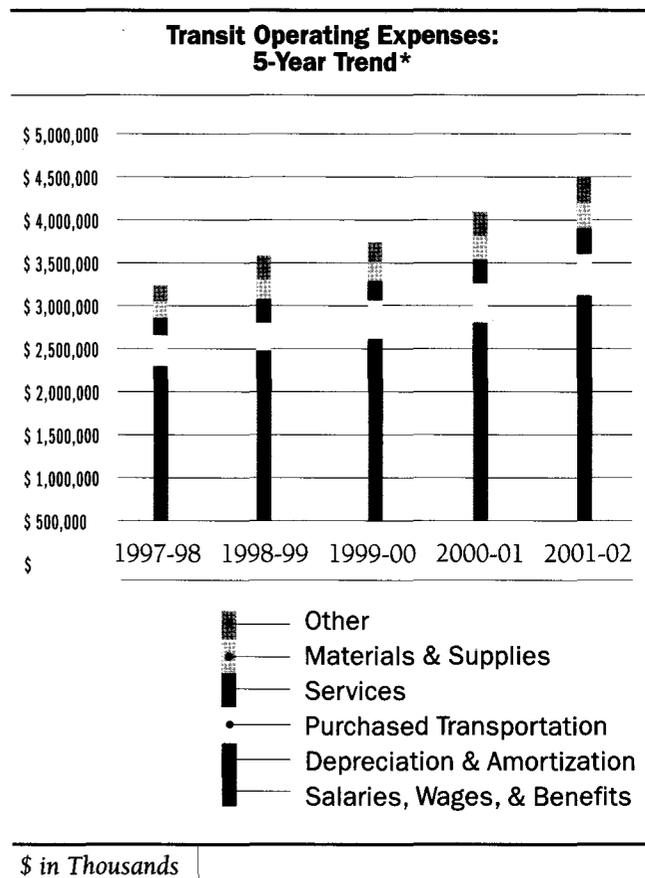
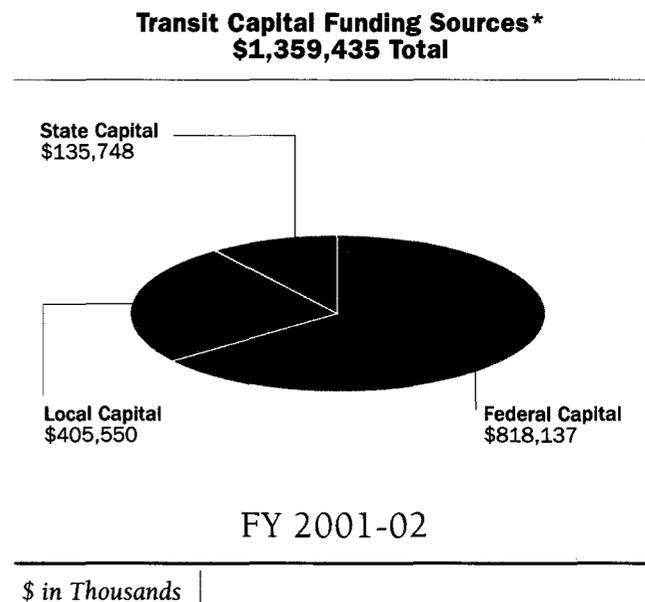


Figure 4



STATE GOVERNMENT

The state of California historically spends only 9-10% of its total transportation dollars on transit. Compounding this inequity, in recent years the state has been spending less on transportation as a whole than other programs.

Currently, state transportation funds are sent to three main accounts:

1. State Highway Account (SHA).
2. Traffic Congestion Relief Fund (TCRF).
3. Public Transportation Account (PTA).

State Highway Account (SHA)

The SHA sends roughly \$50 million a year to the PTA. These funds are not restricted by article XIX of the State Constitution. Therefore, these funds can be used for transit capital purposes besides fixed transit guideways. In addition, the SHA sends funds to the State Transportation Improvement Program (STIP). Any transportation capital improvement project is eligible for funding through the STIP; thus, highway projects compete with transit projects.

Traffic Congestion Relief Fund (TCRF)

The Traffic Congestion Relief Act, created by AB 2928 (Torlakson) of 2000, initially transferred all of the state sales tax on gasoline from the General Fund, in addition to a \$1,500 million contribution from the General Fund, to the Traffic Congestion Relief Fund (TCRF), which provided money to cities and counties, High-Speed Rail Authority, and the Traffic Congestion Relief Program (TCRP) projects.

After 2000-01 the state sales tax on gasoline is transferred to the Transportation Improvement Fund (TIF). \$678 million per year is taken "off the top" to fund the TCRF which is used to allocate funds to the transit projects referenced in AB 2928. More than 60% of these funds go to high-priority transit projects identified in the legislation. The remainder of the sales tax revenue collected, after expenditure of the fixed amount on projects, is allocated from the TIF on a formula basis as follows:

- 40% programmed through the STIP process.
- 40% split evenly to counties and cities for local streets and roads.
- 20% distributed to the PTA.

California voters approved Proposition 42 in March 2002, to eliminate the sunset on AB 2928 and to make the sales tax on gas a permanent source of funding for transportation. Proposition 42 continues the 40%/40%/20% split after the TCRF projects have been completed. This would amount to roughly \$1.2 billion a year. However, the Proposition allows the Governor and Legislature to partially or fully suspend the transfer of these revenues to transportation programs in times of state fiscal emergency; in fact, the suspension has been triggered every year since the measure was first passed. **Figure 6** demonstrates how TIF and TCRF funds are supposed to be spent.

Public Transportation Account (PTA)

Established by the Transportation Development Act (TDA) of 1971, the PTA provides a source of state funds primarily for transit purposes. The objectives of the PTA are to:

- Provide some state support for transit operations.
- Provide a capital funding source for local transit projects not eligible for state gas tax funds.
- Provide intercity rail operations and capital improvements.
- Serve as a "catch all" funding source for programs which do not conveniently fit elsewhere.

The PTA receives funds from five major sources:

1. State sales tax on diesel fuel: about \$165 million per year.
2. State sales tax on nine cents of the state gas tax (added by Proposition 111): about \$65 million per year.
3. "Spillover" revenues from the General Fund, as determined by the Department of Finance: amount varies and is unpredictable.
4. State Highway Account (non-article XIX restricted): about \$50 million per year.
5. Proposition 42 (TIF): about \$90 million per year.

Figure 5

Distribution of Federal Transportation Dollars

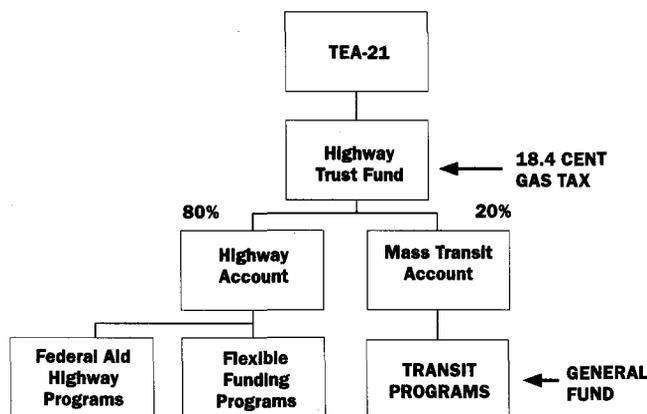


Figure 7 displays the source of funds going into the Account and how PTA revenues are spent.

Most revenues going into the PTA are split 50% to state priorities (i.e. Caltrans transit administration/planning, California Transportation Commission transit planning, California High Speed Rail Authority, Public Utilities Commission for rail safety, and intercity rail operating and capital) and 50% to the State Transit Assistance (STA) Program. While these funds can be used for transit capital or operating purposes, the STA program is the only state program dedicated to funding transit operations.

Even though it is the sole source of dedicated state transit funding, the PTA and its programs are often the subject of legislative raids when the state's General Fund coffers are under pressure. For instance, the 2004-05 State Budget suspends Proposition 42 entirely; Proposition 42 would have dedicated about \$90 million to the PTA this year. The 2004-05 Budget further exacerbates the transit funding picture by transferring the so-called "spillover" revenue in the Budget year from the PTA to a variety of other transportation programs (although some is used to pay back the PTA from previous loans). The final hit to the PTA this year is the transfer of an additional \$108 million in non-article XIX State Highway Account funds from the PTA to the General Fund.

Figure 6

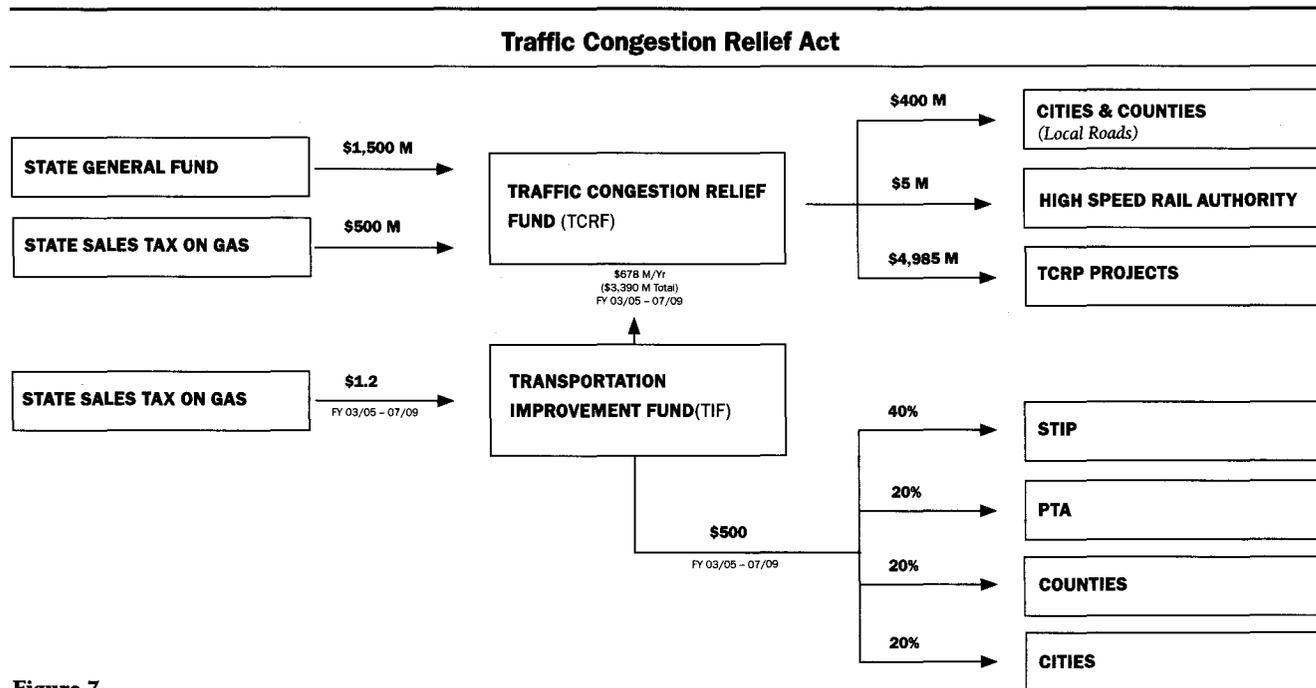
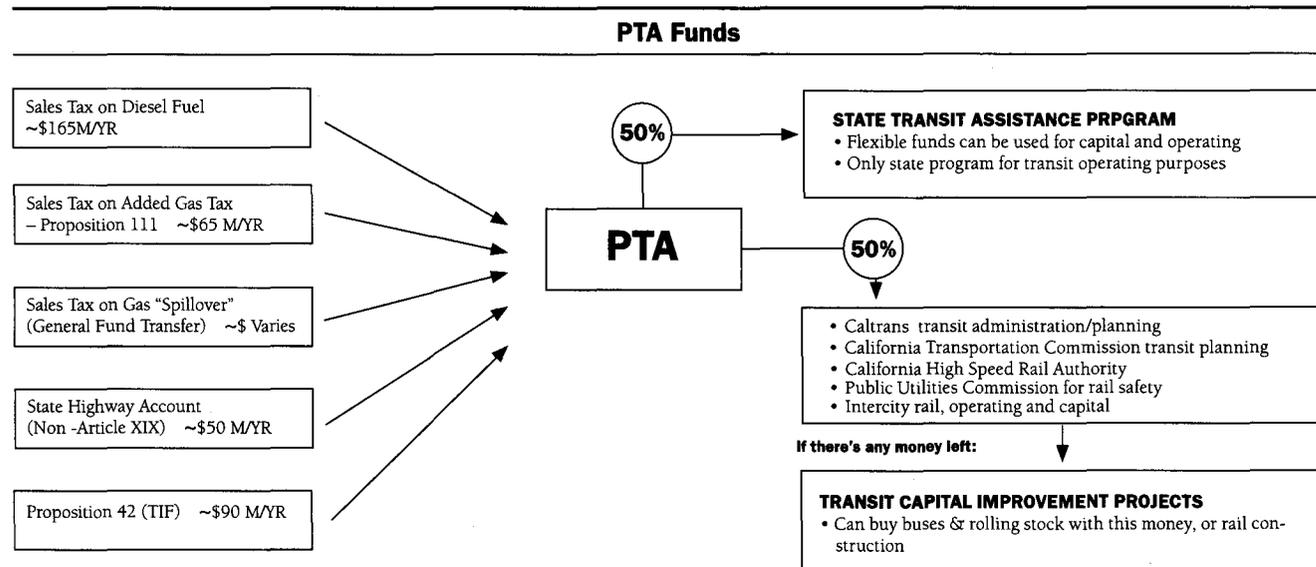


Figure 7



This year's Budget continues a long-running pattern of using transit funds for non-transit purposes. In fact, until the state began to repay some previous PTA cuts this year, since 2000-01, more than \$870 million in PTA transit funds have been called upon to bridge funding gaps in many other program areas throughout the state. This lengthy and costly list of loans, shifts and transfers – detailed in **Figure 8** – has left the PTA in a nearly-insolvent condition.

LOCAL GOVERNMENT

Local dollars provide the bulk of transportation funding. Local funding pays for the majority of improvements to local streets and roads, and for transit operations. In general, local funds make-up roughly 49% of all transportation dollars. For transit, local transportation funds come from four main sources:

1. Transportation Development Act (TDA)
2. Local Transportation Sales Tax
3. Local General Fund
4. Fare Revenue

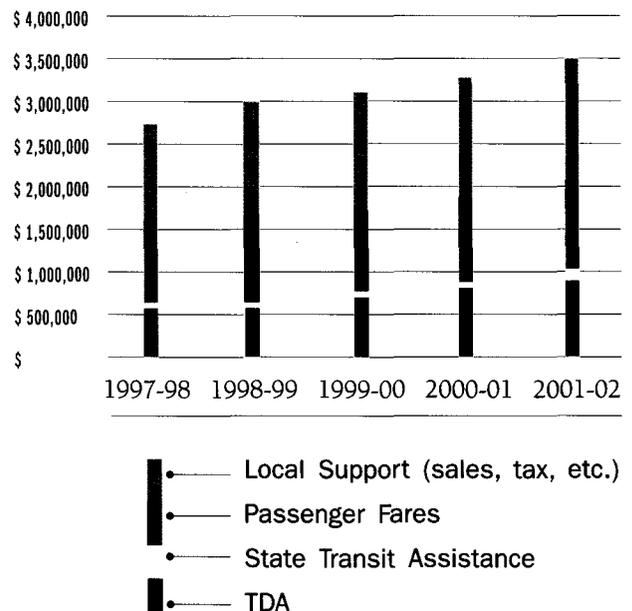
Transportation Development Act (TDA)

The Transportation Development Act of 1971 was authored by Senator Jim Mills and represents California's commitment to funding public transit. TDA is often referred to as the "life-blood" of transit. Signed into law by then-Governor Ronald Reagan, the TDA authorized the board of supervisors in each county to impose a sales and use tax on all taxable goods within the county. The Act further provided that the revenues so collected by the State Board of Equalization (BoE) in excess of one percent, but not more than one-and-one-quarter percent, and pursuant to a contract entered into by the board of supervisors on behalf of the county with the BoE pursuant to Government Code section 29530, would be returned to each county that established a Local Transportation Fund (LTF). The funds so deposited in these LTFs were authorized to be used exclusively to provide public transit service and to

maintain streets and roads in rural counties. After the passage of the TDA, all boards of supervisors in all 58 counties imposed such a tax and contracted with the BoE for deposit of the revenues from the tax at the one-quarter percent rate in the county Local Transportation Funds.

Figure 9

Selected Transit Revenue Sources: 5-Year Trend*



\$ in Thousands

Figure 8

PTA's Revenue Losses Since 2000-01

	\$ Loss	Where PTA \$'s Went
2000-01	\$70 million	Loan to the Toll Bridge Seismic Retrofit Program
	\$275 million	Loan to the Traffic Congestion Relief Fund
2002-03	\$100 million	Loan to the General Fund
2003-04	\$87.5 million	Transfer "spillover" to General Fund
	\$61 million	Divert revenue from sale of Caltrans property
2004-05	\$47 million	Divert revenue from sale of Caltrans property
	\$89.8 million	Suspension of the PTA's share of Proposition 42
	\$140 million	Transfer "spillover" to other programs
Total	\$870.3 million	

Local Transportation Sales Tax

Counties may also place their own, separate sales tax measure for transportation purposes on the ballot for voter approval. Currently, the sales tax is applied to all goods sold in the county, and a small percentage of that sales tax, usually 0.5%, goes to fund transportation projects within the respective county. At present, 20 counties in California have enacted such a tax. Of these counties, one-third of all revenue generated by their collective sales tax measures is used for transit.

Most local transportation sales tax programs are temporary in nature, and will expire if they are not renewed by the voters. Many counties find it difficult to enact such funding sources. In 1995, the California Supreme Court ruled that a two-thirds vote is required to approve local transportation sales taxes. This ruling jeopardizes the re-enactment of most of the local transportation sales tax programs that now exist, and sets an extremely high standard for enacting measures in counties that don't currently have one.

Local General Fund

General fund contributions to transit vary from county to county and city to city. For example, San Francisco County spends roughly \$200 million on transit, while many counties spend nothing from their general funds.

Fare Revenue

Public transportation is also funded from the fares it collects from passengers. This varies from agency to agency. Transit agencies in urban settings tend to collect a higher amount of fares because they have superior ridership. However, on average, riders pay for more than 30% of the costs of providing vital public transit services across California.

Figure 9 (previous page) displays the recent five-year trend of four selected major transit funding sources: the Transportation Development Act (TDA), the State Transit Assistance (STA) Program, passenger fares, and local support (including county sales tax measures). This chart demonstrates that public transit has been predominantly the concern of local governments and their citizens.

Strengthening Transit's Voice in the Capitol

Legislators listen to the public a great deal; however, most of the general population seems to ignore these open lines of communication. For public transit agencies and transit supporters to transform into a more politically effective block, these lines of communication must be accessed and transit advocates must learn how to deliver their message to policymakers in the Capitol. The following "top ten list" of advocacy actions should be taken by all transit supporters when attempting to influence policy or funding decisions affecting local or state transit operations:

1. GET INVOLVED

People often believe their voice will not be heard, or does not matter in the political process. This is INCORRECT! Ideas become law, idea champions sponsor laws and legislators listen to the public; therefore, the public can affect laws and other public policy outcomes.

2. LEARN THE LEGISLATIVE PROCESS

Bills go through a long process to become laws. Every bill must be voted on at least four times before it is sent to the Governor. (If you would like more information on the legislative process please contact the Association.)

3. LEARN THE LEGISLATIVE CALENDAR

Each year the legislative process is subject to a different set of deadlines. These dates affect the schedule of bill hearings, and determine when your legislator will be home in the district office versus in Sacramento. For example, in 2004 the Legislature will recess from September 1st until early December. More than likely this means legislators will be in their district offices during this period. (If you would like more information on the legislative calendar please contact the Association.)

4. FACE-TO-FACE MEETINGS ARE IMPORTANT

Legislators often make time to meet with people from their district. When meeting in person it is important to remember the basics to cover during the meeting:

- What do you want?
- Who should you ask?
- How should you ask?
- How should you follow-up?
- How can you build your goodwill?

Be brief, know your facts, know how the issue impacts your district and be positive.

5. PUBLIC TESTIMONY IS CRUCIAL

In each House a public hearing is conducted on every bill at least once by a policy committee, this can be the best time to testify.

Remember to identify yourself, state your position, and briefly explain your position. Expect delays and postponements, but you will get an opportunity to make your voice heard.

6. PHONE CALLS

If you have an existing relationship with your legislator, rely on that tool. For example, last year in the waning hours of the legislative session Association staff was defending last minute cuts to transit. Association staff mobilized selected members to call their legislators and these legislators responded to these personal calls.

7. LETTERS

Probably the most popular mode of communication used to affect the legislative process. Always write your legislator and the Chair of the committee in which the bill of interest to you is being heard. Identify the bill number and author at the top of your letter and concisely state your requests (i.e. support the bill, oppose, amend, etc.). Remember to copy the bill's author and repeat this process as the bill moves through the Legislature.

8. LEGISLATIVE STAFF RELATIONSHIPS

Legislators have very busy schedules, and although they would like to meet with everyone, time does not permit all meeting requests. In the era of term limits, staff has become the institutional memory of the Legislature, as well as more accessible. Make staff contacts and remember their name because you will deal with staff the majority of the time.

9. REACH OUT

Your legislator represents a community; therefore, you should involve your legislator in local events. In addition, you should make attempts to recognize your elected officials in newsletters and other articles.

10. REMEMBER DISTRICT OFFICES

Too often citizens and advocates only contact Capitol Offices; District Office meetings are overlooked, but present a great opportunity to meet staff and legislators to brief them on projects and priorities in the district.

FOR MORE INFORMATION

For more information regarding the legislative process or communicating with legislators please contact the California Transit Association at (916) 446-4656.

Why Invest in Public Transportation

Public transportation is one of those rare policy sectors that impact so many others. For example, serious neglect of our public transportation system would have terrible effects on the business community, environment, the aging population, and the health of Californians. Through improved mobility, security, economic opportunity and environmental quality, public transportation benefits every segment of California society – individuals, families, businesses, industries and communities – and supports important national goals and policies. Below are a few examples of how public transportation benefits California.

BUSINESS COMMUNITY

- Improved transportation options, which create economic benefits for individuals, households, business and governments.
- Investment in public transportation creates and sustains jobs; every \$1 billion invested in infrastructure supports 47,500 jobs.
- The return on dollars invested in public transportation is far greater than the costs: In California this ratio is 6 to 1.

TRAFFIC CONGESTION

- If all Americans who take transit to work drove alone, they would fill a nine-lane freeway from Boston and Los Angeles.
- For every train, 200 cars are removed from the highway, and a bus removes 60 cars.
- Public transportation carries 18% trips in San Diego, removing 35,000 cars from the road daily.
- A regular rush-hour driver wastes an average of 99 gallons of gasoline a year due to traffic. The average cost of the time lost in rush-hour traffic is \$1,160 per person.

ENVIRONMENTAL

- Public transportation can significantly reduce dependency on gasoline, reducing auto fuel consumption by 1.5 billion gallons annually.
- For every passenger mile traveled, public transportation is twice as fuel-efficient.
- Public transportation produces 95% less carbon monoxide (CO), more than 92% fewer volatile organic compounds (VOCs) and nearly half as much carbon dioxide (CO₂) and nitrogen oxide (Nox) – for every passenger mile traveled.
- By using public transportation Californians reduce its dependence on foreign oil by more than 40%, and save more energy every year than all the energy used by the U.S. petrochemical industry.
- Public transportation reduces emissions of CO₂, which contributes to global warming, by more than 7.4 million tons a year.

AGING POPULATION

- Public transportation enables Californian's older individuals the ability to experience enhanced mobility because the car is not an option for many.
- These benefits also include:
 - Greater freedom to live in a variety of settings.
 - More mobility as a result of more travel choices.
 - Greater access to varied destinations.
 - Enhanced opportunities to lead a full and meaningful life.
- Today, more than 35 million Americans are 65 or older; 4.2 million are 85 or older.
- By 2010, the numbers will rise in both age groups, with the most striking increase in the 85 plus age group, which will expand over 30% to 5.8 million. Mobility is becoming increasingly important for the aging population.

SMALL URBAN AND RURAL COMMUNITIES

- In small urban and rural communities statewide, there is growing recognition of the broad-ranging benefits of public transportation:
 - Greater freedom and independence to live and work in a variety of settings.
 - More choices in how we travel and how we use valuable time and money.
 - Greater access to varied daily destinations.
 - Enhanced opportunity for individuals, families, business and industry.
- While small urban and rural communities may provide an improved lifestyle, many are beginning to face dilemmas common to major metropolitan regions, including declining air quality and increasing roadway congestion.
- Traffic congestion in small urban and rural communities is increasing 11% per year – twice the rate of urban settings.
- Public transportation helps build strong communities by boosting real estate values and economic development.

SOCIAL JUSTICE

- Public transportation enhances American society by creating jobs, getting people to work and providing quality transportation access for low-income individuals and minority communities.
- Public transportation is key to moving former welfare recipients into the workforce as permanent wage earners. An estimated 94% of welfare recipients attempting to move into the workforce do not own cars and rely on public transportation.

- The vast majority of Americans rely on cars to meet their transportation needs, but minorities are less likely to own a car.

HEALTH

- Over 140 million Americans, 25% of whom are children, live, work and play in areas where air quality does not meet national standards.
- Public transportation trips result in 190,000 fewer deaths, injuries and accidents annually than trips by car, providing up to \$5 billion in safety benefits.
- The stress of driving in congested conditions is linked directly to a long list of health problems including cardiovascular disease, suppressed immune system functioning and strokes.
- Transit-friendly, walkable communities reduce reliance on motor vehicles and promote higher levels of physical activity.

OTHER BENEFITS TO THE COMMUNITY

- On September 11, 2001, the New York-New Jersey Port Authority transit systems moved people safely away from the World Trade Center disaster.
- Public transportation systems have operated around the clock to transport firefighters to the sites of wildfires; to evacuate nursing home and hospitals; to move people to safety during storms; and to bring out-of-town police rescue workers from airports.

PUBLIC TRANSPORTATION: THE BACKBONE OF A COMMUNITY

We must continue to strive for safe, reliable and accessible public transit services that meet the needs of our diverse California population. The Association needs to add your voice as we continue to preserve promised transit funding, and advocate for policies that recognize and support public transit as an integral part of a balanced transportation system. For more information please contact info@caltransit.org.