Reflections on Trends in Public Transportation Funding

Robert L. Peskin, PhD, M.ASCE, MIAM
Senior Consulting Manager
AECOM

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Overview

- Evolution in planning goals from expansion to efficiency
- Evolution from federal to state/regional/location reliance on funding
- Evolution toward independent oversight

Evolution in Planning Goals From Expansion To Efficiency

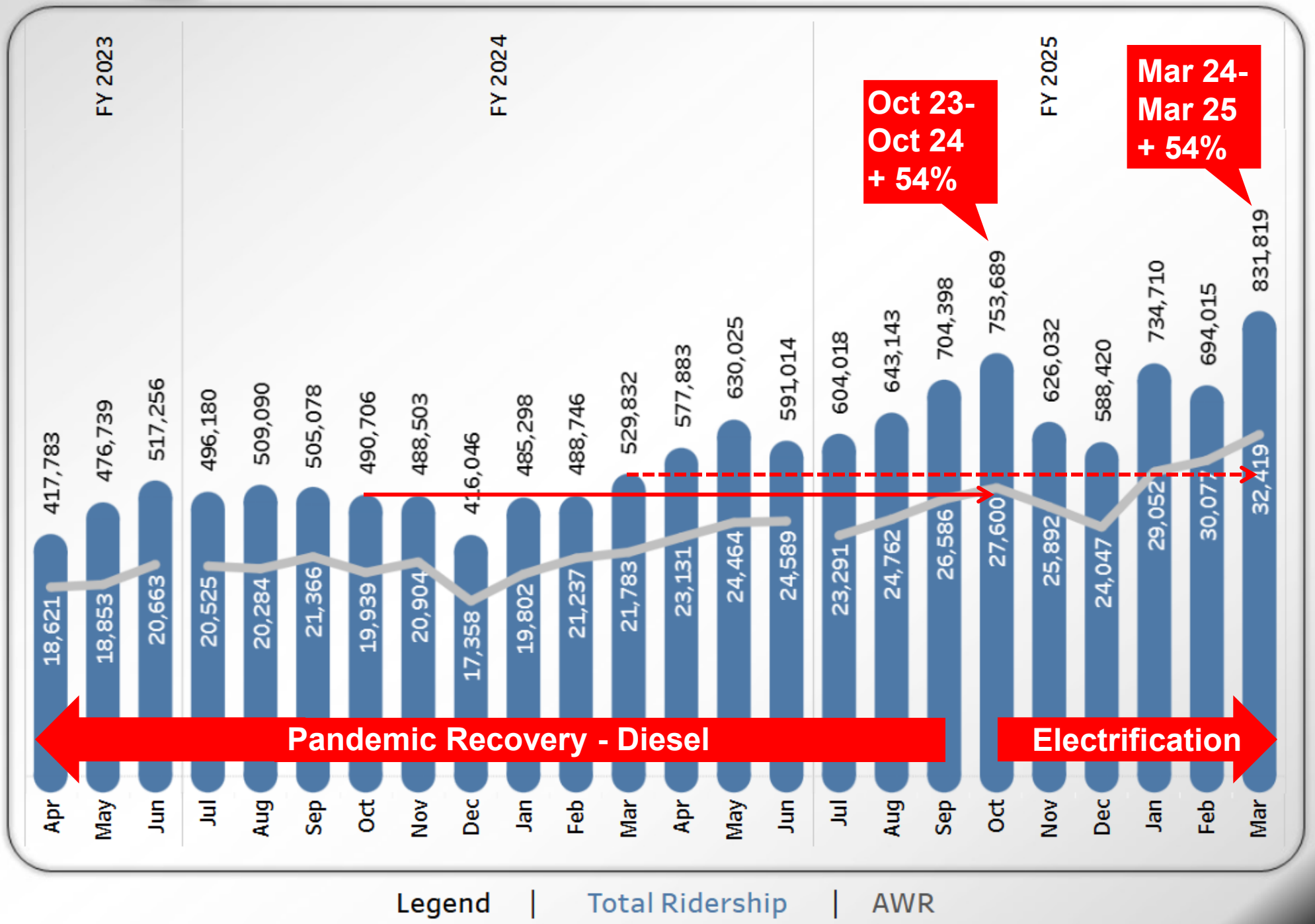
- Specific examples
- General trend in FTA Capital Investment Grant program

Evolution in Planning Goals from Expansion to Efficiency – Specific Examples

- **WMATA** … CEO recently stated at a meeting of DMVMoves that the capacity benefits of a second crossing of the Potomac River at Rosslyn could be achieved for a fraction of the cost with a new signal system.
- **NY MTA** … Expansion limited to Interborough Express, Second Avenue Subway extension, Penn Station Access
- **Los Angeles Metro** … Adding railroad-like crossing signals/gate, improved traffic signals, and two grade separations on Orange Line BRT
- **CTA** … Red Purple Modernization
- **Caltrain** … Electrification … recent ridership trend suggests the market likes faster and more frequent service and new rolling stock

Caltrain Total Ridership and Average Weekday Ridership by Month

Source: https://www.caltrain.com/about-caltrain/statistics-reports/ridership/fare-media-based



Caltrain March 2019 vs March 2025 Ridership

Ridership Executive Summary - Mar 2025

Monthly Performance	Current Year Mar 2025	Pre-Pandemic Mar 2019	Mar 2025 % of Pre-Pandemic	Last Year Mar 2024	Mar 2024 to Mar 2025 % Change
Total Ridership	831,819	1,487,889	55.9%	529,832	+ 57.0%
Average Weekday Ridership	32,419	65,057	49.8%	21,783	+ 48.8%
Average Saturday Ridership	18,794	14,338	131.1%	8,494	+ 121.3%
Average Sunday Ridership	11,412	10,001	114.1%	5,985	+ 90.7%

Source: https://www.caltrain.com/about-caltrain/statistics-reports/ridership/fare-media-based

Evolution in Planning Goals from Expansion to Efficiency – General Trend in FTA Capital Investment Grant program

- Compared FTA pre-pandemic (FY2018) and most recent (May 2025) summary of CIG projects “in the pipeline”
- Trend is applications for FTA Capital Investment Grants are now most focused on …
  - **Core Capacity** … adding capacity on light rail transit and commuter rail … none on heavy rail transit
  - **New Starts** … bus rapid transit, light rail transit, or commuter rail … only 2 are new heavy rail transit lines
  - **Small Starts** … bus rapid transit or streetcar

FTA Capital Investment Grants Dashboard - May 2 , 2025

Core Capacity

New Starts

	Project Name	Project Sponsor	City/ Urbanized Area	State	Mode	Length	Number of Stations
CC	Green Line Transformation Program	MBTA	Boston	MA	LRT	23.0	66
CC	FrontRunner 2X	UDOT	Salt Lake City	UT	CR	82.0	16
	Inglewood Transit Connector Project	ITCJPA	Los Angeles	CA	HR	1.6	3
	Transbay Downtown Rail Extension	Transbay JPA	San Francisco	CA	CR	2.2	2
	BART Silicon Valley Phase II	VTA	San Jose	CA	HR	6.0	4
	Northeast Corridor Rapid Transit Project	DTPW	Miami	FL	CR	13.5	7
	METRO Blue Line Extension (Bottineau LRT)	Met Council	Minneapolis	MN	LRT	13.5	11
	Lowcountry Rapid Transit	BCDCOG	Charleston	SC	BRT	21.3	20
	Richmond Highway BRT	Fairfax County	Fairfax County	VA	BRT	7.4	9
NS	Capitol Extension Project	Valley Metro	Phoenix	AZ	LRT	0.8	2
NS	Valley Link Rail Project Phase 1	TVSJVRRA	Livermore	CA	CR	26.0	4
	Southeast Gateway Line	LACMTA	Los Angeles	CA	LRT	14.5	9
	Broward Commuter Rail South	Broward County	Broward County	FL	CR	11.7	3
	MD 355 Central BRT	MCDOT	Montgomery County	MD	BRT	10.6	TBD
	Jefferson Alignment MetroLink Expansion Project	Bi-State Developm	St. Louis	MO	LRT	5.6	13
	Austin Light Rail Phase 1 Project	ATP	Austin	TX	LRT	9.8	15
	West Seattle Link Extension	Sound Transit	Seattle	WA	LRT	4.7	3
	Interstate Bridge Replacement Program	WSDOT	Vancouver/Portland	WA-OF	LRT+	1.9	3

Source: https://www.transit.dot.gov/sites/fta.dot.gov/files/2025-05/Public-CIG-Dashboard-05-02-2025.pdf

FTA Capital Investment Grants Dashboard – May 2, 2025

Small Starts

	Project Name	Project Sponsor	City/ Urbanized Area	State	Mode	Length	Number of Stations
	University-Medical BRT	City of Huntsville	Huntsville	AL	BRT	9.0	TBD
	Tucson High-Capacity Transit Project	City of Tucson	Tucson	AZ	BRT	4.7	TBD
	Vermont Ave BRT	LACMTA	Los Angeles	CA	BRT	12.4	13
	Downtown Riverfront Streetcar	SacRT	Sacramento	CA	SC	1.5	3
	Federal Boulevard BRT Project	CDOT	Denver	CO	BRT	18.0	38
	West Elizabeth BRT Project	City of Fort Collins	Fort Collins	CO	BRT	3.6	9
	East-West Corridor Rapid Transit Phase I Project	DTPW	Miami	FL	BRT	13.5	3
	Tampa Streetcar Extension	City of Tampa	Tampa	FL	SC	4.0	17
	MARTA Rapid Campbellton	MARTA	Atlanta	GA	BRT	5.3	9
	MARTA Rapid Southlake	MARTA	Atlanta	GA	BRT	13.6	19
	East-West Bank BRT Corridor	RTA	New Orleans	LA	BRT	15.1	25
	Blue Hill Avenue Transit Action Plan	MBTA	Boston	MA	BRT	3.0	9-12
SS	Viers Mill Road Flash Bus Rapid Transit Project	MCDOT	Montgomery County	MD	BRT	7.6	12
	METRO F Line Bus Rapid Transit	Met Council	Minneapolis	MN	BRT	13.0	32
	North-South BRT	Chapel Hill Transit	Chapel Hill	NC	BRT	8.2	17
	Wake Bus Rapid Transit: Southern Corridor Project	City of Raleigh	Raleigh	NC	BRT	5.1	9
	Wake Bus Rapid Transit: Western Corridor	City of Raleigh	Raleigh	NC	BRT	11.3	18
	Hamilton Avenue Corridor BRT	SORTA	Cincinnati	OH	BRT	9.0	11
	Reading Road Corridor BRT	SORTA	Cincinnati	OH	BRT	9.2	13
	MetroHealth Line BRT	GCRTA	Cleveland	OH	BRT	4.0	TBD
	East Main Street BRT	COTA	Columbus	OH	BRT	13.6	18
	Northwest Corridor BRT	COTA	Columbus	OH	BRT	8.5	14
	West Broad Street BRT	COTA	Columbus	OH	BRT	9.3	17
	Montgomery Park Transit Project	TriMet	Portland	OR	SC	0.7	2
	82nd Avenue Transit Project	TriMet	Portland	OR	BRT	10.0	35
	Memphis Innovation Corridor	MATA	Memphis	TN	BRT	8.0	16
	METRORapid Gulfton Corridor Project	METRO	Houston	TX	BRT	4.1	8
	Advanced Rapid Transit (ART) East-West Corridor	VIA	San Antonio	TX	BRT	7.3	18
	Davis-Salt Lake City Community Connector	UTA	Salt Lake City	UT	BRT	26.0	12
SS	Culture Connector	SDOT	Seattle	WA	SC	1.3	4
	RapidRide K Line	King County Metro	Seattle	WA	BRT	15.7	36
	Division Street Bus Rapid Transit Project	Spokane Transit Au	City of Spokane	WA	BRT	10.0	23
	Madison North-South BRT	City of Madison	Madison	WI	BRT	11.5	26
	Milwaukee North-South BRT Corridor	Milwaukee County	Milwaukee	WI	BRT	18.0	32

Source: https://www.transit.dot.gov/sites/fta.dot.gov/files/2025-05/Public-CIG-Dashboard-05-02-2025.pdf

FTA Capital Investment Grant Profiles - FY2018

Core Capacity

New Starts

Type	Project Name	City	State	Status	Mode
CC	Red and Purple Modernization Phase One Project	Chicago	IL	FFGA	HR
	Peninsula Corridor Electrification Project	San Carlos	CA	Engineering	CR
	Transbay Corridor Core Capacity Project	San Francisco	CA	PD	HR
	South Shore Line Northwest Indiana Connectivity Plan	Gary	IN	PD	CR
	Portal North Bridge Project	Hudson County	NJ	PD	CR
	Canarsie Line Power and Station Improvements	New York	NY	PD	HR
	Dallas CBD Second Light Rail Alignment (D2)	Dallas	TX	PD	LRT
	DART Red and Blue Line Platform Extensions	Dallas	TX	PD	LRT
NS	Regional Connector Transit Corridor	Los Angeles	CA	FFGA	LRT
	Westside Purple Line Extension Section 1	Los Angeles	CA	FFGA	HR
	Westside Purple Line Extension Section 2	Los Angeles	CA	FFGA	HR
	Mid-Coast Corridor Project	San Diego	CA	FFGA	LRT
	Third Street Light Rail Phase 2 – Central Subway	San Francisco	CA	FFGA	LRT
	Silicon Valley Berryessa Extension Project	San Jose	CA	FFGA	HR
	Eagle Commuter Rail	Denver	CO	FFGA	CR
	Green Line Extension	Cambridge	MA	FFGA	LRT
	LYNX Blue Line Extension - Northeast Corridor	Charlotte	NC	FFGA	LRT
	Portland-Milwaukie Light Rail Project	Portland	OR	FFGA	LRT
	TEXRail	Fort Worth	TX	FFGA	CR
	Santa Ana - Garden Grove Streetcar Project	Santa Ana	CA	Engineering	SC
	Maryland National Capital Purple Line	Bethesda	MD	Engineering	LRT
	METRO Blue Line Extension (Bottineau LRT)	Minneapolis	MN	Engineering	LRT
	Southwest Light Rail Transit	Minneapolis	MN	Engineering	LRT
	Lynnwood Link Extension	Seattle	WA	Engineering	LRT
	South Central Light Rail Extension	Phoenix	AZ	PD	LRT
	Westside Purple Line Extension Section 3	Los Angeles	CA	PD	HR
	BART Silicon Valley Phase II – Extension to San Jose	San Jose	CA	PD	HR
	West Lake Corridor Project	Lake County	IN	PD	CR
	Durham-Orange LRT	Durham	NC	PD	LRT
	Hudson Tunnel Project	Secaucus	NJ-NY	PD	CR
	Second Avenue Subway Phase 2	New York	NY	PD	HR
	Federal Way Link Extension	Seattle	WA	PD	LRT

Source: https://www.transit.dot.gov/funding/grant-programs/capital-investments/capital-investment-program-cig-project-profiles-fiscal

FTA Capital Investment Grant Profiles - FY2018

Small Starts

Type	Project Name	City	State	Status	
SS	Transit Spine Bus Rapid Transit	Flagstaff	AZ	PD	BRT
	Tempe Streetcar	Tempe	AZ	PD	SC
	Downtown Los Angeles Streetcar	Los Angeles	CA	PD	SC
	Downtown Riverfront Streetcar Project	Sacramento	CA	PD	SC
	Redlands Passenger Rail Project	San Bernardino	CA	PD	CR
	SMART Regional Rail – San Rafael to Larkspur Extension	San Rafael	CA	PD	CR
	Wave Streetcar	Fort Lauderdale	FL	PD	SC
	JTA First Coast Flyer BRT East Corridor	Jacksonville	FL	PD	BRT
	FCF BRT Southwest Corridor	Jacksonville	FL	PD	BRT
	SunRail Connector to the Orlando International Airport	Orlando	FL	PD	CR
	SunRail Phase II North	Orlando	FL	PD	CR
	Central Avenue Bus Rapid Transit Project	St. Petersburg	FL	PD	BRT
	IndyGo Red Line Rapid Transit	Indianapolis	IN	PD	BRT
	TramLink BR	Baton Rouge	LA	PD	BRT
	Laker Line BRT	Grand Rapids	MI	PD	BRT
	Capital Area Transportation Authority Bus Rapid Transit Project	Lansing	MI	PD	BRT
	METRO Orange Line Bus Rapid Transit	Minneapolis	MN	PD	BRT
	Prospect MAX	Kansas City	MO	PD	BRT
	North South Bus Rapid Transit Project	Chapel Hill	NC	PD	BRT
	Albuquerque Rapid Transit Project	Albuquerque	NM	PD	BRT
	Virginia Street Bus RAPID Transit Extension	Reno	NV	PD	BRT
	River Corridor Bus Rapid Transit	Albany	NY	PD	BRT
	Washington/Western Bus Rapid Transit Line	Albany	NY	PD	BRT
	Woodhaven Boulevard Select Bus Service	New York	NY	PD	BRT
	Powell-Division Transit and Development	Portland	OR	PD	BRT
	Montana RTS Corridor	El Paso	TX	PD	BRT
	West End Transitway	Alexandria	VA	PD	BRT
	Swift II BRT	Everett	WA	PD	BRT
	Madison Street BRT	Seattle	WA	PD	BRT
	Seattle Streetcar Center City Connector	Seattle	WA	PD	SC
	Spokane Central City Line	Spokane	WA	PD	BRT
	Tacoma Link Expansion	Tacoma	WA	PD	LRT
	East-West Bus Rapid Transit	Milwaukee	WI	PD	BRT

Source: https://www.transit.dot.gov/funding/grant-programs/capital-investments/capital-investment-program-cig-project-profiles-fiscal

Evolution from Federal to State/Regional/Local Reliance on Funding

- Encouraging examples
- Discouraging examples

Evolution from Federal to State/Regional/Local Funding Encouraging Examples

- **DMVMoves** … local elected officials jointly discussing need to meet funding goals and openly discussing new taxes …
- **Los Angeles Metro** … Dedicated sales tax for highway and transit
  - Measure A of 1980 … 0.5% perpetual sales tax
  - Measure C of 1990 … 0.5% perpetual sales tax
  - Measure R of 2008 … 0.5% 30-year sales tax
  - Measure M of 2016 … 0.5% perpetual sales tax
- **SANDAG** … TransNet is a 0.5% sales tax, originally approved by voters in 1998 for 20 year, extended for additional 40 years by voters in 2004
- **Tri-Met** … payroll tax was established in 1969 … now 0.8237% of wages paid by employers
- **NY MTA** … congestion pricing, which added a 6th credit to existing dedicated tax base (sales tax, tax on gross receipts of petroleum businesses, tax on long-distance transportation and communications, mortgage recording tax, surplus tolls from bridges & tunnels)
- **MARTA** … 1.0% sales tax in 1971 in Fulton and Dekalb Counties; in 2014 in Clayton County; additional 0.5% in 2016 “MoreMARTA” tax initially identifying 16 projects to be implemented over 40 years
- **BART** … Measure RR of 2017 … property tax with average rate of $0.00898 per $100 assessed value (ranging from $0.0008 to $0.01749 per $100 over the life of the bond issues)

Evolution from Federal to State/Regional/Local Funding – Discouraging Examples

- Dallas Area Rapid Transit
- Southeastern Pennsylvania Transportation Authority (Philadelphia region)

Dallas Area Rapid Transit – Challenges to 1% Dedicated Sales Tax

DART FY2025 Budget and Financial Plan, p.14 … “elected officials in several of our service area cities have demonstrated formal and informal support for reducing DART’s sales tax rate and our sales tax budget, which would significantly and adversely impact [the service plan and capital program] …”

Source: https://dartorgcmsblob.dart.org/prod/docs/default-source/marketing/financialdocuments/business-plan/fy-2025-adopted-budget-and-projected-20-year-financial-plan.pdf

DART to refund some cities millions as legislation threatens deeper cuts

KERA | By Olla Mokhtar

Published March 28, 2025 at 12:32 PM CDT

Pablo Arauz Peña / KERA

DART plans to direct millions to a general mobility fund for some member cities to use for transit projects. But staff say it’ll come at the expense of some DART services.

Dallas Area Rapid Transit says it will return a portion of its funding to some member cities as the agency tries to stave off threats of a deeper cut in the legislature.

DART’s board of directors this week approved a resolution stating it will direct 5% of its annual sales tax collections to create a General Mobility Program for eligible cities to use for transportation projects.

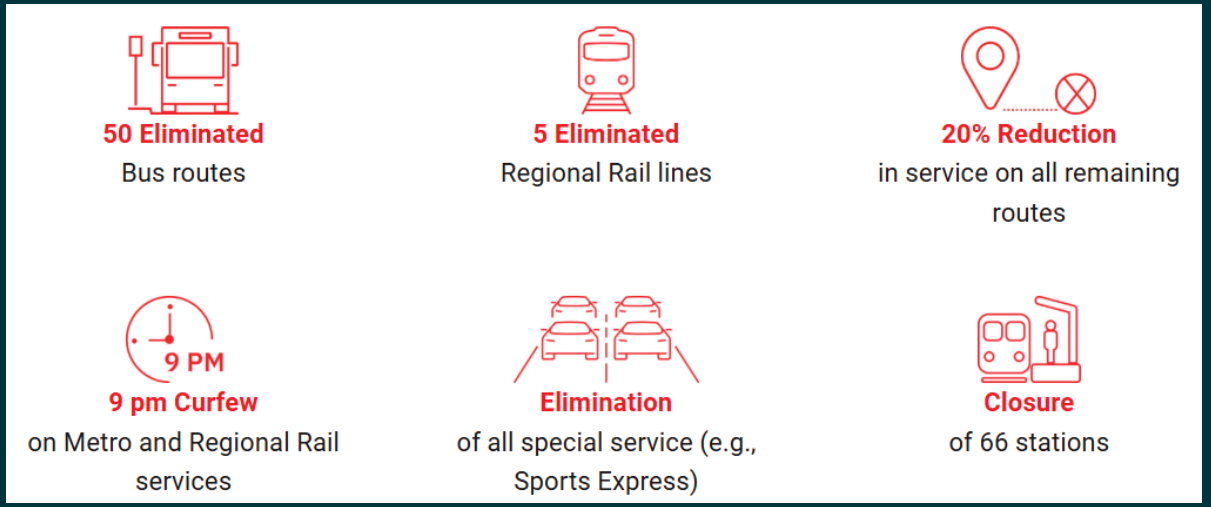
That 5% would amount to roughly $42 million in the first year, which DART would have to come up with by reducing other areas of service.

SEPTA to Cut Service by 45% and Raise Fares by >20% Due to Lack of State Funding

- While SEPTA is already one of the most efficient transit agencies in the country, additional austerity measures, such as a hiring freeze and administrative cuts, have reduced the size of this deficit from $240 million to $213 million.
- To avoid service cuts and drastic fare increases, the State must approve a budget that would enable SEPTA to maintain service levels while implementing modest fare increases.

Source: https://wwww.septa.org/fundingcrisis/

- Without a permanent funding solution, SEPTA will be forced to take drastic steps to irreversibly shrink the system …

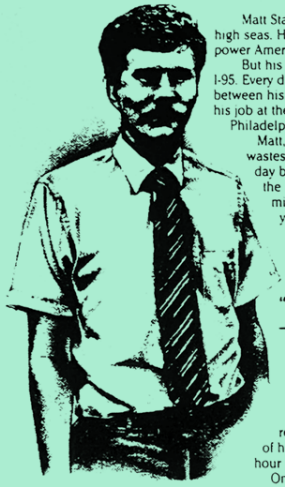


SEPTA Full-Page Ads in Philadelphia Inquirer in 1989

A PLAN FOR BETTER PUBLIC TRANSPORTATION

BOMBS, BAILOUTS AND BLUEBERRIES

The time has come to reconsider our national priorities



Matt Stauffer helps his nation defend the high seas. He works on the turbines which power America's warships.

But his personal battle is on landlocked I-95. Every day he drives back and forth between his home in Claymont, Delaware and his job at the Naval Base in South Philadelphia.

Matt, like most American workers, wastes an average of 20 minutes every day because of traffic congestion. Over the average working lifetime, 20 minutes a day equals two whole years of lost productivity!

The experts say this waste will get much worse...unless we reorganize our national priorities.

"If they can put a man on the moon..."

In an age of increasingly sophisticated defense systems, we have lost sight of a very basic need: Mobility.

For instance, while Matt's turbines spin at thousands of revolutions per minute, the wheels of his car average only 20.9 miles an hour on a major interstate highway.

One clear reason for the steady slowdown on our streets and highways is declining support for the basic transportation systems that keep this country moving. While our economy is expanding rapidly to compete in global markets, we can't keep up with the repair of roads, bridges and rail lines.

In southeastern Pennsylvania, it is obvious that highways have lost their capacity to handle cars...while the commuter train system has shrunk by 33%.

And even as the area's economy struggles to grow, reaching farther into the suburbs, our failure to provide the required mobility has reached crisis proportions.

"Hot" projects override national mobility

Nationwide, transportation and the infrastructure which supports it have taken a back seat to attention-getting "hot" programs.

A small item in our national defense is $8 billion each year to restock nuclear warheads...while the national mass transit expenditure has been reduced to just $3 billion and is predicted to head even lower.

Meanwhile, the bailout of the savings & loans — unheard of just a year ago — will cost the taxpayers:

- three times more than has been spent on mass transportation improvements across the nation in the last 25 years, or
- half as much again as was spent on the entire 42,000-mile Interstate Highway System in the last 34 years.

And so we are able to buy bombs and bailouts while blueberries from New Jersey wait in steamy trucks stuck on overcrowded highways.

The Gross National Product and you

We all pay for the time wasted in delivering people to jobs and products to market. But only in the last few years has a direct link between mobility and the economy been established. One study tells us that if our highways continue to deteriorate, by 1995 our Gross National Product will decline by 3.2%. This translates to an 8% increase in consumer prices.

Higher prices mean a decrease in disposable income of $106 billion. For the average household, that equals a loss of over $1,000 in annual spending power.

And if you think that sounds bad, you'll be lucky to keep your job because more than 2.5 million people will lose theirs.

Is it surprising that two of our biggest international competitors, Japan and Germany, both have five-year programs which provide for public investment in improved mobility?

A bold 10-year plan

SEPTA has a particular interest in improving mobility. Our buses travel over deteriorated roads, our rail system is in drastic need of major repair and replacement, and our ability to meet all the demands for increased capacity and new travel opportunities is severely limited.

That is why we announced a 10-year, $3.5 billion "Action Plan for the 90s" — to rebuild our public transportation system.

This plan calls for the renewal of our bridges, stations, depots, and other parts of our infrastructure, along with replacement of vehicles. It is a bold plan to address the region's mobility crisis. After 10 years of continuing decline in Federal funding for capital projects — a 64% decline measured in the purchasing power of available dollars! — only aggressive solutions can maintain this region's most valuable public works.

The clock is ticking

There is a growing understanding among the area's leaders why SEPTA must be saved and lifted to full strength. Almost 100 prominent local leaders of business, labor, education, environmental, senior citizen, religious and community groups along with riders have formed a coalition to drive home the point that mobility is the very foundation of our economic and social survival.

The coalition sees the national effects of lost mobility — the worsening of our country's competitive position internationally and the balance of payments deficit which is so significantly impacted by the soaring use of imported oil.

We see the continuing pollution of our air because we have not learned how essential it is to move more people in fewer vehicles.

And we see our region strangling in its own traffic, especially in the suburbs. We see the stunting of economic growth and an overall decline in the quality of life.

Our message is that despite all the dramatic, necessary and often painful funding needs faced by our elected officials, public transportation must be seen once again as the positive, essential, day in, day out foundation of our way of life. Its survival and improvement must therefore be placed high on every list of public priorities.

The clock is ticking for millions of people like Matt Stauffer. Only when Americans stop spending two years of their work lives stalled on highways will we get this country moving forward again.

If you would like to comment, please write to me at 714 Market Street, Philadelphia, PA 19106.

Louis J. Gambaccini
Chief Operations Officer/General Manager

Southeastern Pennsylvania Transportation Authority

To receive the six-part series, "A Plan For Better Public Transportation," send your name and address to: SEPTA Public Relations, 714 Market Street, Philadelphia, PA 19106.

A PLAN FOR BETTER PUBLIC TRANSPORTATION

WHY WORRY ABOUT PUBLIC TRANSPORTATION IF YOU DON'T USE IT?

For several compelling reasons, read on.

If public transportation didn't exist, we'd have to do the impossible — like pave over downtown Philadelphia and put up a river-to-river parking lot. That would be necessary because about 250,000 extra cars would be coming into center city every morning. Furthermore, in order to handle all the traffic, an estimated 45 new highway lanes would have to be built.

And the mobility problems would not just be in the city. Urban sprawl has already increased the density of traffic in suburban population and business centers. Now, in rush hours, cross-county travel by automobile is a hassle. Just imagine the suburban highway gridlocks if present day public transportation users were forced to drive.

Obviously, without adequate public transportation, people who now drive would lose their mobility. Additionally, employers, who rank transportation mobility as the number one reason for coming to or staying in an area, would take their businesses elsewhere.

Fact or fiction

This scenario is not mere conjecture.

Fact: About 70% of the 285,000 people who work in center city use public transportation.

Without the subways, buses and trolleys, the quality of life for everyone would take a sudden downward plunge. Individuals would suffer. The economy would suffer. Topping it off with a gasp would be the unbearable air pollution from those quarter-of-a-million extra cars.

"But that can't happen," you say. "Public transportation is here to stay."

Maybe. But recent evidence says . . . maybe not.

The shrinking system

While significant improvements have been made to SEPTA this decade, especially with the renewal of the bus, trolley and subway fleets, there is still a long way to go in dealing with the decay of the basic infrastructure . . . the steel and concrete that comprise the guts of the system.

The structures of the system are mainly unnoticed by the public and, therefore, their decay raises few eyebrows until a bridge is deemed unsafe or a section of aging track must be taken out of service. No one thinks twice about an outdated signal system until it causes big delays for thousands of commuters anxious to get home.

Sadly enough, we are losing our ability to get ahead of the decay. Today's capital funding levels — the public dollars that are used for major repairs — have taken a sharp decline in the last four years. At the same time the costs for heavy maintenance and structural work have escalated. Now, the progress we made so far this decade is threatened.

As we labor to convince public policy-makers that an investment in public transportation is money well spent, the decay continues. Parts of the system once enjoyed by passengers no longer operate because SEPTA will not jeopardize the safety of human lives to operate on rotting and unsafe tracks and bridges.

In 1984, for example, SEPTA stopped service on half the regional rail system because its engineers found serious decay on a bridge near Columbia Avenue. Center city merchants and employers kept the pressure on to have service restored because the service cuts affected their ability to do business.

Two years later service was lost between Cynwyd and Ivy Ridge Stations because track conditions became severe. Then, in 1987, Route R8 in Chestnut Hill was curtailed because of the decay of the Cresheim Valley Bridge. Work is now underway to replace the entire bridge but, in the meantime, commuters are enduring the inconvenience.

It's clear that unless a heavy investment is made in preserving our system, the region as a whole — public transportation users and nonusers alike . . . will suffer.

There's more to come, unless...

Another fact: A year-long study commissioned by our local elected officials backs up SEPTA's assessment of the situation entirely.

The study says $4.5 billion will be needed over the next 10 to 15 years in order to erase the decay.

How much money is $4.5 billion? It's less than 5% of the total replacement value of SEPTA (to build this comprehensive system from scratch would cost up to $100 billion). We're like the homeowner who must spend $5,000 on a new roof in order to save a $100,000 house.

To put the battle in military terms, the new kind of mobility required by the people and economy of our region is priced at one-half the cost of a fully equipped aircraft carrier. Or, with the same $4.5 billion, you could buy three Trident submarines...or nine Stealth bombers.

Such facts are well known in New York, for example, which has already begun a $16 billion rebuilding program.

SEPTA's 10-year plan

We have developed a proposed rebuilding plan — covering both operations and capital needs — for the 1990s. Right now we are very actively laying the groundwork for that program.

During the next two years we will be doing everything possible to "notch-up" operating assistance in order to restore funding to our vehicle maintenance programs as well as to improve our service standards (reliability, on-time performance, safety, comfort and cleanliness).

At the same time we will be seeking sufficient capital funding to keep current programs going, to gear up for the massive labors of the next decade, and to demonstrate that there is, in fact, a public commitment to the preservation of public transportation.

The deadline is now

Mobility is the foundation of our economic and social structure, but if we don't rebuild SEPTA in the next 10 to 15 years there will be continued deterioration and losses of service — and the price of rebuilding the system will **double** or **triple.**

The final fact: Nothing will happen until there is a commitment to the preservation and improvement of public transportation. Join us in working to preserve and improve our transportation system — for the benefit of those who ride and those who drive.

If you have comments or suggestions, please send them to me at 714 Market Street, Philadelphia, PA 19106.

Louis J. Gambaccini
Chief Operations Officer/General Manager

Southeastern Pennsylvania Transportation Authority

Reflections on Evolution of Public Transportation Fund

SEPTA Full-Page Ads in Philadelphia Inquirer in 1989

A PLAN FOR BETTER PUBLIC TRANSPORTATION

ROLLER COASTER FINANCING

Is this any way to run a business?

Of course not.

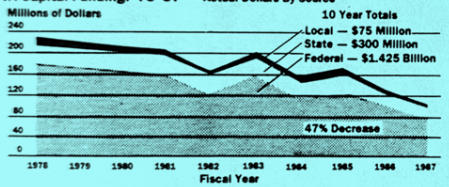
Yet SEPTA — the nation's fourth largest transportation authority averaging 1.2 million trips a day — is forced to operate that way.

And who gets blamed when the bridge doesn't get fixed on time and service is cut? You guessed it, SEPTA.

Look at the facts. From 1980 to 1984 we replaced worn out vehicles and 40-year-old tracks, and renewed subway stations. This money — capital financing — was provided mainly by the Federal government. During those four years, SEPTA spent an average of almost $200 million each year. But during the next four years the roller coaster began a downward plunge and the yearly average dropped to just $125 million.

If the Federal administration's plans become reality, SEPTA will be spending only $100 million per year. This comes at a time when we should be making a capital investment of nearly $400 million each year, first to catch up with decades of deferred maintenance, and then to begin the process of getting ahead.

SEPTA Capital Funding: '78-'87 — Actual Dollars By Source



Despite the capital funding dip, we have been able to make remarkable improvements in SEPTA's day-to-day operations. Year after year your service has improved in reliability, on-time performance, cleanliness and safety. We have also accomplished extensive reorganization of service in Northeast Philadelphia and in Suburban Transit. Through extremely careful management of our operating budget resources, we have laid the foundation for a better tomorrow.

But the fact remains: SEPTA's survival is a year-to-year process of scrimping, deferring, and trying to preserve routes and service levels.

Where the operating money comes from

To keep SEPTA running there are only two sources of funds — *riders* (fares) and *governments* (subsidies).

State law requires that riders pay at least half the cost. Governments, on the other hand, have no such mandate. They are driven by administration policy and legislative decision. In Pennsylvania, money to subsidize public transportation comes from general funds; there is no special source of revenue set aside for transit as there is in most other major cities. That's why there's no way to accurately predict how much subsidy SEPTA will receive.

Recent fare increases required

For a very long time fares were not increased even though the combined subsidy levels did not even keep pace with inflation.

Until the recent fare increases, SEPTA did not raise the prices of tokens, TransPasses or TrailPasses *for almost four years*. And cash fares were last changed in July, 1986.

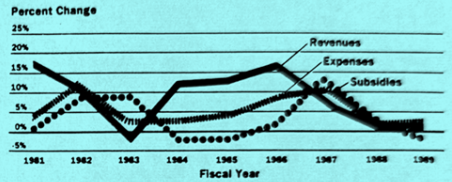
Over the years, this loss of revenue resulted in ever-increasing unfunded deficits and deferral of essential efforts like our Vehicle Overhaul Program.

Rising costs are a fact of life

Since 1986, our labor costs have gone up 19.1%, payments for health care have increased 23.7%, and the costs of materials and services purchased by SEPTA have increased 28%. Also, the payments for injuries and damage expenses have risen 28.6%, despite our efforts to fight fraudulent claims.

With costs increasing at those rates, *it is a battle for SEPTA just to keep up.* And when so much of our effort is dedicated to mere survival, we cannot do all the things that must be done to improve your service.

Change in Revenues, Expenses and Subsidies vs. Prior Year
Fiscal 1981-1989



Partnership of riders and funding agencies required to continue progress

Looking ahead, SEPTA is seeking the endorsement of the State and local agencies for a long-range capital program and for service standards improvements (reliability, on-time performance, comfort and cleanliness).

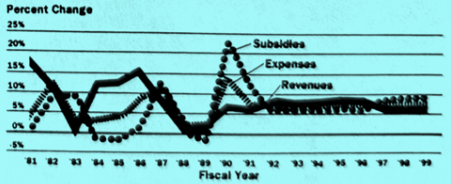
We can now say that an important step in that funding process has been taken. SEPTA riders are now demonstrating their commitment to public transportation by bearing the burden of increased fares.

But the higher fares will cover only about one-half of the revenue increase required. What is needed now is an equal commitment by the public agencies. Then, if we are successful in convincing those agencies to contribute more, it seems probable that future annual fare increases can be kept at the reasonable inflation range of 5% to 7%.

A long-range commitment — based on fact

The SEPTA operating budget roller coaster is clearly demonstrated in the chart below. It will roar on — instead of becoming stabilized in the next few years, as shown — if we must continually struggle for survival. And if the battle is lost, the accumulated debt will soon become unbearable. Not only will we be unable to make the improvements needed now, and expand service in the future, but the hard-wrought progress of the last decade will be reversed.

Change in Revenues, Expenses and Subsidies vs. Prior Year
Fiscal 1981-1999



We sincerely hope that every person who appreciates the essential and irreplaceable role of public transportation in the mobility of our region will take time to consider and understand these facts.

If you would like to comment, I would be happy to hear from you. Please write to me at 714 Market St., Phila., PA 19106.

Louis J. Gambaccini
Chief Operating Officer/General Manager

Southeastern Pennsylvania Transportation Authority

A PLAN FOR BETTER PUBLIC TRANSPORTATION

THERE ARE JOBS OPEN ALL OVER THE REGION

But can you get there from here?

Consider the case of Yvette Smothers of West Philadelphia.

She relies on public transportation to get around, which is not unusual. About 38% of the city's households do not own automobiles while countless others have one car but two or more wage-earners.

For about a year Yvette tried car-pooling to get to her 9:00 a.m. job as a clerk with The Vanderveer Group, Inc., a pharmaceutical marketing, consulting and marketing research firm in the Fort Washington Office Center in Montgomery County. "I was late too many times," she said. "Imagine telling your boss that somebody's second cup of coffee made you late today!"

Then came a chance for Yvette to expand her responsibilities by operating the company's switchboard at an even earlier hour each day. "Part of my job as receptionist would be opening up the switchboard at 8:00 a.m.," Yvette said. "I *couldn't* be late."

Solution? SEPTA's bus Route 201.

Route 201 was created by SEPTA with help from the Seltzer Group, developers of the Fort Washington Office Center, and several companies with offices there.

A common sense idea that paid off

The office center is near SEPTA's Fort Washington Regional Rail Station — but beyond walking distance. All that was needed to fill the gap was reliable, scheduled bus service between the station and the employment complex.

But no matter how natural the idea seemed, it was not all that easy to do.

SEPTA was (and is) strapped for funds. Starting up a new service was out of the question, unless we could be sure that all costs would be covered.

We needed partners . . . and we found them in Fort Washington. The office center people said, "We need people to fill jobs, and to get them here we're willing to back the route financially. We will pay for the costs not covered by passenger fares."

And so it was done. In February 1988, Route 201 buses began meeting every weekday peak-hour Route R5 Lansdale-Doylestown train and with every-other midday train — a total of 20 round trips each weekday!

After a mere four months, the route had caught on so well that passenger fares were covering all costs of operation!

And no wonder. Good people like Yvette Smothers were able to get there from here, on time . . . thanks to this new kind of partnership between SEPTA and the private sector.

Is Yvette's transportation problem a rare case?

We know there are tens of thousands of people who are ready to jump at a chance to improve their lives . . . if they can find a way to get to where the jobs are.

We also know that many thousands of people ride the SEPTA rail and bus routes that currently provide transportation between Philadelphia and surrounding counties. Every weekday morning, those "reverse commuters" are heading toward suburban locations against the traditional flow toward center city.

You can see them by the thousands every day on SEPTA's Route R5 Paoli trains, and on Route 100 to Norristown, and on Route 55 buses to Doylestown, and on Route 45 buses to King of Prussia . . .

Suburban congestion on the rapid rise

There has always been reverse commuting — but only in the last few years has the region fully realized how rapidly the demand is growing. For instance, since 1980, weekday morning rush-hour ridership going toward King of Prussia on Route 45 buses has increased by more than 600%. There were 76 riders in 1980, 374 in 1985 and almost 500 today.

Meanwhile, the increase in demand for suburban transportation is dramatically underscored in a recent study by the Delaware Valley Regional Planning Commission (DVRPC). Using 1980 traffic counts as a base, the DVRPC estimates that travel in the suburbs will grow by at least 33%, and possibly as much as 92%, by the year 2000!

Help wanted: Partnerships with private enterprise

Jobs mean money for workers and profitable production for employers. In turn, the money produced by filled jobs supports business and industry in the Delaware Valley and throughout the State.

But the fact is there are hundreds of missing public transportation links with major employment centers in the region, and with educational institutions and residential communities. The region abounds with opportunity!

SEPTA has embarked on an all-out effort to forge those new links between public transportation and jobs.

We are dedicated to developing a "200 Series" of bus routes in order to create new travel opportunities and, therefore, to improve the social and economic condition of our region. And we are also working with 17 private companies in order to improve the transportation network in the King of Prussia and Chesterbrook areas.

This concept of private enterprise participation is supported by the Delaware Valley Regional Planning Commission and the Federal Urban Mass Transportation Administration.

And the concept is proven by the overwhelming success of Route 201.

What do you think?

I will welcome your ideas on SEPTA's efforts to meet the very real transportation needs of all those people who can't get there from here. And if you are prepared to start the process of bringing a lot of fine people like Yvette Smothers to your doorstep, I look forward to working with you.

Please write to me at 714 Market Street, Philadelphia, PA 19106.

Louis J. Gambaccini
Chief Operating Officer/General Manager

Southeastern Pennsylvania Transportation Authority

We thank these Fort Washington employers for their confidence in public transportation and SEPTA: ■ Automatic Data Processing ■ Beech-Nut Nutrition ■ Continental Bank ■ Honeywell ■ International Computaprint ■ Richardson-Vicks ■ The Rorer Group ■ Seltzer Group

Evolution Toward Independent Oversight

- **Los Angeles Metro** …
  - Independent Citizen's Advisory and Oversight Committee (ICAOC) approved by voters in November 1998 … provides accountability in the expenditure of Proposition A and Proposition C sales tax revenues.
  - Measure R Independent Taxpayer Oversight Committee
  - Measure M Independent Taxpayer Oversight Committee
- **Miami-Dade County** … Citizen Independent Transportation Trust … created in 2002 to monitor progress in the use of the 0.5% sales tax approved by the voters for the People Transportation Plan.
- **NVTA** … Independent Taxpayer Oversight Committee (ITOC)
- **OCTA** … Taxpayer Oversight Committee … oversight of Measure M of 1990
- **SANDAG** … Independent Taxpayer Oversight Committee (ITOC) provide an enhanced level of accountability for expenditures of TransNet funds
- **MARTA** … Metropolitan Atlanta Rapid Transit Overview Committee created by Georgia Generally Assembly
- **BART** … Measure RR Oversight Committee

Conclusions

- For older systems, much of the denser corridors are now served with high capacity transit
- For newer systems, many dense corridors are still candidates for investment in high capacity transit
- Securing and preserving dedicated funding remains a challenge
- Imperative increasing to focus on preservation and efficiency over expansion
- In some markets, post-pandemic recovery reveals continuing capacity constraints requiring cost-effective solutions

Discussion

AECOM

Delivering a better world