Metropolitan Transportation Commission
Programming and Allocations Committee

February 11, 2009 **Item Number 3c**

Regional Measure 2: Operating Program Update and Recommendation to Discontinue Services

Subject: Regional Measure 2 Operating Program Update

Background: Last October, staff provided an update on the operating projects in the Regional Measure 2 program for FY 2007-08. This month, staff is presenting an update on the program.

Six of the twenty-four RM2 operating project routes receiving funding did not meet required performance standards by the end of FY 2007-08. At its October meeting, the Programming and Allocations Committee directed staff to continue funding all six routes through the end of FY 08-09 while working with the operators to re-evaluate funding for the worst performing 3 services. Additionally, the committee requested additional ridership and subsidy data for all of the routes, an update on AC Transit's data, and options for alternative use of funds that could be removed from services that do not meet performance standards.

Attached are presentation slides that summarize the requested information. To better assess the performance of the routes in question, staff compared the performance of the RM2 routes for subsidy per passenger and passengers per hour to operator averages. Based on this assessment and the current economic climate where operators are discontinuing more productive services, staff is recommending that RM2 operating project funding for routes that did not meet the performance standards be discontinued by June 30, 2009. The one exception would be the ECCTA Route 300 service, which staff recommends be given an additional grace year as the service is more productive and less heavily subsidized than ECCTA's average routes. The results of this assessment and recommendation are summarized in the table below.

				Within Operator Range			
	Operator	Route Name and Description	Met RM2 Standard	Subsidy per Rider	Riders per Hour	Discontinue RM2 Funding	Amount FY08 RM2 Subsidy (In Millions)
Express Bus	ECCTA	Rt. 300, Pittsburg/Bay Point BART, Antioch, Brentwood	↓	↑	↑		$ 0.5
Express Bus	AC Transit	Rt. M/MA, UC BART, Dumbarton & San Mateo bridges, Hayward	↓	↓	↓	X	$ 1.7
Express Bus	Golden Gate	Rt. 75, San Rafael, Santa Rosa	↓	↓	↓	X	$ 0.1
Express Bus	AC Transit	Rt. J, Berkeley, Emeryville, SF Transbay Terminal	↓	↓	↓	X	$ 0.7
Owl	CCCTA	Rt. 820, Oakland, Orinda & Concord BART	↓	↓	↓	X	$ 0.4
Owl	LAVTA	Rt. 810, Livermore, Dublin, Pleasanton, Bay Fair	↓	↓	↓	X	$ 0.1
						Total	3.5

Issues: 1) Work with the operators to identify alternative services that are more productive, consistent with RM2 service category (i.e. Express bus or owl service) and could benefit from RM2 funding to preserve service.

Recommendation: Discontinue RM2 funding on June 30, 2009 for 1) AC Transit Route M/MA; 2) Golden Gate's Route 75; 3) AC Transit's Route J; 4) CCCTA's Route 820 (already discontinued by the operator), and 5) LAVTA's Route 810.

Attachments: Presentation Slides

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Regional Measure 2: Operating Program Update

February 11, 2009

Programming and Allocations

METROPOLITAN TRANSPORTATION COMMISSION

RM2 Operating Program

- **Provides operating support for 11 projects**
- **Program cap of 38% of RM2 Revenues**
- **Total Annual Program -- $43.5 M**
  - Ferry -- $18.4 M
  - Bus -- $17.1 M
  - Rail -- $8 M
- **Allocations by Fiscal Year**
- **Trunk-line projects are required to meet MTC-adopted performance standards**

Performance Standards

- Farebox ratio, stratified by mode and type of service, is the primary standard
- 2nd standard requires positive trend in service productivity (passengers/hr.)
- Standards must be achieved by 3rd year of service

Farebox Standard

Service Type	Ferry	Rail	Bus
Peak	40%	35%	30%
All Day	30%	25%	20%
Owl	n/a	n/a	10%

(October 2008 Recap)
Summary of Routes Not Meeting Performance Standards For FY 2007-2008

	Route	Description	Farebox Standard	Performance FY 2006	Performance FY 2007	Performance FY 2008	% Difference from Standard	Allocated in FY 2008 (In Millions)
CCCTA	820	Owl to Oakland, Orinda & Concord BART	10%	1%	2%	3%	-73%	$ 0.4
AC Transit	J	Berkeley, Emeryville, SF Transbay Terminal	30%	11%	22%	11%	-63%	$ 0.7
Golden Gate	75	San Rafael, Santa Rosa	30%	16%	15%	17%	-45%	$ 0.1
AC Transit	M/MA *	UC BART, Dumbarton & San Mateo bridges,	20%	N/A	18%	13%	-37%	$ 1.7
LAVTA	810	Owl to Livermore, Dublin, Pleasanton, Bay Fair	10%	2%	5%	8%	-25%	$ 0.1
ECCTA	300	Pittsburg/Bay Point BART, Antioch, Brentwood	20%	11%	12%	16%	-20%	$ 0.5

Total funding recommended to discontinue: $ 3.5 million

* M/MA were separate routes in FY 2006; FY 2007 is for M only; routes combined in FY 2007-08.

Committee Recommendations of October 2008

- **Continue funding all 6 routes through June 2009**
- **Continue funding for the best performing 3 services pending the FY 08-09 annual performance review**
  - ECCTA Route 300
  - LAVTA Route 810 OWL Service
  - AC Transit Route M/MA
- **Re-evaluate funding for worst performing 3 services pending review of requested data**
  - CCCTA Route 820
  - AC Transit Route J
  - Golden Gate Route 75

Additional Information Requested by Committee:

- Update on AC Transit performance data
- Performance Data
  - Number of passengers
  - Subsidy per passenger
- Alternative use of funds for poor performing services

1) AC Transit Update

Route	Standard	FY 05-06 (audited)	FY 06-07 (audited)	FY 07-08*	FY 07-08 (revised 12/11/08)
Standards to be met by FY 06-07					
LA	20%	30%	27%	26%	19%
Standards to be met by FY 07-08					
NL	20%	37%	31%	21%	19%
Standards to be met by FY 07-08					
M	20%	19%	17%	13%	13%
MA	30%	12%	3%	Combined with M	
J	30%	11%	22%	11%	23%
U	30%	37%	26%	30%	30%

* Based on earlier data provided by AC Transit, not audited

1) AC Transit Update

- Data inconsistencies a result of AC staff turnover and changes in passenger count methods (per AC Transit)
- MTC staff are unable to verify data submitted on passengers, costs, and fare box recovery
- AC Transit assures MTC that data will be consistent and accurate moving forward – new FY 2008-09 baseline data established

2) Performance Data: Ridership

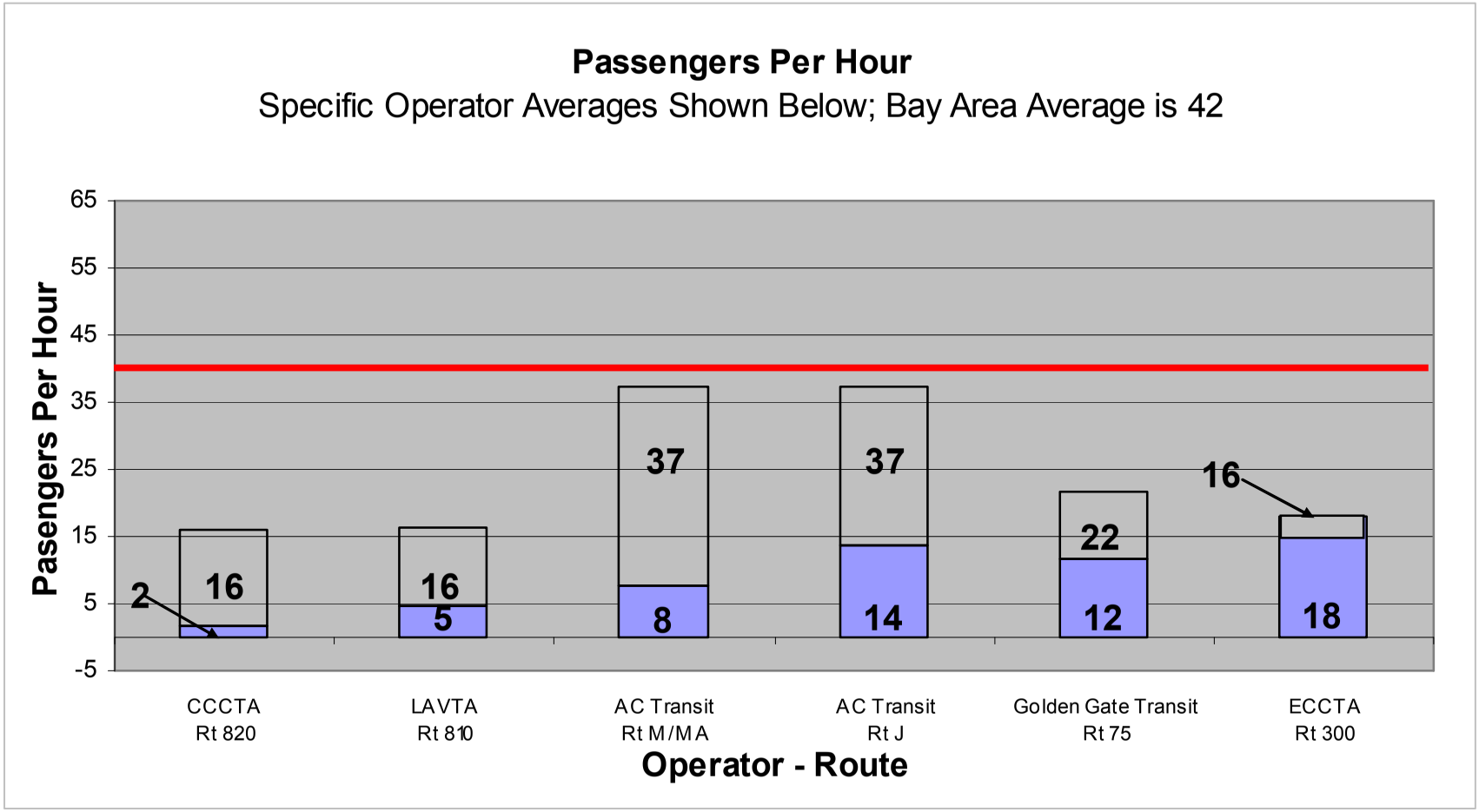
*Sources: * FY 2008-09 budgeted data provided by AC Transit*
*** FY 2007-08 audited data provided by CCCTA*
**** FY 2008-09 January-December 2008 invoiced data provided by operators, January-June 2009 estimated*

	Route	Total Annual Hours	Passengers per Year	All Daily Passengers	Passengers per Revenue hour
AC Transit*	M/MA	22,129	172,125	675	8
AC Transit*	J	7,976	109,905	431	14
CCCTA**	820	4,020	6,407	25	2
ECCTA***	300	20,758	371,981	1,464	18
Golden Gate***	75	4,661	54,204	213	12
LAVTA***	810	3,307	15,462	61	5

= Route did not exist prior to RM2 funding.

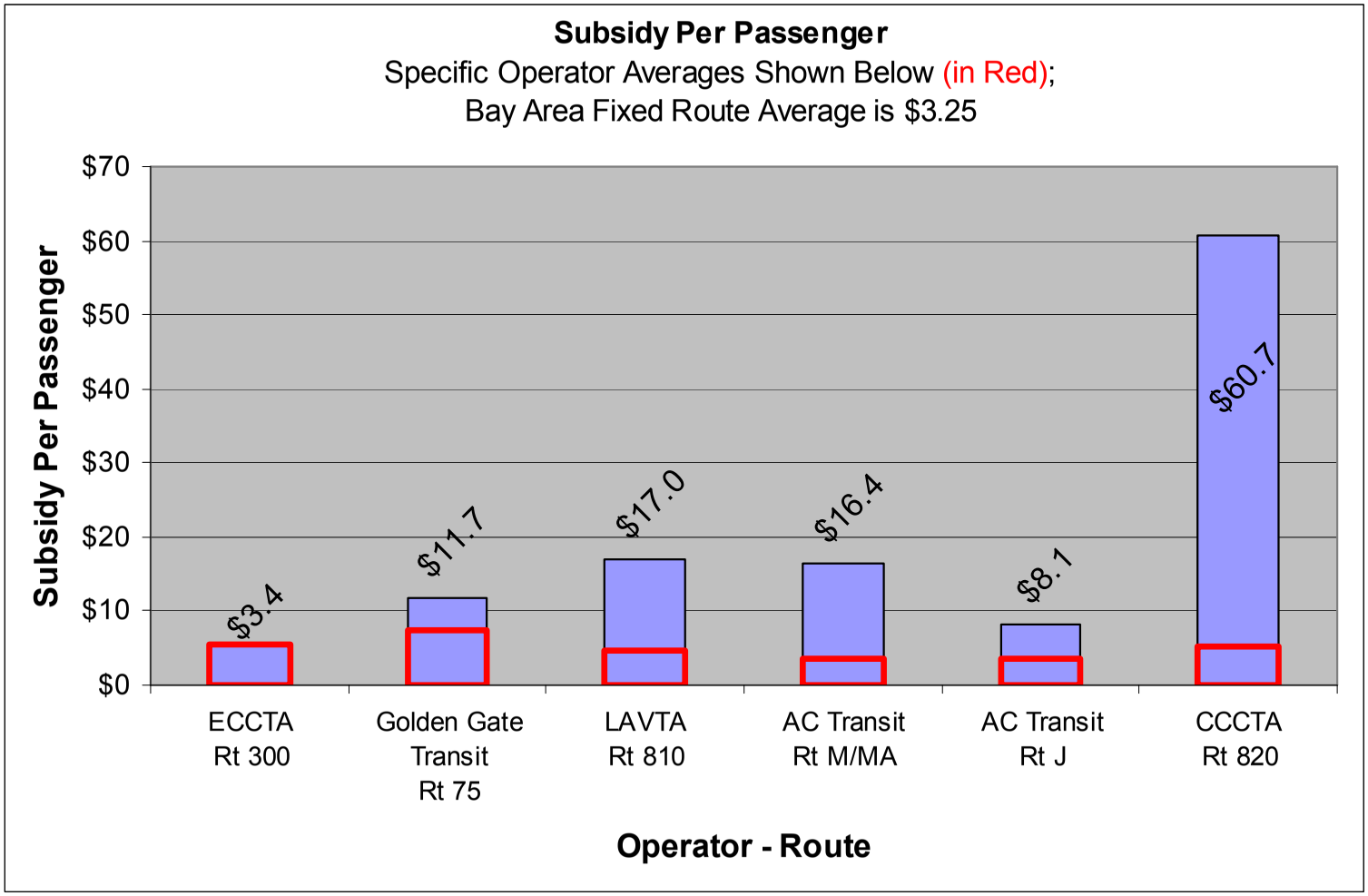
Note: Some routes previously existed and were expanded with RM2 while others were launched with RM2 funding.

2) Performance Data: Passengers per Hour



All routes less productive than operator average services, except ECCTA Route 300

2) Performance Data: Subsidy per Passenger



All routes more heavily subsidized than operator average services, except ECCTA Route 300

2) Performance Data: Summary and Recommendations

	Operator	Route Name and Description	Met RM2 Standard	Within Operator Range: Subsidy per Rider	Within Operator Range: Riders per Hour	Discontinue RM2 Funding	Amount FY08 RM2 Subsidy (In Millions)
Express Bus	ECCTA	Rt. 300, Pittsburg/Bay Point BART, Antioch, Brentwood	↓	↑	↑		$ 0.5
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Express Bus	Golden Gate	Rt. 75, San Rafael, Santa Rosa	↓	↓	↓	X	$ 0.1
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Owl	CCCTA	Rt. 820, Oakland, Orinda & Concord BART	↓	↓	↓	X	$ 0.4
Owl	LAVTA	Rt. 810, Livermore, Dublin, Pleasanton, Bay Fair	↓	↓	↓	X	$ 0.1
						Total	**3.5**

Recommendation:

1) **Discontinue RM2 funds at the end of FY 2008-09 for RM2 routes that failed to meet the RM2 standard.**

2) **Provide ECCTA Route 300 one-year grace based on comparative productivity.**

3) Alternate Uses of RM2 Funds

	Route	RM2 Project #	RM2 Project Name
ECCTA	300	3	Express Bus North
LAVTA	810	7	Owl Service
AC Transit	M/MA	4	Express Bus South
Golden Gate	75	3	Express Bus North
AC Transit	J	4	Express Bus South
CCCTA	820	7	Owl Service

- RM2 programs are defined in statute. Funds are not interchangeable between programs.

  Example: Owl Service funding cannot be used for Express Bus service unless it is determined that the funding is not needed for regional OWL Service.

- Legislation provides for reassignment of funds between projects if a project can't use the funds or if a program can't be implemented.

Next Steps

- Transit operators currently evaluating potential service cuts to cope with economic downturn and state funding cuts
- Commission may want to evaluate using RM2 funding to ensure continuation of key services / routes (instead of only “new” services)
- Staff will work with operators to develop alternative services for RM2 funds (Express Bus/Owl Services)
- Staff will update committee on alternatives FY 2009-2010 RM2 Services in Spring 2009