

# Major Funding Sources (Except Sales Tax)– Transit System

---



- **Federal Grants**
  - FY10 Adopted Budget  $\approx$  \$51M/13%
  
- **State Grants (STA)**
  - FY10 Adopted Budget  $\approx$  \$0
  - Historically  $\approx$  \$8.5M/2% but has been as high as \$22M
  
- **Fare Revenues**
  - FY10 Adopted Budget  $\approx$  \$39M/11%

# §5307 and §5309 Federal Grants

---



- §5307
  - Distributed based on urbanized area formula
  - May be used for transit capital purposes
- §5309
  - Distributed based on urbanized area formula
  - Capital purposes on fixed guideway transit services operating in exclusive right of way
- §5309 Bus and New Starts (Congressional Earmarks)
  - Capital projects such as replacement or expansion of bus or bus facilities;
  - New rail, bus rapid transit, or extensions to existing systems

# §5307 and §5309 Federal Grants

---



- Funding provided for capital purposes
  - §5307
    - Capital investments in new and existing fixed guideway;
    - Infrastructure renewal in bus and bus-related activities;
    - Crime prevention and security equipment;
    - Preventive maintenance
  - §5309
    - Capital investments to modernize or improve fixed guideway systems
    - Preventive maintenance

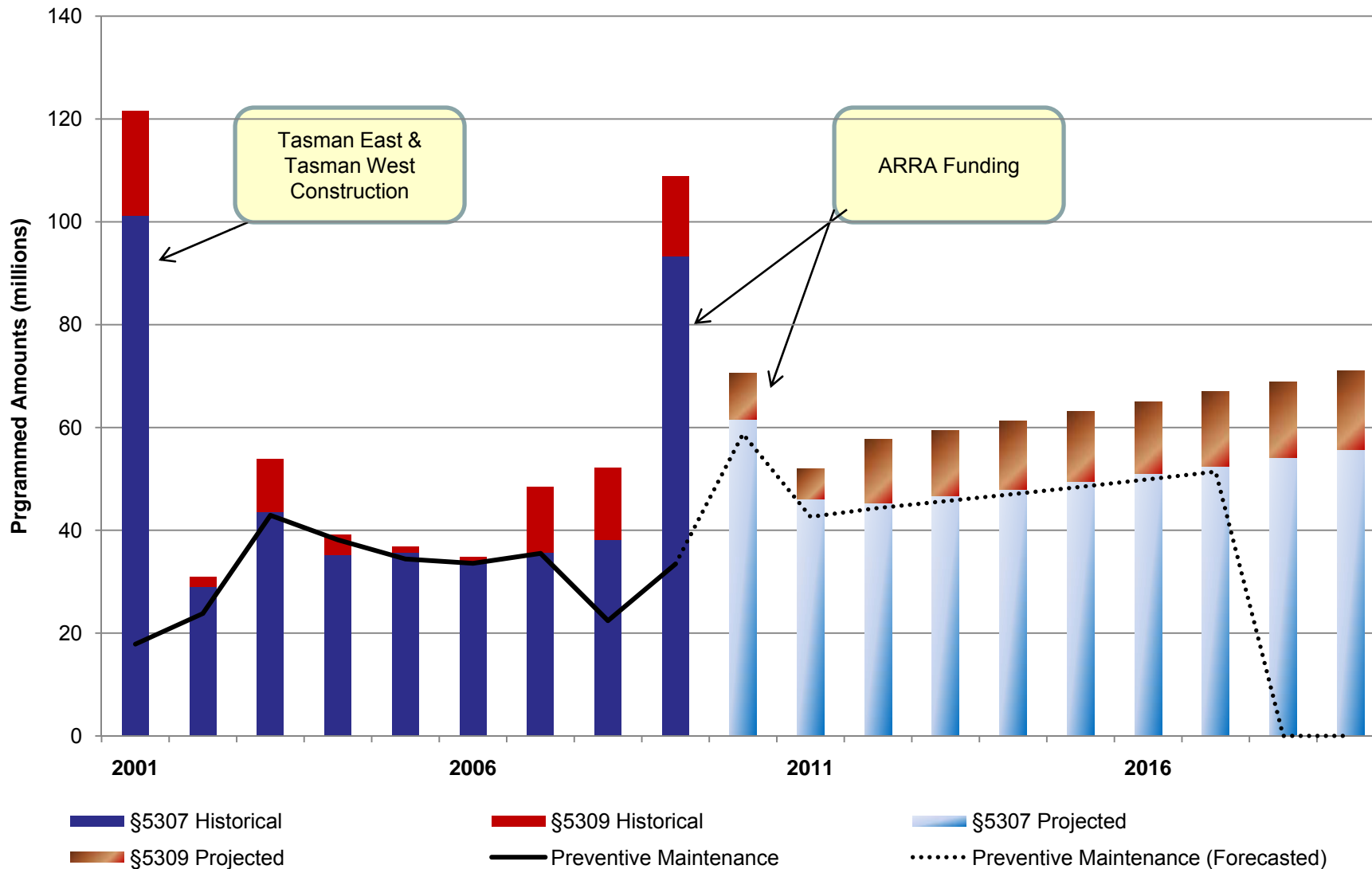
# What is Preventive Maintenance (PM)?

---



- Maintenance expenses of revenue/non-revenue vehicles
  - Essentially functions to support maintenance portion of operating budget
- May exchange capital project funding for preventive maintenance funding
- VTA Preventive Maintenance Capacity
- FY10/11 Adopted Budget assumes maximum (plus recapture of prior year eligible expenditures)

# Federal Grants - Transit



# State Transit Assistance (STA)

---



- Funded from sales tax on gasoline and diesel fuel
  - Distributed based on population and operating revenues
- VTA started receiving in FY1980

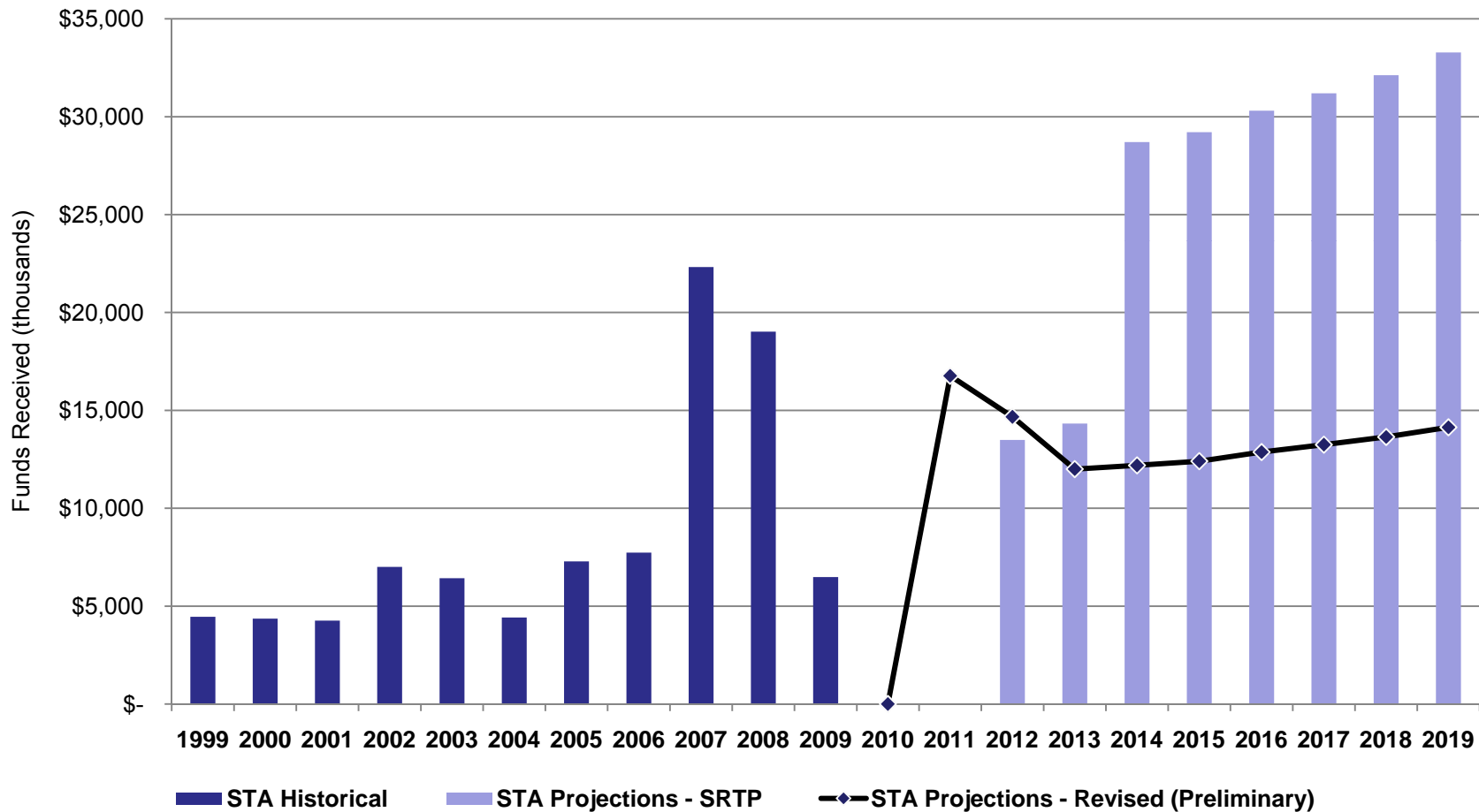
# State Transit Assistance (STA)

---



- Proposition 42
  - Approved by voters in Mar 2002
  - Required most of the sales/use tax received by the State from gasoline to be deposited to Transportation Investment Fund
  - Allowed a portion of the revenues through FY08 to be used to fund Traffic Congestion Relief Program (TCRP)
  - Commencing in FY09, funds were to be distributed pursuant to formula stated in Constitution

# State Transit Assistance (STA)



# Fare Revenue

---

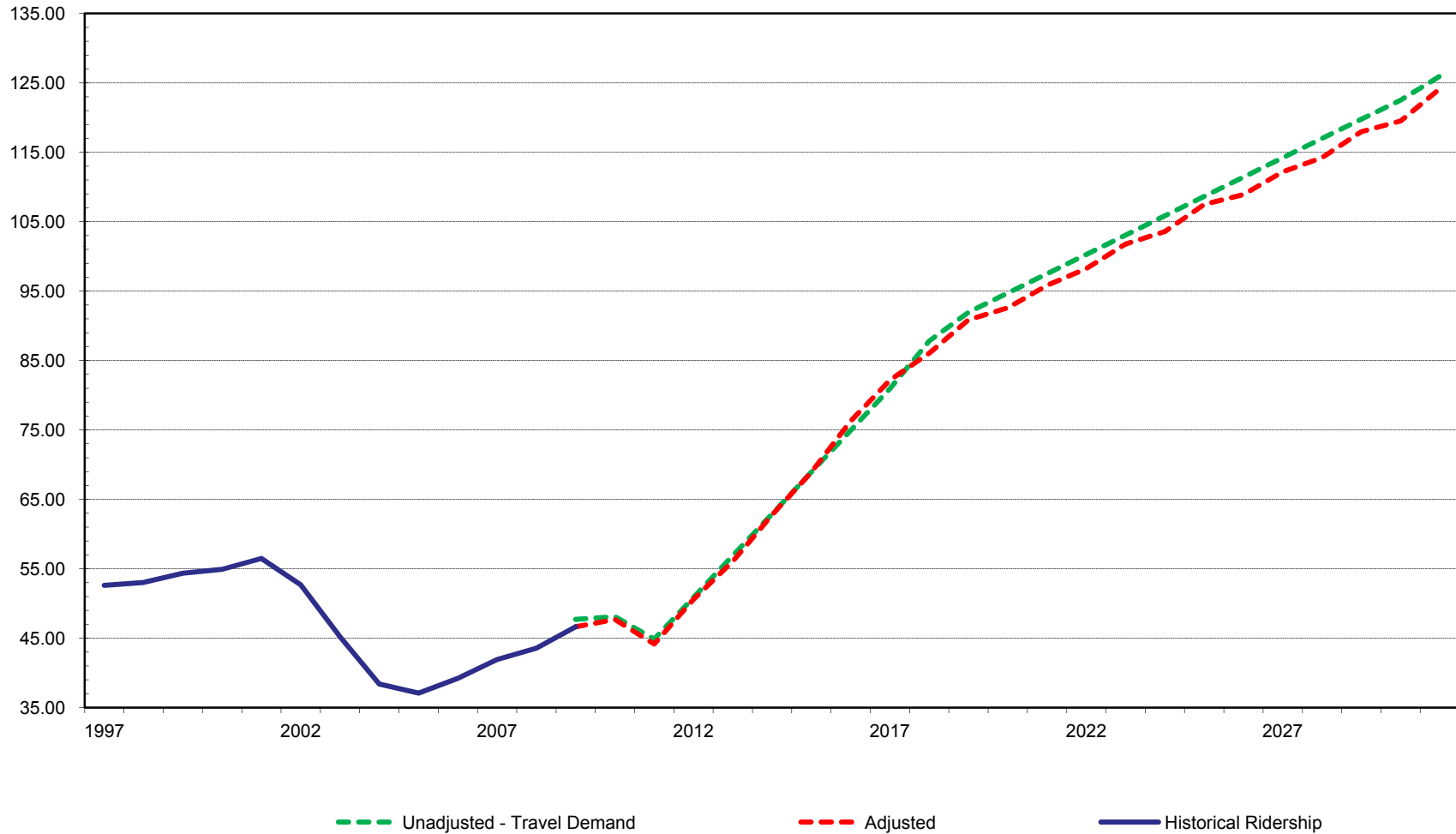


- Can be influenced by VTA Board policy
- Affected by two primary factors:
  - Change in passengers (ridership)
  - Change in fare structure/pricing

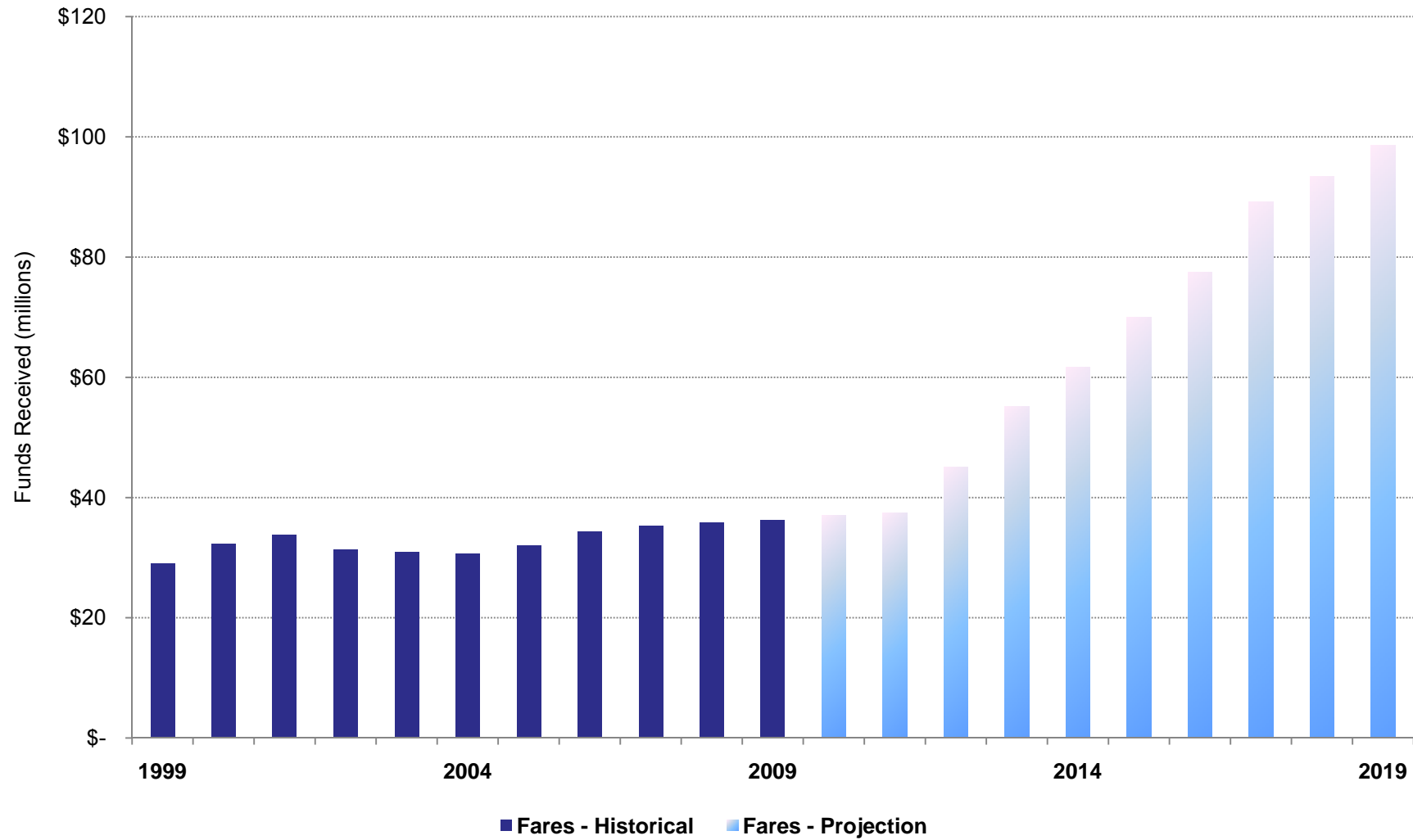
# Ridership



Bus & Rail Ridership (millions)



# Fare Revenue



# Fare Revenue



- Basic Fare - \$2.00
  - Fare Revenue Increase, effective October 1, 2009
  - Average fare per boarding - \$0.94 (up from \$0.81)

Agency	Effective Date	Adult Single Ride	Youth Single Ride	Senior Disabled Single Ride	Adult Monthly Pass	Youth Monthly Pass	Senior Disabled Monthly Pass	Adult Day Pass	Youth Day Pass	Senior Disabled Day Pass
VTA Current	Oct 09	\$2.00	\$1.75	\$1.00	\$70.00	\$45.00	\$25.00	\$6.00	\$5.00	\$2.50
AC Transit	Jul 09	\$2.00	\$1.00	\$1.00	\$80.00	\$15.00	\$20.00	-	-	-
SamTrans	Feb 10	\$2.00	\$1.25	\$1.00	\$64.00	\$25.00	\$36.00	-	-	-
Sacramento RT	Sep 09	\$2.50	\$1.25	\$1.25	\$100.00	\$50.00	\$50.00	\$6.00	\$3.00	\$3.00
SF MUNI	May 10	\$2.00	\$0.75	\$0.75	\$60.00	\$20.00	\$20.00	\$13.00	\$13.00	\$13.00
Santa Cruz Metro	Jul 04	\$1.50	\$1.50	\$0.75	\$50.00	\$35.00	\$25.00	\$4.50	\$4.50	\$2.25
Caltrain 1 Zone	Jan 09	\$2.50	\$1.25	\$1.25	\$66.25	\$33.00	\$33.00	\$5.00	\$2.50	\$2.50

# Fare Revenue

---



- An increase in base fare (adult single ride) would also affect other fare media
- Annual revenue estimates for further increases:
  - \$0.50 increase to \$2.50  $\approx$  \$ 6.4M
  - \$1.00 increase to \$3.00  $\approx$  \$11.7M
  - \$2.00 increase to \$4.00  $\approx$  \$18.8M
  - \$3.00 increase to \$5.00  $\approx$  \$21.1M

# Summary

---



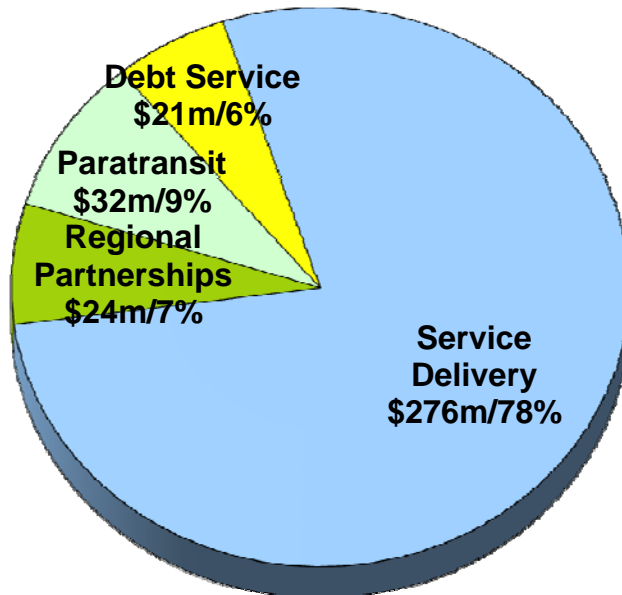
- Other than sales tax – major revenues sources include:
  - Federal Grants
  - State Transit Assistance
  - Fare Revenue
- Sources that can be affected by Board action and help fill funding gap for operations:
  - Fare Revenue

# Next Two Meetings – Use of Funds

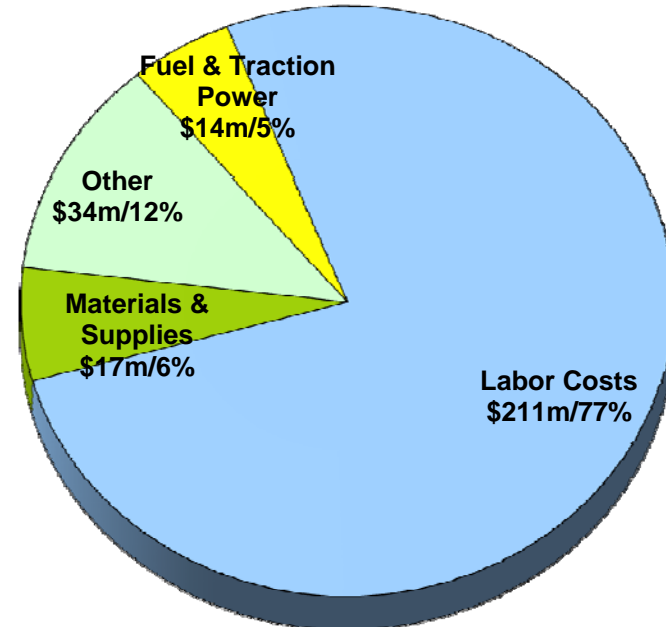


- Service Delivery (Operations) - Largest portion of operating expenses

### Budgeted Operating Expenses



### Service Delivery Budget





---

Questions?



---

# Potential Recommendations?