Major Funding Sources (Except Sales Tax)– Transit System

• Federal Grants
  – FY10 Adopted Budget ≈ $51M/13%

• State Grants (STA)
  – FY10 Adopted Budget ≈ $0
  – Historically ≈ $8.5M/2% but has been as high as $22M

• Fare Revenues
  • FY10 Adopted Budget ≈ $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

Programmed Amounts (millions)

- Tasman East & Tasman West Construction
- ARRA Funding

Historical
- §5307
- §5309

Projected
- §5307
- §5309

Preventive Maintenance
- Forecasted

Years:
- 2001
- 2006
- 2011
- 2016
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
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)

Unadjusted - Travel Demand
Adjusted
Historical Ridership
Fare Revenue

Funds Received (millions)

- 1999
- 2004
- 2009
- 2014
- 2019

\[\text{Fares - Historical} \quad \text{Fares - Projection}\]
Fare Revenue

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>VTA Current</td>
<td>Oct 09</td>
<td>$2.00</td>
<td>$1.75</td>
<td>$1.00</td>
<td>$70.00</td>
<td>$45.00</td>
<td>$25.00</td>
<td>$6.00</td>
<td>$5.00</td>
<td>$2.50</td>
</tr>
<tr>
<td>AC Transit</td>
<td>Jul 09</td>
<td>$2.00</td>
<td>$1.00</td>
<td>$1.00</td>
<td>$80.00</td>
<td>$15.00</td>
<td>$20.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>SamTrans</td>
<td>Feb 10</td>
<td>$2.00</td>
<td>$1.25</td>
<td>$1.00</td>
<td>$64.00</td>
<td>$25.00</td>
<td>$36.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sacramento RT</td>
<td>Sep 09</td>
<td>$2.50</td>
<td>$1.25</td>
<td>$1.25</td>
<td>$100.00</td>
<td>$50.00</td>
<td>$50.00</td>
<td>$6.00</td>
<td>$3.00</td>
<td>$3.00</td>
</tr>
<tr>
<td>SF MUNI</td>
<td>May 10</td>
<td>$2.00</td>
<td>$0.75</td>
<td>$0.75</td>
<td>$60.00</td>
<td>$20.00</td>
<td>$20.00</td>
<td>$13.00</td>
<td>$13.00</td>
<td>$13.00</td>
</tr>
<tr>
<td>Santa Cruz Metro</td>
<td>Jul 04</td>
<td>$1.50</td>
<td>$1.50</td>
<td>$0.75</td>
<td>$50.00</td>
<td>$35.00</td>
<td>$25.00</td>
<td>$4.50</td>
<td>$4.50</td>
<td>$2.25</td>
</tr>
<tr>
<td>Caltrain 1 Zone</td>
<td>Jan 09</td>
<td>$2.50</td>
<td>$1.25</td>
<td>$1.25</td>
<td>$66.25</td>
<td>$33.00</td>
<td>$33.00</td>
<td>$5.00</td>
<td>$2.50</td>
<td>$2.50</td>
</tr>
</tbody>
</table>
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  ≈ $6.4M
  - $1.00 increase to $3.00  ≈ $11.7M
  - $2.00 increase to $4.00  ≈ $18.8M
  - $3.00 increase to $5.00  ≈ $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: $276m/78%
- Regional Partnerships: $24m/7%
- Paratransit: $32m/9%
- Debt Service: $21m/6%

**Service Delivery Budget**
- Labor Costs: $211m/77%
- Materials & Supplies: $17m/6%
- Other: $34m/12%
- Fuel & Traction Power: $14m/5%
Questions?
Potential Recommendations?